

# Employment Gazette

August 1984 Volume 92 No 8  
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# Employment Gazette

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● **Cover picture**

A shortage of graduates, highly concentrated on electronics and for people with industrial experience, is revealed in an Employment Market Research Unit investigation. Pages 354-360.

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# Free Department of Employment leaflets

The following is a list of leaflets published by the Department of Employment. Though some of the more specialised titles are not stocked by local offices, most are available in small quantities, free of charge from employment offices, Jobcentres, unemployment benefit offices and regional offices of the Department of Employment.

In cases of difficulty or for bulk supplies (10 or more) orders should be sent to **General Office, Information 4, Department of Employment, Caxton House, Tothill Street, London SW1H 9NF.**

*Note:* This list does not include the publications of the Manpower Services Commission or its associated divisions nor does it include any priced publications of the Department of Employment.

## Employment legislation

A series of leaflets giving guidance on current employment legislation.

- 1 *Written statement of main terms and conditions of employment* PL700
  - 2 *Procedure for handling redundancies* PL706
  - 3 *Employee's rights on insolvency of employer* PL718
  - 4 *Employment rights for the expectant mother* PL710
  - 5 *Suspension on medical grounds under health and safety regulations* PL705
  - 6 *Facing redundancy? Time off for job hunting or to arrange training* PL703
  - 7 *Union membership rights and the closed shop* PL708(rev)
  - 8 *Itemized pay statement* PL704
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- Employment Acts 1980 and 1982—an outline** PL709
- The law on unfair dismissal—guidance for small firms* PL715
- Fair and unfair dismissal—a guide for employers* PL714
- Individual rights of employees—a guide for employers* PL716
- Recoupment of benefit from industrial tribunal awards—a guide for employers* PL720
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- Code of practice—closed shop agreements and arrangements*

## Industrial tribunals

- Industrial tribunals procedure—for those concerned in industrial tribunal proceedings* ITL1
- Industrial tribunals—appeals against levy assessments* ITL5

**Industrial tribunals—appeals concerning improvement or prohibition notices under the Health and Safety at Work etc Act 1974** ITL19

## Overseas workers

**Employment of overseas workers in the UK**  
Information on the work permit scheme—not applicable to nationals of EC member states or Gibraltarians OW5 1982(rev)

**Employment in the United Kingdom**  
A guide for workers from non-EC countries OW17(1980)

**Employment of overseas workers in the UK**  
Training and work experience scheme OW21(1982)

## Employers and employees covered by Wages Councils

- Are you entitled to a minimum wage and paid holidays?**  
A brief description of the work of wages councils which fix statutory minimum pay, holidays and holiday pay for employees in certain occupations EDL504(rev)
- Statutory minimum wages and holidays with pay**  
The Wages Council Act briefly explained WCL1(rev)

## Other wages legislation

- The Fair Wages Resolution**  
Information for government contractors PL726
- The Truck Acts**  
Describes the provisions of the Truck Acts 1831-1940, which protect workers from abuses in connection with the payment of wages PL725
- Payment of Wages Act 1960**  
Guide to the legislation on methods of payment of wages for manual workers (in particular those to whom the Truck Acts apply) PL673

## Special employment measures

- Job Release Scheme**  
For women aged 59, disabled men aged 60 to 64, and men aged 62 to 64 PL741
- Part-time Job Release Scheme**  
For women aged 59, disabled men aged 60 to 64, and men aged 62 to 64 PL728
- Young Workers Scheme**  
Information for employers on a scheme to create more employment opportunities for young people PL742

**Job Splitting Scheme**  
What you should know about working in a split job PL719

**Just what your company needs**  
Details of a new scheme which helps employers to split existing jobs and open up more part-time jobs PL732

**Jobs, training and early retirement** PL723

## Young people

- The work of the Careers Service**  
A general guide PL669
- Employing young people**  
Describes the help available to employers from the Careers Service PL690
- Help for handicapped young people**  
A guide to the specialist help available from the Careers Service PL675

## Quality of working life

- Work Research Unit**  
Publicity leaflet PL722
- Work Research Unit—1982 Report of the Tripartite Steering Group on Job Satisfaction**  
*Meeting the challenge of change*  
Guidelines for the successful implementation of changes in organisations PL687
- Meeting the challenge of change**  
Summaries of case study reports produced as a result of monitoring change programmes in 12 British organisations PL688

## Employment agencies

**The Employment Agencies Act 1973**  
General guidance on the Act, and regulations for use of employment agency and employment business services PL594(3rd rev)

## Equal pay

- Equal Pay**  
A guide to the Equal Pay Act 1970 PL743
- Equal pay for women—what you should know about it**  
Information for working women PL739

## Race relations

- The Race Relations Employment Advisory Service and the multi-racial workforce** PL679
- Background information about some ethnic groups in Britain** PL738

## Miscellaneous

**The European Social Fund**  
A guide for possible applicants for help from the fund which seeks to improve employment opportunities through training, retraining and resettlement in EC member states PL694

# EMPLOYMENT BRIEF

## Hopeful signs for manufacturing jobs but pay levels threaten revival

There has been a turnaround in the jobs performance of manufacturing industries in Great Britain: for the first time in seven years the number of people at work has risen in this sector. The latest figures show that the seasonally adjusted rise of 4,000 jobs in June more than made up for all the monthly falls since February.

Most of the new jobs were to be found in mechanical engineering; food, drink and tobacco; office machinery; and electrical engineering and instruments.



The Secretary of State for Employment, Mr Tom King, was cautious in welcoming the findings, pointing out that one set of figures cannot guarantee a change in the trend of manufacturing industry employment. However, the rise of 3,000 manufacturing jobs in the second quarter of this year, he remarked, compared favourably with the 22,000 fall in the first quarter, the 41,000 fall a year ago and a 213,000 fall in a single quarter during the depths of the recession.

To win back even more jobs, he said, we must keep our costs competitive. Unfortunately the latest figures for the UK show that the country is slipping out of line with some of its major competitors: "We are continuing to pay ourselves too much," warned Mr King.

In the manufacturing sector the underlying increase in average earnings over the 12 months to June was about 9¼ per cent, slightly lower than in the first quarter of the year but these earnings did reflect higher overtime and less short-time working than a year previously.

### Higher YTS allowance

The weekly allowance to trainees on the Youth Training Scheme is to be increased by five per cent to £26.25 from September 1.

The Mode A annual grant covering the trainee allowance and the contribution to employers' training costs is being increased to £1,950, with the managing agent's fee remaining at £100. Grants for Mode B schemes are being raised in line with the increase in the Mode A grant.



Getting a perspective on the latest video technology, Minister of State for Employment, Mr Peter Morrison, lines up a camera during his visit this month to Plymouth Skillcentre's New Technology Access Centre, where trainees also study computer programming and micro-electronics.

## No repeat strike ballot 'tragedy' under Trade Union Act

The Trade Union Act 1984, which received the Royal Assent shortly before Parliament broke for its summer recess, requires trade unions to begin work on compiling a register of members' names and addresses for use in union elections. This provision comes into force immediately.

Further details of the new Act are given on pages 378-380.

Its strike ballot provisions become effective from September 26 and its political fund

provisions will come into effect on March 31.

Describing the passing of the Act as "a major advance for the cause of union democracy," Secretary of State for Employment, Mr Tom King, stated that for the first time ordinary union members will have a legal right to a secret ballot in national union elections and in deciding whether to have a political fund. Referring to the lack of a ballot in the strike organised by the National Union of Mineworkers, Mr King said that

the ballot provision in the Act had been designed "to ensure that in future this sort of tragedy is not repeated, that union members have the right to vote on issues that are of such importance to them and their families."

From the end of September, he pointed out, any union that calls a strike without first obtaining the support of those concerned in a secret ballot, will lose its immunity from court action.

## Partnership with industry can solve Britain's skill problem

Despite continuing uncertainties over the number of graduates with information technology (IT) skills needed by the British economy, it is certain that additional graduate manpower beyond the expansion already planned will be required for the rest of the decade and possibly longer.

This was one of the main conclusions of the IT Skills Shortages Committee—a committee chaired by Parliamentary Under Secretary of State for Industry, Mr John Butcher, and with members from the Department of Employment, the Department of Education and Science, the National Economic Development Office, the Manpower Services Commission, higher education (HE) and major employers in the industry.

Its first report, published last month, calls for a new partnership between industry and HE. Among specific steps it would like are:

- The establishment of IT training companies with equity participation by companies, academic institutions and Government.
- Universities and polytechnics being commissioned to supply contract education such as courses on conversion, development and updating.
- Employers supplying key executives as visiting professors and helping with the supply of lecturers.
- The IT industry providing the latest equipment on loan or as gifts and giving students access to this.
- The provision of consultancy and employment opportunities for academics so as to improve industry/HE contact at local level and increase the earnings of key individuals.

- Greater opportunities for students to obtain industrial experience within their academic studies.

The committee's second report (expected in the autumn) will concentrate specifically on the supply of technicians. In this first report, however, it has identified the most pressing needs as the supply of electronic engineering and computer science graduates; certain mathematics and physics graduates would also be in high demand.

### High-tech training

A range of intensive training courses aimed at easing the serious skill shortage in Britain's high technology industries have been developed jointly by the Manpower Services Commission and leading universities and polytechnics. Starting in the autumn, they have been designed to give engineers an in-depth knowledge of emerging new technologies such as robotics, opto-electronics and computer aided engineering.

Applicants must have an appropriate degree or HNC (or equivalent) and have been out of full-time education for at least two years. They must also be unemployed or prepared to give up their job. Course fees and a weekly allowance will be paid by the MSC.



Mr John Butcher.

The report quotes from a survey of nine major IT companies—ranging from Hewlett Packard, which is taking on 86 graduates this year, to GEC, which is taking on 1,416. In five years' time they expect demand for graduates to have risen 54 per cent; but the demand for electronic engineering graduates (already more than a third of the total) will have shot up by 71 per cent. Ferranti, for instance, expects to double its electronic engineering intake from 180 to 360 and more than double its computer science intake from 155 to 320 graduates.

The committee emphasised the different timespans involved in the remedial actions it is proposing. Increased provision of first degree courses in the 1985-86 academic year would not yield extra graduate manpower until 1988, whereas post-graduate conversion would produce results in a year or two and in-company training and specialist retraining perhaps even sooner.

Another initiative that must be taken, said Mr Butcher, is that of attracting Britain's emigré IT specialists back to this country and, now that the rewards here are as good as anywhere in the world, it should be possible—indeed, it should be a matter of urgency—to stem the flow of trained personnel being attracted abroad.

## How to cure a headache without breaking the law

There cannot be many people employed in industry who can boast of never having had a headache at work. But in the vast majority of workplaces there are no pain killers available for easy relief.

In the past, aspirin, paracetamol and other pain relieving tablets were standard equipment in most first-aid kits, and dispensed frequently for the most common work complaint—headaches. However, since the Health and Safety (First Aid) Regulations 1981 came into effect, supplying pain relievers to employees has become a major headache in itself:

The Approved Code of Practice for the regulations clearly states: "First-aid boxes . . . should contain a sufficient quantity of suitable first-aid materials and nothing else."

As the Guidance Notes, which specify exactly what items are suitable for inclusion,



An employee purchasing headache tablets from the vending unit in her workplace.

make no mention of headache tablets, the conclusion has been that pain killers should be excluded from first-aid kits. Unfortunately for headache sufferers it is also the case that no-one other than a qualified occupational nurse or doctor is authorised to issue analgesic tablets; employers or first-aiders who do so could be liable for civil action.

To overcome this problem the British Safety Council has now developed a simple solution—the Anadin vending unit. By installing one of these machines in the office, plant or factory, companies can take care of their employees' needs without putting themselves at risk of legal action.

Once installed, the vending unit is supplied with small packages of tablets costing 20p each, which employees purchase themselves. Use of the machine is deemed to be self-prescribing, just as buying a package in the local chemist shop would be.

The unit, price £160 plus VAT (fully filled and with two extra refill packs) can be bought from the British Safety Council Sales Ltd, National Safety Centre, 62-64 Chancellor's Road, Hammersmith, London W6 9RS. The machines are designed to be durable, vandal-proof and easily installed in any workplace.

## Practical experience for distance learners

Following the introduction of Drop-in Skills Centres (DISCs) earlier this year (see *Employment Gazette* March issue for details), the Manpower Services Commission has now started a new type of learning centre. People will also be able to use these on a drop-in basis but, unlike the DISCs, the new Practical Training Facilities (PTFs) will be closely linked to the Open Tech programme and will be mainly used by students on distance learning courses who want to back up their studies with hands-on experience locally.

Whereas the DISCs concentrate mainly on information technology (with some robotics) and are used largely by unemployed and self-employed people, the new PTFs will cover both information technology and computer-aided engineering; they will be located mostly in colleges and polytechnics; and they are aimed mainly at those at supervisor or technician level who are taking Open Tech courses.

There will be no lectures or talks but tutors will be available if participants want them. "The centres will respond to people's needs in a very flexible way," explained Mr Stuart Dalziel, acting head of the MSC's Open Tech Unit. "There are no set courses and very few constraints." The MSC's pump-priming support for most of the PTFs will last

two years, after which time they will be expected to become self-sufficient. At the moment PTFs have begun at Accrington and Rossendale College, Glenrothes and Buckhaven Technical College, Sunderland Polytechnic (Washington), Dudley Technical College, and Gwent College of Higher Education.

● As part of its national strategy for developing occupational training over the next decade, the MSC has published a new policy statement which, while acknowledging the substantial progress already made in some industries towards modernising training arrangements, recognises that there is room for further improvements.

The three key tasks still to be faced, said the Commission, are:

- To improve access to training and vocational education—eliminating unnecessary barriers, persuading employers to base recruitment on recognised levels of competence and, in discussion with professional bodies, removing academic entry qualifications that are not relevant to the training in question.
- To ensure training is cost effective and relevant to available jobs—standards of competence for particular jobs should be agreed by those involved who should also collaborate closely with education and training providers; the length of training should be reduced, content and methods improved and flexibility introduced to meet individual needs.
- To develop assessment systems to provide objective measures of competence throughout training—these should take into account understanding, experience and practical skills as well as knowledge.

## Offshore Scots are top trainees

The cream of Britain's Youth Training Schemes made it through to the final of the Youth Trainees of the Year Competition in London last month. The eventual winner from approximately 100 group entrants was a team of five from the Scottish Offshore Training Association.

The winning team's project involved research for setting up an oil refinery. The trainees went to speak to many different organisations—local authorities, police, fire brigade, health and safety officials and so on—in their attempt to evaluate all the problems that were likely to arise in setting up such a business. In the process they learned much about the complications of setting up any sort of business as well as acquiring specific information about the oil industry.

Runners-up were two trainees from the North West Gas Training Centre who had constructed a fishing pier for the disabled at Altrincham, Cheshire.

In a separate part of the competition—for individuals rather than groups—the three winners worked at a travel agency in Maltby, South Yorkshire, as a dental nurse in Sutton, Surrey, and with a renovation firm in Bolton. They each won a camera and a pocket stereo. For the group winners from the Scottish Offshore Training Association, however, there was the rather more glamorous prospect of a ten-day expenses-paid trip to the USA with the chance to visit a commercial or industrial concern of their choice.



Meeting the winning YTS group, Minister of State for Employment, Mr Peter Morrison, who has special responsibility for the Youth Training Scheme, was both amused and impressed by the costumes they had used in the competition to present their project in an entertaining but readily comprehensible way. The members of the group are (from left to right): Anita Bruce, Yvonne Anderson, Kathryn Cameron, Steve Matthew and Neil Thomson.

## Job training for the disabled

Many of those who could benefit from residential job training courses for disabled people are unaware of these courses, according to the Manpower Services Commission. So it has produced a free 12-page booklet, available from Jobcentres, which deals with the facilities offered at four MSC-backed residential centres, in Durham, Exeter, Leatherhead and Mansfield.

The four centres handle about 700 trainees a year, most of whom go on to get jobs using their new skills within a reasonable time of their return home from the residential centres.

The booklet *Residential training for disabled people* also includes guidance on how to obtain more information and what successful applicants can expect from the courses.

## Consultations reveal widespread criticisms of draft Vredeling and company law Directives

The great majority of respondents to the Government's consultative document on the draft "Vredeling" and Fifth Company Law European Communities Directives have indicated that they are opposed to both sets of proposals.

Announcing this in answer to a Parliamentary Question, Mr Tom King, Secretary of State for Employment, stated that by April 30, 1984 the Department of Employment and the Department of Trade and Industry had received 127 responses to the consultative document. A feature of these responses had been the degree of criticism of both draft Directives from those most active in the field of employee involvement.

Respondents felt that the inflexible approach of the proposals could pose a real threat to their own well recognised methods of involvement. The Government was determined to encourage the voluntary approach

to employee involvement, said Mr King and added that the Government's concern that both draft Directives could be harmful to good industrial relations was strongly reflected in the responses.

The revised texts of the draft Directive on Procedures for Informing and Consulting Employees (the "Vredeling" Directive) and the draft Fifth Directive on the Harmonisation of Company Law were published by the European Commission in the summer of 1983. The Government's consultative document on both sets of proposals was published in November 1983.

Negotiations on both draft Directives are

still in progress in Brussels and the Departments of Employment and of Trade and Industry will continue to be very interested to have comments on particular aspects of the proposals or on the general principles behind them.

● Answering questions in the House of Commons on employee involvement, Mr King revealed the extent of the progress made in the last five years on schemes involving shares and profit sharing in companies.

"The latest figures," he said, "show that there are now nearly 700 such schemes covering more than 1½ million people, and 250,000 people a year are becoming owners of shares in their companies." At the start of this government's term of office in 1979 there had only been 30 such schemes.

## Employers may double student grants

Students may now receive substantially more money from employers under sponsorship schemes without having their grants reduced.

Announcing the changes, Secretary of State for Education and Science, Sir Keith Joseph, said: "I am sure that these increased sponsorship levels will help to attract able students to pursue courses of great importance both to them, to employers and to the economy—including courses leading to careers in the vital new technologies."

### Higher sponsorship limit

The amount employers may give to students with no loss of grant to those students has been more than doubled from £540 a year to £1,200 and for students under the National Engineering Scholarship the increase is from £795 to £1,500.

A recent survey by the Institute for Manpower Studies showed that over 10,000 students were sponsored in 1983 and that over 25 per cent of these were on engineering courses (chiefly courses in mechanical and electrical/electronics engineering).

● Part-time students (studying up to 21 hours a week) who are unemployed but available for work following the completion of a Youth Training Scheme course will no longer be excluded from receiving supplementary benefits. Previously they lost their benefit entitlement if they started their part-time studies within three months of becoming unemployed; this rule has now been relaxed for those coming off the YTS but remains in force for everyone else. It is also planned to allow unemployed people to

study for up to 12 hours a week excluding private study—as opposed to the previous limit of 15 hours including private study—without losing their benefit entitlement. This will avoid the need to check on the time spent on homework.

These changes, said Sir Keith Joseph, are intended to make it easier for colleges to provide for the unemployed who wish to take advantage of opportunities to study while looking for employment: "It is important that such provision matches the needs of unemployed people as fully as possible and that those leaving YTS, for example, can have access to courses which lead somewhere."

## See . . . press . . . dial . . . speak . . . job

A new form of job recruitment combining television advertising, teletext and telephone interviewing/shortlisting techniques started operating in the Thames TV region this month.

With a potential audience of around 8½ million adults, Thames Recruitment Link hopes to provide a very rapid employment service that can be adapted to the needs of particular employers.

The first stage of the recruitment process consists of a series of commercials on Channel Four. These summarise the vacancy, present a company image to the would-be applicant and refer him or her to a page number on Oracle, ITV's teletext service. The Oracle page presents a more detailed description of the job and also gives a telephone number for applicants to dial.



It's not everyday a canoe gets chopped in half and thrown away after finishing second in a six-mile race; but then not many canoes are made of old newspapers held together with wallpaper paste and coated with varnish. The canoe in question was built by Preston Employment Rehabilitation Centre's welfare and recreation section and crewed by welfare officer, Mr Robin Lamb (centre). Mr Victor Jurkajc (left) and Mr Robert Barlow both helped to build the canoe.

This number connects them to Aircall whose operators each have a visual display unit in front of them with a list of questions written to the employer's own specifications. These, for example, may cover experience, age or position currently held. The applicant's responses are then keyed in by the operator and a shortlist of all applicants fitting the requirements are forwarded to the employer within 24 hours.

Apart from its speed and facility for sifting out suitable applicants, Thames Recruitment Link also has the advantages of operating in the applicant's own home (via the TV set and telephone) and of functioning outside normal working hours, with the telephone response facility being manned until midnight on each day that the campaign is running.



## Unemployment and less qualified urban young people

by Michael Banks, Philip Ullah and Peter Warr\*

MRC/ESRC Social and Applied Psychology Unit, University of Sheffield

The Department of Employment has commissioned a longitudinal study to assess the social and psychological effects of unemployment among disadvantaged young people. This article summarises the findings from the first stage of the project undertaken when the young people were one year out of school.

Despite widespread public debate, there is still a lack of detailed information about the impact on teenagers of unemployment. In order to increase knowledge in this area, a longitudinal study of less-well qualified teenagers in 11 urban areas in England is under way. This article summarises findings from the first stage of the research, conducted in the summer of 1982. Until the results from the second stage, conducted a year later, are available this is necessarily a preliminary account of the research.

Because individuals' responses to unemployment are likely to vary according to personal characteristics, the strategy of this study was to focus on a small number of well-defined groups in order to obtain reliable information. Hence the sample of registered unemployed 17-year-olds was selected on the basis of having been unemployed for at least four weeks in the current spell of unemployment, having left school approximately 12 months earlier at the minimum leaving age of 16, and of having no more than two examination passes at GCE ordinary level or CSE equivalents. The study deliberately over-sampled black respondents of Afro-Caribbean descent so as to obtain an adequate basis for ethnic comparisons. The numbers interviewed were: 388 white males, 388 white females, 245 black males and 129 black females. The sample is thus a relatively well-defined sub-group of the teenage population, consisting of unemployed urban youths with poor educational attainments and it would be wrong to generalise the findings reported here to all teenagers.

The article covers seven principal topics: the results are necessarily in summary form, and detailed supporting evidence will be set out in separate research reports to be published in 1985. The article concludes with a description of the second phase of the investigation.

### Labour market experience of unemployed 17-year-olds in the year since leaving school

Twenty-two per cent of the sample had been continuously unemployed since leaving school; 17 per cent had held one or more jobs prior to their current spell of unemployment; 41 per cent had been on the Youth Opportunities Programme (YOP) but had had no paid work; 15 per cent had experience of both YOP and employment; and four per cent had been in Further Education (FE) prior to their current unemployment.

The average member of the sample had been continuously unemployed for six months immediately prior to the interview. On average 65 per cent of the 12 months since leaving school had been spent unemployed, ten per cent had been spent in jobs, with the remaining time on the Youth Opportunities Programme (22 per cent) or in

\* We are grateful to the Department of Employment for financial support and to the Department's Liaison Committee for advice and guidance in the conduct of this study.

The views expressed in this article are the authors' and are not necessarily those of the Department of Employment.

Further Education (three per cent). Seventy-two per cent of the group had not had a full-time job.

There was no difference between black and white teenagers in the proportion of time spent unemployed, but differences were present in respect of jobs versus YOP and FE: black respondents were more likely to have spent time on YOP or FE, whereas whites were more likely to have had jobs. For example, the proportion of time spent on YOP or FE was 28 per cent for blacks and 22 per cent for whites; the proportion of time in a paid job was 12 per cent for whites and six per cent for blacks. Black females were particularly unlikely to have had a job (only four per cent of the time since school, with 87 per cent never having had a full-time job).

The relative disadvantage of unemployed blacks (in terms of proportion of time spent in employment) was greatest in areas of *moderately high* unemployment (for example Greater Manchester, South Yorkshire, West Midlands). Where local unemployment was relatively low (West Yorkshire, East Midlands), no significant disparity between ethnic groups was found in the proportion of time spent in jobs. And where local unemployment was very high (Merseyside), the relative disadvantage of black teenagers also disappeared: jobs were rarely held either by black or by white respondents.

### Selectivity in job seeking

In the 12 months since leaving school, a third of the sample reported applying for more than ten jobs, half had applied for between two and ten, and ten per cent indicated that they had made no job applications. Among the large majority who had applied for jobs, most had received no offers at all: 66 per cent of blacks and 53 per cent of whites had failed in all their job applications.

Considering only those who had received one or more offers of a job, 24 per cent reported turning down at least one offer. This represents less than ten per cent of the full sample. The main reason for turning down a job offer was low pay (a quarter of all refusals), with type of job and hours/conditions next in importance (21 per cent and 15 per cent of refusals).

Slightly more than half of all respondents said that they were "actively looking for a job", 37 per cent reported "keeping my eyes open but not looking hard", and 12 per cent that they were "not really looking at present". Of this last group the majority said they were not looking because there were no jobs available.

### Pay and the type of work sought

Information was also sought about the lowest level of starting pay which would be acceptable. The average was found to be just under £37, with males seeking an average of £37.50 and females £34.90. This compares with averages for current total income while unemployed of about £17 for those living with parents, and about £20 for those living independently.

Another approach to investigating selectivity in job seeking was taken by asking respondents if they would accept any job they were offered. A total of 54 per cent indicated that they would, with the remainder being more cautious. A higher percentage of whites than blacks (57 per cent against 47 per cent) indicated that they would take any job. In response to other questions black teenagers indicated more often than whites that they were looking for particular categories of jobs and that they were seeking training opportunities in a job. In general blacks reported using fewer methods for job-seeking

(visiting the Jobcentre, looking in newspapers, and so on). However, there was no difference between blacks and whites in the lowest level of starting pay they would accept.

### Commitment to the labour market

It is possible that continuing unemployment leads to a gradual withdrawal from the labour market as unemployed teenagers become discouraged and alter their values so that paid work is no longer desired. This possibility has been addressed through four separate labour market attitudes:

(a) **Employment commitment:** the overall importance attached to paid employment. For example, 75 per cent of the sample reported "Even if I won a great deal of money I would still want to have a job".

(b) **Unemployment orientation:** favourable attitudes towards remaining unemployed. For example, 25 per cent of the sample reported, "I like the freedom of being unemployed", and six per cent agreed that "all things considered, being unemployed is usually better than having to go to work".

(c) **Disaffection from the youth labour market:** negative attitudes to the labour market and its official agencies. For example, 78 per cent of the sample believed that "most employers look upon people like me simply as a form of cheap labour".

(d) **Attitude to job-seeking:** feelings about actively looking for a job at the present time. For example, 24 per cent of the sample agreed that "it's not worth chasing after jobs nowadays", and 53 per cent reported "I'm looking for a job as hard as I've ever done".

Employment commitment, (a) above, remained high and unemployment orientation, (b) above, stayed low despite a long period out of work. However, teenagers' attitudes to the labour market, (c) above, and their feelings about looking for jobs, (d) above, were found to be more negative with longer spells of unemployment. Those forms of discouragement appear quite rational in times when job applications are very likely to be unsuccessful. However, despite the pattern in respect of more "surface" attitudes, fundamental values about the importance of paid work seem to be unaffected by long periods of unemployment. That conclusion is supported by a separate analysis comparing respondents who had been continuously unemployed since school against those who had had periods of employment, YOP or FE: no differences were found in respect of employment commitment or lowest acceptable starting pay.

### The psychological health of unemployed young people

Several measures of psychological health indicated that members of the sample were significantly impaired in comparison with teenagers who have jobs. Two examples of items from these measures are: "In the past few weeks have you got upset easily or felt panicky?" to which 12.4 per cent answered that they had for a good part of the time, and 23 per cent reported feeling like that for some of the time; "Have you recently lost much sleep over worry?" to which 20.6 per cent reported rather more or much more than usual. Scores in respect of anxiety, depression and psychological distress (as measured by the General Health Questionnaire) were all higher than in

comparable employed samples (Banks and Jackson, 1982), and four-fifths of individual symptoms recorded by the General Health Questionnaire were said to have commenced at or after the transition into unemployment. Most serious symptoms occurred later than less serious ones, at around three months after the start of a person's unemployment. Financial strain was also widespread, but members of the sample were less concerned about the social stigma of their unemployment than about its impact upon them personally.

Longer periods of unemployment were found not to be associated with progressively greater psychological impairment: within the age-band and period of unemployment of this study the impact of unemployment appears to remain level. That contrasts with findings from other research with older individuals where there is a deterioration over approximately six months with a levelling-off at poorer psychological health thereafter.

### Factors affecting psychological health

There are of course variations around any average level of health, and it is important to identify factors associated with relatively good or relatively poor health. Five factors deserve mention here.

A marked **sex difference** was found, with females exhibiting greater depression, anxiety and distress than males. Comparison of this data with that of employed young people suggests that the differences in well-being between the employed and the unemployed are similar for both males and females.

**Employment commitment** is usually found to be positively correlated with depression, anxiety and distress among samples who are out of work: people for whom paid employment is personally salient suffer particularly when they have no job. Such a relationship was strongly present in this study, for both males and females. This aspect of the "work ethic" is of central importance in determining the individual impact of unemployment.

Measures were also taken of **activities while unemployed**. In general a more active life was associated with better mental health. For example, significant associations were found between the health measures and amount of time spent out the house and amount of time spent with friends. Overall reports of how easy it was to fill the time were particularly strongly linked to mental health scores, although the direction of causality cannot be identified at this stage. It was notable that male members of this unemployed sample reported more active lives in these three respects than did females.

Interviewers also enquired whether a respondent had someone to turn to for several forms of **social support** (help with money, talk about problems, cheer you up, and so on). There was a significant tendency for those with some form of social support to have better mental health. In general females reported more social support than males (usually from their mother or a male friend), but no differences were found between blacks and whites.

An additional factor discovered to be associated with psychological health during unemployment was **ethnic group membership**. This feature is described later on.

### Do unemployed teenagers withdraw into their own "sub-culture", separate from the wider community?

Relations with other teenagers and groups were investigated in several ways. For example, members of the sample were asked about the young people with whom

they spent time during evenings and weekends (when both employed and unemployed contacts are in principle possible). Forty per cent indicated that all or most of these people were also unemployed, 37 per cent that about half were unemployed, and 19 per cent that all or most of them were employed. (Four per cent reported that they did not have contact with young people at those times.) A significant ethnic group difference was found, with the unemployed whites more likely than unemployed blacks to spend time with young people who have jobs.

Further examination of these results indicated that those who have the greatest separation (the 40 per cent who have evening and weekend contact mainly with teenagers who are unemployed) are likely to experience least concern and social stigma about their unemployment. They also exhibit lower levels of employment commitment, have a less positive attitude to job search, and show greater disaffection from the youth labour market. There was also evidence that members of the sample who had been unemployed for longer periods were more likely to have contact only with unemployed teenagers.

Thus the results do contain suggestions that some young people who have been out of work for long periods cope with unemployment through (a) restricting their social network to contacts with others in a similar position, (b) recognising and building upon a common identity with the others, and (c) reducing their commitment to the labour market. However, it is impossible to reach firm conclusions about cause-and-effect in these processes from cross-sectional data of this kind. Analyses of the longitudinal data should provide clearer evidence on this issue.

### Discrimination and unemployed teenagers

In response to an item asking whether the respondent felt he or she had been unfairly discriminated against by an employer when applying for a job, one quarter of the sample replied that they thought they had. More blacks than whites thought they had experienced discrimination (33 per cent against 22 per cent), almost always in respect of their colour; most whites reporting discrimination thought that it was in respect of their appearance. In both cases feeling discriminated against was associated with higher levels of general disaffection from the labour market (see above).

Other items were used to tap perceptions of the extent of racial discrimination in the country as a whole. Four-fifths of the sample thought there were employers in Britain who would refuse a job to a black person because of his or her colour (77 per cent of whites and 87 per cent of blacks). When asked how many employers were likely to do this, two-thirds of those believing this form of discrimination to exist reported that it was likely to be practised by one-quarter or less of employers; black respondents again thought discrimination was more prevalent than did white respondents.

### Differences between black and white unemployed teenagers

One aim of this investigation was to provide information about ethnic group differences. Several of these have been mentioned previously, and the differences will now be summarised and augmented with new material. The account will be organised around the six topics discussed above.

### Labour market experience

We have seen that unemployed black 17 year-olds had experienced no more unemployment in their first year after school than did whites, but that they had less time in paid jobs; instead they spent longer on YOP and FE. That third possibility is in general closed in subsequent years, as the sample moves out of provisions for young workers.

With respect to the nature of jobs obtained in the past year, most were in the service sectors (retailing, catering, welfare work, and so on). This was especially so for black females (60 per cent of all their jobs; compared to 39 per cent for white females, and 29 per cent for both black and white males). Among males there was a slight tendency for more black workers' jobs to be categorised as "skilled" practical and technical work (motor mechanics, machine operators, etc.) (14 per cent, compared to nine per cent for white males). In general, however, both groups had contact only with unskilled jobs of short duration, usually ended by redundancy or dismissal or because the post had been temporary.

### Selectivity in job seeking

There was some evidence of greater selectivity in job seeking by blacks. The black respondents had applied for fewer jobs than the whites, were less likely to accept any job that was offered, and reported more often that they were looking for particular types of work. However, there was no difference in lowest acceptable starting pay, and a smaller proportion of blacks had turned down job offers (18 per cent against 25 per cent). (They had also received fewer offers to accept or refuse.)

### Labour market commitment

From the aspects of labour market commitment mentioned earlier, no differences between the ethnic groups were found in respect to disaffection and lowest acceptable starting pay. However, among the males black respondents showed slightly lower employment commitment, higher unemployment orientation and a less positive attitude to job-seeking than did white respondents. These differences were not present among the females.

Despite differences in overall levels, the pattern of relationships between labour market commitment and duration of unemployment was the same for blacks as for whites; there was no evidence of lower employment commitment or higher required starting pay with longer duration, but greater disaffection and more negative attitudes to job-seeking were present after longer periods out of work.

### Psychological health

On two principal measures, of depression and general

distress, unemployed black teenagers showed significantly better psychological health than their white counterparts. However, neither group revealed a decrease in health with longer periods of unemployment.

Blacks and whites were found to differ on several of the factors linked to good or bad psychological health. For example, the black respondents were in general more likely than whites to report an active life (spending time with friends, out of the house, member of a group, club or team) and that in itself is associated with better mental health when unemployed.

### Sub-cultures

There was some indication that black teenagers without a job are more likely than whites to form a separated network of unemployed people. Blacks were more likely than whites to spend time with other unemployed teenagers, and among the males black respondents exhibited a less positive attitude to job-seeking.

An additional difference concerned social support. Although there was no ethnic group variation in the overall amount of support available, there was a difference in the nature of persons providing this support. Whites were more likely than blacks to turn to their parents for help and support, whereas blacks were more likely than whites to turn to unemployed friends.

### Discrimination

As described earlier, black teenagers believed there to be more racial discrimination in selection for jobs than did whites.

### The second phase of the study

This sample of unemployed young people has been followed up after 12 further months. Second interviews were carried out in the summer of 1983 approximately two years since leaving school, with 732 respondents successfully contacted. In addition the sample was boosted by inclusion of unemployed teenagers of the same age and educational qualifications. The sample at phase two contains 1,282 young people.

At that time members of the sample were aged 18 and entering the adult labour market. Information was gathered on all the topics summarised above, providing a unique set of material for longitudinal and cross-sectional analysis. Meanwhile it is important not to generalise the findings reported here to all teenagers. The strength of the present data lies in their focused concern on unemployment among poorly qualified urban young people during their first year out of school.

### References

M H Banks and P R Jackson (1982) "Unemployment and risk of minor psychiatric disorder in young people: cross sectional and longitudinal evidence"; *Journal of Psychiatric Medicine*, 12, pp. 789-798.

P B Warr, M H Banks and P Ullah, "The experience of unemployment among black and white urban teenagers"; *British Journal of Psychology*, forthcoming.

