SECRET cc: John Redwood

28

PRIME MINISTER

SEMINAR ON INDUSTRY AND EMPLOYMENT

At the conclusion of the last Seminar in December, you suggested re-convening the group around Easter. For diary reasons this looks difficult (you visit Docklands on the Friday before the Recess and you go to Portugal for two days during the Recess). I have identified 4 May as an alternative, ie the Friday before Spring Bank Holiday. We could use the same format as December, ie a morning meeting followed by lunch.

Agree this date? I think a lot of people will want to get away early so we should have to end promptly at 2.30 p-

As to Agenda, most of the points raised at the December Seminar have been followed up either by action or by instituting a review or, as in the case of Agricultural Wages Boards, by deciding not to proceed. I attach the record of the meeting. (Action is still needed in the field of planning and DTI's paper on export promotion is still awaited).

It is relatively encouraging that a large number of the items identified back in September have been acted upon but this means that the Agenda will need to be more than just a follow up. John Redwood and I will give further thought to this but John's preliminary ideas are set out in the attached note. Perhaps we could have a word to see what new ideas you would like to see pursued.

Finally, the May meeting could be used to commission papers for a larger Seminar in September. As last year, colleagues could be given the opportunity to put forward their ideas rather than simply write papers in response to suggestions put to them.

AT

Andrew Turnbull
2 March 1984

SECRET

MR. TURNBULL

Seminar on industry and employment

I have now gone firm on Friday 25 May at 0900-1245. The following will attend:

Chancellor of the Exchequer
Secretary of State for Energy
Secretary of State for the Environment
Secretary of State for Education & Science
Secretary of State for Trade & Industry
Secretary of State for Employment
Mr. David Young
Chancellor of the Duchy of Lancaster
Sir Robert Armstrong
Sir Alan Walters (if around)
Mr. John Redwood

I think you should write to the respective offices as soon as possible.

CR.

8 March 1984

CONFIDENTIAL

29 February 1984

MR TURNBULL

I contacted Mr McCarthy at the DTI. He agreed that DTI would complete a paper on the subject of export promotion.

I spoke to John Ballard at the DoE. He said that they were following up all three points on planning and opinion surveys. He also stressed that the housing department and Ian Gow were keen to pursue rented housing in legislation in 1984-85, and would be making this point in Cabinet.

JOHN REDWOOD

CONFIDENTIAL

File a Unempl Employ cc OL

DRAFT

ARTICLE ON UNEMPLOYMENT ETC - DOUGLAS HAGUE

Because national economies are both complex and dynamic, their behaviour is often difficult to understand without detailed analysis. Perhaps this is why the conventional wisdom is so often wrong about issues of economic policy.

The only antidote is good research, and we should be grateful to the Centre for Labour Economics at LSE, funded by my own Council, for throwing new light on various aspects of unemployment.

What is not at issue is that unemployment in Western Europe has risen sharply since the late 1960s, and that there has been a similar, though less dramatic, increase in North America. The Centre for Labour Economics rightly considers that one of the most important questions in contemporary economics is what accounts for this remarkable increase in the medium-term level of unemployment.

The central conclusion is that there is a rate of unemployment below which inflation tends to increase. The idea that there is such a rate - what economists have called the non-accelerating inflation rate of unemployment (NAIRU) has become an established belief of many economists, but strongly challenged by others. The LSE research suggests that the first group is right after all. An increase in unemployment appears to reduce the rate of increase of wages, and to do so in all OECD countries. Perhaps one reason why casual inspection of the statistics does not lead immediately to this conclusion is that the relationship between unemployment and wages is also changing over time. A given rate of unemployment is associated with a bigger increase in real wages - in what the wage will buy - than it was in the past.

The Centre for Labour Economics has gone on to suggest why labour forces thoughout the western world are more willing than they were to live with higher levels of unemployment.

First, it is clear that the whole position, especially of Western Europe, has changed since the late 1960s. Output per worker has been rising more slowly than in the 1960s. At the same time, the amount of goods which the developed countries have to export to pay for imports from the rest

.....continued

of the world has ceased to fall in the way that it did during the 1950s and 1960s. The 1950s and 1960s were a golden age not merely in terms of industrial expansion. It was possible for countries like the UK to sustain their standard of living by obtaining imports, especially of food and raw materials, on terms which no longer obtain. The LSE groups finds that one reason for higher unemployment is the failure of wages to adjust to this new situation. Throughout Western Europe, it is a failure of wages to respond to the new situation which has kept unemployment as high as it is.

Real wages (wages in terms of the goods they will buy) and real import prices (imports in terms of the exports required to acquire them) are the key determinants of changes in the level of employment and, unless there are big changes in the size of the labour force, of unemployment too.

My own observation suggests that a particular piece of conventional wisdom is that during the 1970s there was an increasing mismatch between the pattern of labour supply and demand. Indeed, this item of conventional wisdom sounds entirely reasonable. Given that the increase in the price of oil, together with our own development of North Sea oil, it would be entirely reasonable to expect that the demand for labour must have changed relative to the supply of labour, for regions, industries, and particular work skills. The LSE team rejects this notion entirely. They have looked, for example, at the relationship between the unemployed and jobs available, by regional skill and industry, as well as at the rate of structural change in employment. This work contradicts the notion that the structural imbalance in labour supply and demand increased during the 1970s. It should be emphasised, however, that this is not to say that mismatch is unimportant: it is simply that it does not appear to have increased during the 1970s and 1980s.

Some economists, for example Professor Patrick Minford, insist that it reflects a rise in union power, as measured by a growth in union membership. The LSE research finds little support for this view, though accepting that resistance to the fall in productivity growth and the impact of the fall of the relative prices of goods from developed countries may be due to union activity.

.....continued

The Centre for Labour Economics has also looked at the impact of unemployment benefits and their administration. They conclude that a 1% increase in the ratio of benefits to income lengthens the period during which the average individual remains unemployed very slightly. They therefore conclude that this is not a significant element in explaining the increase of unemployment, but they also show that the administration of benefits has become more lax, which may have led to an increase in unemployment.

The also believe that other factors have reduced the intensiveness with which the unemployed look for new jobs, which seems a likely result given the extent to which unemployment has increased.

I suspect that the finding on the relationship between pay and education also contradicts many popular views. The demand for education appears to respond to the relative return. For example, school leavers seem better informed than I, at least, would have expected about the occupations for which it appears most worthwhile to seeking training. More generally, when the returns to extra training began to fall in the early 1970s, upward trends in enrolment for such training levelled off. These conclusions lead the research team to the view that the subsidies given to those in higher education should be reduced. Apart from reducing government expenditure, this would make life-time incomes more equal.

On the basic issues of how wages are determined, the research team concludes that, in some way or other, all those who bring influence to bear on labour markets have succeeded in creating a system where the current level of unemployment is, in some sense, a desired one. One element in this seems to be the feeling that unemployment, having risen, will not fall significantly but that we must live with roughly the present rate for many years. It is interesting to note their conclusion that, in the USA the belief was that the rise in unemployment would later be reversed. In the UK, they identify the underlying problem as being that aspirations for rising living standards have, since the early 1970s, been too ambitious. The only way in which they could be cut down, is for unemployment to rise. It has always seemed to me that one of the big problems with the British is that we do not trust markets in general, even though these operate

....continued

much more effectively than most people appear to think. The LSE research suggests that the market adjusts supply ~~and demand~~ to labour pretty effectively in the end. It also shows that our predilection for interfering with the labour market, often with the best intentions, is the cause of some, at least, of our current difficulties over unemployment.