## SPECIAL FEATURE

# Unemployment flows: detailed analysis

This article extends the information about flows into and out of unemployment and the duration of unemployment, which has become available following the introduction of the computerised count of unemployed claimants'

Unemployment has recently been growing more quickly among women than men. The divergence is best illustrated by the different pattern of flows into and out of unemployment. This article presents monthly unemployment flows figures by age and sex, for the first time. The likelihood of becoming unemployed and ceasing to be unemployed, and median length of unemployment spells are given separately for men and women. The latest quarterly results for males and females by age and regions are also presented.

### Monthly data

The monthly flows data in table 2.19 of the *Labour Market Data* section shows how the inflow of adult males into unemployment has generally been below the level of a year ago and the outflow has been higher than a year ago, while adult female inflows and outflows have risen compared with twelve months ago. However these changes are not consistent across all age groups (see tables 1 and 2). The falls in the inflow for adult males are concentrated in the 30 and over age groups, perhaps reflecting fewer redundancies, while the improved outflow has been felt most by the 18 to 24 age group. The increased inflows and outflows for adult females are more evenly spread across the age groups. These trends have continued since last autumn when it first became possible to make comparisons with a

year earlier. For both males and females the largest changes in flows have occurred in the under 18 age group. This is largely a result of the change last year from six month YOP training schemes to the twelve month YTS for school leavers which has led to fewer recruits to schemes during the year, and delayed the return of some of these trainees to the count.

### Quarterly data

The likelihood of ceasing to be unemployed has declined, but the likelihood of becoming unemployed has also fallen (table 3). This is consistent with the continuing faster growth observed in long-term unemployment compared with total unemployment. In Great Britain the number unemployed over one year increased by 15 per cent between April 1983 and April 1984 while total unemployment increased by two per cent over the same period (after including allowances for the 1983 Budget provisions). Also the duration of completed spells is lengthening, indicating that the increased outflow is made up mainly of people who have had relatively short periods of unemployment (table 4).

### Regional variations

For males the biggest fall in the unemployment in the year to April 1984 occurred in the West Midlands, where

Table 1 Unemployment inflows: standardised\*\*, not seasonally adjusted. Computerised records only

Great Britain Month ending	Age group									All ages
	Under 18	18-19	20-24	25-29	30-34	35-44	45-54§	55-59†§	60 and over†§	
<b>MALE</b>										
<b>1982</b>										
October	45.0	34.0	57.4	34.3	26.0	38.3	28.0	14.8	13.5	291.1
November	27.7	26.5	51.7	33.5	26.1	38.7	28.6	14.8	13.4	261.0
December	23.4	23.0	46.8	30.9	24.6	37.1	26.8	13.4	11.5	237.6
<b>1983</b>										
January	27.9	22.0	43.2	27.6	21.7	32.8	24.3	12.8	11.9	224.2
February	26.0	23.6	44.4	29.2	23.0	34.7	25.3	12.4	11.4	230.0
March	22.2	21.3	41.7	27.6	21.5	33.3	24.6	12.0	11.7	215.8
April	34.3	21.3	42.8	27.5	21.6	32.5	24.7	13.7	13.2	231.6
May	23.9	21.3	41.0	26.7	21.0	31.7	23.9	12.8	11.7	214.0
June	20.1	21.7	40.8	26.2	20.3	30.5	22.4	12.4	10.7	205.1
July	21.3	27.7	69.9	29.6	21.5	31.4	22.8	12.5	10.6	247.3
August	22.0	26.0	52.0	28.7	21.5	32.1	23.4	12.7	10.4	228.9
September	80.3	45.7	51.6	28.3	21.0	32.0	23.4	13.2	10.2	305.6
October	43.2	37.3	57.7	32.8	23.9	36.4	26.8	15.0	11.9	285.1
November	24.1	26.9	51.5	31.5	23.5	35.5	26.2	13.4	11.3	243.9
December	20.2	23.9	46.9	29.7	22.8	35.2	25.3	12.8	10.4	227.2
<b>1984</b>										
January	21.3	23.3	45.7	28.0	21.4	32.2	23.7	12.7	10.5	218.8
February	21.6	25.3	47.8	29.9	22.7	34.3	24.3	11.8	9.5	227.2
March	17.3	21.4	42.0	26.7	20.2	30.7	22.2	11.0	8.9	200.4
April	16.0	21.9	44.6	27.6	21.0	31.5	23.6	12.9	10.2	209.2
May	27.6	20.4	42.1	26.4	19.8	30.2	21.9	11.2	9.2	208.9
June	18.4	21.9	43.9	26.0	19.2	29.1	20.8	10.6	8.5	198.4





**Table 3 Likelihood\* of becoming unemployed and ceasing to be unemployed by age and sex**

Great Britain	Age group									All ages
	Under** 18	18-19	20-24	25-29	30-34	35-44	45-54	55-59	60 and over	
<b>MALE</b>										
<b>Unemployment rates § (1 per cent)</b>										
Apr 1983	24.8	28.4	22.1	16.2	12.7	12.2	11.5	15.4	22.5	16.3
Apr 1984	20.4	28.8	22.3	16.3	12.7	12.4	11.8	16.6	8.8	15.3
<b>Likelihood of becoming unemployed†</b>										
Jan-April 1983	18.1	9.1	7.2	5.2	3.9	3.7	3.0	3.1	3.6	5.0
Jan-Apr 1984	11.4	8.8	6.9	4.8	3.5	3.3	2.6	2.6	2.6	4.3
Change	-6.7	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.5	-1.0	-0.7
<b>Likelihood of ceasing to be unemployed‡</b>										
Jan-Apr 1983	58.8	32.5	34.6	34.1	33.6	32.1	27.0	17.6	19.6	31.1
Jan-Apr 1984	51.7	33.3	33.3	33.0	30.7	29.6	22.8	13.8	50.4	30.7
Change	-7.1	+0.8	-1.3	-1.1	-2.9	-2.5	-4.2	-3.8	+30.8	-0.4
<b>FEMALE</b>										
<b>Unemployment rates§ (per cent)</b>										
Apr 1983	20.9	21.4	14.5	11.3	5.9	4.1	4.5	4.2		8.5
Apr 1984	17.2	22.3	15.9	13.2	6.7	4.6	5.1	4.7		9.0
<b>Likelihood of becoming unemployed†</b>										
Jan-Apr 1983	15.8	8.0	6.0	4.8	2.6	1.8	1.3	0.7		3.6
Jan-Apr 1984	9.4	7.2	5.9	4.9	2.6	1.8	1.3	0.6		3.2
Change	-6.4	-0.8	-0.1	+0.1	0.0	0.0	0.0	-0.1		-0.4
<b>Likelihood of ceasing to be unemployed‡</b>										
Jan-Apr 1983	65.8	40.7	44.1	43.5	46.2	41.7	27.5	22.4		42.5
Jan-Apr 1984	52.9	37.6	39.6	40.2	41.9	39.7	23.9	16.4		37.4
Change	-12.9	-3.1	-4.5	-3.3	-4.3	-2.0	-3.6	-6.0		-5.1
<b>MALE AND FEMALE</b>										
<b>Unemployment rates§ (per cent)</b>										
Apr 1983	23.0	25.0	18.7	14.3	10.1	8.7	8.4	13.3		12.9
Apr 1984	18.9	25.7	19.5	15.2	10.5	9.0	8.8	10.0		12.7
<b>Likelihood of becoming unemployed†</b>										
Jan-Apr 1983	17.2	8.7	6.7	5.0	3.4	2.9	2.3	2.4		4.4
Jan-Apr 1984	10.5	8.0	6.5	4.8	3.2	2.7	2.0	1.9		3.8
Change	-6.7	-0.7	-0.2	-0.2	-0.2	-0.2	-0.3	-0.5		-0.6
<b>Likelihood of ceasing to be unemployed‡</b>										
Jan-Apr 1983	61.9	35.1	37.8	36.8	36.3	34.0	27.1	19.1		34.2
Jan-Apr 1984	52.3	35.1	35.6	35.4	33.4	31.8	23.1	23.6		32.7
Change	-9.6	0.0	-2.2	-1.4	-2.9	-2.2	-4.0	+4.5		-1.5

\* These likelihoods provide a relative guide to the prospects of an individual becoming or ceasing to be unemployed. They cannot be taken as actual probabilities for these events.  
 † The likelihood of becoming unemployed is the inflow expressed as a percentage of the average number of employees in employment plus the unemployed.  
 ‡ The likelihood of ceasing to be unemployed is the outflow expressed as a percentage of the average number unemployed over the quarters. The likelihood of ceasing to be unemployed has been calculated using outflow data adjusted for the effects of the 1983 Budget provisions in the numerator but the denominator has not been adjusted.  
 § While the figures for unemployment rates are presented to one decimal place, they should not be regarded as implying precision to that degree. The rates for those under 20 are subject to the widest error.  
 \*\* The comparison between April 1983 and April 1984, is affected by the different timing of Easter, this particularly affects the under 18 year old age group.

**Table 4 Median\* duration of unemployment by age and sex (weeks)**

	Under 18	18-19	20-24	25-29	30-34	35-44	45-54	55-59	60 and over	All ages
<b>MALE</b>										
<b>Completed spells (computerised records only)</b>										
Jan 1983-Apr 1983	8.6	16.8	16.4	15.2	15.0	13.8	14.5	17.1	26.0	14.8
Jan 1984-Apr 1984	9.7	16.6	15.2	14.1	14.2	13.3	13.3	15.7	25.1	14.4
Change	+1.1	-0.2	-1.2	-1.1	-0.8	-0.5	-1.2	-1.4	-0.9	-0.4
<b>Uncompleted spells (All records)</b>										
Apr 1983	11.9	30.4	34.8	37.2	39.5	41.5	47.5	52.5	57.1§	37.8
Apr 1984	19.9	31.7	36.0	41.7	47.4	51.1	59.8	64.7	29.9§	40.7
Change	+8.0	+1.3	+1.2	+4.5	+7.9	+9.6	+12.3	+12.2	-27.2§	+2.9
<b>FEMALE</b>										
<b>Completed spells (computerised records only)</b>										
Jan 1983-Apr 1983	8.0	14.9	15.6	17.3	15.1	12.5	13.9	18.7	(46.5)†	13.4
Jan 1984-Apr 1984	9.4	15.0	15.1	17.3	14.3	11.7	13.0	16.3	(43.7)†	13.7
Change	+1.4	+0.1	-0.5	0.0	-0.8	-0.8	-0.9	-2.4	(-2.8)†	+0.3
<b>Uncompleted spells (All records)</b>										
Apr 1983	12.3	27.4	26.0	23.8	24.1	26.2	38.4	55.8	(118.2)†	26.3
Apr 1984	19.9	30.1	27.6	25.1	25.4	28.7	45.7	71.6	(128.3)†	29.7
Change	+7.6	+2.7	+1.6	+1.3	+1.3	+2.5	+7.3	+15.8	(+10.1)†	+3.4

**Table 4 (continued)**

	Under 18	18-19	20-24	25-29	30-34	35-44	45-54	55-59	60 and over	All ages
<b>MALE AND FEMALE</b>										
<b>Completed spells (Computerised records only)</b>										
Jan 1983-Apr 1983	8.3	15.9	16.1	15.9	15.0	13.5	14.4	17.4	26.3	14.3
Jan 1984-Apr 1984	9.5	15.9	15.2	15.2	14.2	12.8	13.2	15.8	25.3	14.2
Change	+1.2	0.0	-0.9	-0.7	-0.8	-0.7	-1.2	-1.6	-1.0	-0.1
<b>Uncompleted spells (all records)</b>										
Apr 1983	12.1	29.1	31.5	32.2	35.0	37.2	44.9	53.2	57.3§	34.1
Apr 1984	19.9	31.0	32.6	34.0	38.3	43.4	55.2	66.2	30.2§	36.3
Change	+7.8	+1.9	+1.1	+1.8	+3.3	+6.2	+10.3	+13.0	-27.1§	+2.2

\* The median duration is the length of time spent unemployed, which has been exceeded by 50 per cent of the unemployed.  
 † These medians are affected by the small number of observations in these cells.  
 § The 1983 Budget measures will have affected the median length of uncompleted spells between April 1983 and April 1984.

**Previous articles**

This article updates information provided in previous articles on unemployment flows published in the August 1983, November 1983, February 1984 and May 1984 issues of *Employment Gazette*.

**Methods of calculation**

The August 1983 article (pp 351-358) outlined the methods used to calculate the above unemployment flows statistics, together with some of the limitations of the data, other factors influencing the figures are mentioned in the

**Table 5 Likelihood\* of becoming unemployed and ceasing to be unemployed by region and sex**

	South East	Greater London	East Anglia	South West	West Midlands	East Midlands	Yorkshire and Humberside	North West	North	Wales	Scotland	Great Britain
<b>MALE</b>												
<b>Unemployment rates</b>												
Apr 1983	12.0	12.0	13.3	14.2	19.9	15.3	17.9	20.3	22.3	20.4	18.4	16.3
Apr 1984	11.4	11.9	11.9	13.1	17.7	14.4	16.6	19.4	21.5	19.2	18.1	15.3
<b>Likelihood of becoming unemployed†</b>												
Jan-Apr 1983	4.4	4.3	4.6	4.9	4.9	4.8	5.1	5.4	6.0	5.6	5.6	5.0
Jan-Apr 1984	3.9	3.8	4.1	4.4	3.9	4.2	4.4	4.5	5.3	4.7	5.1	4.3
Change	-0.5	-0.5	-0.5	-0.5	-1.0	-0.6	-0.7	-0.9	-0.7	-0.9	-0.5	-0.7
<b>Likelihood of ceasing to be unemployed‡</b>												
Jan-Apr 1983	37.1	33.6	34.4	36.7	24.4	30.6	29.0	26.4	27.9	28.6	33.5	31.1
Jan-Apr 1984	36.8	32.8	37.0	37.1	24.5	30.9	29.0	25.9	26.0	26.4	32.1	30.7
Change	-0.3	-0.8	+2.6	+0.4	+0.1	+0.3	0.0	-0.5	-1.9	-1.2	-1.4	-0.4
<b>FEMALE</b>												
<b>Unemployment rates</b>												
Apr 1983	6.0	6.1	7.1	8.0	10.5	7.8	9.6	10.2	11.7	10.8	10.5	8.5
Apr 1984	6.8	6.9	7.8	9.0	10.9	8.6	10.1	10.8	12.1	11.0	10.9	9.1
<b>Likelihood of becoming unemployed†</b>												
Jan-Apr 1983	2.9	2.9	3.2	3.5	3.7	3.5	3.8	4.0	4.4	4.3	4.3	3.6
Jan-Apr 1984	2.9	2.8	3.0	3.4	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.2
Change	0.0	-0.1	-0.2	-0.1	-0.6	-0.3	-0.5	-0.6	-0.9	-0.7	-0.6	-0.4
<b>Likelihood of ceasing to be unemployed‡</b>												
Jan-Apr 1983	45.9	48.6	44.2	47.0	34.7	43.5	39.3	39.9	38.4	40.4	43.6	42.5
Jan-Apr 1984	43.2	41.7	40.7	40.4	30.1	37.6	34.4	34.9	32.4	35.9	38.1	37.4
Change	-2.7	-6.9	-3.5	-6.6	-4.6	-5.9	-4.9	-5.0	-6.0	-4.5	-5.5	-5.1
<b>MALE AND FEMALE</b>												
<b>Unemployment rates</b>												
Apr 1983	9.4	9.5	10.8	11.5	16.1	12.2	14.5	16.0	18.0	16.5	15.0	13.0
Apr 1984	9.4	9.8	10.2	11.3	15.0	12.0	13.9	15.8	17.7	15.9	15.0	12.7
<b>Likelihood of becoming unemployed†</b>												
Jan-Apr 1983	3.8	3.7	4.0	4.3	4.4	4.3	4.6	4.8	5.4	5.1	5.0	4.4
Jan-Apr 1984	3.5	3.4	3.6	3.9	3.6	3.8	3.9	4.0	4.6	4.2	4.5	3.8
Change	-0.3	-0.3	-0.4	-0.4	-0.8	-0.5	-0.7	-0.8	-0.8	-0.9	-0.5	-0.6
<b>Likelihood of ceasing to be unemployed‡</b>												
Jan-Apr 1983	40.2	36.9	37.1	39.7	27.1	34.0	31.8	30.0	30.6	31.7	36.6	34.2
Jan-Apr 1984	38.8	35.4	38.1	38.2	26.2	32.9	30.6	28.5	27.8	29.1	34.0	32.7
Change	-1.4	-1.5	+1.0	-1.5	-0.9	-1.1	-1.2	-1.5	-2.8	-2.6	-2.6	-1.5

\* See footnotes to table 3.  
 † See footnotes to table 3.  
 ‡ See footnotes to table 3.

Table 6 Median\* duration of unemployment by region and sex

	South East	Greater London	East Anglia	South West	West Midlands	East Midlands	Yorkshire and Humber-side	North West	North	Wales	Scotland	Great Britain
<b>MALE</b>												
<b>Completed spells (Computerised records only)</b>												
Jan-Apr 1983	13.0	14.1	12.7	14.3	17.8	14.1	14.8	17.0	15.9	17.3	14.3	14.8
Jan-Apr 1984	12.7	14.6	12.2	13.5	18.2	13.2	14.4	17.1	15.8	17.1	13.0	14.4
Change	-0.3	+0.5	-0.5	-0.8	+0.4	-0.9	-0.4	+0.1	-0.1	-0.2	-1.3	-0.4
<b>Uncompleted spells (all records)</b>												
April 1983	31.7	33.1	32.1	33.0	47.0	36.4	38.6	42.9	44.7	40.2	39.5	37.8
April 1984	34.2	36.6	33.0	32.4	54.0	37.9	41.6	48.5	47.1	43.1	42.3	40.7
Change	+2.5	+3.5	+0.9	-0.6	+7.0	+1.5	+3.0	+5.6	+2.4	+2.9	+2.8	+2.9
<b>FEMALE</b>												
<b>Completed spells (Computerised records only)</b>												
Jan-Apr 1983	11.4	11.9	12.1	13.0	16.8	12.4	15.3	14.4	16.7	15.7	13.6	13.4
Jan-Apr 1984	11.5	12.0	11.8	13.5	17.8	12.6	15.2	14.9	18.1	16.2	14.0	13.7
Change	+0.1	+0.1	-0.3	+0.5	+1.0	+0.2	-0.1	+0.5	+1.4	+0.5	+0.4	+0.3
<b>Uncompleted spells (all records)</b>												
April 1983	23.2	24.0	23.7	25.0	30.8	24.7	26.6	28.2	29.4	27.3	26.8	26.3
April 1984	25.9	27.0	26.1	27.1	34.8	27.9	30.3	31.9	33.5	30.8	30.0	29.7
Change	+2.7	+3.0	+2.4	+2.1	+4.0	+3.2	+3.7	+3.7	+4.1	+3.5	+3.2	+3.4
<b>MALE AND FEMALE</b>												
<b>Completed spells (Computerised records only)</b>												
Jan-Apr 1983	12.5	13.1	12.5	13.9	17.4	13.4	15.0	16.1	16.2	16.8	14.0	14.3
Jan-Apr 1984	12.3	13.5	12.1	13.5	18.1	13.0	14.6	16.3	16.5	16.8	13.4	14.2
Change	-0.2	+0.4	-0.4	-0.4	+0.7	-0.4	-0.4	+0.2	+0.3	0.0	-0.6	-0.1
<b>Uncompleted spells (all records)</b>												
April 1983	28.9	30.3	29.4	30.2	40.9	32.7	34.7	37.5	38.9	35.8	34.9	34.1
April 1984	31.2	33.3	30.5	30.3	46.2	34.3	37.0	41.5	41.6	37.7	37.1	36.3
Change	+2.3	+3.0	+1.1	+0.1	+5.3	+1.6	+2.3	+4.0	+2.7	+1.9	+2.2	+2.2

\* See footnotes to table 4.

Table 7 Unemployment flows and completed durations by age\*: Jan 13, 1984 to April 5, 1984

Great Britain Duration of completed spell of unemployment in weeks	Age groups												All	
	Under 17	17	18	19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59		60 and over
<b>MALE</b>														
Inflow	18.2	32.5	32.4	30.9	124.0	77.7	59.0	50.4	38.7	34.0	30.7	33.0	26.4	587.9
Outflow	1.6	2.2	1.8	1.8	7.2	4.8	3.6	3.4	2.5	2.1	1.6	1.4	1.3	35.3
One or less	1.9	2.3	1.9	1.7	7.6	5.1	3.8	3.3	2.5	2.1	1.6	1.3	1.7	36.9
Over 1 and up to 2	3.0	3.4	3.1	2.8	12.2	7.8	5.8	5.1	3.9	3.4	2.6	2.2	2.6	57.9
Over 2 and up to 4	2.1	2.7	2.4	2.4	9.9	6.2	4.7	4.0	3.3	2.6	2.1	1.7	2.0	46.2
Over 4 and up to 6	1.4	2.2	2.2	2.0	8.4	5.3	4.0	3.4	2.6	2.2	1.8	1.5	1.4	38.5
Over 6 and up to 8	2.4	4.1	4.1	4.0	16.2	10.3	7.7	6.7	5.2	4.4	3.6	3.0	2.6	74.3
Over 8 and up to 13	4.7	8.0	8.6	7.6	28.1	16.6	12.4	10.6	8.0	6.9	5.8	5.4	4.4	127.0
Over 13 and up to 26	0.7	3.6	4.7	4.1	14.6	7.4	5.6	4.5	3.5	2.9	2.7	2.6	2.6	59.5
Over 26 and up to 39	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Over 39 and up to 52	—	2.1	2.4	2.1	6.9	4.2	3.3	2.7	2.1	1.9	1.8	2.1	2.8	34.3
Over 52 and up to 65	—	0.7	1.4	1.5	4.9	3.4	2.4	2.1	1.6	1.5	1.3	1.7	8.2	30.8
Over 65 and up to 78	—	0.7	1.0	1.4	3.9	2.5	1.8	1.5	1.1	1.0	0.5	0.5	1.1	17.0
Over 78 and up to 104	—	0.2	1.1	1.7	5.0	3.0	2.3	1.9	1.4	1.1	0.4	0.4	0.4	18.8
Over 104 and up to 156	—	—	0.4	1.1	5.1	3.1	2.4	2.0	1.5	1.2	0.4	0.3	0.2	17.6
Over 156	—	—	—	0.1	2.8	2.3	1.8	1.4	1.1	1.0	0.2	0.1	0.1	10.9
Duration not available	0.9	0.7	0.6	0.5	1.7	6.9	4.6	3.5	2.9	2.0	3.5	4.4	14.8	47.0
All	18.9	33.0	35.7	34.7	134.7	88.8	66.2	56.2	43.1	36.4	29.7	28.6	46.1	652.0
<b>FEMALE</b>														
Inflow	13.6	24.0	25.2	22.8	82.2	48.5	27.3	20.7	15.8	14.1	11.0	8.6	—	313.9
Outflow	1.2	1.6	1.5	1.4	4.6	2.5	1.7	1.5	1.1	0.9	0.7	0.4	—	19.0
One or less	1.5	2.0	1.7	1.5	5.4	2.9	1.9	1.5	1.1	0.9	0.7	0.4	—	21.4
Over 1 and up to 2	2.3	2.8	2.8	2.5	8.7	4.6	2.9	2.3	1.7	1.3	0.9	0.6	—	33.5
Over 2 and up to 4	1.7	2.1	2.2	2.1	6.8	3.4	2.0	1.7	1.2	1.0	0.7	0.4	—	25.5
Over 4 and up to 6	1.3	1.8	1.9	1.8	5.6	2.8	1.6	1.3	0.9	0.8	0.6	0.4	—	20.7
Over 6 and up to 8	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Over 8 and up to 13	2.1	3.2	3.5	3.3	10.2	5.2	2.9	2.2	1.7	1.3	1.0	0.8	—	37.4
Over 13 and up to 26	3.7	6.2	7.4	6.2	16.9	8.4	4.4	3.3	2.6	2.1	1.7	1.3	—	64.2
Over 26 and up to 39	0.6	2.5	3.4	3.3	9.6	4.7	2.5	1.6	1.2	1.1	0.9	0.7	—	32.1
Over 39 and up to 52	—	1.5	1.6	1.5	5.7	4.0	2.0	1.2	0.9	0.8	0.7	0.7	—	20.7
Over 52 and up to 65	—	0.6	1.1	1.3	6.7	6.3	3.0	1.6	1.1	1.0	0.6	0.7	—	24.0
Over 65 and up to 78	—	0.6	0.7	1.0	2.2	1.3	0.7	0.5	0.3	0.4	0.2	0.2	—	8.1
Over 78 and up to 104	—	0.1	0.8	1.1	2.4	1.1	0.6	0.4	0.4	0.5	0.1	0.2	—	7.7
Over 104 and up to 156	—	—	0.3	0.7	2.1	0.7	0.4	0.3	0.3	0.4	0.1	0.1	—	5.4
Over 156	—	—	—	0.1	1.1	0.3	0.2	0.2	0.1	0.2	—	0.1	—	2.3
Duration not available	0.7	0.6	0.5	0.4	1.3	4.0	2.0	1.7	1.3	0.9	1.3	3.0	—	17.6
All	15.1	25.5	29.3	28.1	89.4	52.3	28.8	21.4	15.8	13.6	10.2	10.0	—	339.6

\* Ages of claimants relate to their ages either at the time of becoming unemployed or when they cease to be unemployed, as appropriate.

Table 8 Unemployment flows and completed durations by region Jan 13, 1984 to April 5, 1984

Duration of completed spell of unemployment in weeks	Region											Great Britain
	South East	Greater London (included in South East)	East Anglia	South West	West Midlands	East Midlands	Yorkshire and Humber-side	North West	North	Wales	Scotland	
<b>MALE</b>												
Inflow	174.6	83.5	18.1	42.3	52.9	39.4	53.4	71.9	40.1	29.5	65.5	587.9
Outflow	11.5	4.8	1.1	2.8	2.4	2.2	3.3	4.2	2.4	1.4	4.0	35.3
One or less	11.7	5.1	1.2	2.3	3.2	2.8	3.6	3.8	2.2	1.6	4.5	36.9
Over 1 and up to 2	18.3	7.8	2.0	4.5	4.6	3.7	5.1	6.4	3.5	2.5	7.4	57.9
Over 2 and up to 4	14.5	6.2	1.6	3.4	3.8	3.0	4.1	5.2	2.9	2.1	5.8	46.2
Over 4 and up to 6	11.9	5.1	1.3	3.0	3.1	2.5	3.5	4.3	2.4	1.8	4.7	38.5
Over 6 and up to 8	—	—	—	—	—	—	—	—	—	—	—	—
Over 8 and up to 13	22.1	9.2	2.6	5.8	6.1	4.8	6.7	8.9	4.7	3.5	9.0	74.3
Over 13 and up to 26	36.0	15.8	4.1	10.3	11.0	8.1	11.5	15.7	8.6	7.0	14.5	127.0
Over 26 and up to 39	16.6	8.1	1.6	4.3	5.7	3.6	5.2	8.0	4.3	3.3	7.0	59.5
Over 39 and up to 52	9.6	5.0	0.8	2.2	3.5	2.0	3.1	4.9	2.3	1.9	4.0	34.3
Over 52 and up to 65	8.7	4.4	0.8	2.2	3.7	2.0	2.8	4.2	2.1	1.4	3.0	30.8
Over 65 and up to 78	4.8	2.5	0.5	1.0	1.9	1.0	1.7	2.4	1.1	0.9	1.7	17.0
Over 78 and up to 104	5.0	2.7	0.5	1.1	2.2	1.0	1.7	2.9	1.3	1.1	2.1	18.8
Over 104 and up to 156	4.4	2.4	0.4	1.0	2.5	1.0	1.5	2.8	1.2	0.9	1.9	17.6
Over 156	2.0	1.2	0.2	0.5	1.5	0.6	1.1	1.9	0.9	0.7	1.4	10.9
Duration not available	12.3	6.0	1.3	3.6	5.0	3.2	4.7	6.1	3.0	2.5	5.2	47.0
All	189.4	86.4	20.0	47.9	60.2	41.6	59.4	81.7	43.0	32.5	76.3	652.0
<b>FEMALE</b>												
Inflow	94.6	45.2	9.4	24.1	28.2	21.1	27.3	40.0	18.0	15.6	35.5	313.9
Outflow	6.4	2.7	0.5	1.6	1.2	1.2	1.4	2.6	1.2	0.9	2.1	19.0
One or less	6.8	3.1	0.7	1.5	1.9	1.6	2.0	2.5	1.0	1.0	2.5	21.4
Over 1 and up to 2	11.0	5.1	1.1	2.4	2.6	2.2	2.7	4.2	1.7	1.5	4.1	33.5
Over 2 and up to 4	8.2	3.8	0.9	2.0	1.9	1.7	2.0	3.2	1.2	1.2	3.2	25.5
Over 4 and up to 6	6.5	3.0	0.7	1.7	1.6	1.4	1.7	2.6	1.0	1.0	2.6	20.7
Over 6 and up to 8	—	—	—	—	—	—	—	—	—	—	—	—
Over 8 and up to 13	11.2	5.1	1.2	3.3	3.0	2.4	3.2	4.8	2.0	2.0	4.5	37.4
Over 13 and up to 26	18.5	8.7	2.0	5.9	5.5	3.9	5.4	8.3	3.9	3.7	7.2	64.2
Over 26 and up to 39	9.0	4.4										



## Graduate shortages in science and engineering

### Report of a survey of employers of science and engineering graduates in 1983

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This article reports an investigation of graduate shortages in physical and life sciences and engineering, by means of employer surveys across a range of technologies. The conclusion was that, in 1983, there were shortages of graduates but these were highly concentrated on electronics and for people with industrial experience. In the life sciences new technology is still not at the stage that it is making major calls on the pool of new graduates.

Last year the Unit for Manpower Studies\* undertook an interview survey of some 90 employers to determine the extent of shortages of science and engineering graduates. The Unit also bought in an early sight of results of two surveys by the Institute of Manpower Studies, based in Sussex, into manpower shortages in semi-conductors and bio-technology. This article explains the background to these surveys and summarises the main results. A more detailed account is to be published as a Department of Employment Research Paper in the autumn.

#### Background

This year 1984 has seen the emergence of a whole series of reports and claims of graduate shortages. These reports have invariably revolved around the so-called "Information Technology" (IT) skills† mainly electronic engineering and computer science. Most recently a committee made up of representatives of Government, industry and higher education has produced a report documenting the available evidence and drawing attention to the likely effects of continued shortages‡. Yet this concern over graduate skill shortages is very much a development in 1984. In the two or three years preceding there was less widespread public expression of concern and indeed, this was one reason for a

special survey of graduate shortages.

The main source for monitoring the new graduate labour market is the annual survey of the first destinations of new graduates. This survey and the interpretation of its results have been described in detail in an earlier article\*\*. Briefly, new graduates are asked for their first firm destination after graduation. Replies are classified into further academic study, other training, employment, unemployment (and certain residual categories). Graduates who enter UK employment are also asked for details of their occupation and the industrial sector where they are working. Published results are available for 76 different degree disciplines, men and women and separately for universities, polytechnics and colleges of higher educa-

\* Now incorporated in the EMRU.

† The name IT seems to have stuck although it is something of a misnomer. IT includes defence electronics, flexible manufacturing and automation as well as pure communications and data handling. A more useful characterisation of new technology in the physical sciences is that this is all dependent on the application of computerised methods.

‡ IT Skills Shortages Committee: First Report "The Human Factor—the Supply Side Problem". The second report will deal with technicians.

\*\* "The labour market for new graduates" by Jason Tarsh. *Employment Gazette*, May 1982, p 205-215. An analysis of more recent statistics has just been published in the form of a careers guide for sixth formers as "Graduates and Jobs"—jointly produced by the DES and DE and on sale through HMSO (ISBN 011 2705367).

tion (although in less detail). At the time of the survey the latest available figures were for 1982 although 1983 was probably better for graduates' employment. The tables, summarise 1982 first destinations for science and engineering graduates.

Evidence from successive first destinations surveys and indeed from more informal sources suggests that the continued growth in graduate output at a time of slow economic growth has put considerable pressure on the graduate labour market. This shows up in rising unemployment over time amongst new graduates but in the longer term it is reflected in lower relative pay, movement of graduates down the labour market to take jobs that formerly would have been carried out by people with lesser qualifications, more graduates working in jobs that do not use their degree training and more graduates seeking retraining. This pressure on graduates has sharpened the differences between degree subjects in their employability but all subjects have been affected to some extent. Thus some science subjects such as the various branches of biology, chemistry and environmental sciences have new graduate unemployment rates on a par with some arts subjects. Large minorities of graduates in these subjects also find work in jobs that are open to graduates of any discipline. Engineering subjects continue to have the best employment prospects although here too there are differences between subjects with chemical and aeronautical engineering and metallurgy having quite high unemployment rates. There is also evidence that some graduates are being employed for what is essentially technician work and which does not need degree level skills.

#### General economic recession

In addition to these longer term pressures on graduate employment, 1982 and 1983 were years of general economic recession when all new entrants to the labour market including graduates were particularly badly affected as employers cut back on their recruitment and job turnover declined.

General monitoring statistics did not therefore suggest that there was an obvious problem of graduate shortages but there were nevertheless several factors causing concern. *First*, ministers and officials were repeatedly hearing of claims of shortages of science and engineering graduates by individual employers. It was a matter of concern that complaints about shortages were still appearing at a time of recession. Furthermore some of these shortages were in high technology companies that clearly had the potential to expand. *Second*, it was also suggested that notwithstanding the general state of the graduate labour market there might be shortages of graduates in more tightly defined subject specialisms. Such shortages might only involve small numbers of graduates but they could have a crucial effect on research effort or production. It was also suggested that these shortages might be disproportionately in the new technologies where the pace of technical advance in industrial applications was outstripping the ability of higher education to supply suitably trained graduates. It was these "special manpower needs" that were to be the particular focus of the research.

#### Method

It was envisaged from the start that the survey would be by interview and that therefore the sample would be small—up to 100 interviews. There were a number of reasons for using personal interviews. The disciplines under attention and the activities for which they were required were likely

to be unfamiliar to the survey team and so needed to be explained. This was particularly so if the shortages were very specific. Another reason for interviewing was that it was necessary to be sure what employers meant by shortages. The concept of labour shortages is not straightforward: for instance it is important to know how long the shortage has lasted, what are its effects and when will these have an impact. Since employers are competing in a market it was necessary to establish what action the employer was taking by way of adjusting pay, increasing recruitment effort, retraining etc. Finally since the survey was concerned with the role of higher education in shortages it was important to be sure that shortages could be removed by changes in HE provision. For instance shortages of graduates with relevant industrial experience would not be directly amenable to an increase in the supply of new graduates. And while a demand for experienced people might lead to extra demand for new graduates through a chain of substitutions this need not register as a shortage. A further reason for using interviews was the hope that respondents might be able to provide names of other employers who they thought might be experiencing shortages such as competitors, customers or suppliers. In general though employers had little knowledge of shortages outside their own organisation and the survey generated few contacts in this way.

#### The IMS surveys

The IMS had separately contracted to carry out two studies which overlapped with the main survey. One of these was a survey for the Science and Engineering Research Council of the "brain drain" in biotechnology and an assessment of future supply and demand. The other was a study of the European semi-conductor industry (for the European Commission). The Manpower Services Commission had subsequently paid for the UK coverage to be expanded and separately reported. Final reports from both these studies were expected by the end of the year but it was agreed to buy in an early report of the results of these studies and exclude these areas of graduate employment from the main survey.

#### The sample

##### The main survey

The sample of interviews here was intended to be small and deliberately non-random since the aim was specifically to track down evidence of shortages and then pursue these. However a series of pilot interviews with companies and a whole range of consultations with individuals and organisation with an interest in new technology showed that there was no way of identifying in advance employers who were experiencing graduate shortages. The sample therefore had to be chosen semi-randomly and could only be structured on the basis of certain broad characteristics that were likely to be associated with the risk of shortages.

#### Sample selection criteria

##### Technology

The pilot interviews, the first destinations survey and general expectations pointed to electronics and computer

science\* as the most likely broad subject areas for shortage—either of general or more specialised skills. The sample was therefore particularly directed at employers of these graduates.

Selection of types of employer where skill shortages might be located raised a number of problems. For instance, the obvious industries to sample were those which made direct use of these skills, computer software houses, general electronics manufacturers, makers of robots and computer-controlled machine tools and so on. However, a feature of these industries is that they make machines for use by other manufacturers (and service providers). Use as well as production could generate demand for specialised technical staff although the type of work would be different. And users might well have difficulties in recruiting graduates perhaps because they are atypical employers of this type of graduate or cannot offer training or a proper career structure.

There are obvious difficulties in tracing users of advanced machinery and techniques because these can be spread across a very diverse range of industries. Fortunately though producers of electronic goods are also often users. Design engineers for instance would use computer-aided design equipment. In other cases, employers of traditional types of science and engineering graduates, which were within the scope of the survey, also had some need for electronics and computer science. Here then one interview could cover producer and user demand. Nevertheless the sample of users' was drawn from manufacturing and computer services; it excluded commerce and services unless these were part of a larger company.

Neither company size nor regional location proved to have any systematic link with the likelihood of shortages and this is somewhat contrary to expectations. (The link with size is discussed further below). The sample covered the full range of sizes (from employers of less than 50 staff to major multinational companies). Companies were also drawn from every region of Great Britain although around half were in the South East.

#### Sources of employer contacts

There were two main sources: various directions of graduate employers (produced annually) and KOMPASS, a comprehensive general guide to employers which describes their product areas, size and location. The researchers also devised an advertisement for the *Employment Gazette* inviting employers to contact us although this generated only a few replies.

#### Response

Virtually every employer who was contacted subsequently agreed to some sort of interview. The practice was always to visit the employer where he requested this. However as the survey progressed the researchers made greater use of telephone interview, particularly for the KOMPASS sample, and this seemed to work well. Where companies replied simply that they had no shortages nor foresaw any they were not pressed on this although they were always asked why they had had no recruitment difficulties. Employer respondents were nearly always graduate recruitment or training managers.

\* Computer science is here used to refer to graduates in computer science or people trained from other, often wholly unrelated disciplines such as history, classics etc. Such graduates would tend to work for software houses or in the administrative side of companies and would be concerned with for example production or stock control. This is quite separate from the use of computer skills by engineers—the so-called software engineers. Here it is the engineering skill that is crucial and the computing, even though a major part of the job, is secondary. Many computer science graduates could not undertake such work without substantial further training.

**Table 1 New first degree graduate unemployment—short-term employment\* rates in 1982**

	Per cent
<b>Universities—Engineering</b>	
Surveying	4
Production engineering	6
Electrical/electronic engineering	10
Other general engineering	12
Civil engineering	13
Engineering with science/Social science/arts	13
Mechanical engineering	15
Mining	18
Aeronautical engineering	19
Other technologies	23
Chemical engineering	26
Metallurgy	29
<b>Universities—Science</b>	
Maths/Computer science	17
Maths/Physics	23
Physics	25
Other general science	27
Science/Social science/Arts	27
Chemistry	34
Biochemistry	35
Biology	39
Physiology	39
Biological and Physical sciences	39
Other biological science	41
Environmental science	41
Botany	43
Geology	43
Zoology	52
<b>Polytechnics—Engineering</b>	
Surveying	6
Building	7
Electrical/electronic engineering	14
Production engineering	15
Mechanical engineering	17
Civil engineering	17
General engineering	27
<b>Polytechnics—Science</b>	
Computer science	16
Chemistry	38
Environmental science	45
Biological/Physical science combinations	46
Biological science	48

Source: First Destinations of University and Polytechnic Graduates (separate volumes). Certain numerically small Poly subjects have been omitted (for example Physics). In the polytechnics separate figures are available for full-time and sandwich courses. Unemployment rates for full-time courses are usually higher and sometimes much higher than the more numerous sandwich courses—which are of course a year longer.  
\* Unemployment includes (the much smaller) number of graduates in short-term work in the UK. The base for the percentages is graduates entering employment after graduation plus the unemployed. It excludes graduates proceeding to some form of further study or training.

**Table 2 First destinations of new first degree graduates in 1982: men and women—selected engineering and science subjects**

Institution/subject	Per cent					
	UK employment	Over-seas employment	Un-employment	Acad-emic study	Teacher training	Other training
<b>University</b>						
Electrical engg. (1909)*	76	2	10	11	1	1
Mechanical engg. (1464)	72	3	15	9	1	1
Other general engg. (909)	71	4	12	10	1	3
Biology (1633)	35	2	39	25	8	3
Mathematics/Computer science (3290)	58	1	17	12	12	4
Physics (2145)	44	2	25	27	8	2
Chemistry (2069)	33	1	34	36	10	2
<b>Polytechnic</b>						
Electrical engg. (591)	79	1	14	6	0	1
Mechanical engg. (542)	73	3	17	7	1	0
Biological science (551)	40	0	48	14	5	2
Computer Science (589)	70	3	16	8	4	0
Biological & Physical Science (1340)	34	4	46	14	7	7

Source: First Destinations Statistics (published figures).  
Notes: (1) Unemployment includes graduates in short-term UK employment. The percentage is calculated just as a proportion of graduates entering the labour force (as in Table 1). All other percentages are based on all graduates of known destination excluding overseas leaving the UK.  
\* Numbers in brackets refer to the total of UK graduates for the universities and UK plus overseas remaining in the UK for the polytechnics.

**Table 3 Type of work entered by new first degree graduates who found employment in the UK: men and women 1982—selected engineering and science subjects\***

Institution Subject	Per cent				
	Scienti-fic/engineering support	Engineer-ing R & D	Scienti-fic engineer-ing support	Manage-ment services	Other
<b>University</b>					
Electrical engg.	5	77	7	3	7
Mechanical engg.	2	80	4	1	11
Other general engg.	3	60	10	5	22
Biology	28	0	19	4	49
Mathematics/Computer science	4	5	1	53	38
Physics	28	25	4	14	28
Chemistry	33	2	12	7	45
<b>Polytechnic</b>					
Electrical engg.	6	77	10	2	5
Mechanical engg.	2	74	10	2	12
Biological science	30	1	33	1	36
Computer science	2	2	1	86	10
Biological & Physical science	10	1	8	11	70

Source: First Destinations Statistics.  
Notes: \* total = 100. Management Services covers computer programming, systems analysis, operational research, statistical work. "Other" covers administration/management, buying, marketing, selling, financial work, legal work, personnel, social, medical, teaching, lecturing, creative, entertainment, environmental planning, secretarial and manual work. Figures for each of these categories are available separately.

#### IMS Surveys: Biotechnology and semi-conductors

In biotechnology, IMS interviewed 21 companies or operating divisions across a range of employer sizes and activities. These represented about a quarter of industrial employers active in novel biotechnological R and D or applications in the UK. The sample also includes eight research institutes, ten agencies of larger organisations (for example laboratories funded by the Medical Research Council) and 16 institutes of higher education. In semi-conductors IMS interviewed 13 manufacturers and technical consultancies (covering about three-quarters of total employment in the UK industry), four institutions of higher education, Government departments and specialist recruitment agencies.

#### Results

##### The main survey: engineering/computing and science

##### Background

This survey was not intended to derive precise estimates of shortages but rather to identify the areas of concern and diagnose how shortages had arisen and how they might be removed. The accounts that follow are therefore qualitative but the assessments are influenced by the proportion of firms experiencing shortages.

The sample of employers was very diverse and can not

really be summarised. It was undoubtedly loaded in favour of electronic manufacturers but included a fair number of industrial "users". Most of the companies in the sample recruited across the ranges of science and engineering disciplines and so could give a view of non-electronics occupations and compare these with their electronics recruitment. Some of the companies considered that they were not in high technology but in fairly mainstream development and production.

#### Subjects

The very clear impression from the results is that some but certainly not all companies were concerned about recruitment of new graduate general electronic engineers. There was little evidence of shortages actually limiting production and companies tended to see, the market as tight rather than impossible but at a time of general recession, which affects all employers to some extent, this is a potential source of concern. All other science and engineering disciplines seemed to be in plentiful supply for the employers in the sample. Furthermore, although the survey identified distinct specialisms within electronic engineering as possible shortages the strong impression from the sample was that most employers were concerned about the supply of graduates in general electronic engineering. Employers saw this as a broad enabling discipline which they could then convert to more specialised uses by retraining. Where employers did distinguish different types of electronic engineer this tended to be at the level of a broad skill. Electronic engineers with appropriate computer programming training were in particular demand (so-called "software engineers"). This reflects the tendency, noted earlier for most new developments in the applications of physical science and engineering to be based on the application of computers.

Apart from software engineering two other specialisms were mentioned: microwave engineering and control instrumentation engineering. Microwave is essentially old new technology and is used in communications. It appears to have gone out of favour with students because it is seen as old and perhaps also because the main users are more traditional (and less well-paying) companies. The impression was that companies could deal with any shortages here by retraining in-house or using fairly standard masters courses. The only practical shortages were for experienced people and even here only the most able would receive a salary premium.

Control and instrumentation engineering appears to be a broad specialism within electronics and there are a limited number of courses which offer specialised first degree training. The main problems appear to be with smaller

## NEWS RELEASES AND PICTURES

from your organisation should be addressed to

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users (who nevertheless may often be very large companies) who sought only small numbers primarily for work in process production. These were competing with mainstream electronics companies who sought the same skills but for different uses. It was suggested that there would be increasing use of electronics to control bulk production and that this could put strain on the supply of suitably trained graduates. However there was scope for retraining electronics engineers and substitution with HND/TEC award-holders in control instrumentation. This particular specialisation emerged late in the study as a possible shortage area and may warrant further investigation.

### Substitution

It has been well-documented that one reaction to earlier shortages of electronics engineers was to use physicists and even mathematicians. This reflects the trend in electronics towards the applications of fundamental properties of materials. In other cases larger moving parts are treated as "black boxes" and the real skill is in devising computer-based methods for linking these. Probably only a minority of physicists could substitute for electronics, depending on the content of their course and such substitution did seem to be a second best alternative. However it was sometimes suggested that even physicists whose training was most closely related to electronics did have certain important limitations, for example, they found it harder to use methods requiring "real" time programming.

### Experienced graduates

Employers seemed to be more concerned about shortages of electronics and computer science graduates with 3-5 years experience (to work as team or project leaders). Shortages of experienced graduates are not of course amenable to changes in higher education although they can, by a chain of substitutions, lead to extra demand for new graduates. The shortage of experienced engineers can be traced back to the early 1970's. Then a collapse in demand for new graduate engineers caused an immediate fall in applications for entry to engineering degrees. This fall continued to the mid-70's so that the output of graduates 3-4 years later, in the late 70's was the lowest for some time and precipitated a great shortage at that time. It is this same generation which now has the much prized 3-5 years experience. It was assumed that substitution of new for experienced graduates was reflected in current first degree recruitment targets. However, companies might turn to substitution only gradually and it is possible that there is a submerged additional demand for new graduates that has not been detected.

### New technology

In general the survey did not suggest that the pace of technical application was outstripping HE's ability to provide suitably trained graduates. To some extent the implied direction of causality is wrong here for much pioneering research is carried out within higher education or companies that virtually operate their research as a department of a university. Manpower needs at this level are at PhD or post-doctoral level and there seems to be a good deal of collaboration and contact between higher education and industry. Shortages could arise here in the sense that an area was under-researched because not sufficiently interesting to the pool of PhD researchers. Manpower shortages seemed more likely to arise within the universities because they could not pay enough to attract people from similar jobs in industry or generally because of the attractions of working overseas.

The survey did not find that novel and specific

scientific and technological developments were putting pressure on the supply of first degree graduates. New graduates only enter the picture at the application stage and the demand then is for bright people from fairly standard single disciplines or perhaps from a degree course which includes as one option some coverage of the new technology. Indeed the survey found that employers generally had little time for "relevant" first degree courses in biotechnology or microprocessors or for MSc conversion courses in biochemical engineering.

Other examples of new technology also suggested that there is no obvious link with graduate shortages. In robotics for instance the survey found that employers were either only seeking people with direct experience in the area or else, where they were seeking recent graduates people were well-informed about the opportunities and were keen to apply. Indeed, the degree of interest of the work seemed to be an important influence on ease of recruitment and there was some complaint by employers that traditional disciplines such as heavy electrical engineering, microwave electronics and analogue systems were facing recruitment difficulties because students all wanted to learn about the most modern electronics and universities were responding to this.

### Coping with shortages

The survey revealed little systematic evidence of employer dissatisfaction with higher education. Most employers interpreted their recruitment successes and failures either in terms related to their particular company or to some view of the general availability of suitable graduates but few if any criticised higher education for being unresponsive or unconcerned with industry's needs. To some extent this is inevitable because, in the short term, individual employers have to accept what the system gives them but the lack of specific complaints is also consistent with the view that employers look to higher education to provide them with broadly trained people whom they can then retrain\*. Where employers referred to company-specific factors that influenced their ease of recruitment these tended to be:

**Type of work** There is a strong element of fashion in graduate's job preferences and high technology seemed to be very popular. More traditional companies were conscious that they were at a disadvantage. It was also suggested that the type of work available in small firms might put them at a disadvantage. Graduates in small organisations are likely to be given earlier responsibility but are asked to cover a wider range of tasks eg design, production and after sales service. This apparently is not popular with new graduates.

**Links with higher education** Most employers saw the establishment of links with individual HE institutions as a shrewd way of avoiding shortages. Small firms were likely to have contacts with one or two institutions or courses (often local). Large companies would have a whole network of contacts. Firms which had not developed such links recognised the costs and planned to address this. Sponsorship has become increasingly important, particularly for electronics students. Some companies now establish target graduate recruitment levels which they seek to meet by sponsorship and then top these up with direct "milk round" recruitment to deal with short-term fluctuations in demand. Some companies had even sponsored their own

\* It may be that personnel managers do not have the full view of graduates' performance and the appropriateness of their training once they are recruited although they would be in contact with training and line managers. They might also be more likely to achieve a modus vivendi with higher education.

degree courses at individual HE institutions.

**Company image** Some companies found that they were firmly identified with a particular traditional technology in graduates' minds. Although these companies were now using electronics and needed suitably trained staff they found it very difficult to attract applicants.

**Pay** Few if any companies believed that they paid below the going rate but there was great resistance, particularly amongst large companies, to raise pay levels to deal with shortages. Companies feared that this would upset internal pay differentials. Small high technology companies were much more flexible with pay and were much more prepared to bid for the people they needed. They were also often very profitable and so could afford to do this and indeed were sometimes accused of poaching from large companies.

**Career prospects** Large companies were clearly at an advantage here because they could offer better and longer term careers to new graduates.

**Size** Surprisingly perhaps size did not emerge as an important and distinctive determinant of shortages. Small firms are traditionally assumed to be most vulnerable (although their demands on the labour market are also less) but, as suggested above, small firms in electronics and computing are often very effective competitors for labour. They can offer interesting work, good working conditions and high pay. It is probably the small firm in a traditional sector of the economy that is most at risk. However since these companies are typically not at the forefront of technology it seemed that they were often able to use substitutes for electronics graduates such as TEC Higher Certificate holders.

## Biotechnology

### Background

*Biotechnology* has been defined as "the application of biological organisms, systems and processes to manufacturing and service industries". As such biotechnology is a process technology with applications in a wide variety of industries including brewing, baking, food processing, detergents, pharmaceuticals, antibiotics and synthetic fuels. "Gene splicing" (recombinant DNA) is just one small part, albeit of great potential significance, although it was developments in genetic engineering that promoted a general upsurge of interest in biotechnology. The IMS study divided biotechnology into established and novel applications. "Established" users would cover the food and brewing industries and some chemical manufacture. IMS suggested that there was very limited scope for transfer of trained manpower from established to novel users and consideration of shortages was restricted to novel users. The development of biotechnology has not produced a new type of scientist or engineer. Rather the characteristics of the work are that it builds on established disciplines of biochemistry, micro biology, genetics etc and requires their skills to be combined, not in single individuals, but in interdisciplinary teams. Furthermore, the work requires very high levels of qualification, usually PhD or post-doctorate. First degree graduates would only be required as technicians within R & D teams, and as (bio) chemical engineers for process engineering.

### Shortages

Recruitment in biotechnology is largely targeted at very highly qualified personnel and for some skills operates a world market. IMS found that there were shortages but these were highly selective and were almost entirely concerned with senior technical staff where experience was particularly prized. At new doctorate level, certain specialised areas of work appeared to suffer from shortages (for example microbial physiology) but it seemed that these were unpopular with academic researchers. Company response to shortages of senior technical staff was to intensify recruitment effort and look overseas. Internal re-training was generally not feasible.

There was no evidence of any shortages at first degree in any of the biological sciences and indeed graduate unemployment is high in all of these subjects. It also does not appear that future trends in biotechnology are likely to redress this situation. There were problems with support skills in electronics and instrumentation which reflected general shortages in these areas.

For the future there were no obvious signs of a significant developing shortage of new graduates although it was thought that the posts created by the University Grants Committees' biotechnology initiative and "new blood" expansion might be hard to fill particularly in the biochemical engineering field. More generally though the biotechnology industry is based on a very small manpower base and long training time. This is a delicate balance which could very easily be upset by for example an increase in demand from overseas or domestically generated extra demand.

## Semi-conductor manufacture

### Background

The UK semi-conductor industry consists of some 12 major companies, separate sales and marketing centres of other multi-nationals, and a growing number of smaller consultancy and service companies believed to total up to 30. The industry includes some foreign owned companies mainly based in Scotland. The UK-owned semi-conductor firms are mainly parts of larger electronics companies although in the majority of cases they operate largely as autonomous units. Total employment in the industry is estimated at around 12,000.

The industry has three main activities:

- design and development of semi-conductors to standard or customer specification;
- production of the "chips" including test and quality control;
- assembly and packaging of the "chips" for use in products.

Much of the routine work including bulk production of standard chip designs is carried out by a small number of world producers outside the UK. The domestic industry tends to be more specialised.

The IMS survey covered firms employing a total of 7,000 people. Some 23 per cent of these (1,600) were in professional level technical jobs. Most of these were aged under 30. The highest densities of such staff were in the smaller companies. Graduates were required for the following areas of work: *design* where the need was for new and experienced graduates in electronics, solid state physics and software. Certain skills here were at the frontiers of the

technology and there was a world market for such people. *Process engineering* this involved the day-to-day management of the production processes and is concerned with maximising the yields of successful chips. The skills needed here are unique to the industry. New recruits were typically physics or chemistry graduates who were then trained on the job. *Production engineering, maintenance and equipment engineering, other professional engineers* the common skill here was electronics and companies were well able to use people with general electronics skills and experience.

### Shortages

The semi-conductor industry was seeing a revival of activity in 1983 after two years of recession. Graduate recruitment in general was being boosted and expected intake in 1983 was around 200 new graduates. Two-thirds of these would be electronics engineers and remainder were physicists, computer scientists and occasional chemists, materials scientists. The industry is attractive to new graduates because of its interesting even exciting technology, good training programmes and high salaries. Most companies therefore expected to get the graduates they needed and only two reported any difficulties. Companies generally have developed close contacts with local higher education institutions and saw these as an important aid to recruitment. The semi-conductor industry has a significant presence in Scotland and companies here were able to take advantage of Scottish graduates' desire to stay in Scotland.

Semi-conductor companies were generally concerned about recruitment of experienced staff. There were shortages of design engineers with at least two years experience and process engineers (who deal with day to day production of "chips"). Companies reacted to these shortages initially by more intensive recruitment but were aware that there was a structural shortage and prepared to tackle this by greater first degree recruitment and poaching from general electronics employers.

### Future shortages and future monitoring

The rather limited evidence of shortages of new graduates in 1983 is closely linked with the recession but also with

the continued increase in the numbers graduating in science and engineering. The evidence of shortages of general rather than highly specialised skills primarily in electronics also reflects an unexpectedly widespread ability of employers to retrain new graduates. Employers were asked directly about future shortages but often could not give a clear answer. They emphasised the uncertainties about business prospects and the influence of short-term factors, most obviously, the current low levels of economic activity. Where employers did mention specific types of graduate in possible future shortage these were firmly located in the area of electronics. Many employers were aware of projections of future graduate output such as those produced by the Institute of Manpower Studies which forecast a fall in the numbers of electrical and electronic engineering graduates from universities after 1985 and were concerned about this prospect. (IMS did not forecast output in the polytechnics).

The concentration of shortages on general rather than specific skills has implications for future monitoring. Rather than intensive direct interviewing it should be possible to undertake more routine postal and telephone enquiries. The survey also supports the need for a careful distinction between demand for new and experienced graduates in future surveys. It is possible that shortages of experienced people are especially sensitive to the cycle since new work and new projects might often begin with the recruitment of team leaders. Finally the survey did not show any clear pattern of types of employer who experience shortages and firms have a variety of strategies for dealing with these. It may therefore be risky to generalise from the views of small groups of employers or particular types of company.

Largely in response to an upsurge in complaints of shortages the EMRU has now just embarked on a telephone survey of the companies in the original sample plus some additional employers. It is intended to report on the results of this survey in the very near future. ■

## WORKPLACE INDUSTRIAL RELATIONS IN BRITAIN The DE/PSI/SSRC Survey

W.W. Daniel and Neil Millward

This book is designed to become the authoritative source of information on workplace industrial relations practices in Britain. The survey on which it is based was the first of an intended series which will plot changes in industrial relations practices, procedures and institutions at places of work. The results, based on interviews with managers and worker representatives in over 2,000 workplaces, cover the public services, private services and nationalised industries as well as the private manufacturing sector.

**Contents:** Introduction; trade union recognition and associated issues; the closed shop; trade union organisation; management organisation for industrial relations; consultative committees and other channels of representation; industrial relations procedures, pay determination; industrial action; some outcomes associated with labour relations arrangements; conclusions; appendix A: the survey questions; appendix B: technical details of the survey; index.

Published this month, priced £20 (hardback), £8.50 (paperback), the book is available from most booksellers.

# LABOUR MARKET DATA

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## Trends in labour statistics

### Summary

The latest cso cyclical indicators, despite recent falls, in the longer leading index, are still consistent with a continuation of the upswing in the business cycle into 1985. The latest cbi *Quarterly Industrial Trends Survey* suggests a continued increase in output and demand but records a waning in business confidence after a year of rising optimism.

In the second quarter of 1984 output of the whole economy was 2½ per cent above its level of a year earlier despite the impact of the coal-mining dispute which caused a ½ per cent fall in GDP (output) between the first and second quarters of 1984.

Output in the production industries fell by nearly 3 per cent in the second quarter of 1984, compared with the first quarter, but was at about the same level as a year earlier. This recent fall is almost entirely accounted for by the energy sector: manufacturing output fell by less than ½ per cent compared with the first quarter and was up by 2½ per cent on a year earlier. Investment particularly in manufacturing and construction continued to rise in the first quarter and this trend is widely expected to be maintained.

Consumers' expenditure rose during the second quarter (after a dip in the previous quarter), reflecting a renewed increase in retail sales. The volume of retail sales in the 3 months to July was nearly 4 per cent up on the same period in 1983.

There was an estimated in-

crease of 3,000 in manufacturing employment in the second quarter of 1984, consistent with the deceleration of the downward trend in manufacturing employment in recent years. The engagement rate in manufacturing rose once again to 1.6 per cent in June; it now matches the leaving rate which has been fairly steady over the past year.

Unemployment (seasonally adjusted, excluding school leavers), increased in July by 16,000. This is slightly above, but not inconsistent with, the underlying trend so far this year. Among school-leavers, there were 23,000 fewer in the claimant count than last year and there were 44,000 more non-claimants than at that time. The seasonally-adjusted stock of unfilled vacancies increased in July for the fifth successive month.

The underlying increase in average weekly earnings in the year to June was about 7¾ per cent, but the effect of the continuing coal-mining dispute means that the actual increase was lower.

The rate of inflation, as measured by the 12-month change in the retail prices index was 4.5 per cent in July, and the index itself was 0.1 per cent lower in July than in June.

### Economic background

Movements in the cso's cyclical indicators are still consistent with a continuation of the upswing phase of the business cycle into

1985. However, the longer-leading index fell between March and June, mainly reflecting falls in share prices but also movements in interest rates, housing starts and business optimism. It is too early to judge whether this fall is more than a temporary effect. Movements in the shorter leading index so far this year have tended to be erratic: the index fell in February and March, but, based on less complete information, rose again in May, reflecting a renewed increase in new consumer credit.

The results of the July cbi *Industrial Trends Survey* indicated that although firms reported a smaller increase in orders and output in the four months to July than in the previous four months, the increase in business was expected to continue. The industrial climate, particularly unsettled during the period of the survey (July 2-18) may have adversely affected the degree of optimism recorded by firms after a year of rising optimism about their general business situation.

Provisionally, GDP (output) fell by ½ per cent between the 1st and 2nd quarters of 1984 reflecting the impact of the coal-mining dispute, which reduced the level of GDP by about ½ per cent and 1¼ per cent in the first and second quarters respectively. However, in the second quarter GDP (output) was still 2½ per cent higher than a year earlier.

Output of the production industries was nearly 3 per cent lower in the second quarter of 1984 than in the previous quarter, on provisional estimates, close to the level one year before. The fall in the second quarter was largely accounted for by the energy sector whose output fell by over 8 per cent due mainly to the effects of the coal-miners' dispute. Manufacturing output fell by less than ½ per cent with falls in metals, engineering, and chemicals being largely offset by increases in food and textile production.

In the second quarter, consumers' expenditure rose by nearly 2 per cent from the low first quarter figure to reach the highest level ever recorded, and was over 2 per cent higher than a year earlier. This rise in the second quarter mainly reflected a 3 per cent increase in the volume of retail sales, which account for just under half of all consumers' expenditure. In July, the volume of retail sales fell back slightly to the May level, on provisional figures; in the three months to July, sales were almost 4 per cent higher than in the same period in 1983.

Real personal disposable income, after rising through much of last year, fell back by 1½ per cent in the first quarter of 1984, but remained some 3 per cent above the level a year earlier. The total volume of stocks in the economy fell by £0.2 billion in the first quarter, largely reflecting a reduction in stocks in the energy sector. This followed stockbuilding of £0.2 billion in the previous quarter and stockbuilding of £0.7 billion in 1983 as a whole.

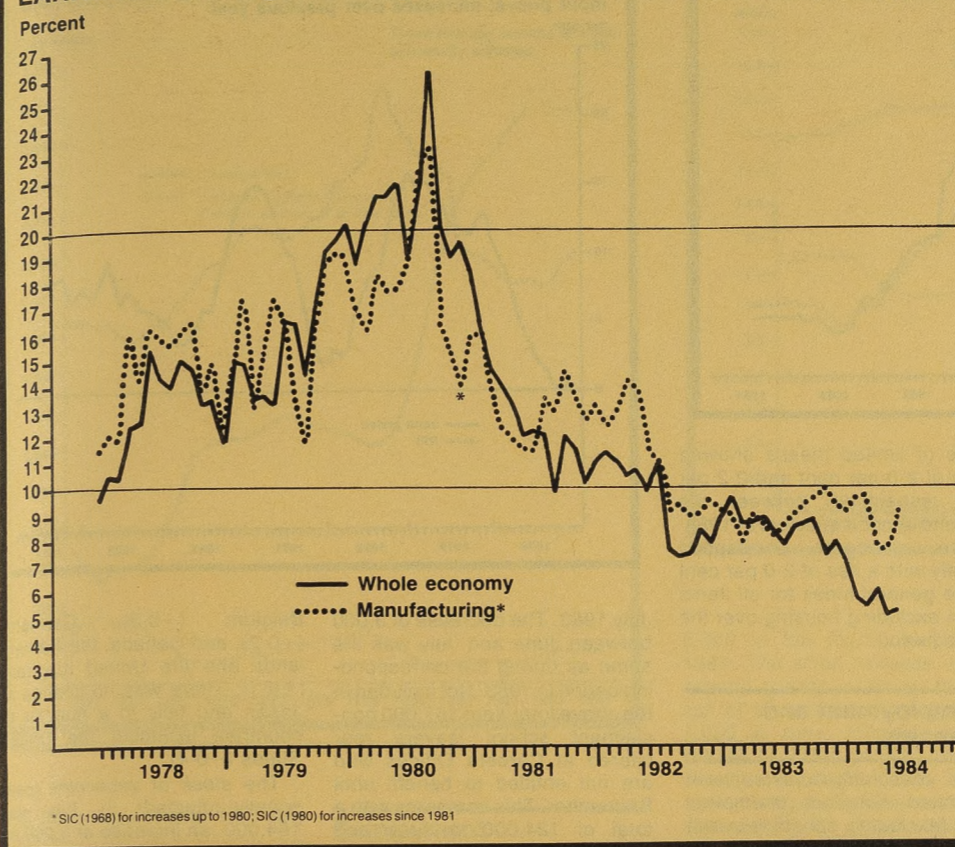
Total fixed investment continued to rise in the first quarter following two years of improving company profit levels; capital expenditure increased by just over 6 per cent compared with the previous quarter and was 10 per cent higher than a year earlier. In the second quarter manufacturing investment rose by 2 per cent compared with the first quarter and was 21 per cent up on the second quarter of 1983 whereas investment by the construction, distribution and financial industries fell by 2 per cent on the last quarter but was 12 per cent up on a year previously.

The May *Investment Intentions Survey* carried out by the Department of Trade and Industry suggested that these trends were likely to continue through this year, with manufacturing investment rising by 12 per cent and investment by construction, distribution and selected service industries by about 8 per cent. This picture for manufacturing investment is confirmed by the results of the July cbi Survey.

In the five months to July, sterling M3 grew at an annual rate of 9.1 per cent, within the 6 to 10 per cent target range. Over the same period M0 grew at an annual rate of 5.7 per cent, in the middle of its 4

# Commentary

## EARNINGS: Average earnings index: increases over previous year



to 8 per cent target range.

Sterling's effective exchange rate fell by about 2½ per cent from the beginning of July to stand at 77.1 (1975=100) on July 11. This was the lowest level since November 1976 and the decline mainly reflected the general strength of the dollar. Following the rise in clearing bank base rates on July 11, sterling has been firmer in effective terms. By mid-August, sterling had recovered somewhat despite two cuts in base rates of ½ per cent each to 11 per cent.

The current account of the balance of payments is estimated to have been in deficit by £0.6 billion in the second quarter, compared with a surplus of £0.8 billion in the first quarter. The deficit on visible trade rose from £0.1 billion in the first quarter to £1.3 billion in the second quarter: the surplus on trade in oil fell by £0.8 billion and the deficit on trade in non-oil goods increased by £0.4 billion.

Total export volume in the second quarter was 1 per cent lower than in the previous quarter but was 8 per cent up on a year earlier. The underlying level of non-oil export volume, was rising strongly in the second half of last year, and has continued to increase in the second quarter. Total import volume increased by 5 per cent between the first and second quarters to a level 12 per cent higher than a year earlier. The upward trend in the volume of non-oil imports has continued.

### World outlook

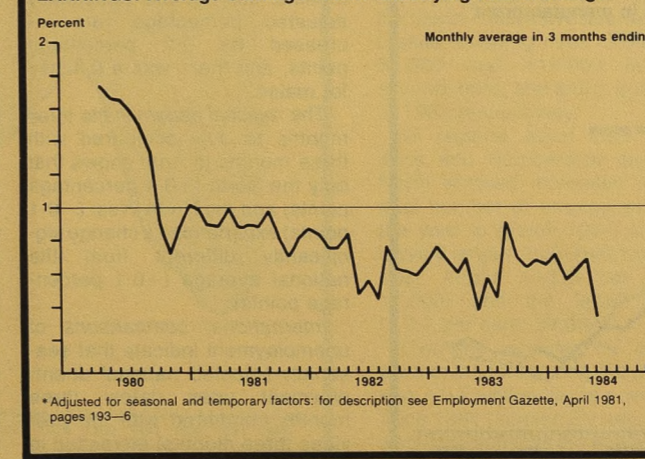
The recovery in economic activity in the OECD area is now well established although a number of commentators expect growth in the area as a whole to be less buoyant during 1984. The July OECD *Economic Outlook* forecast average growth of just over 4 per cent in 1984 and around 3 per cent in 1985.

The United States grew at an annual rate of about 7.5 per cent in the second quarter of 1984 and continues to exert a major stimulus on the rest of the world. However, there are some signs

that the rate of growth may be slowing down and the Federal Reserve Bank now projects growth during 1984 as a whole to be around 6½ per cent. The US Government's index of leading economic indicators fell by 0.9 in June, its steepest decline since March 1982.

A report by the *General Agreement on Tariffs and Trade* (GATT) has noted that trade tensions between the US, Japan and the European Community were more marked than ever in 1983, but it comments that in 1983 "for the first time in several years international trade policy makers... were able to discuss issues and negotiate against a background

## EARNINGS: Average earnings index: underlying rate of change\*



of an improving economic situation."

### Average earnings

The underlying increase in average weekly earnings in the year to June was about 7¾ per cent, similar to the increase in the year to May.

The actual increase in the year to June 1984, 5.1 per cent, was substantially below the underlying trend because of a combination of temporary factors. Industrial action in the coal industry depressed the level of average earnings recorded for the whole economy (which covers all employees, including those on strike) by about 1¼ per cent. Delays in some public sector settlements this year compared with a year ago, for example of non-industrial civil servants and teachers, reduced the actual increase by about 1 per cent. Back-pay in June 1984 was lower than in June 1983 which depressed the actual increase by ½ per cent.

The underlying monthly rate of increase in average earnings was about ½ per cent in the three months ending June.

In production industries the underlying increase in average earnings in the year to June was about 8¾ per cent, similar to the increase in the year to May. Within this sector, the underlying increase in average earnings in manufacturing industries was about 9¼ per cent, similar to the increase in the year to May. These increases continue to reflect higher overtime and less short-time working in June 1984 than a year ago.

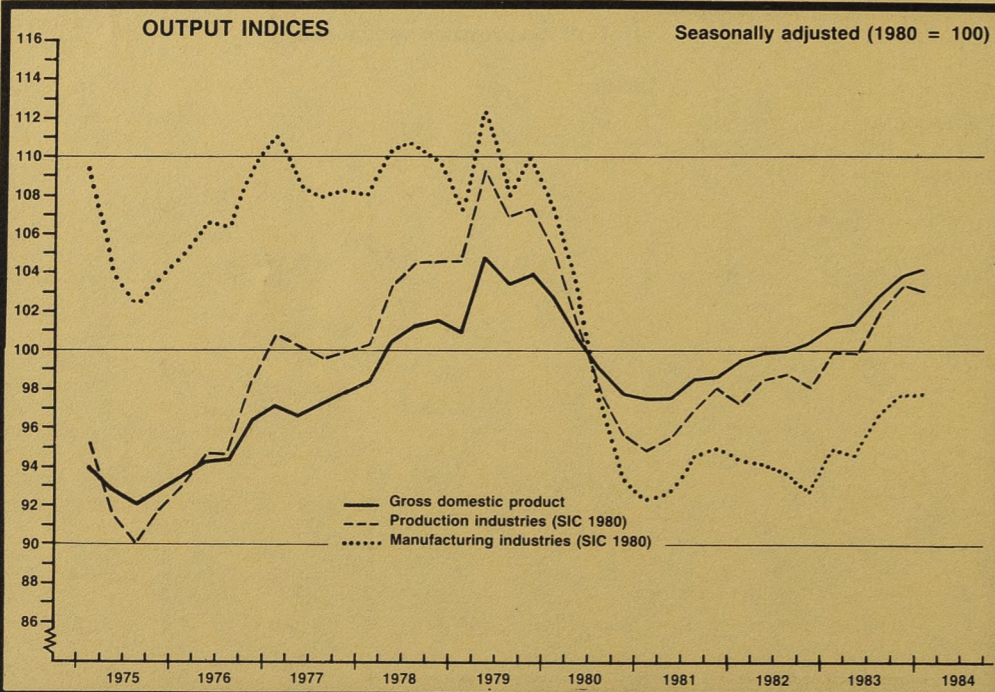
The actual increases in the year to June 1984 for production and manufacturing industries were 5.4 per cent and 9.1 per cent respectively, the increase for production industries being significantly depressed by the effect of the industrial action in the coal industry.