DH
1 February 1984

Restricted

File with paper on Industry + Employment Seminar.

Mr A. Turnbull

National Economic Development Council

NEDC(84)24
29 February 1984

EMPLOYMENT TRENDS IN THE US, EUROPE AND JAPAN

Memorandum by the Secretary of State for Employment

1 The attached paper by my officials provides information that is readily available about significant trends in labour supply and patterns of demand in six leading industrial countries - UK, France, Germany, Italy, Japan and the USA - over the last two decades. As agreed by the Council in February it is presented as factual background at the outset of the Council's consideration of "Where will the new jobs be?".

2 The main conclusions of the comparisons are summarised in paragraph 23 of the paper. Although the overall trends observed in the UK are not unique it is significant that growth of the total labour force has been slower in the UK than in Japan and the US, and that uniquely, the UK male labour force has actually declined. Part-time employment in the UK is a much higher proportion of the total than in each of the other countries, though the trend is upwards in the others, except Italy. Similarly, female participation rates have grown in all six countries but the UK rate remains the highest with the exception of the US.

3 The paper illustrates a range of factors affecting the labour market. It does not deal directly with the variety of ways in which labour supply and demand are balanced, high among them greater flexibility in working patterns and remuneration. That is one of the subjects due to be considered later in the Council's programme of work. Meanwhile, I invite my colleagues on the Council to consider the main features illustrated by the analysis and to comment on them as part of the factual background to the "new jobs" work programme.

Restricted

EMPLOYMENT TRENDS IN THE US, EUROPE AND JAPAN

Note by the Department of Employment

INTRODUCTION

1 This note attempts to draw out significant trends in labour supply, and patterns of demand in six leading industrial countries, the UK, France, Germany, Italy, Japan and the USA.

2 There are five main sections:

(i) Population and the Labour Force - a comparison of population, its growth and structure, and migration;

(ii) Labour supply - comparing male and female activity rates, and the growth of the labour force;

(iii) Patterns of Employment - changes in civilian employment, self-employment, part-time working, hours of work, holidays etc;

(iv) Structure of Employment - changing patterns of employment by industry and occupation;

(v) Summary of the significant features - ways in which UK experience differs from that of her competitors.

POPULATION

3 The main determinant of the number of people offering themselves for employment will of course be the size of the population. As table 1 shows, the four European countries considered are of comparable size, varying between just under 54 million for France to almost 62 million for West Germany in 1981. The Japanese population was approximately twice as big and the USA's almost twice that of Japan. Table 2 shows average growth rates of total population between 1960 and 1981. Here again the European countries are distinct. The US population grew by an annual average of 1.2%, during 1960-81, Japan by 1.1%, and all the Europeans by less than 1%, with the UK growing slowest of all at 0.3% a year.

4 Population growth will be the result of both natural increases and net migration. Table 3 and diagram 1 present natural increases in population for the years from 1970 to 1981 for the six countries expressed as a proportion of their total population. Again the European countries tended to expand more slowly than the USA and Japan, and Germany has had a "natural decrease" since 1972. Japan experienced an extraordinary rate of increase in the early 1970s with a birth rate of almost 2% but her natural increase rate has since fallen to below the US level.

5 Table 4 and diagram 2 show net migration rates ie immigrants less emigrants as a proportion of total population. In most countries migration follows a cyclical pattern, and clearly adds an element of flexibility in the matching of labour supply and demand. The most striking feature is the experience of Germany, showing how the "gastarbeiter" system has been varied by policy in response to economic needs. Also demonstrated is the important role of immigrants in France in the early 1970s, and in Italy throughout the period. The USA has been absorbing between ⅓ and ½ million net immigrants throughout the period. Japanese net migration has been negligible, while the UK has been an exporter of population, with a net outflow averaging over 44 thousand a year between 1970 and 1980.

6 Defining the population of working age as that between the ages of 15 and 64, (14 and 64 in Italy) it can be seen from table 1 that the proportion of total population of working age varies little between the countries, although it is somewhat lower in the UK and France, at just over 61%, than in the other four countries, at between 66-67%. Growth of population of working age (table 2) has been faster than that of total population in USA, Japan, and France, slower in the UK and Italy, and the same as total population in Germany.

LABOUR SUPPLY

7 In order to translate from population of working age to supply of labour it is necessary to examine participation (or activity) rates. During the 1960s these declined in most leading OECD countries, the UK and USA being the major exceptions because of rising female participation (diagram 3).

It is more difficult to draw general conclusions about the subsequent period. US participation rates have been rising and those of Italy and Japan have been increasing since the middle of the decade, but German participation rates have continued to fall. UK rates increased throughout the 1970s to a level higher than in any other OECD country (over 74%), but have fallen back in the early 1980s to below the US level.

8 Apart from some cyclical variation male participation rates in all the countries considered have declined over the period (diagram 4). Two important forces are at work here. Firstly, outside North America declining youth participation has been mirrored by growing enrolment in post compulsory education. (The North American practice of combining school attendance with part-time work means that this effect was less marked there). This tendency has accelerated during the recent recession. Secondly participation of older workers (55 and over) has declined steadily in all countries, due to wider coverage of pension schemes, improved benefits and inducements to early retirement. These two processes have been operating in Japan as elsewhere but because of demographic changes there, change in the overall male participation rate has been less marked. In addition there have been small declines in participation by males aged 25-54 in the UK and USA and a somewhat larger one (5% over the last decade) in Germany.

9 Female participation rates in the 7 leading OECD countries have increased consistently from 46.8% in 1960 to 55.9% in 1982. But as diagram 5 shows, within that total there have been some significant variations. During the 1960s activity rates were falling in Japan, Germany and Italy, and rising in the UK and USA. German rates began increasing in the late 1960s, the Italian rates in the early 1970s and the Japanese in the mid-1970s. On the other hand UK female activity rates which increased rapidly in the 1970s have fallen since 1980.

10 While female activity rates in four of the countries are in the range 50-58%, there are two outliers: the USA, with over 60% and Italy with little more than 40%. (These results are reflected in the female proportions of the labour force. While for four of the countries including the UK the female share in 1982 was very close to 39%, in the USA it was 42.7% and in Italy 33.7%). The UK female activity rate was the highest in the mid-1970s but has since been overtaken by the USA. It remains to be seen whether an upward trend will be re-established over the next few years.

11 These trends in participation rates, together with the growth of population of working age give the long-term growths in labour force shown in diagram 6. Between 1960 and 1981 the US labour force grew by an average of 2.1% a year and the Japanese by 1.1%, while growth in the other countries was less than 1%.[2] In all countries except Japan female labour force growth was faster than male, with rates of 3.4% in the USA 1.6% in France and 1.2% in the UK. By comparison male labour force growth was modest, with 1.3% growth in the USA and 1.2% in Japan, while in Italy it was stationary, and in the UK actually declined.

PATTERNS OF EMPLOYMENT

12 As with labour force growth, civilian employment growth reveals a contrast between the European experience and that of Japan and the USA (see table 5). Between 1960 and 1981 civilian employment in the USA grew by 2.0% a year, and by 1.1% in Japan. While there was some variation in the experience of European countries - for instance German employment fell between 1960 and 1968, grew between 1968 and 1973, and fell again subsequently - in none of the countries did growth exceed 1% on average, and in most it was substantially less.