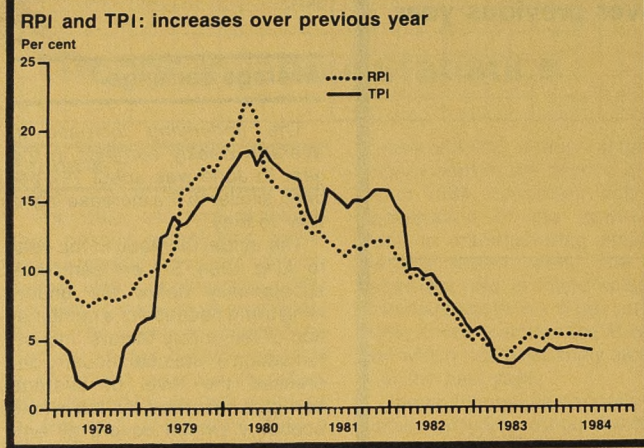
In the three months to June, wages and salaries per unit of output in manufacturing were 4.0 per cent higher than a year earlier.

### Retail prices

The rate of inflation, as measured by the 12-month change in the retail prices index (RPI), was 4.5 per cent in July compared with 5.1 per cent in both May and June. Between June and July, the index decreased by 0.1 per cent, whereas between these months last year there was a rise of 0.5 per cent.

Falls in seasonal food prices were the major influence this month. Fresh vegetables fell in price by between 2p and 9p per pound with the exception of some vegetables such as tomatoes





which were affected by the dock strike. Eggs were 3p per dozen cheaper on average. The price index for seasonal foods rose by 16 per cent in the year to July compared with 21 per cent in June.

The cost of purchase of motor vehicles also fell in July and many household durables were cheaper in the summer sales. The 12-month change in owner-occupier mortgage interest payments was lower in July than in June because mortgage rates increased in July 1983 but not in July 1984. However, the increase in the mortgage rates announced around the beginning of August this year will affect the August index.

The 12-month increase in the tax and price index was 3.3 per cent in July and the gap between this and the corresponding change in the RPI, was similar to last month at between 1 and 1 1/4 percentage points.

The annual rates of change in producer prices rose slightly for both inputs and outputs in July. Input prices (for materials and fuel purchased by manufacturing industry) rose by 8.4 per cent in the year to July, as opposed to 8.1 per cent in the year to June. Similarly the 12-month change in output prices (for home sales of manufactured products) was 6.3 per cent in July compared with 6.1 per cent in June.

The indices for one-person and two-person pensioner house-

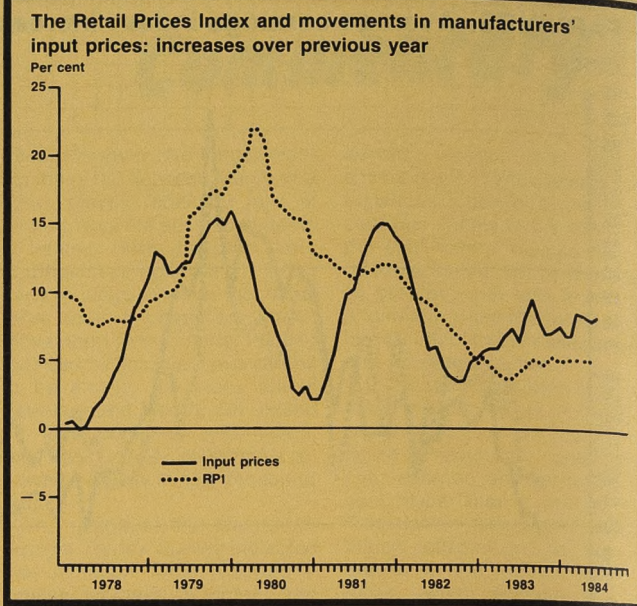
holds of limited means showed rises of 2.0 per cent and 2.2 per cent respectively between the first and second quarters of 1984. These changes correspond closely with a rise of 2.0 per cent in the general index for all items index excluding housing over the same period.

### Unemployment and vacancies

The *seasonally-adjusted* level of United Kingdom unemployment (excluding school leavers) in July was 3,054,000, an increase of 16,000 on June. In the three months to July there was an average increase of 14,000 a month, compared with 12,000 in the three months to April. The average rise of 13,000 a month in the latest six months compared with 5,000 a month in the six months to January and 21,000 in the previous six months.

The *recorded total* in July increased by 71,000 to 3,101,000 (12.9 per cent of all employees) reflecting, (a) an increase of 58,000 from seasonal influences, (b) a seasonally-adjusted increase of 16,000 and (c) a decrease of 3,000 in the number of school leavers.

Included in the July total were 92,000 claimant *school leavers* aged under 18, compared with 95,000 in June and 116,000 in



July 1983. The decrease of 3,000 between June and July was the same as during the corresponding period in 1983. Not included in the above total were 167,000 non-claimant school leavers registered at Careers Offices who are not entitled to benefit until September. This compares with a total of 124,000 in June and 211,000 in July 1983. The increase of 44,000 between June and July compares with a rise of 83,000 over the corresponding period last year.

The number of people assisted by *employment and training measures* at the end of June was 637,000, a net increase of 13,000 on May. Increased numbers on the Youth Training Scheme, the Community Programme and the Enterprise Allowance Scheme, were partly offset by smaller numbers on the Young Workers Scheme. It is estimated that as a direct effect of the measures, about 440,000 people were in jobs, training or early retirement instead of claiming unemployment benefit.

*Female* unemployment rose faster than *male* unemployment in the three months to July. In comparison with the previous three months, the female seasonally adjusted percentage rate increased by 0.2 percentage points, and there was a 0.1 rise for males.

The *regional pattern* in the three months to July compared with three months to April shows that only the North (+0.4 percentage points) and the North West (-0.1 points) experienced a change significantly different from the national average (+0.1 percentage points).

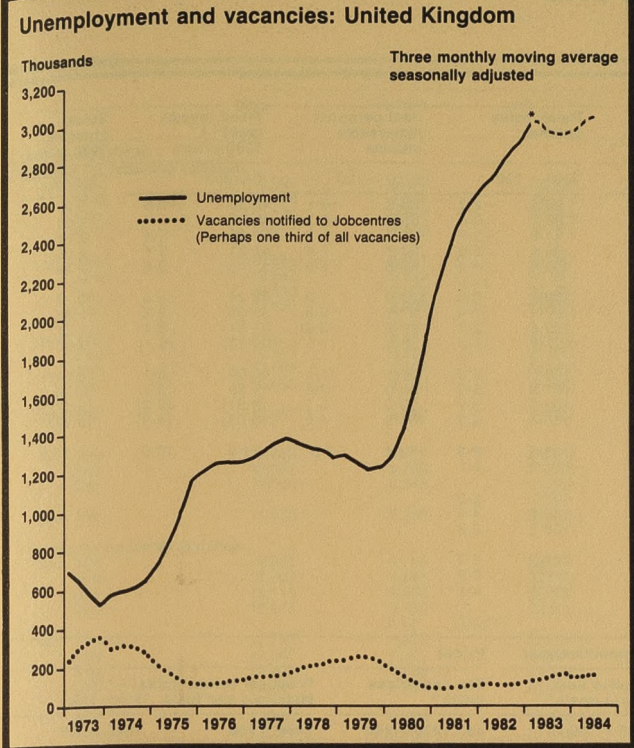
*International comparisons* of unemployment indicate that seasonally-adjusted national unemployment rates (latest three months compared with the previous three months) increased in France (+0.6 percentage points),

Belgium (+0.3), Germany (+0.2), and Canada, the Netherlands and the United Kingdom (+0.1). There was no change in Japan and falls in a number of countries including the United States (-0.4).

The *stock of vacancies* (seasonally-adjusted) in July was 164,000, an increase of 6,000 on the June level. In the three months to July the stock of vacancies averaged 160,000 a month, compared with 147,000 in the previous three months; about one-quarter of this increase was due to Community Programme vacancies. The rise in the stock has been caused by an increased inflow. The *inflow of vacancies* averaged 201,000 a month, in the three months to July, similar to the high level at the end of last year and an increase on the average of 190,000 a month in the three months to April. The *outflow* has increased steadily in recent months to an average of 198,000 a month in the three months to July from 189,000 a month in the three months to April.

The number of people recorded as *unemployed for more than a year* was 1,234,000 in July 1984, compared with 1,218,000 in April 1984 and 1,103,000 in July 1983. The year-on-year comparison is affected by the 1983 Budget provisions; making an allowance for the estimated 6,000 men unemployed for more than a year who were affected by these provisions between July 1983 and July 1984, there would have been an increase of about 138,000 over the year to July 1984. Although the number unemployed for over one year continued to rise, the rate of increase is lower than last year and has continued to decline.

432,000 people had been unemployed for between 13 and 26 weeks in July 1984 and 631,000 had been unemployed for between 26 and 52 weeks. This compares with 471,000 and



\*Figures affected by Budget provisions for men aged 60 and over.

652,000 respectively in July 1983.

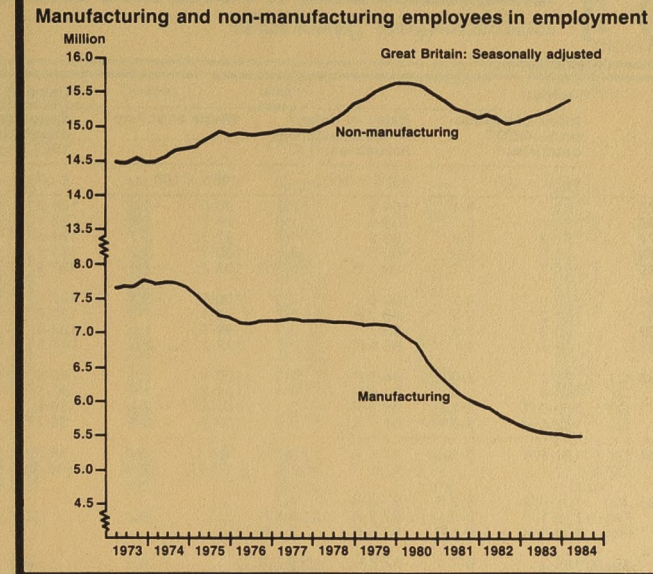
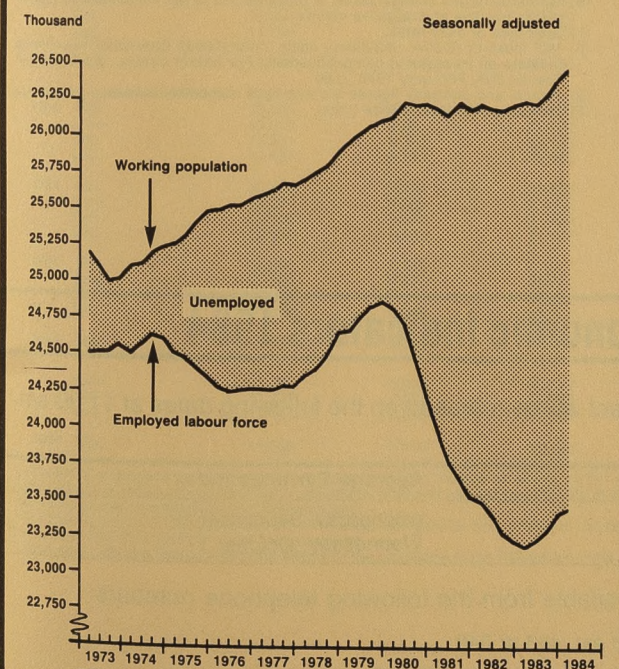
The number of *unemployed aged under 25* in July 1984 was 1,203,000 compared with 1,181,000 in April and 1,196,000 in July 1983.

About one-third of unemployed males and about one-half of unemployed females were in this age-group.

### Employment

The number of *employees in employment in manufacturing industries* in Great Britain is provisionally estimated to have increased by 3,000 (seasonally adjusted) in the second quarter of 1984, following a decrease of 22,000 in the first quarter and of

### Working population and employed labour force: Great Britain



8,000 in the fourth quarter of 1983. The small increase in the second quarter is mainly the result of an estimated increase of 4,000 in June, following a decrease of 1,000 in May and no change in April. The latest quarterly figure is, however, consistent with the deceleration of the downward trend in manufacturing employment in recent years.

In the year to June the number of employees in employment in manufacturing industries decreased by 59,000 (1.1 per cent). The main industries contributing to the decline include other transport equipment (-26,000; 8 per cent), metal manufacturing, ore and other mineral extraction (-15,000; 3 per cent) and motor vehicles and parts (-12,000; 4 per cent). The decreases were partially offset by increases in office machinery, electrical engineering and instruments (+16,000; 2 per cent) and metal goods not elsewhere specified (+6,000; 2 per cent).

The *employed labour force* (comprising employees in employment, the self-employed and HM forces) increased by 47,000 in the first quarter of 1984. This is the fourth successive quarterly increase following rises of 39,000, 65,000 and 112,000 in the second, third, and fourth quarters of 1983 respectively.

All *regions*, apart from Yorkshire and Humberside and the North showed increases in the total number of employees over the year to March 1984, the relatively largest increases being in East Anglia (+2.6 per cent; 17,000) and the South West (+2.2 per cent; 33,000).

*Overtime working*, by operatives in manufacturing industries, was 11.5 million hours a week in June 1984 (seasonally adjusted), about the same as the average for the second quarter as a whole.

This brings the level back close to the average for the fourth quarter of 1983 (11.4 million hours), following a dip to 11.1 million hours in the first quarter of 1984.

*Short-time working* increased to 0.8 million hours lost a week (seasonally adjusted) in June 1984 making an average of 0.6 million hours lost a week in the second quarter, much the same as in the previous two quarters.

Estimates of *labour turnover* in manufacturing industries (not seasonally adjusted) for June 1984 show an increase in the engagement rate to 1.6 per cent compared with 1.3 per cent in June 1983. The leaving rate remains the same as in June 1983 at 1.6 per cent. The quarterly series suggest that the reduction in the downward trend of employment in manufacturing has been mainly met by increasing recruitment, while the leaving rate has remained stable.

### Industrial stoppages

It is provisionally estimated that 1,876,000 working days were lost through industrial disputes during July. This included an estimated 1.5 million days resulting from the coal-mining dispute. The total is lower than in recent months because many of the collieries were closed for holidays. Over half of the remaining days lost in July are attributable to the national dock strike.

11.6 million working days were lost in the first seven months of 1984, with the coal-mining strike accounting for over three-quarters of the total at an estimated 9 million days. Between January and July 1983 2.4 million days were lost through strikes and the average for the comparable period in the ten years 1974-83 was 5.3 million.













# 1.9 EMPLOYMENT

## Selected countries: national definitions

	United Kingdom (1) (2)	Australia (2) (3) (4)	Austria (2) (5)	Belgium (1)	Canada (2)	France	Germany (FR) (2)	Italy (2)	Japan (2) (5)	Netherlands (7)	Norway (2) (5)	Spain (5) (8)	Sweden (2)	Switzerland (2)	United States (2)
Indices: 1980 = 100															
<b>CIVILIAN EMPLOYMENT</b>															
<b>Years</b>															
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	96.0	102.0	100.7	97.8	102.8	99.2	99.2	100.4	100.8	99.8	100.9	97.1	99.8	101.3	101.1
1982	94.7 R	102.6	103.9	..	99.4	99.3	97.4	100.0	101.8	..	101.7	96.6	99.7	100.6	100.2
1983	93.9 R	100.8	..	..	100.2	98.8	..	100.0	103.6	..	102.2	96.0	99.8	99.3	101.5
<b>Quarters</b>															
1980 Q1	100.4 R	99.7	100.4	..	99.4	..	100.0	99.7	99.8	..	99.4	101.3	100.5	99.8	99.7
Q2	99.9 R	100.4	99.0	..	99.9	..	100.1	100.5	100.5	..	99.9	100.9	100.1	100.3	99.6
Q3	98.9 R	100.9	100.4	..	101.3	99.6	..	100.6	100.4	..	101.0	100.0	99.9	99.9	100.2
Q4	97.8 R	101.4	100.5	..	102.6	..	99.8	101.1	100.6	..	101.8	98.8	100.4	100.8	101.0
1981 Q1	96.8 R	102.0	100.5	..	103.1	..	99.4	100.2	100.6	..	100.3	98.0	99.3	101.2	101.6
Q2	95.9 R	102.1	100.9	..	103.0	..	99.0	99.9	100.9	..	100.9	97.9	100.1	101.5	101.2
Q3	95.5 R	102.2	100.7	..	102.5	98.8	98.5	100.2	101.2	..	100.8	97.1	99.4	101.2	100.7
Q4	95.0 R	103.3	104.5	..	101.3	..	98.1	100.1	101.6	..	101.5	96.8	99.5	101.0	100.4
1982 Q1	95.0 R	103.0	103.6	..	99.9	..	97.7	100.6	101.6	..	102.4	96.8	99.7	100.6	100.5
Q2	94.6 R	102.5	104.1	..	98.6	..	97.2	99.6	99.6	..	101.7	96.7	99.8	100.0	100.2
Q3	94.1 R	101.6	103.5	..	98.0	99.4	96.6	99.6	102.6	..	101.2	96.6	99.8	100.0	99.7
Q4	93.8 R	100.6	102.5	..	98.5	..	95.9	99.8	103.4	..	100.5	95.6	99.8	99.6	99.9
1983 Q1	93.7 R	100.3	102.9	..	99.9	..	95.7	100.2	103.4	..	102.6	96.2	99.8	99.1	100.7
Q2	93.8 R	100.3	103.0	..	101.1	..	95.5	99.9	103.7	..	102.7	96.4	99.8	98.9	102.2
Q3	94.1 R	101.9	102.7	..	101.5	98.1	95.5	100.1	103.8	..	103.2	96.0	99.9	99.1	103.2
Q4	94.5 R	102.2	..	..	101.6	..	95.4	..	103.5	..	103.4	94.1	100.0	98.9	104.5
1984 Q1	94.7	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>CIVILIAN EMPLOYMENT</b>															
1980	24,983 R	6,242	3,071	3,751	10,708	21,051	25,771	20,551	55,360	4,932	1,914	11,254	4,235	3,016	99,303
1981	23,989 R	6,364	3,091	3,669	11,006	20,950	25,566	20,623	55,810	4,922	1,932	10,931	4,225	3,054	100,397
1982	23,663 R	6,403	3,189	..	10,644	20,984	25,100	20,542	56,380	..	1,946	10,876	4,219	3,033	99,526
1983	23,470 R	6,289	3,155	..	10,734	20,868	..	20,557	57,330	..	1,957	10,805	4,224	2,994	100,834
<b>Civilian employment: proportions by sector</b>															
1983 Agriculture*	2.7	6.6	10.0	3.0*	5.5	8.1	5.6	12.4	9.3	5.0*	7.5	18.0	5.4	7.1	3.5
Industry**	33.6	28.5	39.3	33.4*	25.5	33.9	42.0	36.0	34.8	30.2*	28.1	33.5	29.9	37.6	28.0
Services	63.7	64.9	51.8	63.6*	69.0	58.0	52.4	51.6	56.0	64.8*	64.3	48.4	64.7	55.3	68.5
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Manufacturing</b>															
1972	32.9	25.5	29.7	31.9	21.8	28.1	36.8	..	27.0	..	23.8	25.1	27.1	35.5	24.3
1973	32.3	25.6	..	31.8	22.0	28.3	36.7	..	27.4	..	23.5	25.6	27.5	35.0	24.8
1974	32.4	25.2	30.2	31.5	21.7	28.4	36.4	..	27.2	..	23.6	25.8	28.3	34.8	24.2
1975	30.9	23.4	30.1	30.1	20.2	27.9	35.6	..	25.8	25.0	24.1	26.7	28.0	33.7	22.7
1976	30.2	23.5	29.6	29.1	20.3	27.4	35.1	..	25.5	23.8	23.2	24.0	26.9	32.8	22.8
1977	30.3	23.1	29.8	28.1	19.6	27.1	35.1	27.5	25.1	23.2	22.4	24.1	25.9	32.7	22.7
1978	30.0	21.8	29.7	27.0	19.6	26.6	34.8	27.1	24.5	23.0	21.3	24.1	24.9	32.6	22.7
1979	29.5	20.2	29.5	25.9	20.0	26.1	34.5	26.7	24.3	22.3	20.5	23.7	24.5	32.3	22.7
1980	28.4	19.8	29.5	25.4	19.8	25.8	34.3	26.7	24.7	21.6	20.3	26.5	24.2	32.2	22.1
1981	..	19.4	29.7	24.7	19.4	25.1	33.6	26.1	24.8	21.1	20.2	25.7	23.3	32.0	21.7

Main Source: OECD—Labour Force Statistics.

- Notes: [1] Annual data relate to June.  
 [2] Quarterly figures seasonally adjusted.  
 [3] Annual data relate to August.  
 [4] Employment in manufacturing includes electricity, gas and water.  
 [5] Civilian employment figures include armed forces.  
 [6] Annual figures relate to April.

- [7] Data in terms of man-years.  
 [8] Annual data relate to the 4th quarter.  
 \* 1981  
 \*\* 1982.  
 † Including hunting, forestry and fishing.  
 ‡ 'Industry' includes manufacturing, construction, mining and quarrying, electricity, gas and water.  
 — Break in series

















# UNEMPLOYMENT 2-18

## Selected countries: national definitions

THOUSAND

	United Kingdom†		Australia xx	Austria*	Belgium‡	Canada xx	Denmark§	France*	Germany (FR)*	Greece*	Irish Republic*	Italy	Japan¶	Netherlands*	Norway*	Spain*	Sweden*	Switzerland*	United Statesxx	
	Incl. school leavers	Excl. school leavers																		
<b>NUMBERS UNEMPLOYED</b>																				
<b>Annual averages</b>																				
1979	1,296	1,227	408	57	294	838	159	1,350	876	32	90	1,653	1,170	281	24.1	1,037	88	10.3	5,963	
1980	1,665	1,561	409	53	322	867	180	1,451	900	37	101	1,776	1,140	325	22.3	1,277	86**	6.2	7,449	
1981	2,520	2,420	394	69	392	898	241	1,773	1,296	42	128	1,993	1,260	480	28.4	1,566	108	5.9	8,211	
1982	2,917	2,793	495	105	457	1,305	258	2,008	1,855	51	157	2,379	1,360	655	41.4	1,873	137	13.2	10,678	
1983	3,105	2,970	697	127	505	1,436	281	2,042	2,264	62	193	2,707	1,560	801	63.6	2,207	151	24.1	10,717	
<b>Quarterly averages</b>																				
1983 Q2	3,068	2,941	708	111	496	1,505	275	1,913	2,177	53	188	2,672	1,590	768	58.3	2,147	138	25.8	11,123	
Q3	3,066	2,919	698	90	511	1,344	256	1,972	2,177	40	193	2,630	1,530	822	63.6	2,188	170	23.9	10,316	
Q4	3,086	2,945	656	137	509	1,280	281	2,205	2,230	70	201	2,797	1,460	839	64.9	2,302	146	28.3	9,168	
1984 Q1	3,176	3,071	719	179	520	1,497	319	2,252	2,490	85	215	2,992	1,710	852	75.6	2,443	145	34.2	9,406	
Q2	3,074	2,979	649	112	502	1,430		2,183	2,166	58	211	2,924		813	63.3		123		8,420	
<b>Monthly</b>																				
1983 Sep	3,167	2,953	721	93	511	1,257	268	2,087	2,134	42	193	2,690	1,570	827	61.4	2,222	177	24.5	9,830	
Oct	3,094	2,926	653	114	512	1,238	277	2,165	2,148	49	196	2,755	1,490	825	60.2	2,266	149	25.4	9,383	
Nov	3,084	2,947	625	136	508	1,281	280	2,223	2,193	71	200	2,805	1,470	837	62.6	2,298	142	29.0	9,129	
Dec	3,079	2,961	690	160	508	1,321	286	2,227	2,349	90	208	2,830	1,430	856	71.9	2,342	147	30.4	8,992	
1984 Jan	3,200	3,083	719	191	523	1,473	329	2,252	2,539	95	216	2,960	1,650	863	79.7	2,433	162	34.5	9,755	
Feb	3,186	3,081	738	189	523	1,476	320	2,258	2,537	84	216	3,003	1,710	858	76.9	2,453	139	34.6	9,407	
Mar	3,143	3,048	701	158	515	1,541	309	2,247	2,393	77	214	3,012	1,780	835	70.3	2,442	134	33.5	9,057	
Apr	3,108	3,022	677	133	509	1,468	288	2,235	2,253	68	214	2,960	1,680	815	69.0	2,444	137	33.5	8,525	
May	3,084	2,980	637	110	503	1,460		2,168	2,133	54	208	2,930	1,600	807	59.2	2,404	115	32.3	8,154	
Jun	3,030	2,934	634	92	494	1,362		2,148	2,113	52	211	2,883		816	61.6		118		8,589	
Jul	3,101	3,008			519	1,326			2,202		212								8,714	
<b>Percentage rate latest month</b>																				
	12.9		8.9	3.2	18.9	11.3	11.0	11.2	8.9	3.1 e	16.7	12.8	2.7	17.5	3.0 e	18.2 e	2.7	1.1	7.5	
<b>NUMBERS UNEMPLOYED, SEASONALLY ADJUSTED</b>																				
<b>Quarterly averages</b>																				
1983 Q2		2,987	718	144	507	1,497	282	2,024	2,298	61	190	2,428	1,540	796	61.6	2,158	150		11,240	
Q3		2,950	724	148	517	1,421	280	2,034	2,315	56	196	2,116	1,590	818	66.1	2,237	161		10,529	
Q4		2,941	680	123	508	1,348	280	2,084	2,247	67	201	2,343	1,520	828	64.1	2,280	149		9,507	
1984 Q1		2,998	663	122	505	1,389	281	2,191	2,228	64	210		1,600	838	70.5	2,383	140 e		8,866	
Q2		3,026	659	144 e	513 e	1,406		2,306	2,282	66 e	213			841	66.7		135 e		8,496	
<b>Monthly</b>																				
1983 Sep		2,951	730	144	520	1,373	282	2,033	2,309	58	198		1,660	825	64.7	2,253	163		10,353	
Oct		2,941	697	129	516	1,346	281	2,035	2,271	61	200	2,343	1,540	825	62.0	2,258	149		9,896	
Nov		2,939	679	123	511	1,347	278	2,097	2,240	66	201		1,520	830	62.8	2,266	146		9,429	
Dec		2,946	664	118	496	1,352	276	2,119	2,229	74	204		1,510	829	67.5	2,316	152		9,195	
1984 Jan		2,976	667	111	503	1,374	277	2,136	2,209	68	208		1,610	834	72.3	2,370	142		9,026	
Feb		3,005	661	119	503	1,395	282	2,193	2,222	61	211		1,610	838	71.8	2,380	137		8,801	
Mar		3,012	662	135	510	1,399	284	2,244	2,252	62	211		1,580	841	67.5	2,398	140 e		8,772	
Apr		3,011	679	137	511	1,397	277	2,296	2,271	66	213		1,540 e	842	68.2	2,417	150 e		8,843	
May		3,028	635	141	514	1,442		2,296	2,279	67	211		1,570 e	848	63.8	2,426	133 e		8,514	
Jun		3,038	664	154 e	513 e	1,379		2,325	2,295	66 e	214			834	68.0		123 e		8,130	
Jul		3,054			521 e	1,361			2,311		214									8,543
<b>Percentage rate: latest three months change on previous three months</b>																				
	12.7		9.3	5.3 e	18.9 e	11.0	10.6	12.1	9.3	3.9 e	16.9	10.1	2.6 e	17.8	3.3 e	18.4 e	2.8 e		7.5	
	+0.1		-0.2	+0.8	+0.3	-0.1	+0.2	+0.6	+0.2	+0.2	+0.1	+0.8	—	+0.1	-0.2	+0.1	-0.1		-0.4	

Notes: (1) It is stressed that the figures are not directly comparable owing to national differences in coverage, concepts of unemployment and methods of compilation (described in an article on pages 833-840 of the August 1980 issue of *Employment Gazette*). There are two main methods of collecting unemployment statistics:

(i) by counts based on registration or insurance systems.  
(ii) by conducting a labour force survey from a sample number of households.

(2) Source: SOEC Statistical telegram for Italy, OECD Main Economic Indicators for remainder, except United Kingdom, supplemented by labour attaché reports. In some instances estimates of seasonally adjusted levels have been made from the latest unadjusted data.

Numbers registered at employment offices. Rates are calculated as percentages of total employees. Irish rate published by SOEC, calculated as a percentage of the civilian labour force.

See footnotes to table 2-1

‡ Insured unemployed. Rates are calculated as percentages of total insured population.

† Labour force sample survey. Rates are calculated as percentages of total labour force.

\*\* Average of 11 months.

|| Registered unemployed published by SOEC. The rates are calculated as percentages of the civilian labour force.

Seasonally adjusted figures are available only for the first month of each quarter and taken from OECD sources.

§ Numbers registered at employment offices. From 1977 includes unemployed insured for loss of part-time work. From January 1979 includes an allowance for persons partially unemployed during the reference period. Rates are calculated as percentages of the total labour force.

xx Labour force sample survey. Rates are calculated as a percentage of the civilian labour force.

# UNEMPLOYMENT 2.19

THOUSAND

Flows: standardised, not seasonally adjusted\*

UNITED KINGDOM <sup>o</sup> Month ending		INFLOW												
		Male and Female				Male				Female				
		All	School leavers <sup>‡</sup>	Excluding school leavers	Change since previous year <sup>†</sup> +	All	School leavers <sup>‡</sup>	Excluding school leavers	Change since previous year <sup>†</sup> +	All	Married	School leavers <sup>‡</sup>	Excluding school leavers	Change since previous year <sup>†</sup> +
1983	Jan 13	356.0	30.5	325.5	..	230.1	16.4	213.7	..	125.9	44.3	14.1	111.8	..
	Feb 10	362.6	25.0	337.6	..	236.9	13.7	223.2	..	125.7	47.9	11.3	114.4	..
	Mar 10	333.9	19.3	314.5	..	222.0	10.8	211.2	..	111.9	45.0	8.5	103.4	..
	Apr 14	362.6	41.9	320.8	..	238.8	24.0	214.8	..	123.8	46.2	17.8	106.0	..
	May 12	334.2	22.1	312.1	..	220.5	13.0	207.5	..	113.6	46.3	9.1	104.6	..
	June 9	319.5	16.2	303.3	..	211.4	9.3	202.1	..	108.1	43.6	6.8	101.2	..
	July 14	400.1	18.3	381.8	..	253.5	10.3	243.2	..	146.6	47.1	8.0	138.6	..
	Aug 11	368.0	17.5	350.6	..	236.5	10.3	226.2	..	131.6	50.3	7.2	124.4	..
	Sep 8	521.1	121.5	399.7	..	314.8	66.6	248.2	..	206.3	50.5	54.9	151.4	..
	Oct 13	468.8 R	49.9	419.0	..	294.7	27.6	267.0	..	174.2	54.5	22.2	151.9	..
	Nov 10	388.4	16.2	372.2	..	250.8	9.2	241.6	..	137.6	52.6	7.1	130.5	..
	Dec 8	351.8	12.2	339.6	..	233.6	6.9	226.7	..	118.2	48.4	5.2	112.9	..
1984	Jan 12	354.3	17.4	337.0	+11.4	225.2	9.5	215.7	+2.0	129.1	49.3	7.9	121.2	+9.4
	Feb 9	362.3	14.8	347.5	+9.9	234.9	8.3	226.6	+3.4	127.4	52.2	6.4	121.0	+6.5
	Mar 8	318.5	10.6	307.9	-6.6	206.8	6.1	200.7	-10.5	111.6	48.8	4.4	107.2	+3.8
	Apr 5	328.7	9.0	319.8	+3.9	215.2	5.2	210.0	-7.5	113.5	50.3	3.7	109.8	+3.6
	May 10	336.3	31.1	305.2	+3.9	215.4	18.1	197.3	-7.5	120.8	50.9	13.0	107.9	+3.6
	June 14	316.6	13.3	303.3	-0.1	204.9	7.7	197.2	-4.9	111.7	47.2	5.7	106.1	+4.8
	July 12	419.1	14.7	404.3	+22.5	260.8	8.2	252.6	+9.4	158.3	52.1	6.6	151.7	+13.1
UNITED KINGDOM <sup>o</sup> Month ending		OUTFLOW												
		Male and Female				Male				Female				
		All	School leavers <sup>‡</sup>	Excluding school leavers	Change since previous year <sup>†</sup> +	All	School leavers <sup>‡</sup>	Excluding school leavers	Change since previous year <sup>†</sup> +	All	Married	School leavers <sup>‡</sup>	Excluding school leavers	Change since previous year <sup>†</sup> +
1983	Jan 13	244.9	18.3	226.6	..	154.8	9.9	144.9	..	90.1	33.7	8.4	81.7	..
	Feb 10	390.6	32.5	358.0	..	256.7	17.3	239.3	..	133.9	47.6	15.2	118.7	..
	Mar 10	363.1	24.6	338.5	..	240.6	13.4	227.2	..	122.5	44.7	11.2	111.3	..
	Apr 14 <sup>†</sup>	339.3 R	17.6	321.7	..	224.7 R	9.4	215.3	..	114.6	42.8	8.2	106.4	..
	May 12 <sup>†</sup>	384.4 R	23.2	361.1	..	256.0 R	13.3	242.7	..	128.4	47.3	9.9	118.5	..
	June 9 <sup>†</sup>	359.1 R	16.7	342.3	..	239.3 R	9.5	229.8	..	119.7	44.6	7.2	112.5	..
	July 14 <sup>†</sup>	350.8 R	14.5	336.3	..	236.7 R	7.9	228.8	..	114.1	43.4	6.6	107.5	..
	Aug 11 <sup>†</sup>	369.8 R	14.0	355.8	..	247.1 R	7.6	239.5	..	122.6	42.9	6.4	116.3	..
	Sep 8	350.5	15.8	334.6	..	228.6	8.9	219.7	..	121.9	46.0	7.0	114.9	..
	Oct 13	532.5	72.4	460.1	..	331.3	39.7	291.6	..	201.2	53.0	32.5	168.7	..
	Nov 10	398.8	39.6	359.2	..	254.5	21.8	232.6	..	144.3	48.8	17.7	126.6	..
	Dec 8	357.3	25.2	332.0	..	225.0	13.8	211.2	..	132.2	45.1	11.4	120.8	..
1984	Jan 12	250.1	11.9	238.2	+11.6	157.3	6.6	150.6	+5.7	92.8	36.0	5.2	87.6	+5.9
	Feb 9	376.7 R	19.2	357.6	-0.5	244.1	10.7	233.4	-6.0	132.6	51.1	8.4	124.2	+5.5
	Mar 8	365.7	15.0	350.7	+12.2	241.3	8.5	232.8	+5.6	124.4	47.8	6.5	117.9	+6.7
	Apr 5	366.8	12.3	354.5	+8.9	242.3	6.8	235.5	+1.7	124.5	48.6	5.5	119.0	+7.2
	May 10	356.4	10.2	346.2	+8.9	231.8	5.9	225.9	+1.7	124.6	49.3	4.3	120.3	+7.2
	June 14	364.0	14.7	349.4	+7.0	240.9	8.4	232.5	+2.6	123.2	48.2	6.3	116.9	+4.4
	July 12	342.3	12.6	329.8	-6.6	227.7	7.0	220.7	-8.1	114.6	44.7	5.5	109.1	+1.5

\* The unemployment flow statistics on the new basis (claimants) are described in *Employment Gazette*, August 1983, pp 351-358. They exclude a minority still covered by clerical counts in Unemployment Benefit Offices. A seasonally adjusted series cannot yet be estimated.

† The figures on the old basis (registrations) have been discontinued. They were included for the last time in the issue for October 1983.

‡ Flow figures are collected for four or five week periods between count dates; the figures in the table are converted to a standard 4 1/3 week month.

§ Adjustments have been made in the outflows for April to August 1983 to allow for the effects of the provisions announced in the 1983 Budget for certain older men—see footnote \*\* to table 2.1.