13 Wage earners and salaried employees are, as table 1 indicates, always the largest component of civilian employment, but the proportion varies considerably. From 91% in the UK and USA, 87% in Germany and 83% in France it falls to 72% in Japan and 71% in Italy (1981 figures). The numbers of employers and self-employed varies conversely, from 9% in the UK, USA, and Germany, to 17% in Japan and 23% in Italy. Clearly the size of the agricultural sector is an important determinant of the numbers of self-employed as of unpaid family workers, who account for 4% of civilian employment in Germany, 5% in Italy and nearly 11% in Japan.

14 The last two decades have seen a substantial increase in part-time employment. And as table 6 shows between 1973 and 1981 the share of part-time employment grew in each country except Italy, with the UK proportion being easily the highest at over 21%. The female share of part-time employment exceeded 50% in all the six countries and was more than 80% in the UK and 90% in Germany. Changes in total employment (part-time and full-time) between 1973 and 1981 are shown in diagram 7. In the UK growth in numbers of part-time jobs was not sufficient to offset the decline in full-time jobs, as it was in Germany. In other countries (except Italy) both part-time and full-time working increased, but only in France was the increase of part-time jobs greater.

15 The trend in hours worked per person has been downward, although the rate of decline has varied and there have been substantial cyclical fluctuations about the trend. Hours of work per week in manufacturing for five countries are recorded in diagram 8. In 1966 the highest figure was in France (46.6 hours) followed by Japan, UK and Germany with the lowest USA (41.3 hours). Subsequently France has experienced the most substantial decline, presumably reflecting in part the "Grenelle" agreement of May 1968 which reduced statutory weekly hours of work to 40, and the further reduction to 39 hours in 1982. Hours were reduced

much more slowly in the UK and USA, and in Japan declined rapidly until the mid-1970s since when the underlying trend may have increased.

16 By 1982 the UK showed the highest number of hours worked, including overtime, in manufacturing with 41.3 a week, followed by Japan and Germany. In France the average was 39.5 and in the USA 38.9. Diagram 9 reports hours of work in manufacturing for males and females separately, (UK, Japan, Germany only.) In the UK there is a significant constrast between the substantial decline in hours worked by males in the current recession and the increase in female hours worked since 1979.

17 During the last two decades, according to OECD, there have been substantial increases in holiday entitlement in all countries except Japan. Minimum annual paid holidays which were generally two to three weeks in 1960, had become three to five weeks in 1982.

STRUCTURE OF EMPLOYMENT

18 The most striking change in the sectoral distribution of employment over the past two decades has been the growth in the share of services (see diagram 10) to reach around fifty per cent or more in all six of the countries under consideration. (The UK proportion is second only to the United States). However, this growth has not always been at the expense of manufacturing: in Italy and Japan, the share of manufacturing has actually risen over the period as a whole (although it has been falling more recently), as the once-substantial agricultural sector has contracted, and in France and Germany too the share of agriculture has fallen considerably more than that of manufacturing. In the UK and US on the other hand the agricultural sector was quite small even at the start of the period and it is manufacturing which has seen the greatest decline. In all countries, the share of 'other industries' (mining, construction and utilities) has remained fairly constant.

19 As diagram 11 shows manufacturing employment in all the countries reached a peak during the period under consideration. Within manufacturing, a readily comparable analysis of employment by industry is only available for EC countries, and not in any great detail (table 7). There is a broad similarity in the industrial structure of the four European countries, with Italy standing out as having relatively fewer in engineering. Females account for about one third of manufacturing employees in all the countries for which figures are available, though the proportion is slightly lower in the UK than in France and Germany.

20 The corresponding figures for services, again at a fairly well aggregated level (table 8) also show a similar picture for three European countries, the only variation of note being the UK's rather high proportion of employees in hotels and catering. However, the very large proportions in the 'other services' category (nearly 50 per cent in each case) may obscure important differences between the countries. The proportion of females is around one-half in all of them, though in this case the UK figure is marginally the highest of the three, the excess being most marked in hotels and catering.

21 Changes in the occupational structure of employment are related to the sectoral and industrial changes described above. Comparable data are not available for all the countries, or over as long a period, but the figures for Germany, Japan and the USA (table 9 and diagram 12) again reveal fairly similar trends over the last ten years. The greatest proportionate increases (in Germany and the USA they are the greatest in absolute terms too) have been in professional, technical and related occupations, and the greatest proportionate decreases have been in agriculture. This category and that of 'production and related' workers were indeed the only two groups to show reductions over the period, though the latter still makes up around one-third of total employment in each of the countries.

22 Data are not available on the same basis for the United Kingdom, but the occupational analysis used by the Warwick Institute for Employment Research (see table 10), indicates a similar growth in non-manual and decline in manual employment. The greater detail available in the Warwick analysis enables it to identify 'professional' occupations as showing the greatest proportionate increase in recent years, and 'non-transferable craftsmen' as the group declining the most; it is not possible to see whether this was the case in the other countries. Warwick also provide disaggregation of manual occupations, and find the largest proportional declines among 'non-transferable craftsmen', such as miners, furnacemen, skilled textile and clothing workers, jewellers and potters. However, in absolute numbers the greatest job losses were among the semi-skilled and unskilled.

SUMMARY OF SIGNIFICANT FEATURES

23 The main results to emerge from this survey of the trends and patterns in labour supply and demand in 6 industrial countries (UK, France, Germany, Italy, Japan and the USA) are:

(i) Over the period 1960-81, the UK population had the slowest increase in population of the six countries. This was the result of a slow natural increase in population and a negative net migration. In the other countries net migration tended to be positive in most years, and in Germany it also showed significant cyclical variability;

(ii) In the 70s activity rates of males have been declining in all countries and female activity rates have increased. In the mid-70s the UK total activity rates (for males plus females) were the highest of the six countries but after a decline in UK female activity rates since 1980, they are now second after the US;

(iii) The increase in the total labour force in the UK in the period 1960-81 was modest; similar to that in Germany and Italy, below that in France and much lower than in Japan and the US. The UK stands out as the only country, with a decrease in its male labour force. This is due entirely to a reduction in activity rates. In all the countries, with the exception of Japan, the female labour force increased much more than the male labour force;

(iv) The total civilian employment (employees in employment and self-employed) in the UK was the same in 1981 as in 1960. This is generally in line with the experience of other European countries (with an average growth of 0.2% in the period) but much below the growth in employment in the US (+2%) and Japan (+1%);

(v) Between 1973 and 1981 the number of employees in employment declined in the UK but increased, to varying extents, in the other countries with particularly large increases in the US and Japan. In all countries, except Italy, there was an increase in part-time employment.

(vi) Because of the small relative size of the agricultural sector in the UK and USA, the proportion of self-employed is lowest in these two countries;

(vii) Part-time employment, associated with female employment, has increased in all countries since 1973, with the exception of Italy. The UK stands out as having by far the highest proportion of part-time employment, 21% in 1981. The US is second with 14% and in the other four countries the average is under 8%;

(viii) There was a decline in the hours of work per worker in manufacturing in all countries except Japan, where there was an increase in recent years. The downward trend in the UK was relatively slow and the level of hours worked in the UK (including overtime) has been higher than in the other countries since 1974. In the UK in 1982 the number of hours worked per worker in manufacturing was over 41 hours per week with Japan second at just under 41 hours and the US lowest at just under 39 hours per week;

(ix) Holiday entitlement has grown in all countries except Japan. Minimum annual paid holidays were 2-3 weeks in 1960 and 3-5 weeks in 1982;

(x) In all six countries the share of agriculture in total employment has fallen, that of industry has reached a peak and subsequently declined, and that of the service sector share has increased;

(xi) In the four countries for which we have occupational data (UK, USA, Germany and Japan), numbers in non-manual occupations have grown, and numbers in manual occupations have decreased.

Department of Employment

TABLE 1

POPULATION, LABOUR FORCE AND EMPLOYMENT

millions

	UNITED KINGDOM	FRANCE	GERMANY	ITALY	JAPAN	USA
Population (1981)	56.3	54.0	61.	56.3	117.6	229.8
Population aged 15-64	36.2	34.7	41.4	37.7	79.2	15.2
Total Labour Force (1982)	26.3	23.4	27.5	23.2	57.7	112.4
Male	16.0	14.2	17.0	15.4	35.2	54.4
Female	10.3	9.2	10.5	7.8	22.5	47.9
Civilian Employment (1982)	23.2	21.0	25.1	20.5	56.4	99.5
Male	13.7	12.8	15.4	13.9	34.4	56.3
Female	9.5	8.1	9.7	6.7	22.0	43.2
Professional Status (1981)						
Wage Earners etc	21.7	17.4	22.3	14.7	10.4	91.0
Employers and self employed	2.1	) 3.5 (	23.3	4.8	9.4	8.7
Unpaid Family Workers		) (	0.9	1.1	5.9	0.6
Unemployed (1983)	3.1	2.0	2.3	2.7	15.7	10.7

Sources: OECD Labour Force Statistics 1970-1981, OECD Quarterly Labour Force Statistics and DE Gazette.

Notes:- 1 14-64

2 Twelve months to November 1983

TABLE 2

GROWTH OF POPULATION AND
POPULATION OF WORKING AGE

Average Annual Percentage Changes

	TOTAL POPULATION GROWTH	GROWTH OF POPULATION OF WORKING AGE
	1960-1981	1960-81
UK	0.3	0.2
FRANCE	0.8	1.0
GERMANY	0.5	0.5
ITALY	0.7	0.6
JAPAN	1.1	1.3
USA	1.2	1.7

Source:- OECD "Historical Statistics. 1960-1981"

TABLE 3

POPULATION - NATURAL INCREASE RATES

	UNITED STATES	JAPAN	FRANCE	GERMANY	ITALY	UNITED KINGDOM
1970	8.8	11.9	5.1	1.2	7.2	4.5
1971	7.8	12.7	6.4	0.8	7.3	4.6
1972	6.2	12.9	6.3	-0.5	6.9	2.9
1973	5.5	12.8	5.7	-1.5	6.3	2.0
1974	5.7	12.1	4.7	-1.6	6.4	1.2
1975	5.8	10.7	3.5	-2.4	5.1	-0.6
1976	5.8	10.1	3.1	-2.1	4.5	0.1
1977	6.5	9.4	3.9	-2.0	3.7	0.8
1978	6.3	8.9	3.6	-2.4	3.2	0.1
1979	6.9	8.2	4.0	-2.1	2.5	0
1980	7.1	7.3	4.7	-1.5	1.7	1.3
1981	7.2	6.9	4.6	-1.6	1.5	0.1

Source:- OECD "Labour Force Statistics" 1970-81

$$\text{Definition} = \frac{\text{Births} - \text{Deaths}}{\text{Population}} \times 1000$$

TABLE 4

POPULATION - NET MIGRATION RATES

	UNITED STATES	JAPAN	FRANCE	GERMANY	ITALY	UNITED KINGDOM
1970	2.1	-0.1	3.5	9.3	-0.9	-1.5
1971	1.9	-0.2	2.8	7.0	-0.9	-1.1
1972	1.5	-0.2	2.0	5.4	1.7	-0.2
1973	1.6	-0.2	2.1	6.2	3.5	-1.0
1974	1.5	-0.2	0.6	-0.1	2.0	-1.6
1975	2.1	0.0	0.5	-3.2	1.5	-1.0
1976	1.6	-0.1	0.0	-1.2	1.0	-1.4
1977	1.8	-0.1	0.0	0.5	1.2	0.8
1978	2.3	-0.2	0.0	1.9	0.9	-0.1
1979	2.2	0.0	0.0	4.0	0.5	0
1980	2.9	0.2	0.0	5.1	0.7	-1.3
1981	2.2	0.3	0.0	2.5	0.4	0

Source: OECD Labour Force Statistics 1970-1981

Note: Net migration rate = $\frac{\text{Net migration (ie immigrants less emigrants)}}{\text{Average Population}} \times 1000$

TABLE 5

GROWTH IN CIVILIAN EMPLOYMENT

Year to Year Percentage Changes

	1960-81	1960-68	1968-73	1973-80	1981
UK	0.0	0.4	0.2	-0.1	-4.2
France	0.6	0.7	1.1	0.2	-0.8
Germany	-0.1	-0.2	0.7	-0.5	-0.7
Italy	0.1	-0.6	-0.2	1.1	0.4
Japan	1.1	1.5	1.0	0.7	0.8
USA	2.0	1.8	2.3	2.2	1.1

Source: OECD "Historical Statistics" and "Economics Outlook"

TABLE 6

SIZE AND STRUCTURE OF PART TIME EMPLOYMENT

	PART-TIME AS A PERCENTAGE OF TOTAL EMPLOYMENT						FEMALE SHARE OF PART TIME WORKING	
	TOTAL		MALE		FEMALE			
	1973	1981	1973	1981	1973	1981	1973	1981
UK	17.1	21.1	4.9	5.9	36.0	41.4	82.5	83.9
FRANCE	5.1	7.4	1.4	1.9	11.2	15.9	82.1	84.6
GERMANY	7.7	10.2	1.0	1.0	20.0	25.7	92.4	93.8
ITALY	3.9	2.7	2.3	1.4	8.5	5.8	55.4	64.1
JAPAN	7.9	10.0	4.8	4.9	17.3	19.6	60.9	67.3
USA	13.9	14.4	7.2	7.5	24.8	23.7	68.4	70.3

Source:- OECD "Employment Outlook", based on "Labour Force Sample Survey" for European Countries, "Bureau of Statistics Labour Force Survey" for Japan and Department of Labor "Employment and Earnings" for USA.