¶ The change in the count of school leavers between one month and the next reflects some of them reaching the age of 18 as well as the excess of their inflow over their outflow.

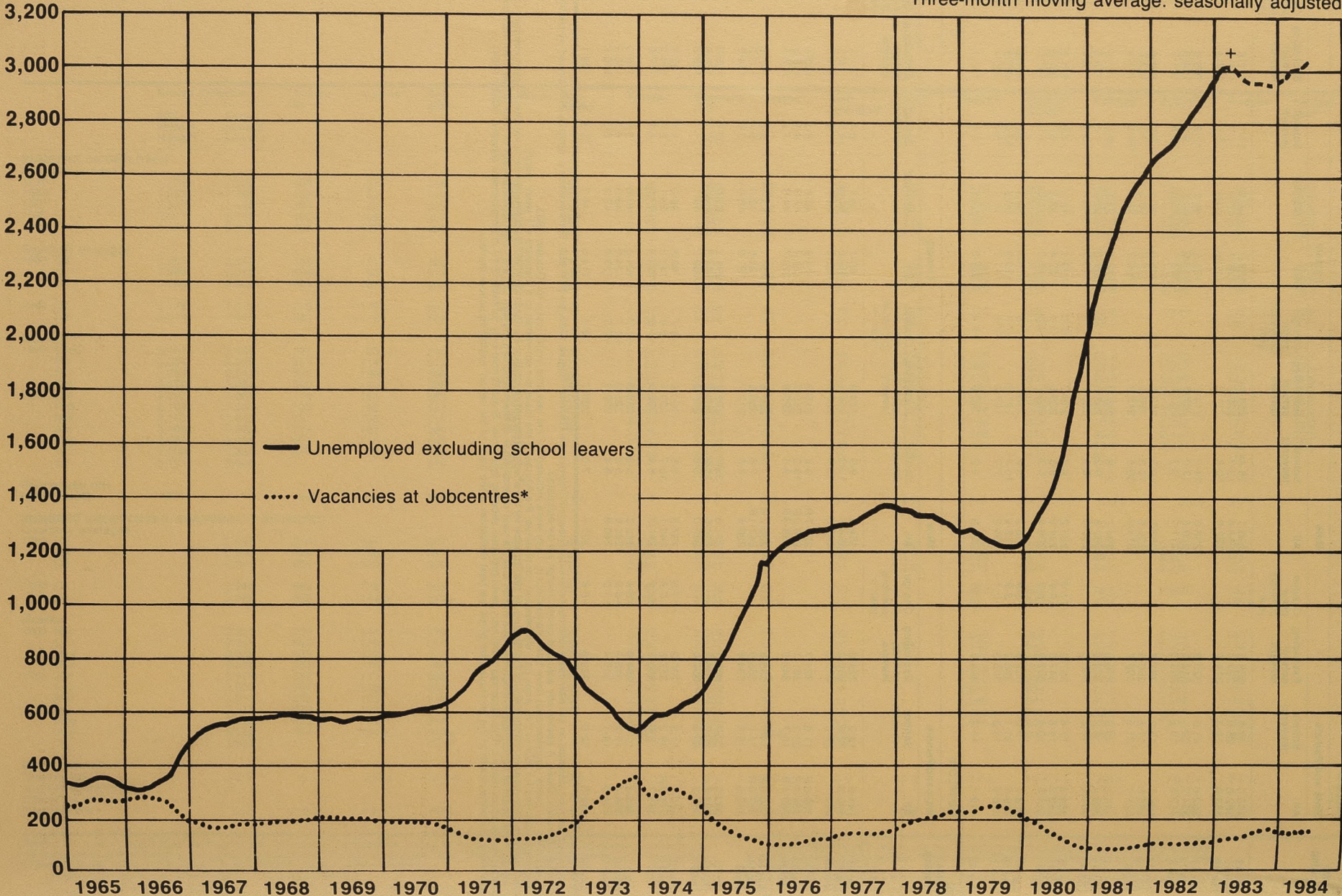
o Now including Northern Ireland. This table has previously been provided showing figures for Great Britain only (cf table 2.19 in *Employment Gazette*, March 1984).

+ Change since the same month in the previous year gives the best indication of the trend of the series' excluding school leavers.

# Unemployment and vacancies: United Kingdom 1965—1984

THOUSAND

Three-month moving average: seasonally adjusted



\*Vacancies at Jobcentres are only about a third of total vacancies. + Figures affected by Budget provisions for men aged 60 and over.

















# EARNINGS

## Selected countries: wages per head: manufacturing (manual workers)

5.9

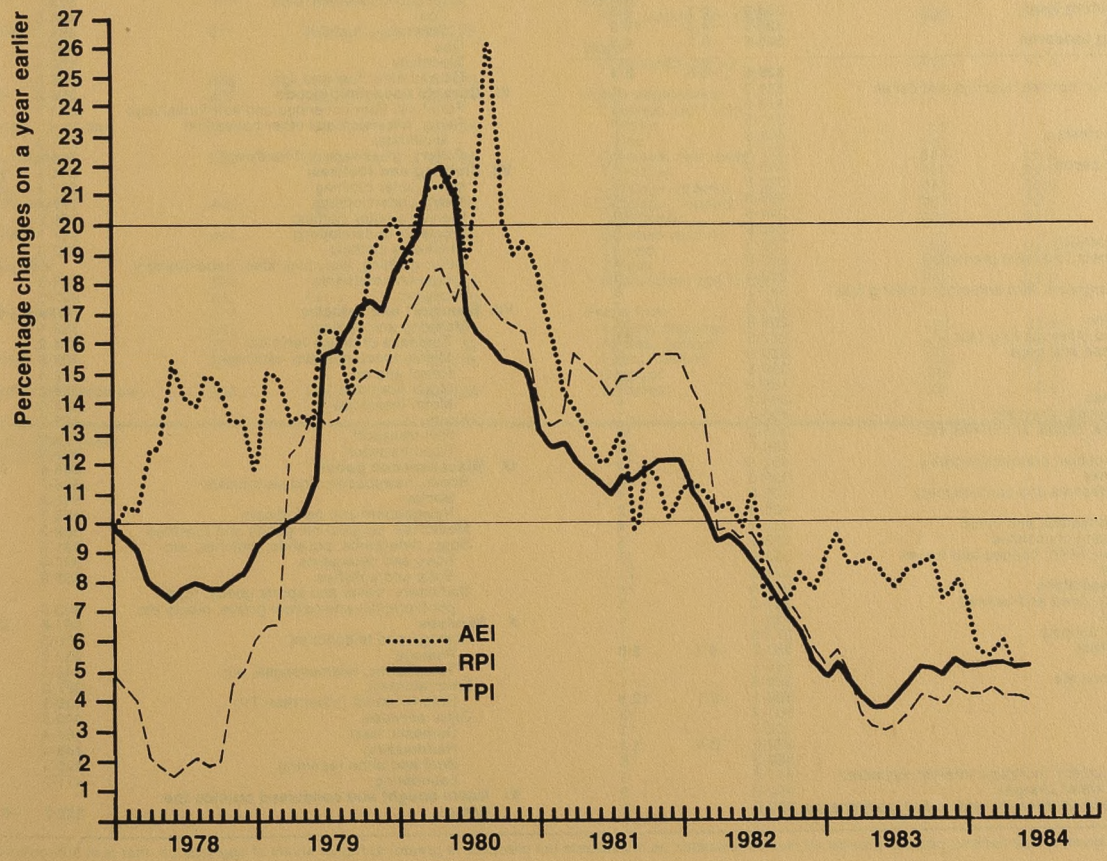
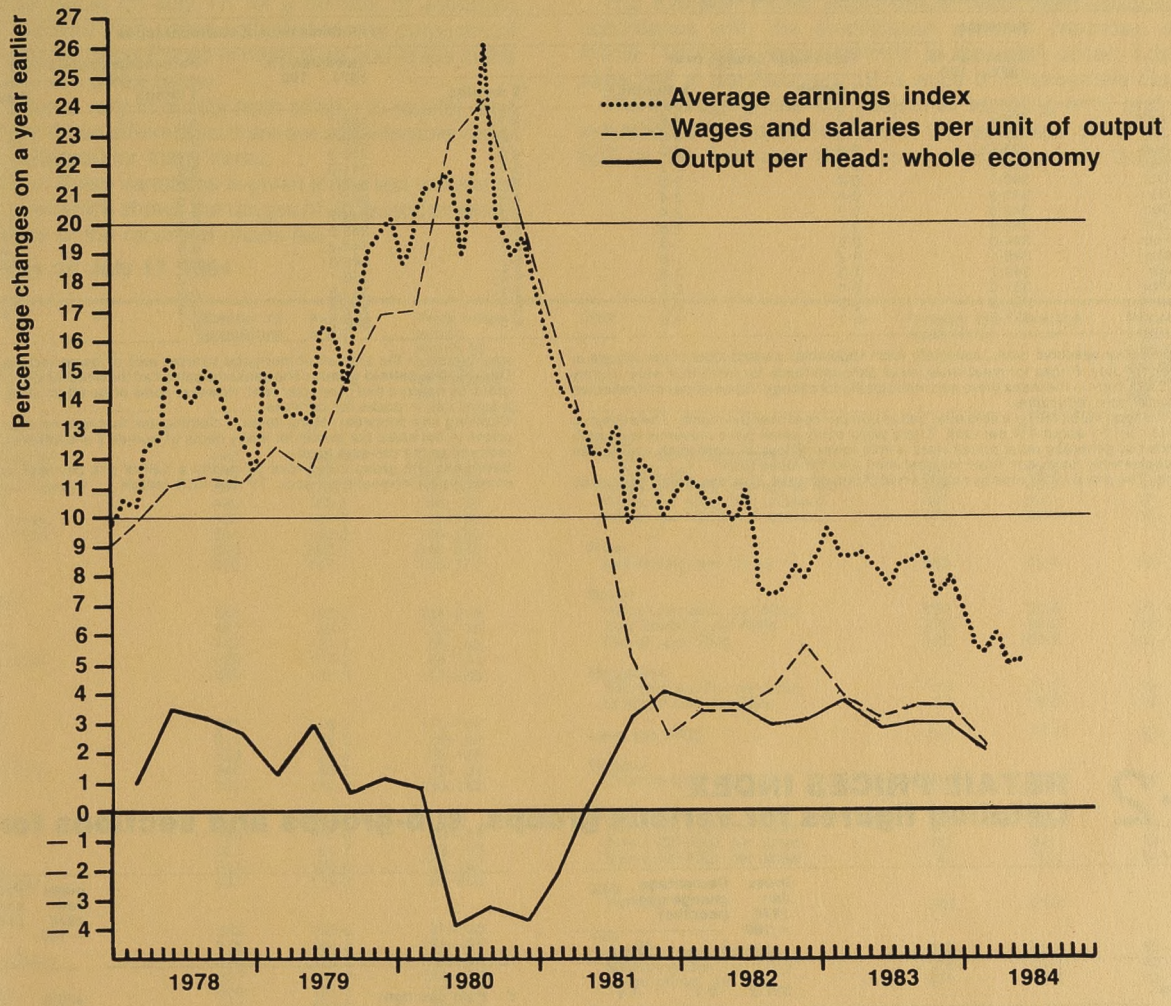
	Great Britain	Austria	Belgium	Canada	Denmark	France	Germany (FR)	Greece	Irish Republic	Italy	Japan	Netherlands	Norway	Spain	Sweden	Switzerland	United States
	(1) (2)	(2) (5) (6)	(7) (8)	(8)	(6) (8)	(4)	(8)	(8)	(8)	(4)	(2) (5)	(4)	(3) (8)	(2) (8) (9)	(6) (8)	(5)	(8) (10)
<b>Annual averages</b>																	
1974	39.5	61.8	54	53	49.4	45.2	68	27	36	30.1	60.3	66	53	..	54.4	81.1	61
1975	49.9	70.0	65	62	58.9	53.0	74	34	46	38.2	67.2	78	64	..	62.4	87.1	66
1976	58.2	76.3	73	70	66.4	60.4	79	44	54	46.2	75.5	81	75	..	73.6	88.5	72
1977	64.2	82.9	79	78	73.2	68.1	84	53	62	59.1	81.9	87	82	..	78.5	90.0	78
1978	73.4	87.6	85	83	80.7	76.9	89	65	71	68.6	86.8	92	89	..	85.3	93.1	85
1979	84.9	92.1	92	91	89.9	86.9	94	79	83	81.9	93.0	96	91	..	91.9	95.1	92
1980	100.0	100.0	100	100	100.0	100.0	100	100	100	100.0	100.0	100	100	100.0	100.0	100.0	100
1981	113.3	106.2	110	112	109.5	114.5	105	127	116	123.7	105.6	103	110	119.9 R	110.5	105.1	110
1982	126.0	112.7	117	125	120.3	131.9	110	170	133	144.9	110.7	110	121	138.1 R	119.2	111.6	117
1983	137.4	117.8	122	130	128.5	146.7	114	201	149	166.3	115.0	113	132	160.5	128.6	119.2	121 R
<b>Quarterly averages</b>																	
1982 Q4	129.9	113.7	122	129	125.4	133.6	112	185	140	153.3	112.0	112	127	134.6 R	120.7	112.3	118 R
1983 Q1	132.6	115.5	118	130	125.4	139.1	112	182	142	158.6	113.5	113	127	159.7 R	127.0	119.7	120
Q2	135.7	118.6	120	128	128.6	143.4	114	197	145	162.9	114.4	113	131	163.0 R	129.0	118.5	121
Q3	138.5	118.4	122	129	129.5	147.1	115	206	150	169.7	114.7	113	133	155.6 R	128.5	119.5	122
Q4	142.6	118.4	126	132	130.5	150.1	115	219	157	174.0	116.8	113	136	157.3	129.9	119.1	123 R
1984 Q1	145.2	122.3	125	135	130.5	153.0	115	..	..	180.3	117.7	114	..	..	130.9	..	125
<b>Monthly</b>																	
1983 Dec	143.6	116.5	126	133	132.0	..	..	..	157	175.2	116.0	113	..	..	131.1	..	124 R
1984 Jan	144.0	120.3	..	135	129.6	153.0	115	..	..	178.5	117.8	114	..	..	130.7	..	125
Feb	145.5	124.9	..	135	129.7	..	..	..	..	181.0	114.4	114	..	..	130.6	..	125
Mar	146.0	121.6	125	135	132.3	..	..	..	..	181.3	120.9	114	..	..	131.3	..	125
Apr	146.3	..	..	136	..	..	..	..	..	..	..	114	..	..	..	..	125
May	146.3	..	..	..	..	..	..	..	..	..	..	114	..	..	..	..	125
<b>Increases on a year earlier</b>																	
<b>Annual averages</b>																	
1974	17	16	20	13	21	19	10	26	20	22	26	19	18	..	11	14	8
1975	26	13	20	16	19	17	9	25	28	27	11	14	20	..	15	7	9
1976	17	9	11	14	13	14	7	29	17	21	12	9	17	..	18	2	8
1977	10	9	9	11	10	13	7	21	15	28	9	7	10	..	7	2	9
1978	14	6	7	7	10	13	5	24	15	16	6	5	8	..	9	3	8
1979	16	6	8	9	11	13	6	20	15	19	7	4	3	..	8	2	9
1980	18	8	9	10	11	15	6	27	21	22	7	5	10	..	9	5	9
1981	13	6	10	12	9	15	5	27	16	24	6	3	10	20 R	11	5	9
1982	11	6	11	12	10	15	5	33	15	17	5	7	10	15 R	8	6	7
1983	9	5	4	4	7	11	3	18	12	15	4	3	9	16	8	7	4
<b>Quarterly averages</b>																	
1982 Q4	9	4	4	10	10	12	4	37	16	16	4	6	11	16 R	7	6	5
1983 Q1	9	4	3	7	9	12	4	24	14	16	5	4	12	12 R	5	7	5
Q2	9	5	3	3	7	11	3	16	10	15	4	4	9	13 R	5	7	4
Q3	9	5	5	2	7	10	3	16	11	15	2	1	6	18 R	7	7	3
Q4	10	4	4	2	4	12	3	19	12	14	4	1	7	17	8	6	4
1984 Q1	10	6	6	4	4	10	3	..	..	14	4	1	..	..	3	..	4
<b>Monthly</b>																	
1983 Dec	10	3	4	2	4	..	..	..	12	13	3	1	..	..	8	..	4
1984 Jan	9	7	..	3	5	10	3	..	..	15	5	1	..	..	3	..	4
Feb	10	8	..	3	4	..	..	..	..	13	1	1	..	..	3	..	4
Mar	10	3	6	5	4	..	..	..	..	13	6	1	..	..	4	..	4
Apr	8	..	..	6	..	..	..	..	..	..	..	1	..	..	..	..	4
May	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4

Source: OECD—Main Economic Indicators.

Notes: 1 Wages and salaries on a weekly basis (all employees).  
2 Seasonally adjusted.3 Males only.  
4 Hourly wage rates.  
5 Monthly earnings.  
6 Including mining.7 Including mining and transport  
8 Hourly earnings.  
9 All industries.  
10 Production workers.



# EARNINGS: earnings, prices, output per head: whole economy C2







## 6.5 RETAIL PRICES

### General index of retail prices: Percentage increases on a year earlier

UNITED KINGDOM		All items	Food	Alcoholic drink	Tobacco	Housing	Fuel and light	Durable household goods	Clothing and footwear	Transport and vehicles	Miscellaneous goods	Services	Meals bought and consumed outside the home	Per cent
														Goods and services mainly produced by nationalised industries*
1974	Jan 15	12	20	2	0	10	6	10	13	10	7	12	21	5
1975	Jan 14	20	18	18	24	10	25	18	19	30	25	16	19	20
1976	Jan 13	23	25	26	31	22	35	19	11	20	22	33	23	44
1977	Jan 18	17	23	17	19	14	18	12	13	14	16	8	18	15
1978	Jan 17	10	7	9	15	7	11	12	10	11	13	12	16	11
1979	Jan 16	9	11	5	4	16	6	7	8	10	9	8	10	7
1980	Jan 15	18	13	21	17	25	19	15	12	23	20	22	22	17
1981	Jan 13	13	9	15	10	20	28	7	5	12	13	17	15	27
1982	Jan 12	12	11	16	32	23	13	4	0	10	7	13	7	11
1983	Jan 11	5	2	10	9	-1	16	3	2	7	8	4	7	15
	July 12	4	3	7	6	2	5	3	2	6	6	3	6	3
	Aug 16	5	5	7	6	2	4	3	3	6	6	3	6	3
	Sep 13	5	6	7	6	5	5	3	2	7	5	3	6	3
	Oct 11	5	6	6	4	5	4	3	2	6	5	3	6	2
	Nov 15	5	6	6	6	5	2	2	2	6	5	4	6	2
	Dec 13	5	6	7	6	9	1	2	2	5	5	4	7	1
1984	Jan 10	5	6	6	6	10	1	3	-0	5	5	4	7	1
	Feb 14	5	6	6	6	10	2	3	-0	4	6	4	7	2
	Mar 13	5	7	6	6	10	2	3	-0	3	6	4	7	2
	Apr 10	5	8	6	11	8	2	2	-0	2	6	4	7	2
	May 15	5	8	6	12	7	3	2	0	2	5	4	8	3
	June 12	5	7	5	13	7	4	2	-0	3	5	4	8	4
	July 17	4	6	5	13	5	4	2	0	1	5	4	8	4

\*These are coal, coke, gas, electricity, water (from August 1976), rail and bus fares, postage and telephones.

## 6.6 Indices for pensioner households: all items (excluding housing)

UNITED KINGDOM	One-person pensioner households				Two-person pensioner households				General index of retail prices			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	JAN 16, 1962 = 100											
1974	199.4	207.5	214.1	225.3	199.5	208.8	214.5	225.2	190.7	201.9	208.0	218.1
	JAN 15, 1974 = 100											
1974	101.1	105.2	108.6	114.2	101.1	105.8	108.7	114.1	101.5	107.5	110.7	116.1
1975	121.3	134.3	139.2	145.0	121.0	134.0	139.1	144.4	123.5	134.5	140.7	145.7
1976	152.3	158.3	161.4	171.3	151.5	157.3	160.5	170.2	151.4	156.6	160.4	168.0
1977	179.0	186.9	191.1	194.2	178.9	186.3	189.4	192.3	176.8	184.2	187.6	190.8
1978	197.5	202.5	205.1	207.1	195.8	200.9	203.6	205.9	194.6	199.3	202.4	205.3
1979	214.9	220.6	231.9	239.8	213.4	219.3	233.1	238.5	211.3	217.7	233.1	239.8
1980	250.7	262.1	268.9	275.0	248.9	260.5	266.4	271.8	249.6	261.6	267.1	271.8
1981	283.2	292.1	297.2	304.5	280.3	290.3	295.6	303.0	279.3	289.8	295.0	300.5
1982	314.2	322.4	323.0	327.4	311.8	319.4	319.8	324.1	305.9	314.7	316.3	320.2
1983	331.1	334.3	337.0	342.3	327.5	331.5	334.4	339.7	323.2	328.7	332.0	335.4
1984	346.7	353.6			343.8	351.4			337.5	344.3		

## 6.7 Group indices: annual averages

UNITED KINGDOM	All items (excluding housing)	Food	Alcoholic drink	Tobacco	Fuel and light	Durable household goods	Clothing and footwear	Transport and vehicles	Miscellaneous goods	Services	Meals bought and consumed outside the home
INDEX FOR ONE-PERSON PENSIONER HOUSEHOLDS											
JAN 15, 1974 = 100											
1975	135.0	129.5	135.8	147.8	145.5	131.0	124.9	144.0	147.7	134.4	133.1
1976	160.8	156.3	160.2	171.5	179.9	145.2	137.7	178.0	171.6	155.1	159.5
1977	187.8	187.5	185.2	209.8	205.2	169.0	155.4	204.6	201.1	168.7	188.6
1978	203.1	199.6	197.9	226.3	224.8	184.8	168.3	228.0	221.3	185.3	209.8
1979	226.8	222.4	219.0	247.8	251.2	205.0	186.6	262.0	250.6	206.0	243.9
1980	264.2	248.1	263.8	290.5	316.9	230.6	206.1	322.5	298.4	248.8	288.3
1981	294.3	269.2	307.5	358.9	381.6	241.4	208.0	363.3	333.6	276.6	313.6
1982	321.7	291.5	341.6	414.1	430.6	248.2	211.6	398.8	370.8	305.5	336.3
1983	336.2	300.7	336.7	441.6	462.3	255.3	215.3	422.3	393.9	311.5	358.2
INDEX FOR TWO-PERSON PENSIONER HOUSEHOLDS											
1975	134.6	128.9	135.7	148.1	146.0	132.6	126.4	145.4	144.6	135.4	133.1
1976	159.9	155.8	160.5	171.9	180.7	146.3	139.7	171.4	168.2	157.1	159.5
1977	186.7	184.8	186.3	210.2	207.7	170.3	158.5	194.9	197.4	171.2	188.6
1978	201.6	196.9	199.8	226.6	226.0	186.1	172.7	211.7	217.8	188.5	209.8
1979	225.6	220.0	221.5	247.8	252.8	206.3	191.7	246.0	246.1	210.3	243.9
1980	261.9	244.6	268.3	289.9	319.0	231.2	212.8	301.5	292.8	254.8	288.3
1981	292.3	265.5	314.5	358.1	383.4	242.3	216.8	343.9	327.3	284.1	313.6
1982	318.8	287.8	350.7	413.1	430.5	249.4	219.9	369.6	362.3	314.1	336.3
1983	333.3	296.7	377.3	440.6	461.2	257.4	223.8	393.1	383.9	320.6	358.2
GENERAL INDEX OF RETAIL PRICES											
1975	136.1	133.3	135.2	147.7	147.4	131.2	125.7	143.9	138.6	135.5	132.4
1976	159.1	159.9	159.3	171.3	182.4	144.2	139.4	166.0	161.3	159.5	157.3
1977	184.9	190.3	183.4	209.7	211.3	166.8	157.4	190.3	188.3	173.3	185.7
1978	200.4	203.8	196.0	226.2	227.5	182.1	171.0	207.2	206.7	192.0	207.8
1979	225.5	228.3	217.1	247.6	250.5	201.9	187.2	243.1	236.4	213.9	239.9
1980	262.5	255.9	261.8	290.1	313.2	226.3	205.4	288.7	276.9	262.7	290.0
1981	291.2	277.5	306.1	358.2	380.0	237.2	208.3	322.6	300.7	300.8	318.0
1982	314.3	299.3	341.0	413.3	433.3	243.8	210.5	343.5	325.8	331.6	341.7
1983	329.8	308.8	366.5	440.9	465.4	250.4	214.8	366.3	345.6	342.9	364.0

Note: The General Index covers almost all goods and services purchased by most households, excluding only those for which the income of the head of household is in the top 3-4 per cent and those one-and-two person pensioner households of limited means covered by separate indices. For these pensioners, national retirement and similar pensions account for at least three-quarters of income.

# RETAIL PRICES

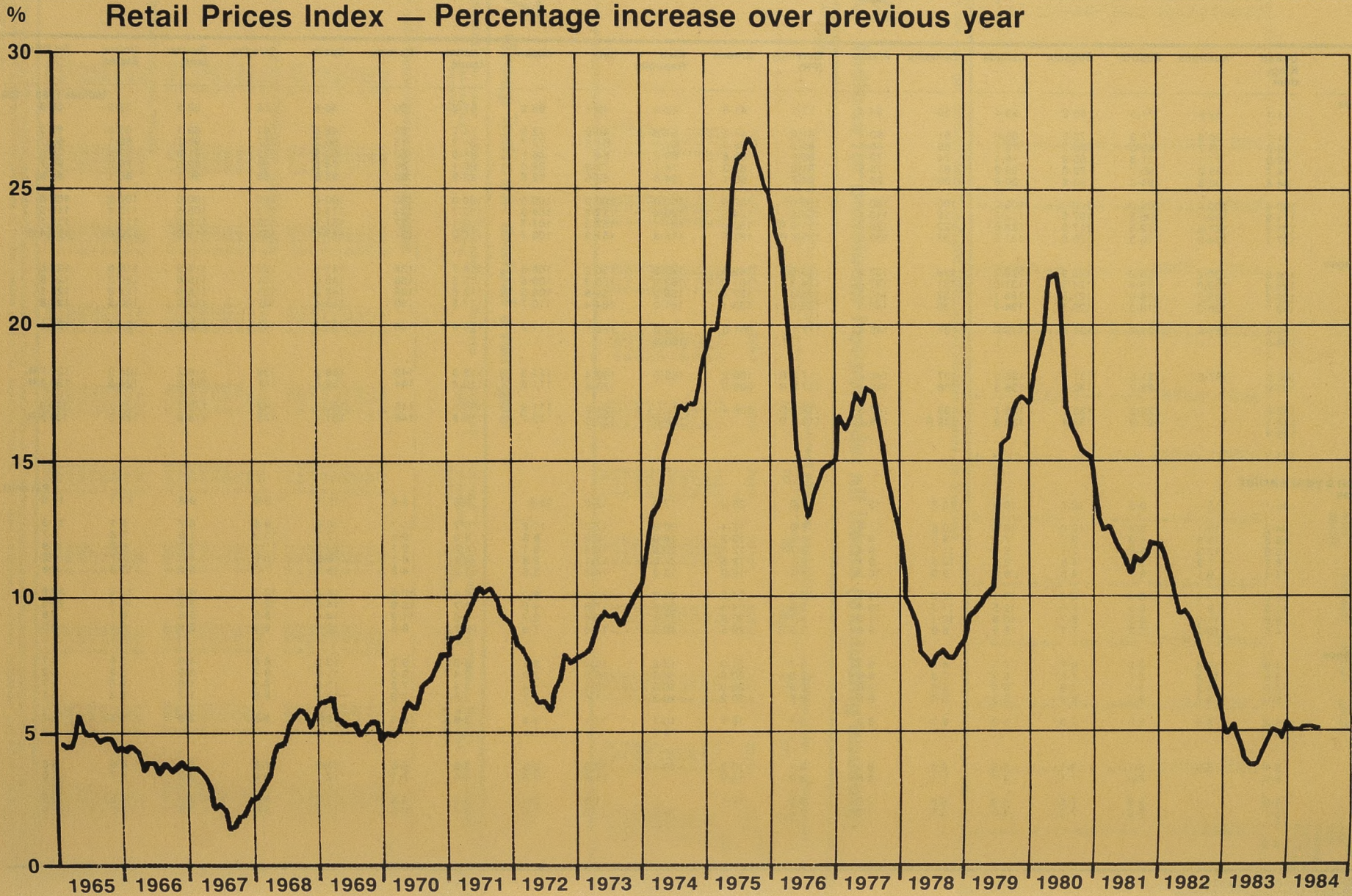
## Selected countries: consumer prices indices

	United Kingdom	Australia	Austria	Belgium	Canada	Denmark	France	Germany (FR)	Greece	Irish Republic	Italy	Japan	Netherlands	Norway	Spain	Sweden	Switzerland	United States	All OECD (1)	
																			Indices 1980 = 100	
<b>Annual averages</b>																				
1974	41.1	52.6	71.3	65.2	59.4	56	54.4	77.2	41.5	42.8	40.1	65.2	67.8	60	36.5	55	83.5	59.9	56.8	
1975	51.1	60.5	77.3	73.5	65.8	61	60.8	81.8	47.1	51.8	46.9	72.9	74.7	67	42.6	61	89.1	65.3	63.2	
1976	59.6	68.7	83.0	80.2	70.7	66	66.7	85.5	53.3	61.1	54.8	79.7	81.3	73	50.2	67	90.7	69.1	68.7	
1977	69.0	77.1	87.6	85.9	76.4	74	72.9	88.6	59.8	69.4	64.1	86.1	86.6	80	62.5	75	91.8	73.5	74.8	
1978	74.7	83.2	90.7	89.8	83.2	81	79.5	91.0	67.3	74.7	71.9	89.4	90.1	86	74.8	82	92.8	79.2	80.7	
1979	84.8	90.8	94.0	93.8	90.8	89	88.1	94.8	80.1	84.6	82.5	92.6	93.9	90	86.6	88	96.1	88.1	88.6	
1980	100.0	100.0	100.0	100.0	100.0	100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100.0	100	100.0	100.0	100.0	
1981	111.9	109.7	106.8	107.6	112.5	112	113.4	105.9	124.5	120.4	117.8	104.9	106.7	114	114.6	112	106.5	110.4	110.5	
1982	121.5	121.8	112.6	117.0	124.6	123	126.8	111.9 R	150.6	141.1	137.3	107.7	113.1	127	131.1	122	112.5	117.1	119.1	
1983	127.1	134.2	116.3	126.0	131.9	132	139.0	115.6 R	181.5	155.8	157.3	109.7	116.2	137	147.0	133	115.9	120.9	125.4 R	
<b>Quarterly averages</b>																				
1983 Q1	124.0	130.2	115.2	122.9	129.2	129	133.6	113.6	169.4	149.8	150.9	108.6	114.7	134	141.5	129	114.9	118.8	122.6	
Q2	126.6	133.0	115.4	124.5	131.0	131	137.4	114.3	181.0	153.9	155.3	109.8	115.5	136	145.0	131	115.6	120.3	124.6	
Q3	128.2	135.3	116.8	127.5	133.1	132	140.3	115.4	182.4	158.3	158.8	109.5	116.6	138	148.0	134	116.0	121.8	126.1	
Q4	129.7	138.3	118.0	129.1	134.2	135	143.0	116.0	193.1	161.2	164.4	110.7	117.8	140	153.4	137	117.0	122.8	127.9	
1984 Q1	130.4	137.8	121.7	131.5	135.8	137	145.4	117.1	201.0	165.0	169.1	111.2	118.8	143	158.5	140	118.3	124.1	129.6	
Q2	133.0	..	..	..	..	..	..	..	..	168.8	..	..	..	..	..	..	..	..	..	
<b>Monthly</b>																				
1984 Feb	130.5	137.8	121.8	131.6	136.0	137	145.4	117.8 R	199.2	165.0	169.4	111.3	118.8	143	158.3	139	118.2	124.2	129.7 R	
Mar	130.9	..	122.2	132.2	136.3	138	146.4	117.9 R	205.5	..	170.6	111.6	119.4	144	159.6	141	118.8	124.5	130.2 R	
Apr	132.6	..	122.2	133.1	136.7	138	147.3	118.1 R	209.4	..	171.9	111.9	119.8	145	160.5	142	119.1	125.1	130.9	
May	133.1	..	121.9	133.4	136.9	139 R	148.1	118.2 R	..	..	172.9	112.7	119.8	145	161.4	143	118.8	125.5	131.5 R	
Jun	133.4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Jul	133.3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
<b>Increases on a year earlier</b>																				
<b>Annual averages</b>																				
1974	16.1	15.4	9.5	12.7	10.8	15.3	13.7	7.0	26.9	17.0	19.0	24.5	9.6	9.4	15.7	9.9	9.8	11.1	13.5	
1975	24.2	15.1	8.4	12.8	10.8	9.6	11.8	6.0	13.4	20.9	17.0	11.8	10.2	11.7	16.9	9.8	6.7	9.1	11.3	
1976	16.5	13.6	7.3	9.2	7.4	9.0	9.7	4.5	13.3	18.0	16.8	9.3	8.8	9.1	17.7	10.3	1.8	5.8	8.7	
1977	15.8	12.3	5.5	7.1	8.1	11.1	9.4	3.7	12.1	13.6	18.4	8.1	6.5	9.1	24.5	11.4	1.3	6.5	8.9	
1978	8.3	7.9	3.6	4.5	8.9	10.0	9.1	2.7	12.6	7.6	12.1	3.8	4.1	8.1	19.8	10.0	1.1	7.7	8.0	
1979	13.4	9.1	3.7	4.5	9.1	9.6	10.8	4.1	19.0	13.3	14.8	3.6	4.2	4.8	15.7	7.2	3.6	11.3	9.8	
1980	18.0	10.2	6.4	6.6	10.1	12.3	13.6	5.5	24.9	18.2	21.2	8.0	6.5	10.9	15.5	13.7	4.0	13.5	12.9	
1981	11.9	9.7	6.8	7.6	12.5	11.7	13.4	5.9	24.5	20.4	17.8	4.9	6.7	13.6	14.6	12.1	6.5	10.4	10.5	
1982	8.6	11.0	5.5	8.7	10.8	10.1	11.8	5.7 R	20.9	17.1	16.6	2.7	6.0	11.2	14.4	8.6	5.6	6.1	7.8	
1983	4.6	10.2	3.3	7.7	5.9	6.9	9.6	3.3 R	20.5	10.5	14.6	1.9	2.7	8.6	12.1	8.9	3.0	3.2	5.3	
<b>Quarterly averages</b>																				
1983 Q1	4.9	11.4	3.9	8.7	7.7	8.4	9.3	3.7	21.0	12.5	16.2	2.1	3.3	9.7	13.2	8.8	4.9	3.6	5.7	
Q2	3.8	11.2	2.7	7.6	5.9	7.5	9.0	2.9	20.9	9.3	16.0	2.2	2.4	9.0	11.9	8.7	3.5	3.3	5.2	
Q3	4.6	9.3	3.1	7.6	5.4	5.6	9.8	2.8	20.0	10.0	13.9	1.4	2.4	7.8	11.0	9.3	1.8	2.6	4.7	
Q4	5.0	8.7	3.7	6.9	4.5	5.6	9.8	2.6	20.2	10.3	11.0	1.7	2.8	7.2	12.5	8.9	1.7	3.3	5.1	
1984 Q1	5.2	5.9	5.6	7.0	5.2	6.3	8.8	3.1	18.7	10.1	12.1	2.4	3.6	6.5	12.0	8.2	3.0	4.5	5.7	
Q2	5.1	..	..	..	..	..	..	..	..	9.7	..	..	..	..	..	..	..	..	..	
<b>Monthly</b>																				
1984 Feb	5.1	5.9	5.7	7.1	5.5	6.4	8.9	3.1	18.8	10.1	12.0	2.9	3.6	6.5	11.9	7.8	2.9	4.6	5.8	
Mar	5.2	..	5.8	7.1	4.7	7.1	8.6	3.2	16.9	..	11.9	2.5	3.9	6.7	12.1	8.9	3.3	4.7	5.8	
Apr	5.2	..	5.9	7.5	4.9	6.6	7.9	3.2	17.1	..	11.6	2.4	3.9	6.6	11.2	8.8	3.2	4.5	5.6	
May	5.1	..	5.9	7.2	4.8	6.5	7.8	2.8	..	..	11.3	2.0	3.7	6.6	11.3	8.9	2.9	4.2	5.4	
Jun	5.1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Jul	4.5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	

Sources: OECD—Main Economic Indicators.  
OECD—Consumer Prices Press Notice.

Note: 1 The index for the OECD as a whole is compiled using weights derived from private final consumption expenditure and exchange rates for previous year.

### Retail Prices Index — Percentage increase over previous year



## DEFINITIONS

The terms used in the tables are defined more fully in periodic articles in *Employment Gazette* relating to particular statistical series.

### BASIC WEEKLY WAGE RATES

Minimum entitlements of manual workers under national collective agreements and statutory wages orders. Minimum entitlements in this context means basic wage rates, standard rates, minimum guarantees or minimum earnings levels, as appropriate, together with any general supplement payable under the agreement or order.

### EARNINGS

Total gross remuneration which employees receive from their employers in the form of money. Income in kind and employers' contributions to national insurance and pension funds are excluded.

### EMPLOYED LABOUR FORCE

Employees in employment plus HM forces and self-employed.

### EMPLOYEES IN EMPLOYMENT

Civilians in the paid employment of employers (excluding home workers and private domestic servants).

### FULL-TIME WORKERS

People normally working for more than 30 hours a week except where otherwise stated.

### GENERAL INDEX OF RETAIL PRICES

The general index covers almost all goods and services purchased by most households, excluding only those for which the income of the head of household is in the top 3-4 per cent and those one and two person pensioner households of limited means covered by separate indices. For these pensioners, national retirement and similar pensions account for at least three-quarters of income.

### HM FORCES

All UK service personnel of HM Regular Forces, wherever serving, including those on release leave.

### HOUSEHOLD SPENDING

Expenditure on housing (in the Family Expenditure Survey) includes, for owner-occupied and rent-free households, a notional (imputed) amount based on rateable values as an estimate of the rent which would have been payable if the dwelling had been rented: mortgage payments are therefore excluded.

### INDEX OF PRODUCTION INDUSTRIES (SIC 1968)

Orders II-XXI: Manufacturing industries plus mining and quarrying, construction, gas, electricity and water.

### INDUSTRIAL DISPUTES

Statistics of stoppages of work due to industrial disputes in the United Kingdom relate only to disputes connected with terms and conditions of employment. Stoppages involving fewer than 10 workers or lasting less than one day are excluded except where the aggregate of working days lost exceeded 100.

Workers involved and working days lost relate to persons both directly and indirectly involved (thrown out of work although not parties to the disputes) at the establishments where the disputes occurred. People laid off and working days lost elsewhere, owing for example to resulting shortages of supplies, are not included.

There are difficulties in ensuring complete recording of stoppages, in particular those near the margins of the definitions; for example, short disputes lasting only a day or so. Any under-recording would particularly bear on those industries most affected by such stoppages, and would affect the total number of stoppages much more than the number of working days lost.

### MANUAL WORKERS (OPERATIVES)

Employees other than those in administrative, professional, technical and clerical occupations.

### MANUFACTURING INDUSTRIES

SIC 1968 Orders III-XIX. SIC 1980 Divisions 2 to 4.

### Conventions

The following standard symbols are used:

- ... not available
- nil or negligible (less than half the final digit shown)
- [] provisional
- break in series

Where figures have been rounded to the final digit, there may be an apparent slight discrepancy between the sum of the constituent items and the total as shown. Although figures may be given in unrounded form to facilitate the calculation of percentage changes, rates of change, etc. by users, this does not imply that the figures can be estimated to this degree of precision, and it must be recognised that they may be the subject of sampling and other errors.

### NORMAL WEEKLY HOURS

The time which the employee is expected to work in a normal week, excluding all overtime and main meal breaks. This may be specified in national collective agreements and statutory wages orders for manual workers.

### OVERTIME

Work outside normal hours for which a premium rate is paid.

### PART-TIME WORKERS

People normally working for not more than 30 hours a week except where otherwise stated.

### PRODUCTION INDUSTRIES (SIC 1980)

Divisions 1 to 4 inclusive, i.e. excluding construction.

### SEASONALLY ADJUSTED

Adjusted for regular seasonal variations.

### SELF-EMPLOYED PEOPLE

Those working on their own account whether or not they have any employees.

### SERVICE INDUSTRIES

SIC 1968 Orders XXII-XXVII. SIC 1980 Divisions 6 to 9.

### SHORT-TIME WORKING

Arrangements made by an employer for working less than regular hours. Therefore, time lost through sickness, holidays, absenteeism and the direct effects of industrial disputes is not counted as short-time.

### STANDARD INDUSTRIAL CLASSIFICATION (SIC)

The classification system used to provide a consistent industrial breakdown for UK official statistics. It was revised in 1968 and 1980.

### TAX AND PRICE INDEX.

Measures the increase in gross taxable income needed to compensate taxpayers for any increase in retail prices, taking account of changes to direct taxes (including employees' National Insurance contributions). Annual and quarterly figures are averages of monthly indices.

### TEMPORARILY STOPPED

People who at the date of the unemployment count are suspended by their employers on the understanding that they will shortly resume work and are claiming benefit. These people are not included in the unemployment figures.

### UNEMPLOYED

People claiming benefit (that is unemployment benefit, supplementary benefits or national insurance credits) at Unemployment Benefit Offices on the day of the monthly count, who on that day were unemployed and able and willing to do any suitable work. (Students claiming benefit during a vacation and who intend to return to full-time education are excluded.)

### UNEMPLOYED PERCENTAGE RATE

The number of unemployed expressed as a percentage of the latest available mid-year estimate of all employees in employment, plus the unemployed at the same date.

### UNEMPLOYED SCHOOL LEAVERS

Unemployed people under 18 years of age who have not entered employment since terminating full-time education.

### VACANCY

A job notified by an employer to a local Jobcentre or careers service office, which remained unfilled on the day of the count.

### WEEKLY HOURS WORKED

Actual hours worked during the reference week and hours not worked but paid for under guarantee agreements.

### WORKING POPULATION

Employed labour force plus the unemployed.

- R revised
- e estimated
- MLH Minimum List Heading of the SIC 1968
- n.e.s. not elsewhere specified
- SIC UK Standard Industrial Classification, 1968 or 1980 edition
- EC European Community





Table 2 Estimates of civilian labour force activity rates 1971-83 by age and sex

Great Britain	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Per cent													
<b>Male</b>													
16-19	69.4	66.8	66.1	63.5	64.5	63.8	69.5	70.2	71.4	71.6	74.3	73.9	73.9
20-24	87.7	86.7	86.5	86.9	86.7	86.1	85.3	85.7	86.5	85.7	85.1	84.8	84.2
25-34	94.6	94.7	94.8	94.9	94.9	95.1	95.6	95.5	95.4	95.4	95.3	94.6	93.7
35-44	96.2	96.2	96.3	96.3	96.4	96.4	96.5	96.4	96.3	96.1	95.9	95.7	95.4
45-54	95.7	95.8	96.0	96.1	96.2	96.1	96.0	95.7	95.4	95.1	94.8	94.0	93.2
55-59	93.0	93.0	93.0	93.0	93.0	92.4	91.8	91.3	90.8	90.1	89.4	86.8	84.2
60-64	82.9	82.7	82.6	82.4	82.3	80.4	78.5	75.8	73.0	71.2	69.4	64.5	59.5
65-69	30.4	29.3	28.2	27.0	25.9	23.9	22.0	19.4	16.8	16.6	16.4	15.1	13.8
70+	10.9	10.3	9.6	9.0	8.3	7.9	7.5	6.8	6.0	6.3	6.6	6.1	5.7
<b>All ages</b>	<b>80.5</b>	<b>80.0</b>	<b>79.6</b>	<b>79.2</b>	<b>78.9</b>	<b>78.3</b>	<b>78.3</b>	<b>77.8</b>	<b>77.3</b>	<b>76.8</b>	<b>76.7</b>	<b>75.7</b>	<b>74.7</b>
<b>Female</b>													
16-19	65.0	63.5	62.9	58.0	61.6	61.3	67.8	69.1	70.7	69.9	70.7	70.8	70.2
20-24	60.2	61.4	61.3	63.5	63.8	65.0	66.3	66.7	67.5	67.8	67.9	68.3	68.6
25-34	45.5	46.7	48.9	51.0	51.8	54.0	56.3	56.3	56.2	56.2	56.2	56.7	57.4
35-44	59.6	61.4	63.0	65.4	66.1	67.4	68.6	68.5	68.5	68.3	68.0	68.0	68.0
45-54	62.0	63.2	64.8	65.9	66.3	66.5	66.7	66.8	67.0	67.5	68.1	68.2	68.3
55-59	50.9	51.1	51.4	51.9	52.4	54.3	56.1	55.0	53.8	53.6	53.4	52.1	50.8
60-64	28.8	28.8	28.7	28.7	28.6	26.9	25.1	23.3	21.5	22.4	23.3	22.3	21.2
65+	6.3	6.0	5.6	5.2	4.9	4.6	4.4	3.9	3.4	3.6	3.7	3.8	3.8
<b>All ages</b>	<b>43.9</b>	<b>44.3</b>	<b>44.9</b>	<b>45.5</b>	<b>45.8</b>	<b>46.4</b>	<b>47.5</b>	<b>47.4</b>	<b>47.3</b>	<b>47.3</b>	<b>47.5</b>	<b>47.6</b>	<b>47.6</b>

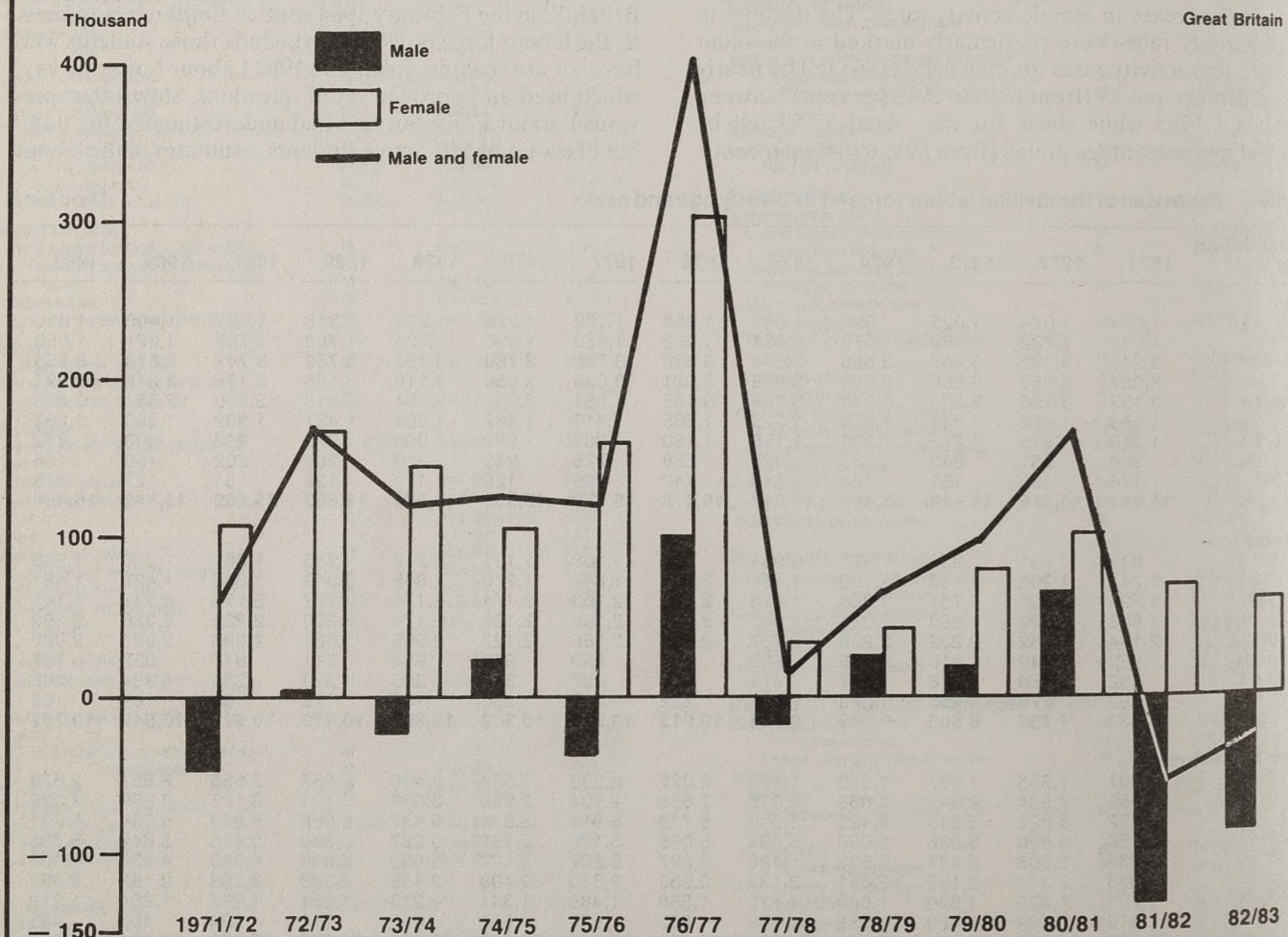
See footnote to table 1.

force and activity rates for 1971-81 have consequently been revised, as described in the Appendix, to use improved estimates of the numbers of economically active students. These revisions do not, however, significantly affect the

trends shown by the previous labour force estimates for 1971 to 1981.

While there was considerable variation from year to year, the labour force consistently increased throughout

Chart 1 Annual changes in the labour force † 1971-1983



† See footnote to table 1

Table 3 Components of change in the civilian labour force ‡

Great Britain	Male and Female			Male			Female		
	Population effect*	Activity rate effect†	Change in the labour force	Population effect	Activity rate effect†	Change in the labour force	Population effect*	Activity rate effect†	Change in the labour force
1971-75	342.0	134.0	476.0	259.9	-306.9	-47.0	105.8	417.2	523.0
1975-77	279.3	243.7	523.0	182.6	-121.6	61.0	100.4	361.6	462.0
1977-79	317.3	-237.3	80.0	207.1	-201.1	6.0	114.4	-40.4	74.0
1979-81	349.8	-82.8	267.0	218.4	-133.4	85.0	134.3	47.8	182.0
1981-83	298.7	-383.7	-85.0	193.8	-408.8	-215.0	108.7	21.3	130.0

\* The change in the labour force that would have occurred if the activity rate in each age group had remained over the period at its value in the initial year.  
 † The residual change—total change less the change due to the population effect.  
 ‡ See footnote to table 1.

the 1970s, at an average rate of 130,000 a year (chart 1). The labour force growth in the 1970s was almost entirely attributable to the increased numbers of women entering the labour market. Between 1971 and 1981 the female labour force grew by 1¼ million whereas the male labour force rose by only 100,000. Movements in the labour force during the second half of the 1970s and early 1980s have been dominated by two opposing tendencies: rapid increases in the population of working age tending to increase the size of the labour force while falling activity rates among men, reflecting factors such as increasing early retirement and a lessening tendency for men to continue working after retirement age, tended to reduce it. The male labour force remained roughly stable at 15½ million between 1977 and 1981 but fell by over 200,000 between 1981 and 1983 as sharp falls in male activity rates removed around 400,000 men from the labour force—more than double the effect of growth in the male population (table 3). Movements in the female labour force since 1977 have reflected the growth in the female population of working age as activity rates remained roughly stable over this period.

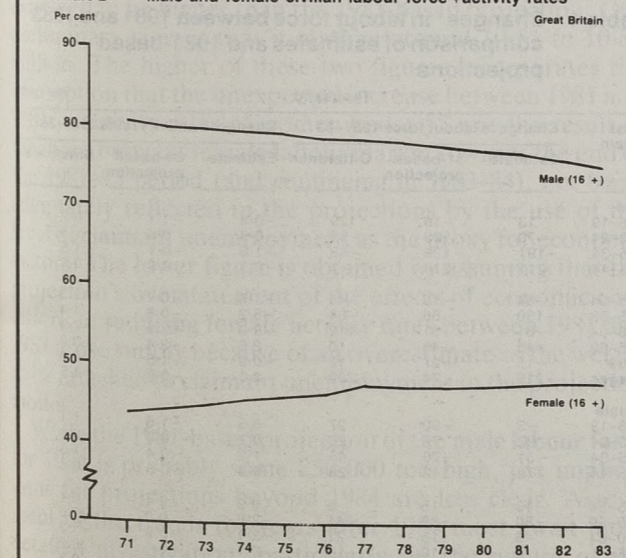
Between 1981 and 1983 male activity rates fell in all age groups. The activity rate of men in the prime age group (20-54), which had been roughly constant between 1971 and 1979, fell by about ½ a percentage point between 1979 and 1981 and by more than 1 percentage point between

1981 and 1983 (chart 3). The change in activity rates for this age group does not show any immediate relationship with changes in unemployment. Such a relationship would have led to a sharper decline in the activity rate between 1979 and 1981 than between 1981 and 1983. However, the recent decrease in the prime age activity rate may be a consequence of the sustained high levels of unemployment since 1981: particularly as men who have been without work for some time or who see no prospect of finding a job may seek work less frequently and therefore possibly be excluded from the labour force as not having looked for work in the survey reference week. This argument is supported by an increase between 1981 and 1983 (from 1/3 to 3/4 per cent) in the proportion of men aged 20-54 who said specifically that they did not actively look for work in the reference week because they believed that no jobs were available; these are conventionally described as "discouraged workers".

It is therefore reasonable to suppose that the estimated reduction in the labour force between 1981 and 1983 is dependent on the length of the reference period used to determine economic activity. The current estimates, like previous estimates for Great Britain, basically define as economically active someone who had or was looking for a job in the last week. If—as in some other countries—a four week period had been used, the reduction in the civilian labour force between 1981 and 1983 would have been less than the 85,000 estimated using a one week reference period; indeed, it is possible that on the basis of a four week reference period, the labour force might have increased. Future Labour Force Surveys will additionally obtain information about job search over a four week reference period.

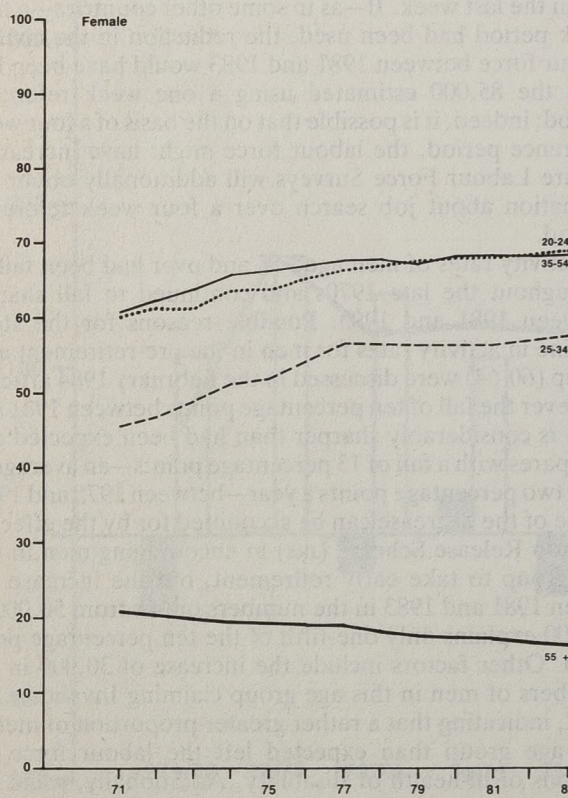
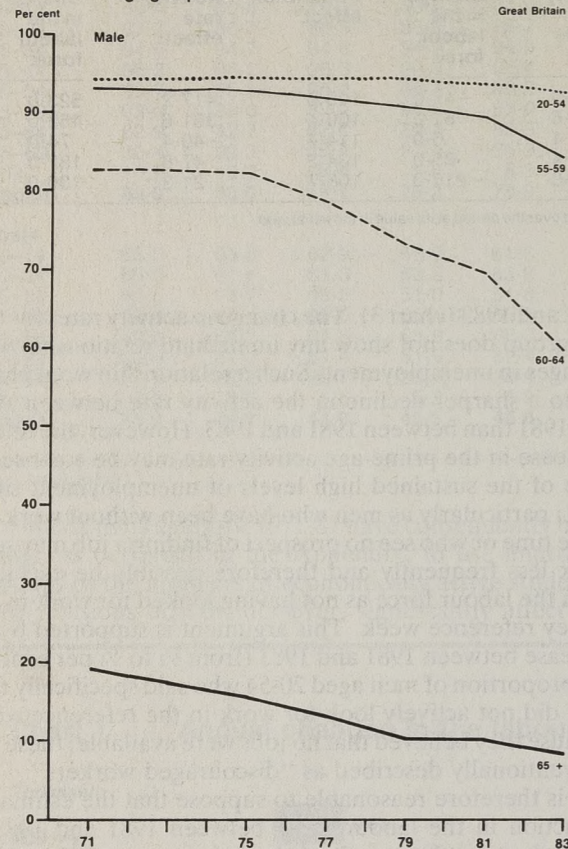
Activity rates of men aged 55 and over had been falling throughout the late 1970s and continued to fall sharply between 1981 and 1983. Possible reasons for the steep decline in activity rates for men in the pre-retirement age-group (60-64) were discussed in the February 1984 article<sup>1</sup>; however the fall of ten percentage points between 1981 and 1983 is considerably sharper than had been expected and compares with a fall of 13 percentage points—an average of only two percentage points a year—between 1975 and 1981. Some of the decrease can be accounted for by the effect of the Job Release Scheme (JRS) in encouraging men in this age group to take early retirement, but the increase between 1981 and 1983 in the numbers on JRS from 50,000 to 80,000 explains only one-fifth of the ten percentage point drop. Other factors include the increase of 30,000 in the numbers of men in this age group claiming Invalidity Benefit, indicating that a rather greater proportion of men in this age group than expected left the labour force for reasons of ill-health or disability. Additionally, some unemployed men aged 60-64 may have decided to "retire" from the labour force when they became eligible for the long-term rate of supplementary benefit and no longer had to sign on at Unemployment Benefit Offices. Furthermore,

Chart 2 Male and female civilian labour force † activity rates



† See footnote to table 1

Chart 3 Civilian labour force activity rates for selected age-groups 1971-1983



See footnote to table 1

as for men in the younger age groups, the number of "discouraged workers" increased; the reduction in activity rates might have been less had it been measured using a four week reference period.

**Female activity rates** have increased substantially since the war and the rising trends continued in the early 1970s (charts 2 and 3). However, since 1977 the overall female activity rate has remained roughly stable reflecting, it is thought, the downward influence on activity rates arising from the constrained economic conditions in the late 1970s and early 1980s. Factors affecting the trends in female activity rates were discussed in some detail in the February 1984 article<sup>1</sup>. In addition to the effects of economic conditions, the trends in the 1970s reflected an underlying upward trend arising from the falling birth rate after the 1960s baby bulge—the likelihood of a woman being economically active is strongly affected by whether she has dependent children—and, for older women, the greater attachment to the labour force of women born later in the century.

Activity rates for women aged up to 55 held up a little better between 1981 and 1983 than had been expected indicating that the 1981-based projections overstated the downward pressure on female activity rates between 1981 and 1983. The most likely reason for this overstatement is the possibility that the magnitude of the effects of economic conditions on activity rates were over-estimated; as was pointed out in the February 1984 article<sup>1</sup>, the estimation of these effects was particularly subject to uncertainty. This may have occurred through the uncertainty of the quantification of a link between women's activity rates and the level of total claimant unemployment, which was used as a proxy for the relevant economic factors. Alternatively, the female labour market has recently been considerably more buoyant than that for men (between June 1981 and June 1983 the number of female employees fell by only 100,000 whereas the number of male employees fell by 550,000) in a way which could make the total level of claimant unemployment too pessimistic an indicator of the downward pressure on demand for female labour. Nevertheless, given the upward pressures from the other factors mentioned above, the continued stability of activity rates for women aged 35-54 is consistent with the view that economic conditions did exert some downward influence. Activity rates of women aged 55 and over continued to decline between 1981 and 1983.

Table 4 Changes\* in labour force between 1981 and 1983 comparison of estimates and 1981-based projections

Great Britain	Thousand			Per cent		
	Change in labour force 1981-83			Change in activity rates 1981-83		
	Estimate	81-based projection	Difference	Estimate	81-based projection	Difference
<b>Male</b>						
16-19	13	-16	29	-0.4	-1.1	0.7
20-24	70	108	-38	-0.9	0.6	-1.5
25-34	-191	-129	-62	-1.6	-0.1	-1.5
35-44	211	218	-7	-0.5	0.0	-0.5
45-54	-64	-19	-45	-1.6	-0.1	-1.5
55-59	-130	-66	-64	-5.2	-0.8	-4.4
60-64	-61	51	-112	-9.9	-2.5	-7.4
65-69	-46	-46	0	-2.6	-2.4	-0.2
70+	-15	-27	12	-0.9	-1.5	0.6
<b>All ages</b>	<b>-215</b>	<b>74</b>	<b>-289</b>	<b>-2.0</b>	<b>-0.5</b>	<b>-1.5</b>
<b>Female</b>						
16-19	-3	-30	27	-0.5	-1.6	1.1
20-24	92	72	20	0.7	0.3	0.4
25-34	-31	-76	45	1.2	-0.4	1.6
35-44	170	142	28	0.0	-0.6	0.6
45-54	-10	-15	5	0.2	0.1	0.1
55-59	-80	-39	-41	-2.6	0.0	-2.6
60-64	-6	15	-21	-2.1	-0.9	-1.2
65+	0	-10	10	0.1	-0.1	0.2
<b>All ages</b>	<b>130</b>	<b>59</b>	<b>71</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.3</b>

\* The 1983 labour force estimates are not directly comparable with the 1981-based projections published in February 1984, because the basis for the projections underestimated the numbers of economically active students. However, the revisions now made to correct for this underestimation do not affect the changes between 1981 and 1983.

### Comparison with the previous projection of the 1983 labour force

As is clear from the previous section, the male activity rate declined much more sharply than had been projected between 1981 and 1983, while the female activity rate increased marginally, having been projected to fall slightly. A detailed comparison by age group of actual and projected changes is given in table 4.

Overall, the civilian labour force reduced by 85,000 between mid-1981 and mid-1983 compared with the increase of 133,000 previously projected. The male labour force, which had been projected to increase by 74,000 between 1981 and 1983, is estimated to have fallen by 215,000, including 191,000 in the 55 to 64 age groups for which the activity rates declined particularly rapidly. Although the activity rates for women aged 55 to 64 also fell more rapidly than had been projected, this was more than offset in the other age groups, with the result that the female labour force increased by 130,000 compared with the projected increase of 59,000.

### Implications for the future size of the labour force

These differences clearly have implications for the projected size of the labour force for the rest of the decade. A further article will be prepared, considering these implications in some detail and presenting revised projections, superseding the 1981-based projections published in the February 1984 article<sup>1</sup>. The following paragraphs, dealing first with 1984 and then with the remainder of the decade, present an initial assessment. The possibilities raised in this assessment will be considered further in the course of preparing the 1983-based projections of the labour force.

The **male labour force** will clearly not be as great in 1984 as had been projected, but the extent to which it will be smaller will depend on whether activity rates continue their rapid decline. It seems unlikely that the decline between 1983 and 1984 will be either as fast as between 1981 and 1983 (General Household Survey data suggest that the rate was slower in the latter part of the 1981-83 period) or as modest as had previously been projected. On this basis, the mid-1984 male labour force probably numbered around 15.4 to 15.5 million.

The 1984 **female labour force**, on the other hand, can be expected to be higher than the 1981-based projection. Our preliminary view is that it may be around 10.81 to 10.86 million. The higher of these two figures incorporates the assumption that the unexpected increase between 1981 and 1983 in activity rates of women under 55 was the result of the more buoyant female labour market towards the end of the 1981-83 period (and continuing in 1983-84), not being adequately reflected in the projections by the use of the level of claimant unemployment as the proxy for economic factors. The lower figure is obtained by assuming that the projection's overstatement of the effects of economic conditions in reducing female activity rates between 1981 and 1983 arose simply because of an overestimate of the weight to be attached to claimant unemployment in the projection model.

While the 1981-based projection of the **male labour force** for 1984 is probably some 250,000 too high, the implications for projections beyond 1984 are less clear. Assessment of the trends for years after 1984 must await more detailed investigation, particularly on the nature of the relationship between the declines in male activity rates and the levels of unemployment. As mentioned above, this relationship is evidently not direct. A lagged relationship,

where activity rates are influenced by past levels of unemployment as well as current levels, may be more appropriate.

The differences between the 1983 estimates of **female** activity rates and the previous projections were relatively small and do not indicate that the demographic aspects of the model developed by Heather Joshi and others are in doubt. (See appendix 1 in the article in the February 1984 *Employment Gazette* for detailed discussion of this model.) The non-demographic aspects of the model as used in the projections were always more problematic. If the difference between the 1983 estimate and the 1981-based projection of the female labour force was due simply to over-estimation of the negative effect of unemployment on activity rates then, on the working assumption that the level of unemployment remains stable after 1984, revised projections of the female labour force, in all years between 1984 and 1991, would be around 120,000 higher than the published projections. If, on the other hand, the discrepancy at 1983 is due to the level of total claimant unemployment not being, by itself, an adequate indicator for the effect of economic conditions on female activity rates, than the discrepancy at 1991 might be rather greater.

### Comparison of the labour force and the working population

The Working Population series (employees in employment, the self-employed, HM forces, plus the unemployment count) published regularly in the Labour Market Data section of *Employment Gazette* is broadly similar in concept to the total labour force (civilian labour force plus HM Forces) but there are numerous differences in definition and coverage between the two series. For example, some people with two jobs as employees will be counted twice in

Table 5 Comparison of labour force and working population at June 1983

Great Britain	Thousand		
	Male	Female	Male and Female
Employed labour force	13,710	9,550	23,270
Claimant unemployed	2,060	810	2,870
Working population	15,780	10,360	26,140
<b>Adjustments</b>			
<b>Plus:</b>			
Private domestic servants	10	110	120
People on special employment measures‡	120	90	210
Students seeking work and available to start a jobø	20	30	50
Non-claimant unemployedø	170	430	600
School leavers since Q2 registered at careers offices*	80	70	160
<b>Minus:</b>			
HM Forces	310	20	320
People with two jobs	110	160	270
Claimants not seeking workø	440	320	760
Adjusted working population	15,330	10,600	25,930
Residual difference†	+120	+110	+230
Civilian labour force	15,450	10,700	26,160

Components may not sum to totals, owing to rounding.

‡ Those included in the labour force but not in the working population (only a small proportion of those on special measures are in the working population).

ø See also "The unemployed survey estimates for 1983 compared with the monthly count", elsewhere in this issue. The estimate given here for students seeking work is lower than that in the other article, since the latter includes those looking for a job for when their course ends. The estimate of claimants not seeking work is also lower, since it relates not to quarter 2 but to mid-year, by which time a substantial number of inactive men had been removed from the claimant count.

\* Not included in claimant count. Those who left school after the Labour Force Survey interview period will not be included in the estimate of non-claimant unemployed.

† Includes timing and minor coverage differences between the series; estimation errors in the two series and in the adjustments.

the working population but once in the labour force; while persons seeking work but not claiming benefits are in the labour force but are not covered by the working population figures. These differences are illustrated in table 5 which compares the working population figures for June 1983 with the mid-1983 estimate of the civilian labour force. The differences can lead the two series to exhibit rather different short-term movements but over the longer term the paths followed by the two series are not dissimilar, as is shown in chart 4.

## Appendix

### The Labour Force—definitions and measurement

#### Definitions

The civilian labour force includes employees, employers and self-employed (but excluding those in HM Forces) together with those identified by censuses and surveys as seeking work in a reference week. Also included in the civilian labour force as unemployed are those waiting to start a job they have already obtained and those who are

unemployed but prevented from seeking work by temporary sickness or holiday. Persons employed under special employment measures (other than those measures providing full-time training) are included in the civilian labour force. The civilian labour force differs from the total labour force only by the exclusion of those in HM Forces.

In estimates of the labour force published before February 1984, all students in full-time education were excluded even though some had part-time or temporary jobs or were looking for such jobs. The definition has now been changed to include those students who have, or are looking for, jobs.

#### Measurement

Labour force estimates are derived principally from household survey and census data which allow a full breakdown of numbers by age and sex. Estimates for 1971 are based mainly on data from the 1971 Census of Population. Estimates for 1975, 1977, 1979, 1981 and 1983 incorporate survey estimates from the Labour Force Survey (a survey of private households) supplemented by data from the Census of Population on the economic activity of those not in private households. Estimates for years when no Labour Force Survey or Census of Population was held are derived by interpolation. All estimates are subject to sampling and other errors and though the labour force figures are shown in this article to the nearest thousand they are not accurate to this degree. Estimates for individual years must be treated with caution.

The estimates presented in this article are very similar to those published in February 1984. The only differences arise from the incorporation of improved estimates of the numbers of economically active students—who, as described above, are now included as part of the labour force. The 1983 Labour Force Survey asked questions which would specifically identify those engaged in full-time education, in contrast to earlier surveys which merely asked respondents whether their "usual" situation was that of a full-time student or pupil. These improved questions identified considerably greater numbers of those who had paid jobs but who were also in full-time education. For the sake of maintaining comparability, labour force estimates for 1971-81 have been revised to include estimated numbers of working students which are consistent with the improved estimates from the 1983 Labour Force Survey. The increase in the numbers of economically active students arising from this revision has been partially offset by a reduction in the estimated numbers of students seeking work to exclude those who were revealed on more detailed analysis to be looking for a job for when they had completed their education and who were not available to start work. The net effect of these revisions is to increase the estimated size of the labour force, by 90,000 in 1981. Like the labour force estimates published in February 1984, the estimates in this article are consistent with the Registrar General's latest mid-year estimates of home population which incorporate a change of basis which was discussed in the OPCS monitor PPI 82/2.

#### Bibliography

- (1) "Labour force outlook for Great Britain", *Employment Gazette*, February 1984, pp 56-64.
- (2) "Provisional mid-1981 population estimates for England and Wales and local government areas", OPCS monitor PPI 82/2.

## SPECIAL FEATURE

# The unemployed: survey estimates for 1983 compared with the monthly count

This article compares the numbers of unemployed in the second quarter of 1983 as given by the Labour Force Survey and the monthly claimant count.

Statistics of the unemployed can be obtained either from administrative records or by means of surveys of the labour force. In this country, as in nearly all Western European countries, administrative records are the source for the monthly statistics of unemployment while household surveys provide less frequent information on a different basis.

This article compares the numbers of unemployed in the second quarter of 1983 as given by the Labour Force Survey (LFS) and the monthly claimant count. The two estimates each reflect the particular nature of their sources and their different coverage. The monthly count, which is based on records at unemployment benefit offices, relates to persons claiming unemployment benefits while the Labour Force Survey essentially defines as unemployed those people who said they were without a paid job and were actively looking for work in a reference week. Appendix 1 contains more detailed discussion of the different sources.

Neither of these measures should be regarded as giving a "better" indication of the level of unemployment. Each has some special features. The monthly unemployment count necessarily reflects the administrative system on which it is based. Survey estimates are not constrained in this way but are subject to a margin of uncertainty because they are based on a sample; because replies given by respondents may be inaccurate and additionally because there is no unique set of "correct" questions which should be included in a survey in order to obtain the best estimate of unemployment.

#### Summary

The 1983 LFS identified some 2.95 million people who said they had been included in the claimant count, identical to the second quarter average of the monthly count. Using the survey definition of unemployment, the enquiry gave a total of 2.94 million unemployed people. Although the figure is almost identical to the claimant count, it includes some students and people on special measures who would not conventionally be described as unemployed.