Except UK, based on Census of Employment

TABLE 7

EMPLOYEES IN MANUFACTURING - 1981

thousands (percentage in brackets)

	UK	FRANCE	GERMANY	ITALY
Chemical industry	431.0 (7.7)	325.6 (7.2)	578.7 (7.8)	289.8 (6.8)
Metal manufacture	540.1 (9.6)	612.0 (14.5	903.2 (12.1)	408.7 (9.6)
Engineering industries	2292.9 (40.9)	1639.2 (36.2)	3140.9 (42.1)	1220.4 (28.8)
Food, drink and tobacco	635.2 (11.3)	508.6 (11.2)	740.7 (9.9)	363.9 (8.6)
Textiles, leather, clothing and footwear	723.3 (12.9)	604.0 (13.3)	699.9 (9.4)	1104.5 (26.0)
Paper, rubber and other manufacturing	988.3 (17.6)	837.6 (18.5)	1395.0 (18.7)	856.1 (20.2)
ALL MANUFACTURING	5610.8 (100.0)	4527.0 (100.0)	7458.4 (100.0)	4243.4 (100.0)
Of which: percentage female				
Chemical industry	26.4	32.1	27.4	
Metal manufacture	20.9	18.3	21.7	
Engineering industries	20.4	24.3	24.8	
Food, drink and tobacco	39.1	33.5	43.1	
Textiles, leather, clothing and footwear	59.7	66.5	67.5	
Paper, rubber and other manufacturing	28.9	32.5	32.0	
ALL MANUFACTURING	29.6	32.2	31.8	

Source: Eurostat 'Employment and Unemployment', Tables 111/2, 111/5

TABLE 8

EMPLOYEES IN SERVICES - 1981

thousands (percentages in brackets)

	UK	FRANCE	GERMANY
Hotels and catering	817.1 (6.3)	391.1 (3.7)	405.6 (3.3)
Distributive trades, repairs	3100.7 (23.9)	2316.7 (22.0)	3283.3 (26.5)
Transport and communication	1443.8 (11.1)	1278.3 (12.2)	1467.7 (11.8)
Banking and finance, insruance, business ervices, renting	1587.3 (12.3)	1399.1 (13.3)	1539.8 (12.4)
Other Services	6006.5 (46.4)	5135.0 (48.8)	5694.3 (46.0)
ALL SERVICES	12955.4 (100.0)	10520.2 (100.0)	12390.7 (100.0)
Of which: percentage female			
Hotels and catering	66.4	52.1	59.5
Distributive trades, repairs	50.4	43.1	51.2
Transport and communication	19.2	25.6	22.2
Banking and finance etc	52.7	48.3	49.8
Other Services	61.5	60.1	52.6
ALL SERVICES	53.3	50.3	48.5

Source: Eurostat 'Employment and Unemployment', Tables 111/6, 111/9

EMPLOYMENT BY OCCUPATION - 1982

TABLE 9

thousands (percentages in brackets)

	GERMANY	JAPAN	USA
Professional, technical and related	3881 (14.5)	4710 (8.4)	16951 (17.0)
Administrative and managerial	989 (3.7)	2200 (3.9)	11493 (11.5)
Clerical and related	5329 (19.9)	9730 (17.3)	18446 (18.5)
Sales workers	2385 (8.9)	8380 (14.9)	6580 (6.6)
Service workers	3058 (11.4)	4800 (8.5)	13736 (13.8)
Agriculture etc	1374 (5.1)	5430 (9.6)	2723 (2.7)
Production and related, transport etc	9477 (35.4)	21000 (37.2)	29597 (29.7)
Not classifiable by occupation	281 (1.0)	150 (0.3)	- (-)
ALL OCCUPATIONS	26774 (100.0)	56380 (100.0)	99526 (100.0)

Changes 1973-82: thousands (percentage changes in brackets)

Professional, technical and related	+ 837 (+27.5)	+1370 (+41.0)	+ 5060 (+42.6)
Administrative and managerial	+ 179 (+23.1)	+ 340 (+18.3)	+ 2778 (+31.9)
Clerical and related	+ 304 (+ 6.0)	+1600 (+19.6)	+ 3779 (+25.8)
Sales workers	+ 35 (+ 1.5)	+1310 (+18.5)	+ 1123 (+20.6)
Service workers	+ 224 (+ 7.9)	+ 510 (+11.9)	+ 2521 (+22.5)
Agriculture etc	- 582 (-29.8)	-1530 (-22.0)	- 316 (-10.4)
Production and related, transport etc	-1184 (-11.1)	+ 180 (- 0.9)	- 482 (- 1.6)
Not classifiable by occupation	- 107 (27.6)	+ 40 (+36.4)	- (-)
ALL OCCUPATIONS	- 292 (- 1.1)	+3790 (+ 7.2)	+14462 (17.0)

Source: ILO 'Yearbook of Labour Statistics' 1983, Table 3C

TA[redacted] 10

CHANGES IN OCCUPATIONAL EMPLOYMENT 1971-80

	Warwick Occupational Categories	1980 000s	1971-80 per cent
1.	Managers and administrators	2,129	11.8
2.	Education and professions	984	30.7
3.	Health and professions etc	986	28.6
4.	Other professions	562	21.9
5.	Literary, artistic and sports occupations	447	30.0
6.	Engineers, scientists etc	576	14.6
7.	Technicians, draughtsmen	601	17.3
8.	Clerical occupations	4,056	11.3
9.	Sales occupations	1,417	6.5
10.	Supervisors, foremen[a]	104	-12.2
11.	Engineering craftsmen	2,143	-7.8
12.	Other transferable craftsmen	907	-3.7
13.	Non-transferable craftsmen	675	-34.4
14.	Skilled operatives	622	-16.5
15.	Other operatives	4,712	-5.0
16.	Security occupations	386	26.1
17.	Personal service occupations	2,932	14.6
18.	Other occupations	789	-33.0
1-9	Non-manual occupations	11,755	15.1
10-18	Manual occupations	13,271	-6.3
1-18	All occupations[b]	25,026	2.6

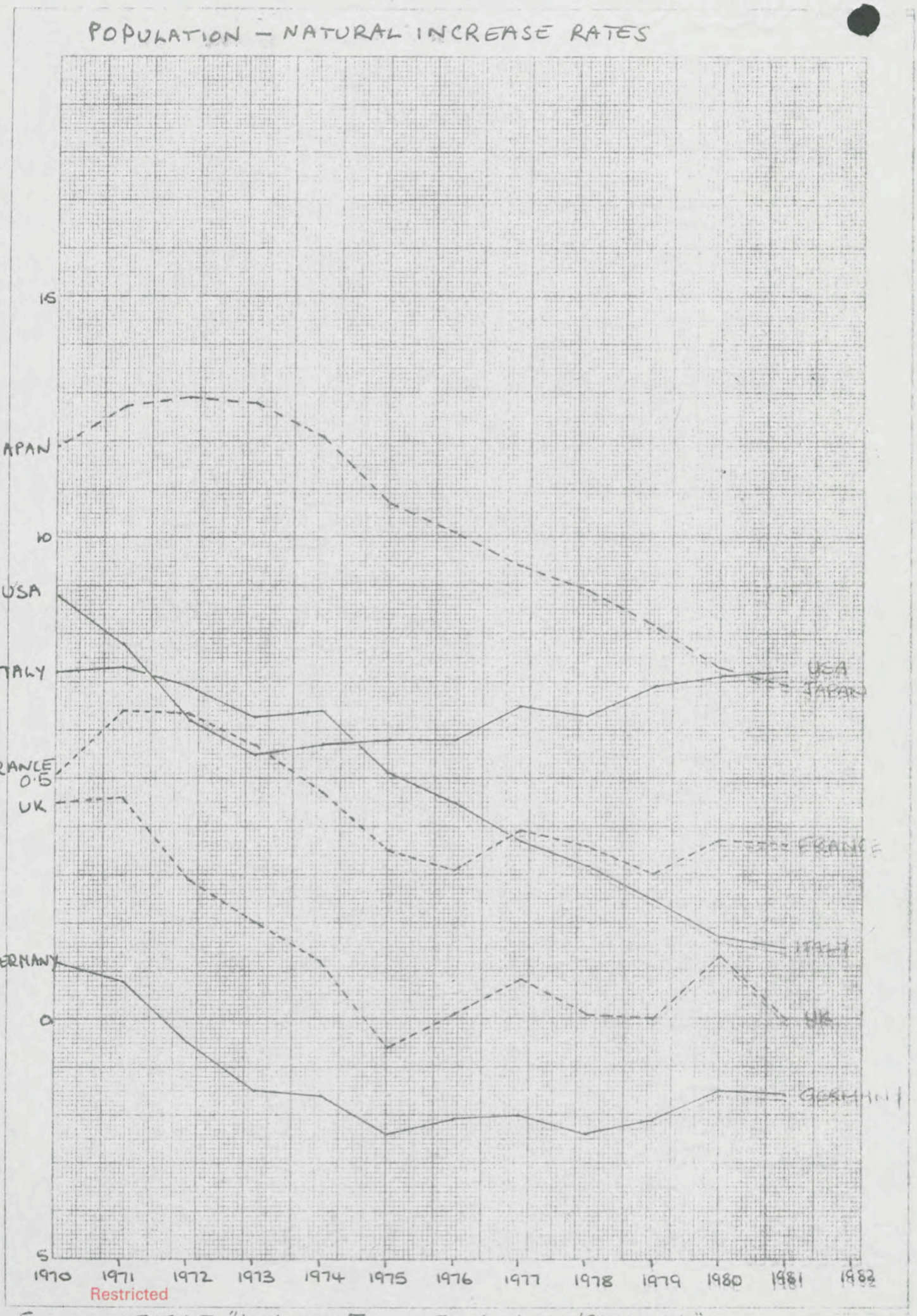
Notes: (a) Because of classification problems this group covers engineering foremen and transport inspectors and supervisors only.