The number of unemployed women identified by the LFS was 1.09 million; rather higher than the 0.82 million in the female claimant count. This imbalance is not unexpected, since many married women are not eligible for unemployment or supplementary benefits when out of work. The survey total of 1.85 million unemployed men was correspondingly lower than the claimant count figure of 2.13 million.

As is discussed below these comparisons are the net result of numbers of people being included in the survey figure but not in the count, and vice versa.

#### Comparison of claimant count and survey estimates for 1983

In addition to identifying those seeking work, the 1983 LFS attempted to identify those who would appear in the

claimant count by asking all respondents the following questions:

- were you claiming unemployment benefit last week?
- were you signed on at an Unemployment Benefit Office last week, either to claim supplementary allowance as an unemployed person or in order to get credits for National Insurance contributions?

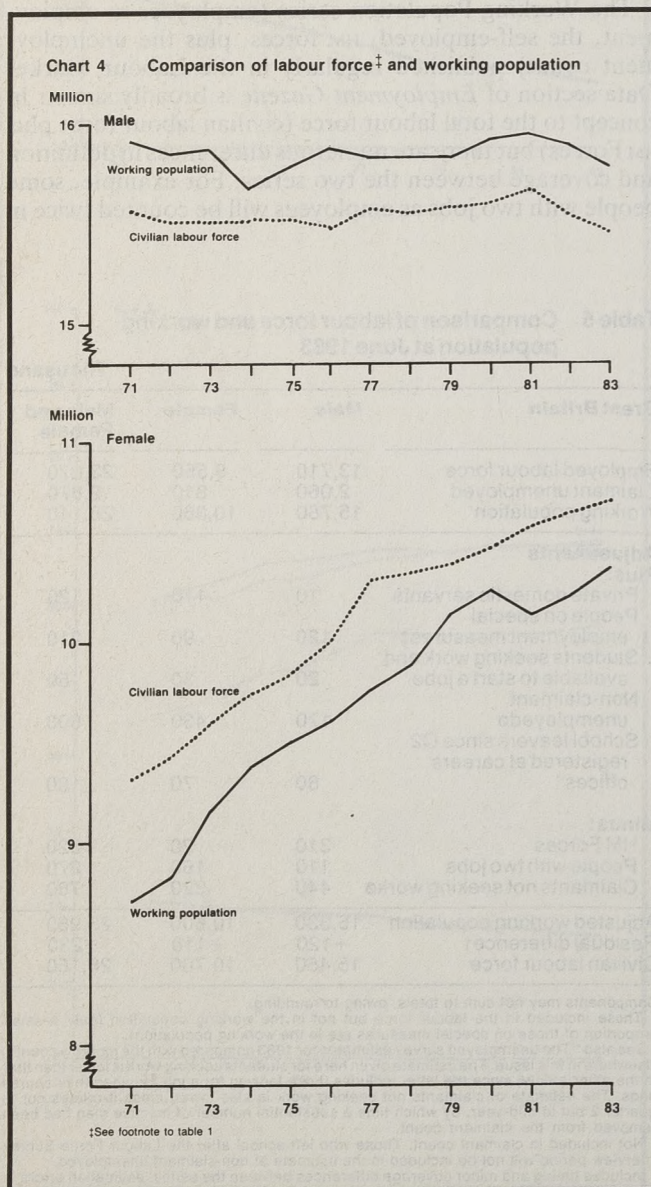
While these questions may be subject to respondent error because some respondents may confuse receipt of benefits associated with being unemployed with benefits from other sources, the LFS identified some 2.95 million people who would be included in the claimant count, a figure identical to the Q2 average for the claimant count. Considering men and women separately the correspondence is still close; the LFS identified 2.08 million men and 0.87 million women claimants compared with the claimant count figures of 2.13 million and 0.82 million respectively.

When the LFS responses to the questions on job search were compared with those identifying claimants, the results indicated that about 820 thousand people were seeking work but were not claimants. This might seem to suggest that the monthly count of claimants understates the level of unemployment. However, the survey also identified an equally large group of people—some 840 thousand—who were claimants but who had not looked for work in the reference week for example because of their health or

Table 1 Comparison of claimant count and survey estimates

GB Q2 1983	Million		
	Men	Women	People
LFS estimate of unemployed	1.85	1.09	2.94
Minus those seeking work but who are not in claimant count of which			
Students seeking work	0.07	0.07	0.14
Those on government employment and training schemes seeking work	0.05	0.03	0.08
Non-claimant unemployed	0.17	0.43	0.60
Plus claimants not identified as unemployed of which			
Inactive (not seeking work)	0.43	0.25	0.68
Employed adjustment for LFS error in identifying claimants	0.09	0.07	0.16
Claimant count	2.13	0.82	2.95

Note: Components may not sum to totals, owing to rounding.



because they thought there were no jobs available. These two groups offset each other with the result that the survey total of unemployment, at 2.94 million, is extremely close to the claimant count. Table 1 provides a reconciliation between the claimant based figure of unemployment and that obtained from the LFS, in total and for men and women separately.

The characteristics of these two offsetting groups are examined more closely in the following sections.

### Those counted as unemployed by the survey but not by the claimant count

Those identified in the LFS as seeking work but not included in the claimant count may be subdivided into three groups; students, participants in special employment measures and the non-claimant unemployed.

#### Students

The 1983 LFS estimates of unemployment include students in full-time education who were without a paid job and looking for work. An estimated 140 thousand students were in this category. Some of these may have been looking for part-time or holiday jobs but the majority (about two-thirds) were looking for work for when they finished their education and were not immediately available to start work.

#### Persons employed under special employment measures

The survey figures also included about 80 thousand people who were on government employment or training schemes but who were also looking for other jobs. These people are either in jobs or in training and are not regarded as being unemployed although they described themselves as satisfying the survey criteria. This group is more equivalent to the million people in ordinary employment who were also looking for new jobs or additional work.

#### Non-claimant unemployed

In Q2 1983 there were an estimated 600 thousand people who were neither students nor participants in special employment measures and were identified by the survey as seeking work but not claiming unemployment benefit. These are termed the non-claimant unemployed. Over half of this group were married women who would not be eligible for unemployment or supplementary benefits the majority of whom—about two-thirds—were looking for part-time jobs only. Married female claimants, in contrast, were generally looking for full-time work.

Non-claimant unemployed men resembled male claimants in that most of them (84 per cent) were looking for full-time work, although male non-claimant unemployed tended to be older overall than claimants.

**Table 2 Economically inactive claimants by reason for not seeking work**

Reason for not seeking work	Men	Women
Discouraged worker	37	15
Retired	17	6
Long-term sickness or disability	18	7
Looking after home	4	54
Did not want/need employment	6	5
Not yet started looking	3	3
Other reason/no reply	15	10
All (000's=100%)	430	250



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By Q2 1983 an estimated 125 thousand men\* aged 60–64 were no longer included in the claimant count because they had opted to receive the long-term rate of supplementary allowance or had signed on for national insurance credits only. The LFS results, however, showed that surprisingly few of the non-claimant unemployed—less than 20 thousand—were aged 60–64. These results therefore indicate that most of the men who had opted to leave the claimant count by Q2 1983 were not in fact actively seeking work.

### Claimants not classified as unemployed by the survey

#### Economically inactive claimants

The LFS definition of unemployment only includes people who had looked for work in the reference week. Those without a job who did not seek work that week were classed by the survey as economically inactive. The great majority (80 per cent) of those identified by the LFS as claimants but not classed as unemployed were inactive. Of these economically inactive claimants about 430 thousand were men, of whom 30 per cent were aged 60–64, and 250 thousand were women.

Many of the claimants classed as inactive may have genuinely wished to work had a job been available but for various reasons they had not actively looked for work in the reference week. The fact that they did not look for work in the reference week does not imply that they had not looked for work in a recent period: the 1984 LFS will additionally obtain information about job search in a four-week reference period but such information is not available from the 1983 LFS. The reasons given by the inactive claimants for not seeking work in the reference week are shown in table 2. As can be seen, only a very small minority (about five per cent) specifically said that they did not want or need a job. The reason people gave most frequently for not looking for work was that they did not believe that any jobs were available. This category of person has conventionally been described as "discouraged workers"—see appendix 1.

Nearly two-fifths of male inactive claimants fell into this category of discouraged workers. A similar proportion described themselves as either retired or suffering from long-term illness or disability. Female inactive claimants tended to describe themselves as housewives but a not insubstantial proportion (15 per cent) classified themselves as discouraged workers.

Male claimants aged 60–64 were more likely to be economically inactive than to be actively seeking work. A large proportion (40 per cent) of the inactive claimants in this age group described themselves as retired and most of the rest were either discouraged workers or those with long-term illnesses or disabilities. By early August 1983 about 70 thousand of these inactive men would no longer have been in the scope of the claimant count because they were either signed on for National Insurance credits only or were eligible to claim the long-term rate of supplementary benefit. They would therefore join the 125 thousand men who had already left the claimant count by Q2 1983 (see above).

#### Claimants classed by the survey as employed

About five per cent (160 thousand) of those identified by the LFS as claimants also reported that they had undertaken some form of paid work in the reference week and were therefore classed as employed by the survey. These claimants (90 thousand men and 70 thousand women) formed about one-fifth of claimants not classed by the survey as unemployed. Under the benefit regulations, some people who had undertaken paid work could nevertheless be eligible to claim benefits associated with being

unemployed. Examples include people who worked only a few days in a week; those in a low paid part-time job, or those who started or finished a job part way through the reference week. The information available from the survey suggests that the majority of the 160 thousand mentioned above fall into one of the categories of people who were entitled to claim benefits associated with being unemployed while doing some work in the reference week. It is, of course, also possible that the figure is in part a reflection of inaccuracies in the survey caused by respondents misunderstanding one of the relevant questions.

### Changes in unemployment Q2 1981 and Q2 1983

Between Q2 1981 and Q2 1983 the LFS estimates of unemployment increased by just under half a million. Over the same period the number of people unemployed based upon the monthly count of claimants increased by two-thirds of a million, and would have increased by more but for the administrative changes which affected the count in that period.

The male claimant count increased from 1.70 million to 2.13 million, a rise of 26 per cent, while the survey figure rose by 19 per cent, from 1.56 million† to 1.85 million. The female claimant count rose from 0.60 million to 0.82 million—an increase of some 200 thousand. The survey estimates of female unemployment also increased by a broadly similar amount, from 0.92 million‡ to 1.09 million.

Both the estimates from the LFS and the figures from the claimant count show a rise in unemployment between Q2 1981 and Q2 1983. Nevertheless, the trends are not identical. This is because changes in the numbers included in the survey estimates but not in the claimant count do not match the changes in the offsetting group—those in the count but not seeking work. Unfortunately, it is not possible to give exact estimates of the changes in these two groups because the 1981 Labour Force Survey was conducted when the unemployment count was derived from registration at Employment Offices and therefore did not identify those who would have been included in a claimant count.

### Non-claimant unemployed

The available information indicates that the level of non-claimant unemployment in Q2 1983 may be in the order of 50 thousand higher than the Q2 1981 level, reflecting an increase in the number of non-claimant unemployed women. This increase in the level of female non-claimant unemployment compares with an increase of about 220 thousand in the female claimant unemployment count, confirming the impression given by estimates of unregistered unemployment for previous years<sup>1</sup> that the numbers of people outside the count but seeking work do not change in line with the numbers in the count.

### Claimants who did not seek work

In contrast, the numbers in the claimant count who were not included as unemployed by the survey definition because they were not seeking work in the reference week

\* Includes an estimated 37 thousand men who had left the claimant count by December 1982 following the provisions that men aged 60–64 who had been on supplementary benefits for over a year could opt for the long-term rate.

† The survey estimates of unemployment in 1981 presented in the article "The unemployed: survey estimates for 1981 compared with the monthly count" excluded some 90 thousand persons prevented from seeking work by temporary sickness or holiday and some 30 thousand persons in full-time education or on government schemes who were seeking work. Such people have been included in the 1981 estimates given above.

have increased more sharply since 1981 than the numbers seeking work but not in the count. The claimant figures for Q2 1983 do not include an estimated 125 thousand men who had opted to receive the long-term rate of supplementary benefit or who had previously signed on for national insurance credits only. As the 1983 LFS results indicate that very few of these men were looking for work in Q2 1983, the increase in the number of male claimants who were not looking for work would have been even greater if such men were still included in the claimant count.

## Appendix 1: Definitions and sources

### Definitions

#### The claimant count

The monthly unemployment figures are derived from the administrative records of claimants to benefit at Unemployment Benefit Offices; claimants include those people who claim unemployment benefit, supplementary benefits and national insurance credits. The figures include the severely disabled, but exclude students seeking vacation work and the temporarily stopped; students are those people claiming benefit during a vacation but who intend to return to full-time education when the new term begins; the temporarily stopped are those people who had a job on the day of the unemployment count but were temporarily suspended from work on that day and were claiming benefits.

Following the provisions announced in the 1983 Budget, men aged 60 and over, from April 1983, have been able to secure national insurance credits without having to sign on at an Unemployment Benefit Office, and from June 1983, to qualify for the higher long-term rate as soon as they come on to supplementary benefit. The effects of these provisions resulted in about 160 thousand men no longer being reflected in the count spread between April to August 1983. An earlier provision enabled men aged 60 and over to receive the long-term rate after 1 year on supplementary benefit. Between November 1981 and December 1982, an estimated 37 thousand men were no longer reflected in the count.

#### Survey unemployment

Persons identified by surveys as unemployed are those who, in the week preceding their survey interview were

- (a) without a paid job and
- (b) were either actively seeking work, waiting to start a new job or were prevented from seeking work only by temporary sickness or holiday.

#### Notes

- (1) Under the revised definition of the labour force, students in full-time education who satisfy (a) and (b) above are included as unemployed.
- (2) Persons on government special employment or training measures may, in addition, be looking for work. The LFS figures include those on special schemes if they said they had no paid job and were looking for work.
- (3) In previous articles comparing survey estimates of unemployment with the monthly count, persons prevented from seeking work by temporary sickness were not included in the survey estimates of unemployment because the view was taken that such persons would be removed from the monthly count. It is now considered unlikely that people would not inform benefit offices of temporary sickness so such people have now been included in the survey estimates of unemployment.
- (4) The survey estimates of unemployment do not include people who did not seek work in the reference week because they did not believe that any jobs were available. Such people are conventionally termed "discouraged workers". This terminology is similar to that used in other countries such as the USA or Canada, who also do not include discouraged workers in their main estimates of unemployment. However, one important difference between the survey definition of unemploy-

ment used in this country and those used in the USA or Canada is that the North American countries use a four-week reference period for job search. At a time of high unemployment, many people may reduce the frequency with which they look for jobs—particularly if they do not believe that work is available. Some of those classed by the 1983 LFS as economically inactive because they were not seeking work in the reference week may nevertheless have looked for work within a longer period—such as the four week reference period used in other countries. The 1984 LFS will additionally obtain information about job search over a four week reference period.

### Sources

#### The claimant count

The monthly count is taken generally on the second Thursday of each month, from the almost wholly computerised records of claimants to benefit (see above).

#### Household surveys

The Labour Force Survey (LFS) is the principal example of household surveys of the labour force, although other surveys such as the General Household Survey also collect information on unemployment. The LFS is a sample survey of households which up to 1983 was carried out every two years on similar lines in all EC countries. (From 1984 the Labour Force Survey has been enhanced and conducted more frequently in this country, as is described in "Labour Force Survey changes" in the July 1983 edition of *Employment Gazette*.) In 1983 LFS interviewing took place during April, May and June among a sample of 104 thousand addresses in Great Britain (which covered about 1/2 per cent of private households) and interviews were obtained from about 77 thousand private households living at these addresses.

### BIBLIOGRAPHY

- (1) "The unemployed: survey estimates for 1981 compared with the monthly count", *Employment Gazette*, June 1983, pp 265-267.



## NEW FROM THE DEPARTMENT OF EMPLOYMENT WOMEN AND EMPLOYMENT

Jean Martin and Ceridwen Roberts

In recent years there has been a significant rise in the number of women who do paid work. This report looks at the place of employment in women's lives. This report on data collected in 1980 in a national survey of women of working age commissioned by the Department of Employment and carried out jointly by the Department and the Office of Population, Censuses and Surveys.

The report includes information on: ● the amount of paid work women do over their lifetime. ● patterns of full and part-time working. ● occupational segregation. ● pay, employment conditions and trade union activity. ● reasons for doing paid work and attitudes to work. ● the share of domestic work between husbands and wives. ● women's experience of unemployment. ● occupational mobility. ● lone mothers and employment. ● how women look for jobs and job priorities.

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## SPECIAL FEATURE

# Recent trends in labour costs

This article brings up to date the results of the 1981 labour costs survey published in *Employment Gazette*, May 1983, page 188. The estimates for 1982 are provisional and will be revised when the results of the next detailed survey to be carried out in respect of 1984 are available.

This article brings up to date the estimates for 1982 given in an article in *Employment Gazette* for March 1984 (page 110) which in turn were based on the detailed and comprehensive survey of labour costs in 1981 carried out by member states of the European Community. A labour costs survey is being carried out in respect of 1984 and its results will be used to revise the provisional estimates for 1982 and 1983.

Table A presents estimates of labour costs per hour for production and construction industries (Orders II to XX of Standard Industrial Classification 1968) between 1964 and 1983. Total labour costs rose at a marginally slower rate than wages and salaries between 1982 and 1983. Statutory national insurance contributions formed a slightly smaller part of total costs in 1983 following the reductions in the national insurance surcharge during 1982 and 1983.

Table 1 shows the composition of labour costs in more detail, and gives separate figures for the four broad sectors within production and construction industries. Separate

estimates for manual and non-manual workers are provided in tables 2 and 3.

There is a larger element of uncertainty surrounding the estimates for 1982 and 1983 than those obtained in the detailed survey for 1981. There is reasonably precise annual information on wages and salaries. National Insurance contributions, provisions for redundancy and government subsidies. However, other aspects of labour costs can only be measured precisely in the full surveys, though estimates have been based on the continuation of recent trends. The estimates for 1982 in this article have been revised from those given in the article in *Employment Gazette*, March 1984, page 110.

### Estimation of labour costs between full surveys

The estimates of the component items of labour costs for 1983 have been derived as follows:

**Wages and salaries** The Department carries out regular inquiries into the average earnings of manual workers each October. Estimates for earnings for calendar year 1983 have been obtained by relating the precise figures for October to the less detailed figures from the monthly sample survey on which the average earnings index is based. For non-manual workers estimates for the calendar year 1983 have been obtained using non-manual earnings figures for April 1983 from the New Earnings Survey and adjusting these using the monthly inquiry.

**National Insurance** The reductions in the surcharge during 1982 and 1983 and the changes in rates and in earnings limits in April 1983 have been related to changes in earnings to derive estimates of changes in National Insurance contributions.

**Provisions for redundancy** Details of payments from the Redundancy Fund are recorded each year. It has been assumed that total (net) redundancy provision moves in line with payments from the Fund.

Table A Production and construction industries: components of labour costs as percentages of total labour costs

	Wages and salaries	Statutory National insurance	Voluntary social welfare	Other costs	All
1964	91.8	3.6	3.1	1.5	100
1968	90.2	4.3	3.2	2.3	100
1973	89.3	4.9	3.7	2.1	100
1975	87.5	6.4	4.2	1.9	100
1978	83.9	8.4	5.1	2.6	100
1981	81.6	8.9	5.6	3.9	100
1982	82.0	8.1	5.9	4.0	100
1983	82.3	7.5	6.1	4.1	100

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## Evaluation of the pilot Enterprise Allowance Scheme

The Enterprise Allowance Scheme (EAS) assists unemployed people who want to start up in business by paying a flat rate taxable allowance of £40 a week for 52 weeks. The Scheme was introduced on a pilot basis in five areas from February 1982 and started as a national Scheme on August 1, 1983. At the end of June 1984, 36,500 people were in receipt of the allowance. This article reports initial findings from evaluation of the pilot Scheme, which was mounted in Coventry, North East Lancashire, Medway, North Ayrshire and Wrexham/Shotton. Evaluation of these schemes is continuing but sufficient material is already available to indicate the economic benefits associated with EAS. Further articles are planned for *Employment Gazette* about subsequent findings which will also encompass the operation of the national Scheme.

The objectives of the EAS are to encourage unemployed people to set up in business or self-employment in order to help achieve higher output and a more dynamic and viable small firms sector of the economy, as well as reduce the level of unemployment. Underlying the introduction of EAS was the belief that many unemployed people were deterred from setting up in business because they would immediately lose unemployment or supplementary benefit but would take time to generate a corresponding level of income. EAS, by payment of an allowance during the initial year, reduces this financial disincentive. To compensate for lack of business experience, likely in EAS participants, information and guidance on running a business is provided to all who join the Scheme by the Department of Trade and Industry's Small Firms Service and their counselling services are subsequently available.

Applicants are only eligible for EAS if certain conditions are fulfilled. Those applying in the pilot Scheme were that entrants must:

- be in receipt of unemployment or supplementary benefit at the time of application
- have been out of work (or under notice of redundancy) for at least 13 weeks prior to application
- have at least £1,000 available (including bank loan) to invest in their business while in receipt of the allowance, and
- undertake that the business is to be their sole employment and that they will work full time (at least 36 hours a week).

### Evaluation methodology

An evaluation programme was set up from the start of the pilot Scheme to monitor its effectiveness and provide information on which to base future developments. Information has therefore been collected on the characteristics and attitudes of participants as well as the types and viability of the businesses established.

The evaluation methodology adopted was as follows:

All participants in the pilot EAS have been surveyed at regular intervals:

- (i) a questionnaire on entry
- (ii) a follow up after three months on EAS
- (iii) a follow up after nine months on EAS
- (iv) a follow up six months after leaving EAS

The initial questionnaire covered personal characteristics and previous work experience whereas the follow up questionnaire concentrated on the type of business set up, the number of employees and the income generated by businesses.

An in-depth survey was carried out in January 1984 by an independent research organisation, Social and Community Planning Research (SCPR), which collected information from a 20 per cent sample of entrants to the pilot Scheme. The data established entrants attitudes to various features of the Scheme, the use made of the allowance, its importance in enabling the business to survive and the level and source of investment in the enterprise.

A further follow up of pilot Scheme entrants is proposed 18 months after leaving EAS to obtain information about the longer term development of their businesses. The broad findings of the evaluation studies so far conducted are discussed below.

### Number and characteristics of entrants to the pilot Scheme

Between February 1982 and the end of July 1983, 3,331 people set up in business in the pilot areas. Over 90 per cent of entrants were men, which may bear out the widely held assumption of the greater willingness of men to enter self employment. Nearly 70 per cent of entrants were married.

Table 1 shows a breakdown of pilot Scheme entrants by age. The distribution indicates that EAS appeals to all age groups, but to a lesser extent to those aged over 55 years.

Table 2 shows the previous duration of unemployment for entrants to EAS pilot Schemes. Over 50 per cent of entrants had previously been unemployed for six months or longer.

A significant proportion of entrants—about 28 per cent—

Table 1 Age of entrants to EAS pilot Schemes

Age	Percentage of entrants
Under 25	19.4
25-34	33.7
35-44	24.0
45-54	15.9
55-64	7.1

Table 2 Previous Length of Unemployment of EAS Entrants to Pilot Schemes

Duration of unemployment	Percentage of entrants
Less than 3 months	13.7
3 to 6 months	35.5
6 to 12 months	25.4
Over 12 months	25.4

Table 3 Main Reasons given for joining EAS in pilot areas

Main reason given	Percentage of entrants giving this reason
Couldn't find paid employment	32.3
Independence	27.0
Challenge	11.7
Financial rewards	12.5
Develop own ideas	8.1
Wish to supervise personally	5.7
Other	2.8

Table 4 Industry of business

Industry	Percentage of businesses
Agriculture, forestry, fishing	2.2
Mining and quarrying	0.0
Food, drink and tobacco	0.2
Metal manufacture	0.1
Mechanical engineering	0.9
Instrument engineering	0.0
Electrical engineering	0.5
Shipbuilding and marine engineering	0.1
Vehicles	0.3
Metal goods n.e.s.	3.2
Textiles	0.2
Leather, leather goods fur	0.2
Clothing and footwear	1.1
Bricks, pottery, glass, cement etc	0.5
Timber and furniture	3.1
Paper, printing and publishing	1.3
Other manufacturing	1.3
Construction	23.6
Gas, electricity and water	0.0
Transport and communication	5.8
Distributive trades	24.8
Insurance, banking, finance	2.9
Professional and scientific services	3.6
Miscellaneous	24.1

experienced a fall in income on joining the Scheme because their previous benefit income including assistance with rent and rates exceeded £40 per week. However for the majority of entrants the £40 allowance was greater than their previous benefit income. This financial advantage applied particularly to single people.

When people were asked why they wanted to join EAS the predominant reason given was the inability to find paid employment but as table 3 shows only 32 per cent gave this as the main reason. More numerous were responses concerned with the wish to be independent, the financial rewards and the challenge of running a successful enterprise.

### Types of business set up

Table 4 shows the breakdown of businesses established under the pilot EAS by industry group according to the Standard Industrial Classification. The industrial distribution of the EAS businesses is broadly comparable to the industrial distribution of starts of firms estimated from records of the number of traders registering for VAT.

The majority of new businesses are in the service sector and 75 per cent of all firms are found within three industry groups—Construction (mainly small repair firms), Distributive trades (mainly retail shops) and Miscellaneous Services (primarily garage repairs). A finer breakdown of businesses in these three industry orders is shown in table 5. Over one in ten of all businesses was associated with motor car repairs/dealing and almost one in ten associated with general house repairs.

Of other industry categories around 13 per cent of businesses are in manufacturing, and the two most common activities in this group were metal goods not elsewhere specified and timber and furniture.

When comparing the industry in which businesses have been established with the industrial order of each individual's previous employment there are some notable differences. For example over 40 per cent of those joining the pilot Scheme were previously employed in manufacturing whereas only 13 per cent of businesses were set up in this area. Only ten per cent of participants were previously employed in distribution but 25 per cent of businesses were in this category. In the miscellaneous services area only 12 per cent of entrants had that previous employment experience but 24 per cent of businesses were in that group. Overall about 33 per cent of EAS participants set up a business in the same industrial order as that of their last job. Those setting up in construction, mechanical and electrical engineering were most likely to start their business within the same industrial order as their last job.

When the industry of the new business and last occupation are compared a significantly higher proportion are shown to have entered a business for which they had gained relevant experience in their last job. For example, 11 per cent of participants who had previous experience in clerical and related jobs set up their firm in the business services sector, whereas only three per cent of all EAS participants entered this field. Similarly only 25 per cent of all EAS entrants set up businesses in distributive trades but 39 per cent of those previously working in selling occupations started businesses in that area. Fifty-six per cent of those previously employed in personal service occupations set up their business in the miscellaneous services sector, compared with 24 per cent of all participants.

This comparison therefore provides a better guide to the relevance of previous work experience.

### Economic evaluation

The surveys of pilot EAS participants also collected information required for the economic evaluation of EAS. The main aspects are discussed below.

### Deadweight

The objectives of EAS are not achieved if the allowance is paid to businesses which would have been established even if the allowance had not been available. Increased output and gains to the Exchequer resulting from an increase in employment are generated only by those businesses which are set up because the allowance is available. Evaluation of EAS must therefore distinguish between the two categories. The former (which is normally termed deadweight) can be further subdivided in order to assess whether the payment of grant accelerated the establishment of a business or enabled the firm to continue trading, both of which would produce a partial benefit to the community. Therefore in the EAS context the acceptance of the simple definition of deadweight may lead to an overstatement and imply a lower level of effectiveness than is the case. For this reason the evaluation takes account of the partial benefits realised from a proportion of deadweight firms.

A 13 week qualifying period for EAS is imposed to reduce the level of deadweight but it is accepted that some EAS participants would have entered self employment even if the allowance had not been available. However it is difficult to obtain reliable estimates of the extent of deadweight. In the survey process a number of questions were asked to establish what entrants to EAS thought they would have done in the absence of the allowance. The answers suggest that, after allowing for those who said they started

**Table 5 Detailed analysis of main types of business**

Type of business	Percentage of all businesses established
<b>Construction</b>	<b>23.6</b>
General repairs and improvements	9.1
Plumbing and central-heating	3.9
Electrical contractors	3.1
Painting and decorating	3.3
<b>Distributive trades</b>	<b>24.8</b>
Retail clothing and footwear	2.6
Retail household goods	6.8
Retail other non-food goods	5.6
Retail grocery	2.9
Retail other food	3.2
<b>Miscellaneous services</b>	<b>24.1</b>
Motor repairers/dealers	11.7
Photography	1.5
Hairdressing	1.2
Dry cleaning, carpet beating etc	1.9
Snack bars etc	2.5
Window cleaning	1.4

earlier because of EAS, deadweight is around 50 per cent, that is, for every 100 firms set up under EAS about 50 did so only because EAS was available. (Consideration is being given to the range of questions that might be asked of participants in the national Scheme to produce an accurate guide to the level of deadweight).

### Displacement

If the output of EAS businesses simply displaces output and employment in the economy there is no gain to economic activity, although increased competition may raise economic efficiency. Theoretical arguments can be advanced for both high and low displacement. Arguments for low displacement rest on the proposition that new firms exploit new markets or processes without affecting markets served by existing firms. Contrary arguments supporting high displacement are based on the observation that many EAS firms entered markets where there did not appear to be a shortage of existing firms and where the cost of entry was low.

No direct evidence about displacement was collected through the EAS surveys but evidence from studies relating to two MSC schemes which provide training to encourage redundant people to set up businesses indicates that displacement may be around the 50 per cent level. The large degree of uncertainty surrounding this estimate needs to be recognised.

### Economic benefits

To estimate the economic benefits from EAS firms it was necessary to collect information about the income of EAS businesses, the employment generated and the survival of firms.

### Income of EAS businesses

The evidence from the survey of businesses supported under the EAS pilot shows that after nine months trading there was a wide distribution on the range of weekly income, with a large number earning low incomes, and, at the other end of the range, a small number with high incomes. Because of this, the median weekly income (net of all business expenses) of £83 (excluding the EAS allowance) is well below the average of £127. After nine months the average weekly income of people encouraged to set up a business because of EAS was lower than deadweight businesses: £114 compared with £150.

The follow up survey six months after leaving EAS shows little growth of incomes between nine and 18 months. After 18 months the average weekly net income for all businesses

is £130 compared with £120 weekly average for firms established because of EAS.

### Survival during the 12 months on EAS

The in depth survey asked questions about the extent to which EAS enabled businesses to survive for 12 months. The most relevant question was "would you have gone out of business without the allowance". The answers revealed that 70 per cent of non-deadweight firms would have ceased trading during the first 12 months if the allowance had not been available. The figure for deadweight firms is 30 per cent. If the allowance enables deadweight businesses to survive a full twelve months whereas without the allowance they would have stopped trading sometime during the first 12 months, then some benefits result because employment is higher and benefit payments lower. Overall, it is clear that EAS made a significant contribution to the survival of firms during the first 12 months, a time when many firms cease trading.

During the first 12 months statistics from administrative records show that about 12.5 per cent of recipients dropped out before completing the full 12 months. For those dropping out the average length of stay was just over five months. The main reason given for dropping out was financial difficulties, followed by return to paid employment.

### Survival after 12 months on EAS

A crucial test of the success or failure of EAS is the proportion of businesses which cease trading when the period of the allowance finishes, or fairly soon afterwards. Information on what happens to businesses after 12 months is obtained from a questionnaire sent to those completing a full 12 months on EAS around 18 months after the business started. This provides some early evidence about the viability of businesses. To date, the results from the questionnaire reveal that at 18 months about 80 per cent of those completing 12 months on EAS are still trading. The response rate to this questionnaire has been a satisfactory 70 per cent, but it is possible that non-respondents will be more likely to have stopped trading. Even allowing for this, the preliminary evidence from the 18 months survey indicates that the Enterprise Allowance has succeeded in establishing permanent businesses.

### Additional jobs created

The survey after nine months showed that for every 100 businesses supported on average an additional 50 jobs had been created. Although the level of job creation is encouraging it should be noted most jobs have been generated by a relatively small number of businesses—after nine months 75 per cent of businesses did not have any employees. Businesses which survive into their second year are more likely to create jobs. The survey of businesses 18 months after start up shows that the average number of jobs generated per 100 businesses has risen to 65.

Businesses which are induced to start by EAS have generated fewer jobs than deadweight businesses.

### Indicators of effectiveness of pilot EAS

As the activity of businesses started because EAS was available would not have taken place without the allowance any employment they create (including the employment of recipients of the allowance) lowers unemployment. On the other hand deadweight businesses and businesses which displace the output and employment of existing firms do not have an effect on the unemployment count. However to the extent that EAS enables deadweight firms to survive

the first twelve months, whereas without the allowance they would have failed the unemployment count is reduced. Taking all these factors, the evidence from the pilot Scheme suggests that for every 100 entrants on to EAS unemployment falls by 32.5.

A further indicator is to estimate net cost per person off the unemployment count for a year. To estimate this net cost the flowbacks to the Exchequer are subtracted from the gross cost of the Scheme and the resulting figure divided by the effect on the count. The gross cost of the Scheme is the annual cost of the allowance multiplied by the number of entrants from which must be deducted savings to the Exchequer which arise because of the effect of the allowance on output and employment. These savings include lower unemployment benefit payments and higher national insurance receipts and taxation receipts from the incomes of EAS participants and their employees. The flowbacks are only calculated for non deadweight and non displacement firms but allowance is made for those deadweight firms which survive because of EAS. This means that for every 100 entrants to EAS, the Exchequer only saves expenditure or receives additional receipts from the 32.5 people taken off the unemployment count, because for the other recipients their economic activity is unaffected by the allowance. For the pilot EAS the net cost to the Exchequer per person off the unemployment count in the first year is £2,690.

With EAS there is no additional public expenditure cost after 12 months, but if firms continue to trade beyond 12 months there are continuing savings to the Exchequer from lower unemployment benefits and higher taxation receipts. This will reduce significantly the longer term net cost of EAS. If, for example, it is assumed that about 60 per cent of firms surviving until 12 months continue to trade until the end of their second year (and the early evidence from the 18 months survey suggests that this may be a little pessimistic) then over two years the net cost of removing one person from the register falls to £650. Depending upon assumptions about future survival it is clear that over about three years EAS has the potential to create additional employment and, at the same time, lead to savings in public expenditure.

### The national Scheme

While the Scheme has been available nationally since August 1983 it is too early to provide definitive results. Some evidence from a survey of a sample of people who had been on the national Scheme for six months has recently become available. This evidence supports the findings of the pilot Scheme and generally indicates that businesses on the national Scheme may be more successful than those on the pilot Scheme. On average after six months 55 jobs had been generated per 100 businesses supported, of these 34 are full-time and 21 part-time. Moreover, during the next six months firms indications are that an additional 19 full-time and 14 part-time jobs would be recruited for every 100 firms. At six months average weekly income, excluding business expenses, was £92. Around 80 per cent of respondents thought their business to be either more successful than expected or as expected. On the national Scheme a higher proportion of businesses have set up in manufacturing—20 per cent compared with 13 per cent on the pilot Scheme. EAS continues to be attractive to the longer term unemployed—on the national Scheme 66 per cent of the respondents had been unemployed for over six months and 25 per cent had been unemployed for at least 12 months.

It is intended that more detailed information on the preliminary findings on the national Scheme will be produced in due course.



# Trade union democracy—the 1984 Act

Following the Green Paper on Democracy in Trade Unions published in January 1983 and the White Paper in July and the Trade Union Bill in November last year (all summarised in *Employment Gazette* of those months), the Trade Union Act 1984 has now received Royal Assent.

The Trade Union Act 1984 has now received Royal Assent. Its main purposes are to:

- provide for the members of trade union governing bodies to be directly elected by individual secret ballot of the union's members;
- make trade unions' immunity for organising industrial action conditional on the holding of secret and properly conducted strike ballots;
- enable members of trade unions with political funds to vote at regular intervals on whether their union should continue to spend money on party political matters.

The Act's provisions come into force as follows:

- provisions requiring trade unions to begin work on compiling a register of their members' names and addresses for use in union elections come into force immediately; trade unions are under a duty to complete the register by the time the remaining provisions on union elections come into force which will be towards the end of 1985 (the exact date to be determined by a commencement order this autumn);
- the strike ballot provisions will come into effect on September 26, 1984 and will apply to any industrial

Note: For the sake of brevity, the words "he" and "his" are used in this article to mean he or she and his or her.

action which is initiated by a trade union after that date;

- the political fund provisions will come into effect on March 31, 1985 and will mean that all trade unions with political funds will need to hold review ballots by March 31, 1986 unless they have already balloted their members in the previous ten years.

## Trade Union Act: section by section analysis

### Part I: Secret ballots for trade union elections

**Section 1** of the Act requires the principal executive committee of a trade union to be elected by secret ballot of the union's members. The section provides that every person who has a vote or casting vote on this committee (such persons are referred to in the Act as 'voting members') must owe his position on the committee at any given time to an election fulfilling the requirements in section 2 held within the last five years. The section also provides that office holders in the union whose office gives them a vote or casting vote on the committee (such as the union's general secretary or president) must have been similarly elected to that office. The section further provides that there can be such reasonable hand-over period as may be required, but one not exceeding six months, in which to give effect to an election result; and that any term in the contract of employment of an employee of the union (for example the general secretary) which might prevent his being elected as required by the Act is to be disregarded.

### Loose Leaf "Time Rates of Wages and Hours of Work"

Essential information on the basic rates of wages, hours and holiday entitlement provided for over 200 national collective agreements affecting manual workers or in statutory wages orders.

#### SUBSCRIPTION FORM

To: Department of Employment, (HQ Stats A4), Watford WD1 8FP (No stamp required)  
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Address \_\_\_\_\_

**Section 2** lays down that all elections to the principal executive committee of a trade union must comply with the following requirements:

- (i) entitlement to vote at the election must be accorded equally to all members of the union unless they are in certain listed groups, such as newly joined or student members, which are also excluded from voting under union rules; (the Act also allows unions under their rules to restrict the electorate for particular seats on the executive to members in particular occupations, geographical areas and /or constituent sections within the union);
- (ii) voting in the election must be by the marking of a ballot paper and without interference from, or constraint imposed by, the union or any of its members, officials or employees;
- (iii) so far as is reasonably practicable, every person entitled to vote must:
  - be enabled to do so in secret;
  - be sent a voting paper by post;
  - be given a convenient opportunity to return it by post; and
  - be enabled to vote without incurring any direct cost;
- (iv) votes cast in the election must be fairly and accurately counted (although accidental inaccuracies not affecting the outcome are to be disregarded);
- (v) no member of the union is to be unreasonably prevented from standing for election nor required to belong to a particular political party in order to do so; (however, the Act allows unions to exclude particular classes of members from standing for election through their rules).

The requirements of the section do not apply to overseas members of a union nor in relation to uncontested elections.

**Section 3** of the Act allows a union to hold a workplace or semi-postal ballot rather than a full postal ballot where it is satisfied that there are no reasonable grounds for believing that a workplace or semi-postal ballot would not meet the requirements of section 2 (other than those relating to voting by post). In those circumstances the section entitles a union to substitute in place of the requirements in section 2 that every person be sent a voting paper by post and be given a convenient opportunity to return it by post the requirements that, so far as is reasonably practicable, every person entitled to vote:

- (i) must be supplied with a ballot paper, or have one made available to him during his working hours (or immediately before or after his working hours) either at his workplace or at a place more convenient to him; and
- (ii) must be given a convenient opportunity to vote by post or an opportunity to vote during his working hours (or immediately before or after his working hours) at his workplace or at a place more convenient to him or a choice between these two methods of voting.

**Section 4** places a duty on trade unions to compile and thereafter maintain, by means of a computer or otherwise, a register of the names and addresses of their members. The section provides that the register must have been compiled by the time the remaining sections of Part I of the Act come into effect (see section 22 below). It also requires a union to ensure, so far as is reasonably practicable, that the entries in its register are accurate and are kept up-to-date. The section exempts branches of unions which are trade unions in their own right from the duty to compile and maintain a register to the extent that this duty is discharged by the parent union.

**Section 5** provides that a member of a union can apply to the

Certification Officer or to the High Court (or, in Scotland, to the Court of Session) for a declaration that the union has failed to comply with one or more of the provisions of Part I of the Act. It further provides that where the application is made to the court and the court grants the declaration that is sought, the court is to make an order (unless it considers this inappropriate) setting out the action which the union must take as a consequence of its failure to comply with Part I of the Act. Such an order must normally specify a time limit within which the union must comply with the requirements of the order. The section further provides that where the court orders a fresh election to be held it shall order it to be conducted by postal ballot unless it considers this inappropriate. Finally, the section provides that at the end of the period given for compliance with a court order any member of the union who was also a member when the order was made can pursue enforcement proceedings if the union has failed to comply with the requirements of the order.

**Section 6** contains supplementary provisions concerning the situation where an application for a declaration under section 5 is made to the Certification Officer. It provides that on receipt of an application the Certification Officer is to make such enquiries as he thinks fit and, where he considers it appropriate, give the applicant and the trade union an opportunity to be heard; that where the Certification Officer makes a declaration to the effect that a union has breached one or more of the requirements of Part I of the Act he must specify any steps which the union has taken or agreed to take with a view to remedying the breach; and that the Certification Officer is to give reasons in writing for his decision to make or not to make a declaration which he may accompany by written observations on any matter relevant to his proceedings. The section further provides that the making of an application to the Certification Officer is not to prevent a subsequent application being made to the court in respect of the same matter; and that where such a subsequent application is made the court must have regard to any declaration, reasons or observations made by the Certification Officer. The section also requires the Certification Officer, so far as is reasonably practicable, to determine applications to him within six months of their being made.

**Section 7** provides exemption from the requirements of Part I of the Act for:

- trade union federations which have no individuals as members;
- trade union federations which have individuals as members but only where all of the individual members are merchant seamen and a majority of them ordinarily reside outside the UK;
- newly formed or amalgamated unions for a period of one year from their formation;
- unions to which another union has transferred its engagements, but only for a period of one year from the date of transfer and only in respect of certain members who joined the principal executive committee as a consequence of the transfer.

**Section 8** provides limited exemption from Part I of the Act in respect of certain voting members of trade union executives who are within five years of retirement age and who are full-time employees of the union. The exemption is from the five year limitation on the length of time for which a person may remain a voting member of an executive without being re-elected.

**Section 9** defines certain expressions used in Part I of the Act and provides a transitional provision. The effect of the latter is that, following commencement of Part I, a voting member of the principal executive committee of a trade union will not be required to have been elected in accordance with the requirements of section 2 until five years have elapsed since the date of the election by virtue of which he currently holds his seat on the committee so long as that election took place prior to commencement. Where the election has occurred after commencement it will, however, need to have been conducted in conformity with the requirements in section 2.

## Part II: Secret ballots before industrial action

**Section 10** removes immunity from legal action in cases where trade unions do not hold a ballot before authorising or endorsing a call for a strike or any other form of industrial action which breaks or interferes with the contracts of employment of those called upon to take part in it. It also makes it a condition of immunity that a majority of those voting vote in favour of the action, that the ballot is held no more than four weeks before the industrial action begins and that the ballot satisfies the requirements of section 11.

**Section 11** sets out the conditions which strike ballots must satisfy. Entitlement to vote must be given to those, and only those, whom it is reasonable for the union to believe will be called upon to take or to continue to take strike or other industrial action. Immunity will be lost if any member is called on to strike after being denied entitlement to vote. The question on the ballot paper must invite a "Yes" or "No" answer and specify whether the action involves a strike or other type of industrial action involving the voter in a breach of his contract of employment. So far as is reasonably practicable, every person entitled to vote:

- (i) must be supplied with a ballot paper, or have one made available to him during his working hours (or immediately before or after his working hours) either at his workplace or at a place more convenient to him; and
- (ii) must be given a convenient opportunity to vote by post or an opportunity to vote during his working hours (or immediately before or after his working hours) at his workplace or at a place more convenient to him or a choice between these two methods of voting.

The detailed results of the ballot must also be made known to those entitled to vote.

## Part III: Political funds and objects

**Section 12** provides that trade unions, which have in the past balloted their members under the provisions of the Trade Union Act 1913 to enable them to spend money on "political objects" (see note on section 17) must in future ballot their members at least every ten years if they wish to continue to do so. It means in particular that any of these trade unions which have not held a ballot in the nine years before March 31, 1985 will need to do so before March 31, 1986.

**Section 13** updates the existing provisions in the 1913 Act which require the approval of the Certification Officer for political fund ballot rules. It provides in particular that the Certification Officer must satisfy himself that the rules provide for ballots either by post or at the workplace. The section also makes clear that ballot rules must be approved by the Certification Officer before each ballot and enables trade unions to adopt ballot rules by a decision of their principal executive committee in the case of the first review ballots to be held under the provisions of the Act (before March 31, 1986).

**Section 14** deals with the assets and liabilities of the separate political funds which, under the 1913 Act, trade unions must have if they wish to spend on political objects. In cases where a union has lost its authority to spend on political objects, the section provides that only contributions to the political fund received before the loss of the authority may be added to the political fund, it prevents union members from being required to contribute to the fund, and it enables unions to transfer assets of their fund to another fund of the union without being in breach of trust or of their rules. The section also provides explicit statutory clarification that no political fund deficits may be paid off from union funds other than the political fund and that unions must not at any time transfer into their political funds money not appropriate to those funds.

**Section 15** deals with the situation where a trade union no longer has the authority to spend on political objects. It provides

that trade unions must immediately take steps to ensure that collection of the political levy ceases as soon as is practicable, and that any levy contributions which are received in the meantime may be paid into another fund of the union but must be refunded to union members on request. In cases where a union has held a ballot under the provisions of the Act and a new political fund resolution has not been passed, the section enables the union to continue to spend on political objects for not more than six months from the date of the ballot. It provides for union rules made to comply with the Trade Union Act 1913 to lapse and protects members previously contracted out of the levy from possible discrimination. It also provides that where unions have lost but subsequently re-established their authority to spend on political objects, they may not transfer into a political fund money received before the new authority was established but not held in the political fund on that date.

**Section 16** gives a trade union member the right to apply to the High Court (Court of Session in Scotland) for a declaration that the union has failed to take the steps required by section 15 to ensure that collection of the political levy ceases. Where the court decides that the union has failed to do so, the section provides that it may make an order specifying the steps which the union must take and the timescale within which they must be taken. The section also makes provision for the enforcement of an order by members of the union.

**Section 17** contains an updated definition of the aspects ("political objects") on which, under the 1913 Act, trade unions are only allowed to spend money if they have authority from their members to do so. The section deems any references to the old definition in trade union rules to be to the new definition and repeals section 1(2) of the Trade Union Act 1913 (definition of statutory objects) in consequence of the redefinition of political objects.

**Section 18** places a duty on employers who have "check-off" arrangements for deducting trade union subscriptions from their employees' pay to vary the level of check-off deductions by the amount of the political levy if they are informed by a trade union member in writing that he is exempt from paying the levy or has put in a request to be exempt to his union.

**Section 19** defines certain terms used in Part III of the Act and applies it with any necessary modifications to employers' associations.

## Part IV: Supplementary

**Section 20** enables the Secretary of State for Employment to make certain changes to the scheme, set up under section 1 of the Employment Act 1980 and subsequent regulations, which provides for payments out of public funds to be made by the Certification Officer towards the cost of postal ballots held by trade unions in respect of certain matters specified in the 1980 Act. The section extends the matters provided for in the 1980 Act so that, in respect of ballots conducted by post, the scheme will, once the necessary regulations are made, cover all election ballots required by Part I of the Act and political fund review ballots required by Part III (but not ballots on the establishment of a political fund). The scheme is already wide enough to cover ballots required by Part II of the Act where these are held by post.

**Section 21** provides for any additional expenditure which may arise under the scheme established under section 1 of the Employment Act 1980 (funds for trade union ballots) as a consequence of the provisions of the Act.

**Section 22** provides for commencement. Apart from section 4 of the Act, which comes into effect on Royal Assent, the provisions of Part I will come into effect on a day to be appointed by order. Part II will come into effect two months after Royal Assent. Part III will come into effect on March 31, 1985. The section further provides that Parts I and II and sections 18 and 20 of the Act do not extend to Northern Ireland and that the remainder of Part III does not apply to any trade union based in Northern Ireland.

# QUESTIONS IN PARLIAMENT

A selection of Parliamentary questions put to Department of Employment ministers on matters of interest to readers of *Employment Gazette* between July 12 and August 1 is printed on these pages. The questions are arranged by subject matter, and the dates on which they were answered are given after each answer. An asterisk after the date denotes that the question was answered orally.

## Careers Service

*Mr Michael Brown (Brigg and Cleethorpes) asked the Secretary of State for Employment, whether he had yet reconsidered the case for a review of the overlap between the Careers Service and the Employment Division of the Manpower Services Commission as recommended by the Rayner Scrutiny of the Employment Service.*

Mr Morrison: Since the Rayner recommendation for an independent review of the overlap between the Careers Service and the Employment Division of the Manpower Services Commission, there have been a number of developments in co-operation between the two services. Notably, a guidance document, drawn up jointly by my Department, the Scottish and Welsh Offices and the Manpower Services Commission, was issued last year to both services. Progress in response to the document is being monitored. Co-operation in the launching of the Youth Training Scheme has been particularly successful and the Christmas undertaking was substantially met.

In the light of these developments the Government sees no present need for a further independent review of the relationship between the two services. It holds to the principle that, provided young people are clear as to the functions of the two services, they should be free to use either service as they see fit. The Government will continue vigorously to pursue, in conjunction with local education authorities in England and Wales, education authorities in Scotland and the Manpower Services Commission, its responsibilities for the effectiveness and efficiency of both services in the interest of those they serve.

(July 31)

## Skillcentres

*Ms Jo Richardson (Barking) asked the Secretary of State for Employment, how many women were currently being trained in Skillcentres.*

Mr Morrison: Of the 82,000 people expected to benefit from the Training Opportunities Scheme in 1984/85, it is estimated that some 24,500 will be women, of whom around 400 are expected to train at Skillcentres.

(July 31)\*

## Department of Employment Ministers

Secretary of State: **Tom King**

Ministers of State: **Peter Morrison**  
**John Selwyn Gummer**

Parliamentary Under Secretary of State: **Alan Clark**

## Training for jobs

*Mr Ron Leighton (Newham North East) asked the Secretary of State for Employment, if he was satisfied with the level of expenditure by employers on training.*

Mr Gummer: The White Paper *Training for Jobs* published in January recognised that while a great deal has been achieved to meet the identified national objectives for better training in the last two years, we need to move forward so as to secure the well trained workforce which is an essential condition of our economic survival. Training must be seen as an investment, and the decisions as to who is trained, when and in what skills are best taken by employers and individuals who have to satisfy the need of the market. If training costs are excessive or if there are unnecessary obstacles, the quantity and quality of training provided will be inadequate, and skill shortages may put at risk our economic recovery. We need to ensure that training is cost-effective and in line with real job needs, which are more important criteria than the level of expenditure alone.

(August 1)

## Youth training

*Mr Andrew Rowe (Mid Kent) asked the Secretary of State for Employment, whether he was proposing to make any change in the level of the Youth Training Scheme allowance and grants.*

Mr King: I have decided, in accordance with the recommendations of the Manpower Services Commission, that from September 1 this year the weekly allowance to

trainees on the Youth Training Scheme, should be increased by five per cent to £26.25; that the Mode A annual grant covering the trainee allowance and the contribution to employers' training costs should be increased to £1,950, with the managing agent's fee remaining at £100; and that the grants for Mode B schemes should be increased in line with the increases in the Mode A grant. These changes will help towards the continued success of the Scheme in providing high quality training for eligible 16 and 17-year-old school and college leavers.

(July 20)

## Women-only courses

*Mr Ernie Ross (Dundee West) asked the Secretary of State for Employment, what positive steps he was taking to encourage women to train for jobs in traditionally male-dominated sectors.*

Mr Clark: All the Manpower Services Commission's standard training programmes are open equally to women and men, and this is emphasised in all publicity. The Commission also supports a number of experimental women-only courses, as permitted under section 47 of the Sex Discrimination Act, which include training in occupations in which women are under-represented.

(July 31)

## Enterprise Allowance

*Mr Peter Pike (Burnley) asked the Secretary of State for Employment, if he would publish as soon as available the figures showing the success or failure rate of schemes established under the Enterprise Allowance Scheme.*

Mr Clark: Information available indicates that of small businesses supported under the Enterprise Allowance Scheme, 90 per cent survive the first 12 months and up to 60 per cent survive the year after the allowance ceases.

(July 12)

# QUESTIONS IN PARLIAMENT



## European Social Fund

Mr David Knox (Staffordshire Moorlands) asked what sums had been paid from the European Social Fund to projects in the United Kingdom in each of the nine aid categories in each year since the Fund had been established.

Mr Gummer: The European Social Fund was established in 1957 under the Treaty of

Rome which founded the European Economic Community. The United Kingdom has been eligible for grants from the Fund since our accession in 1973. Breakdowns of the allocations from the Social Fund before 1977 cannot be provided except at disproportionate cost. Allocations since 1977 are shown below for each field of intervention.

	1977	1978	1979	1980	1981	1982	1983
Young people	28,287	25,383	67,522	71,871	85,119	181,482	240,733
Textiles	2,799	5,055	2,540	1,201	1,961	3,139	3,762
Women	—	12	437	65	493	808	2,363
Regions	45,049	36,562	49,926	50,416	33,221	65,422	41,514
Technical progress	—	263	—	720	2,191	3,653	6,654
Handicapped	7,342	7,339	10,672	9,331	17,006	22,943	17,838
Migrant workers	2,742	505	635	1,202	900	9,584	7,770
Agriculture	19	—	—	—	—	—	—
Groups of undertakings	—	—	—	544	219	—	—
Pilot schemes	—	—	—	—	—	—	235
<b>All</b>	<b>86,238</b>	<b>75,119</b>	<b>131,732</b>	<b>135,350</b>	<b>141,110</b>	<b>257,031</b>	<b>320,869</b>

£ thousand

(July 24)

## Asbestos licensing

Mr John Evans (St Helens North) asked how many companies which had applied for unconditional licences under the Asbestos Licensing Regulations 1983 had been given only conditional licences; and what had been the main reasons for these decisions.

Mr Gummer: All licences are issued subject to general conditions. In addition regulation four permits the Health and Safety Executive to impose such additional conditions on the licence as it considers appropriate.

810 applications, all for unconditional licences, have been received. The Executive has so far issued 706 licences. 586 are for one year. 381 of these require a notification of work to be given to the enforcing authority and 204 have one or more of the additional conditions that the Executive considered to be necessary. 121 licences have been issued for a five-year term. The number and type of conditions imposed are not readily available.

(July 16)

Mr Evans went on to ask how many companies had had their applications for a licence under the Asbestos Licensing Regulations 1983 refused; and what had been the grounds for each refusal.

Mr Gummer: To date one company has had its application for a licence refused, on the grounds that the Health and Safety Executive's record of its activities indicated a lack of ability by senior manage-

ment to exercise effective control over important aspects of work with asbestos including training, supervision and overall site management.

All those who have been issued with licences have had attached conditions of varying kinds. A high proportion have had licences only for one year.

(July 16)

Mr Evans also asked what constraints would be exercised by the Health and Safety Executive on companies who had been granted only conditional licences under the Asbestos Licensing Regulations 1983.

Mr Gummer: Only conditional licences have been granted. The Executive may revoke a licence if the licensee is not operating in accordance with the criteria set out in the regulations or it may vary the terms of a licence if it considers it appropriate to do so. Revocation of a licence will be considered whenever inspectors report that a licensee failed to comply with the conditions of his licence and in every case where a licensee is convicted of an offence under the Licensing regulations or which directly relates to work with asbestos. All enforcing authorities are being asked to report site visits to the Principal Inspectors responsible for asbestos licences at the Health and Safety Executive Area Offices. This will provide the Executive's Asbestos Licensing Unit with more information on which applications to renew licences may be favourably considered.

(July 16)

## Redundancy

Mr Alistair Burt (Bury North) asked the Secretary of State for Employment, whether he was satisfied with the operation of the rule that people on notice of redundancy were excluded from taking up vacancies under the terms of the Job Release Scheme, if their notice expired some time after the vacancy occurs; and if he would make a statement.

Mr Clark: Yes. It is only by insisting that the expiry date of the replacement worker's notice period should be no later than the leaving date of the Job Release Scheme applicant that we can be sure that the replacement worker would otherwise be wholly unemployed on the day the applicant's job falls vacant, and that the scheme is therefore achieving its objective—the provision of extra jobs for unemployed people.

(July 27)



## Unemployment benefit

Mr Dafydd Elis Thomas (Meirionnydd Nant Conwy) asked the Secretary of State for Employment, what was his Department's policy towards provision of unemployment benefit forms by post to claimants in sparsely populated rural areas; and if he would make a statement.

Mr Clark: People who live more than six miles from the nearest Unemployment Benefit Office can make their regular claims to unemployment benefit by post. They are given books of claim forms when they first claim at the office and when they attend at quarterly intervals. These quarterly attendances can be replaced by a postal confirmation of unemployment in exceptional circumstances.

Those who live more than ten miles away can also be issued with forms to make their initial claim by post.

(July 20)

**QUESTIONS IN PARLIAMENT**

# Employment topics

## Disabled jobseekers

Registration as a disabled person under the Disabled Persons (Employment) Acts 1944 and 1958 is voluntary. Those eligible to register are those who, because of injury, disease or congenital deformity, are substantially handicapped in obtaining or keeping employment of a kind which would otherwise be suited to their age, experience and qualifications.

The tables below relate to both registered disabled people and to those people who, although eligible, choose not to register. At April 16, 1984, the latest date for which figures are available, the number of people registered under the Acts was 420,475.

### Returns of disabled jobseekers—Jobcentres (July 1984)\*

Registered for employment at July 6, 1984	89,566
Employment registrations taken from June 11, 1984 to July 6, 1984	6,747
Placed into employment by Jobcentre advisory service June 11, 1984 to July 6, 1984	3,032

\* These numbers do not include placings through displayed vacancies or on to Community Programme.

### Placed into employment by Jobcentres and local authority advisory services from March 3, 1984 to June 8, 1984§

	Open	Sheltered	Total
Section I	9,517	—	9,517
Section II	242	805	1,047
<b>Total</b>	<b>9,759</b>	<b>805</b>	<b>10,564</b>

§ Section I classifies those disabled people suitable for open or ordinary employment, while section II classifies those unlikely to obtain employment other than under sheltered conditions. Only registered disabled people can be placed in sheltered employment. These numbers do not include placings through displayed vacancies or on to Community Programme. Placings into Community Enterprise Programmes were included in the figures before 1983 but were not separately identified.

### Disabled jobseekers and unemployed disabled people—Jobcentres and local authority careers offices (quarterly)

Great Britain	Thousand			
	Disabled people		Unemployed disabled people	
	Suitable for ordinary employment	Unlikely to obtain employment except under sheltered conditions	Registered disabled	Unregistered disabled
1983 June of whom unemployed	71.1	116.7	7.9	4.9
Sep of whom unemployed	62.6	100.5	7.0	4.1
Dec of whom unemployed	64.6	105.7	7.5	4.7
1984 Mar of whom unemployed	56.7	91.0	6.6	3.9
June of whom unemployed	56.8	90.7	6.7	3.8
1984 Mar of whom unemployed	49.7	76.5	5.9	3.2
June of whom unemployed	42.4	67.2	5.7	3.0
1984 Mar of whom unemployed	37.4	55.8	5.1	2.5
June of whom unemployed	38.0	61.3	5.4	3.3
1984 Mar of whom unemployed	33.5	51.2	4.9	2.8

## Aerospace earnings

A further survey in the series covering the earnings and hours of manual workers in the aerospace equipment manufacturing and repairing industry (MLH 383 of the Standard Industrial Classification 1968 and Group 364 of the Standard Industrial Classification 1980) was carried out for April 1984.

The latest figures are shown below. They relate to the pay-week which included April 11, 1984, or, if

the establishment was stopped during that week by special circumstances, the nearest ordinary week.

The survey was voluntary: 85 establishments returned forms in time for tabulation, accounting for over 80 per cent of the adult manual workers in the industry.

Corresponding figures for October 1983 were published in *Employment Gazette* in February 1984.

### Aerospace equipment manufacturing and repairing (MLH 383) in April 1984

	Average weekly earnings £	Average hours worked	Average hourly earnings p
Full-time manual workers on adult rates*			
Males	162.52	41.4	393.0
Females	114.52	38.3	299.0

\* Ordinarily employed for 30 hours or more a week.

## Regularly published statistics and historical supplements

An historical supplement on employment statistics, giving longer statistical series than are normally printed in the *Labour Market Data* section is published with this month's issue of *Employment Gazette*. The figures in this supplement incorporate the recent revisions made to the employment estimates and introduced in the article "Revised employment estimates" on page 319 of the July Gazette. A list of recent articles on employment statistics is also included.

This is the first in a series of such supplements which will be intro-

duced over the next few months; others will cover unemployment, earnings and prices. They will supplement the principal monthly tables, which give the latest information in each series with figures for earlier periods; this should be an improvement for users who wish to refer to long time series on a consistent basis. Over the next few months, information for earlier periods of the longer series currently given in the monthly tables will be cut out so as not to duplicate unnecessarily the data published in the historical supplement.

## Forthcoming statistical articles

The September issue of *Employment Gazette* will include a statistical supplement and articles on the following:

### ● Revised travel-to-work areas

This supplement will present the results of the recent review of travel-to-work areas with a brief explanation of the methodology used.

### ● Unemployment statistics for small areas

The article describes the new system using aggregates of local authority ward.

## Articles in preparation

A future issue of *Employment Gazette* will include a statistical article on:

### ○ New Entrants to Employment Survey

This article, currently in preparation, indicates the jobs entered by 16-year-old school leavers in 1983 and the training they receive. Results are based on the New Entrants to Employment Survey, supplemented by information on the Youth Training Scheme provided by the Manpower Services Commission, previous results appeared in May 1984.

## Changes in average earnings

The following table shows recent changes in the underlying index of average earnings. This series incorporates adjustments for certain temporary influences like arrears of pay, variations in the timing of settlements, industrial disputes, the incidence of public holidays in relation to the survey period, and regular seasonal factors. The series remains, however, a measure of changes in average weekly earnings and the underlying series still reflects changes in hours worked and in bonuses and so forth which are linked to the level of economic activity.

The underlying index was described in an article in the April 1981 issue of *Employment Gazette* (page 193). The time series in that article has been regularly updated in later issues of the *Gazette* the most recent issue being March 1984. The underlying percentage increase figures over the previous 12 months are included in table 5.1 of the Labour Market Data section of *Employment Gazette* with separate figures for the whole economy, manufacturing industries and production industries. Each month the most recent figures for the under-

lying increases over the latest 12 months are included in the *Commentary on Trends in Labour Statistics* (page S2 *et seq* of *Employment Gazette*) together with the underlying monthly increase for average earnings in the whole economy, averaged over the latest three months, which is also shown on an accompanying chart.

### Recent temporary factors

In the second quarter of 1984, average earnings have continued to be depressed by industrial action in the coal industry, by about 1¼ per cent, and an allowance for this is included in the table below. There has been an increase in the timing adjustment arising from delays in reaching agreements (compared with a year ago) among for example, coalmining manuals, some National Health Service employees, non-industrial civil servants and some teachers. The average earnings figures for April and May this year were affected by the Easter and Spring bank holidays, unlike a year ago when the survey pay periods for weekly paid employees fell outside the holiday periods. An allowance for this tem-

porary effect which tended to depress earnings is included as part of the timing adjustment in the table.

The increase in economic activity, seen for example, in increased overtime working for operatives in manufacturing industries (Table 1.11 of Labour Market Data) has helped to raise average earnings. In

the second quarter, overtime hours for manufacturing operatives (seasonally adjusted) were the highest for four years. The monthly rate of increase in the underlying index in the latest three months was between ½ per cent and ¾ per cent in the second quarter, similar to the rate of increase in the first quarter.

## Special exemption orders

The Factories Act 1961 and related legislation restricts the hours which women and young people (aged under 18) may work in factories. Section 117 of the Factories Act 1961 enables the Health and Safety Executive, subject to certain conditions, to grant exemptions from these restrictions for women and for young people aged 16 and 17, by making special exemption orders in respect of employment in particular factories. Orders are valid for a

maximum of one year, although exemption may be continued by further orders granted in response to renewed applications.

During the quarter ended June 30, 1984, the Health and Safety Executive has granted or renewed special exemption orders relating to the employment of 63,981 women and 3,688 young persons. At the end of the period 179,629 women and 17,456 young persons were covered by 3,905 orders.

## Youth Training Scheme

This item reports on progress towards planned entrants to YTS in 1984-85. It also shows the number of young people in training at the end of June 1984, most of whom entered training in 1983-84. YTS planned entrants were based on assumptions about:

- the number of 16 and 17 year-olds likely to enter the labour market in 1984;
- the proportion likely to find employment and the proportion who would be without work;
- the number of young people in employers' normal intake of school leavers who would be brought within YTS.

It has also been necessary to make assumptions about the number of young people who would leave further education or employment part way through their first year and thus require the balance of a year's training on YTS.

Between the beginning of April and the end of June 46,121 young people entered YTS of whom 24,363 had entered Mode A schemes.

The Mode A entrants figure represents 53 per cent of the total number of entrants to training.

There were 250,007 young people in training at the end of June an increase of 11,924 since the end of May. Of those in training, 161,620 (65 per cent) were on Mode A schemes.

### Whole economy average earnings index: "underlying" series

	Seasonally adjusted index	Further adjustments (Index points)		Underlying index	Underlying (per cent) increase	
		Arrears	Timing* etc		Average in latest 3 months	Over latest 12 months
1982 Jan	132.8	-0.2	—	132.6	¾-1	11
Feb	134.3	-0.9	+0.1	133.5	¾-1	10¾
Mar	134.7	-0.5	+0.3	134.5	¾	10¾
Apr	135.4	-0.2	+0.4	135.6	¾	10½
May	136.7	-0.8	+1.0	136.9	¾	10¼
June	137.0	-0.8	+0.2	136.4	½	9½
July	139.5	-1.6	—	137.9	½	9¼
Aug	138.6	-0.6	+0.7	138.7	½	8¾
Sep	138.9	-0.6	+1.3	139.6	½-¾	8¾
Oct	139.8	-0.3	+1.0	140.5	½-¾	8¾
Nov	141.7	-1.0	+0.5	141.2	½	8½
Dec	142.0	-0.6	+0.7	142.1	½	8
1983 Jan	144.5	-1.5	+0.3	143.3	½-¾	8
Feb	147.2	-2.9	—	144.3	¾	8
Mar	146.3	-1.0	-0.4	144.9	¾	7¾
Apr	147.0	-0.6	-0.5	145.9	½-¾	7½
May	148.6	-0.7	-0.6	147.3	½-¾	7½
June	148.2	-0.8	-0.9	146.5	½	7½
July	150.3	-0.6	-1.3	148.4	½	7½
Aug	150.2	-0.4	-0.5	149.3	½	7¾
Sep	150.7	-0.3	+0.1	150.5	¾-1	7¾
Oct	152.0	-0.2	-0.3	151.5	¾	7¾
Nov	152.1	-0.2	+0.4	152.3	½-¾	7¾
Dec	153.4	-0.2	+0.4	153.6	¾	8
1984 Jan	154.7	-0.1	-0.1	154.5	¾	7¾
Feb	155.6	-0.4	+0.4	155.6	¾	7¾
Mar	154.4	-0.5	+2.3	156.2	½-¾	7¾
Apr	155.8	-0.2	+1.7	157.3	½-¾	7¾
May	156.0	-0.4	+3.2	158.8	½-¾	7¾
(June)	155.8	-0.3	+2.3	157.8	½	7¾

( ) Provisional. \* Includes the effect of industrial action.  
Note: The adjustments are expressed here to the nearest tenth of an index point in order to avoid the abrupt changes in level which would be introduced by further rounding, but they are not necessarily accurate to this degree of precision.

Region	Planned entrants April 1984-March 1985	Entrants to training April 1984-June 1984	In training at June 30, 1984
Scotland	42,440	3,150	28,829
Northern	27,133	4,260	18,247
North West	59,208	7,636	35,910
Yorks and Humberside	40,268	5,731	25,931
Midlands	82,774	9,127	49,578
Wales	23,453	3,070	15,709
South West	31,192	3,548	19,123
South East	68,700	6,934	40,532
London	29,392	2,665	16,148
<b>Great Britain</b>	<b>404,560</b>	<b>46,121</b>	<b>250,007</b>

# DE Research papers

The Department of Employment carries out a considerable programme of research, both internally and through external commissions with academic researchers and research institutes, on employment and industrial relations issues. The results of much of this research are published in the Department's Research Papers Series. A list of publications expected in the next 6 months is given below.

Copies of research papers can be obtained, free of charge, on request from: Department of Employment, Research Administration, Steel House, 11 Tothill Street, London SW1H 9NF (telephone 01-213 4662). Papers will be sent as soon as they are available.

## Forthcoming titles

August – December 1984

### **Employers' use of outwork : A study based on the 1980 Workplace Industrial Relations Survey**

Dr C Hakim, Department of Employment and Ms J Fields, Social and Community Planning Research

An analysis of data on employers' use of outworkers collected in the 1980 Workplace Industrial Relations Survey, setting the results in the context of studies in the Department's research programme on home-working.

### **Worker directors in private industry in Britain**

B Towers, Dr E Chell and D Cox, University of Nottingham

Based on detailed case studies of seven organisations, this paper investigates the role, needs and problems of the worker director in private sector organisations and explores the relationship between the worker director and other participatory machinery within the same organisation.

### **Young women in atypical jobs**

Dr G Breakwell, Nuffield College, Oxford

Information on the experiences of young women training to become engineering technicians has been collected. Their social characteristics, their relationships with supervisors and workmates, the nature of problems encountered and strategies adopted in coping with them are examined. An evaluation of the appropriateness of the training techniques used and a study of the women's employers' recruitment and selection policies are included.

### **Part-time employment and sex discrimination legislation in Great Britain**

Dr O Robinson, University of Bath and Mr J Wallace, Teeside Polytechnic

This study, based on detailed case studies of 21 organisations between 1979 and 1982, analyses the nature of part-time employment in Britain. It explores various aspects of part-time employment, including occupations, earnings, hours and redundancy, and considers the changes that the Equal Pay and Sex

Discrimination Acts have brought to part-time employment.

### **Women's participation in paid work : further analysis of the Women and Employment Survey**

Ms H Joshi, Centre for Population Studies, London School of Hygiene and Tropical Medicine

Multiple regression analysis of data from the Women and Employment Survey was undertaken both to establish the importance of different factors in determining whether women undertake paid work or not, and the costs to women of family formation.

### **Women's work histories : an analysis of the Women and Employment Survey**

Dr S Dex, University of Keele

Analysis of the Women and Employment Survey was undertaken at the level of the individual to generate classifications of the variety of women's lifetime work history patterns. Disruptions to women's employment and the sequencing of their work and non work periods over the work cycle are described and the characteristics of women with different lifetime employment profiles are outlined.

### **Unemployed women : A study of attitudes and experiences**

A Cragg and T Dawson, Cragg Ross and Dawson Research Partnership

The meaning of unemployment for women is considered by examining in depth the situation of a group of women without paid work. Women's job aspirations, job search behaviour and the financial and social consequences of not working are described.

### **Women and payment structures**

F Wilkinson, Mrs C Craig, Ms J Rubery and Mrs E Garnsey, Department of Applied Economics, University of Cambridge

This study, conducted in three localities amongst employers and employees in small establishments, examines the intra-organisational and extra-organisational factors that shape payment structures and compares the position of different groups of employees within them.

### **Research 1983-84**

Department of Employment annual report of research.