(b) Excluding HM Forces

Source: Review of the Economy and Employment, Summer 1983 (University of Warwick Institute for Employment Research)

Restricted

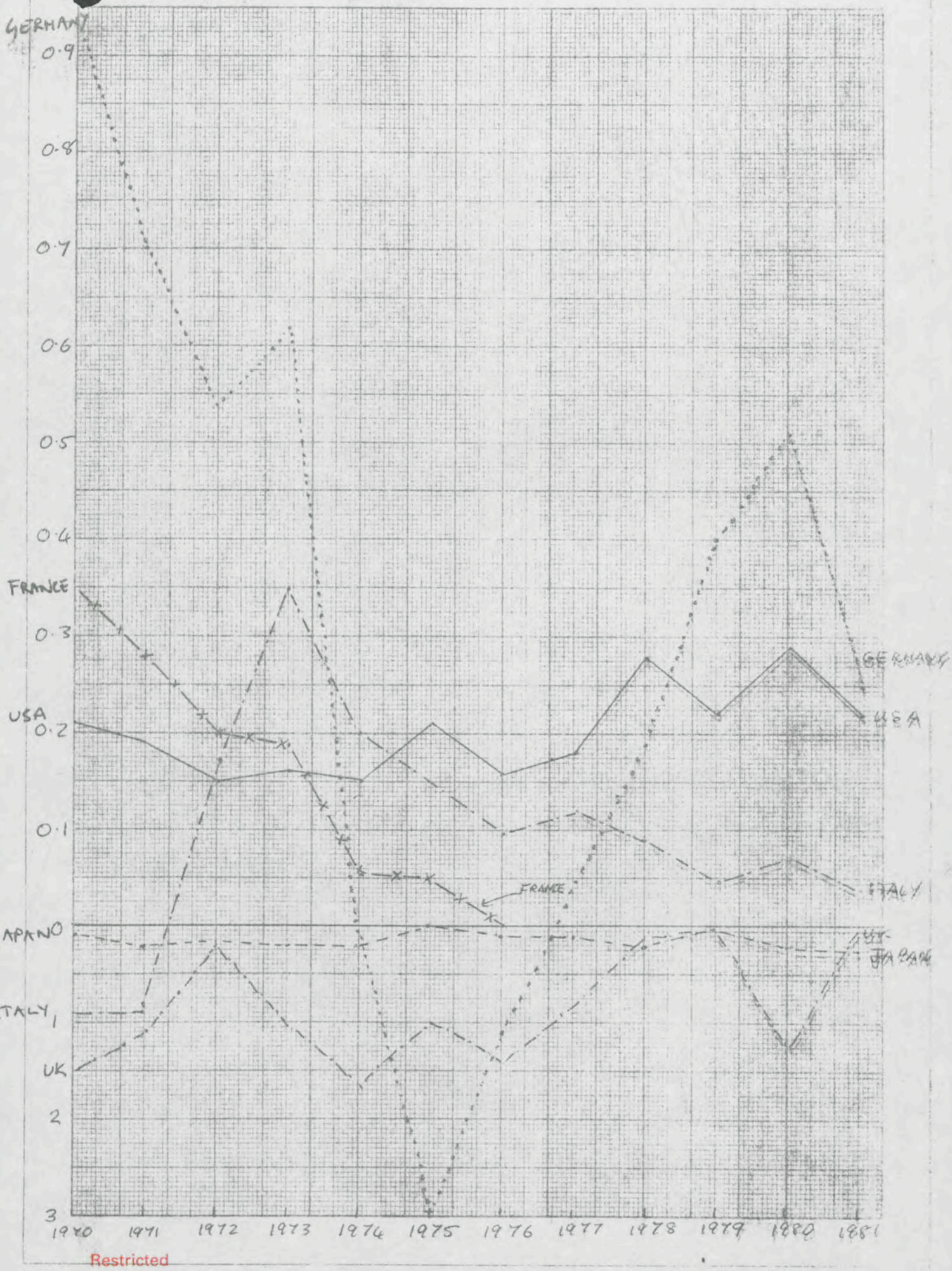
DIAGRAM 1



Source: OECD "Labour Force Statistics 1970-81"

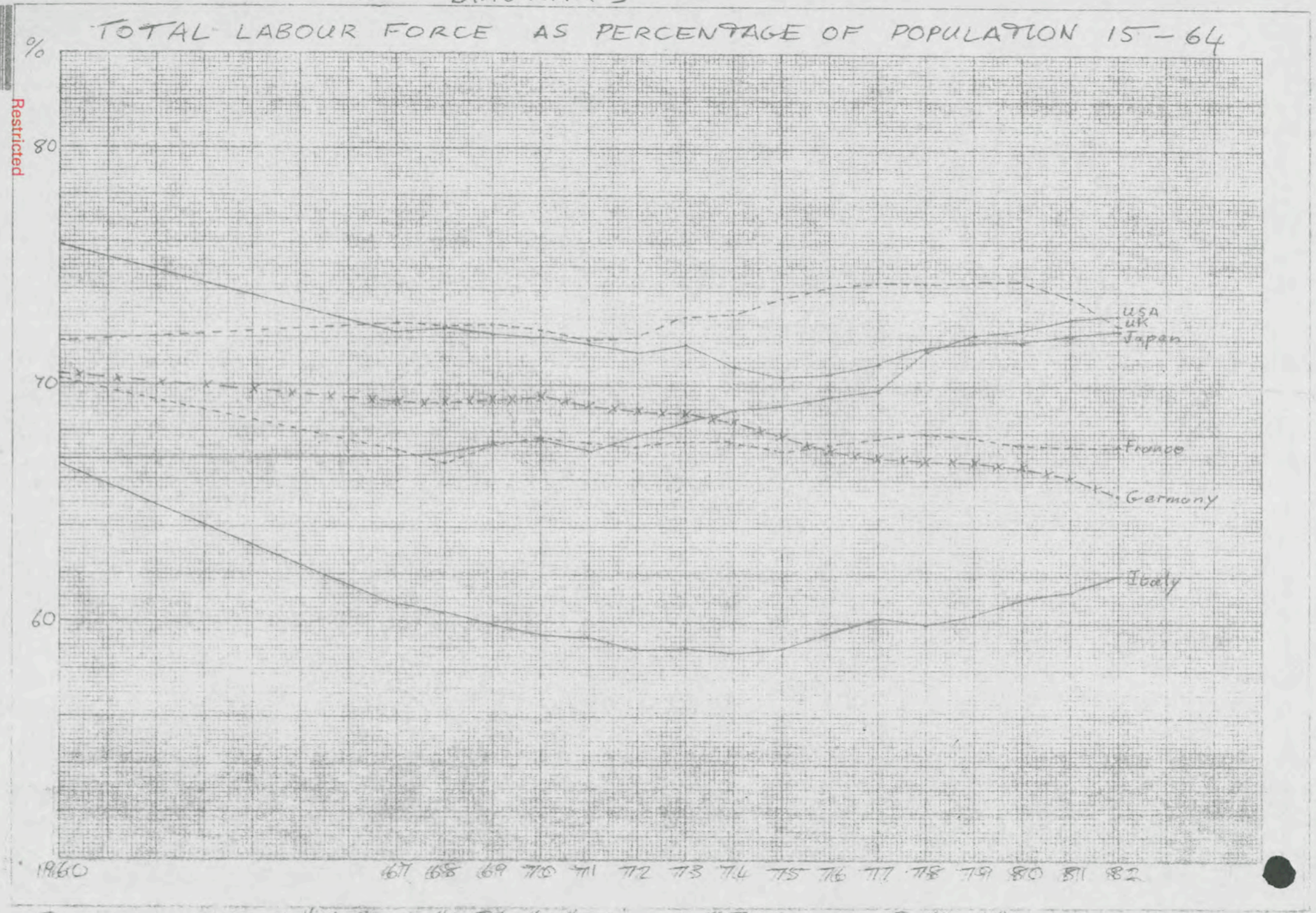
DIAGRAM 2

POPULATION – NET MIGRATION RATES



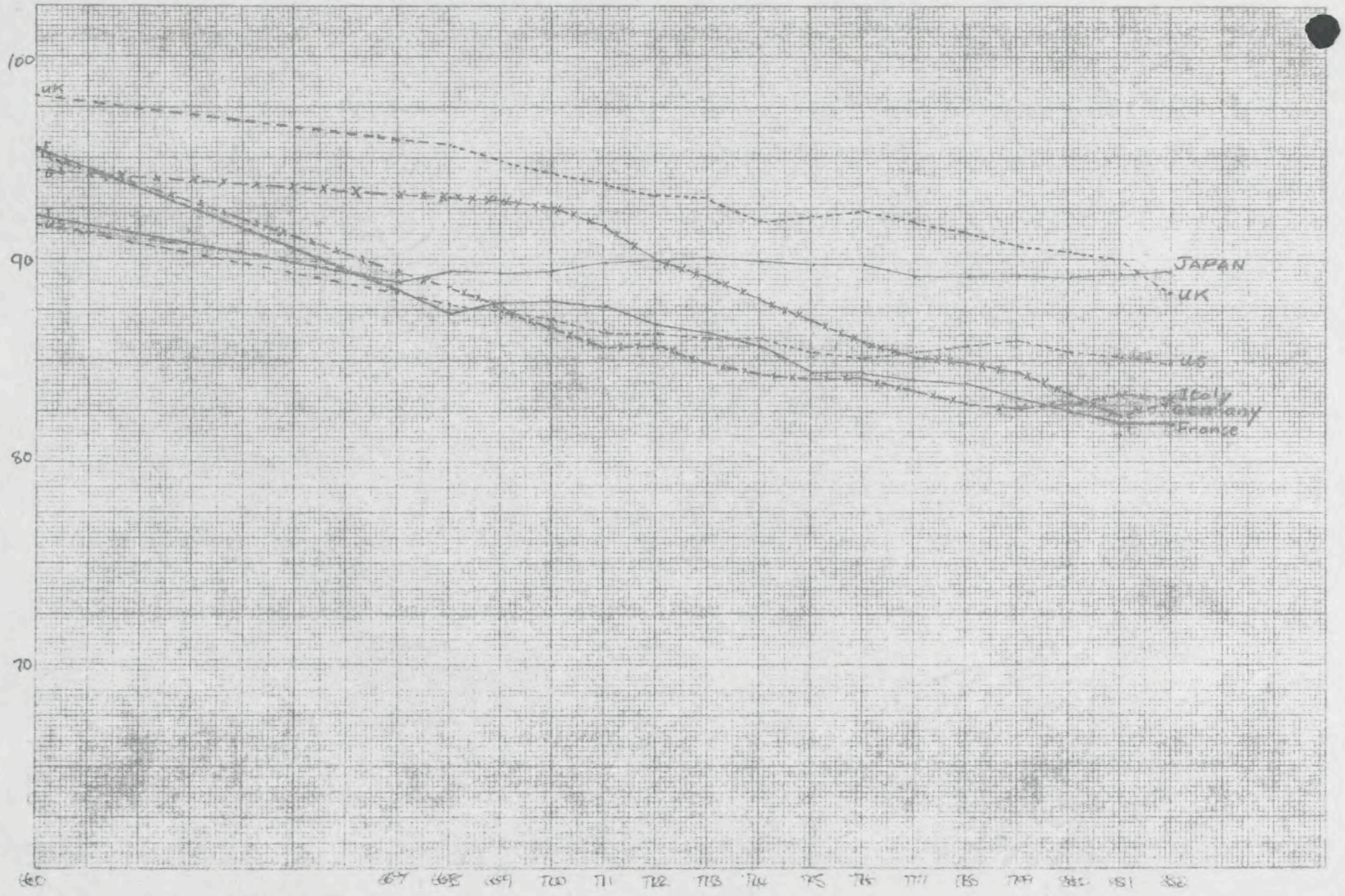
Source: OECD "Labour Force Statistics, 1970-81".

DIAGRAM 3



Source : OECD "Historical Statistics" and "Employment Outlook"

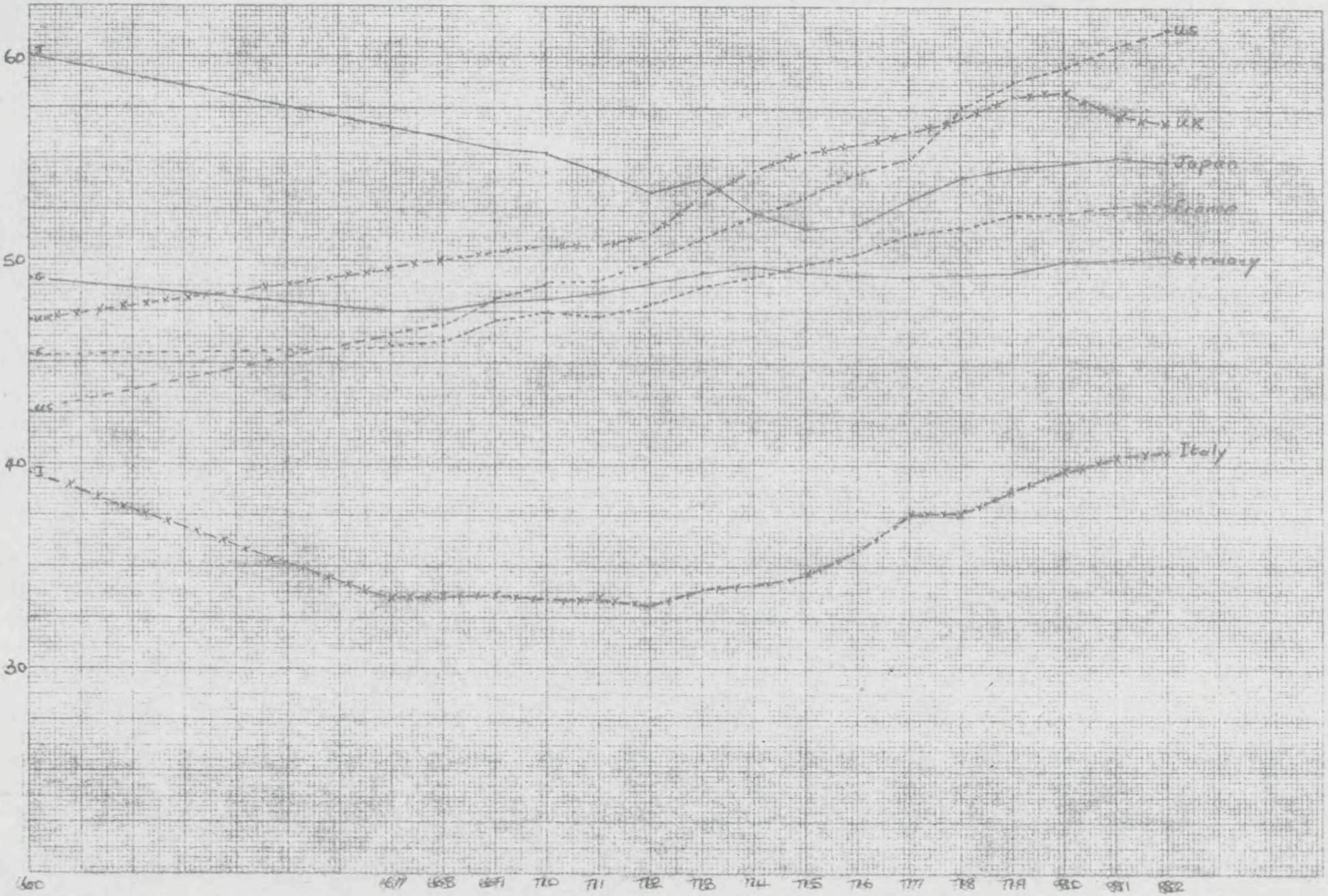
DIAGRAM 4



Source: OECD Historical Statistics and Employment Outlook

DIAGRAM 5

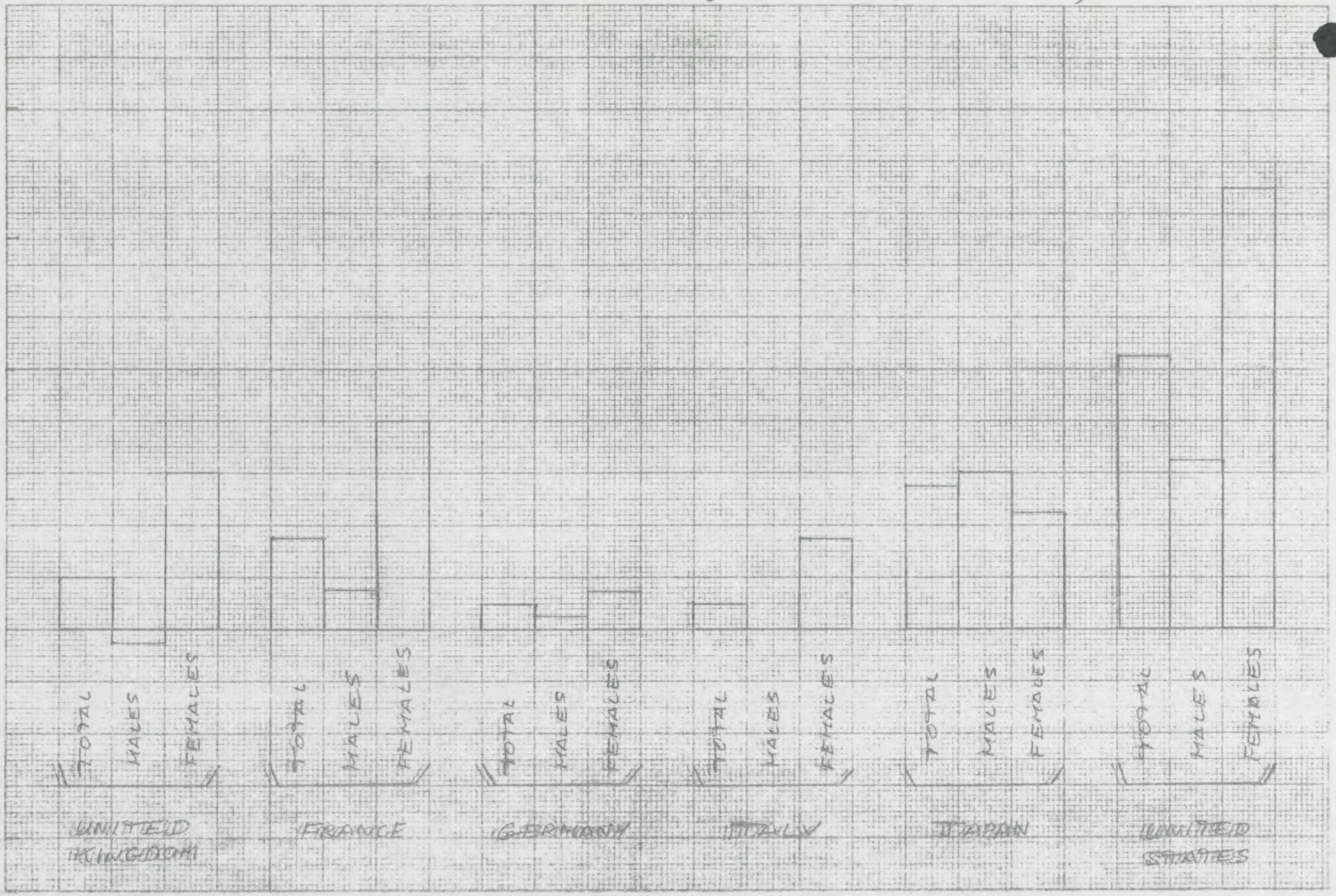
FEMALE LABOUR FORCE AS A PERCENTAGE OF FEMALE POPULATION FROM 15 TO 64



Source: OECD "Historical Statistics" and "Employment Outlook"

DIAGRAM 6

GROWTH OF LABOUR FORCE 1960-81 (Average annual growth rates)



Source - OECD "Historical Statistics" 1960-81.

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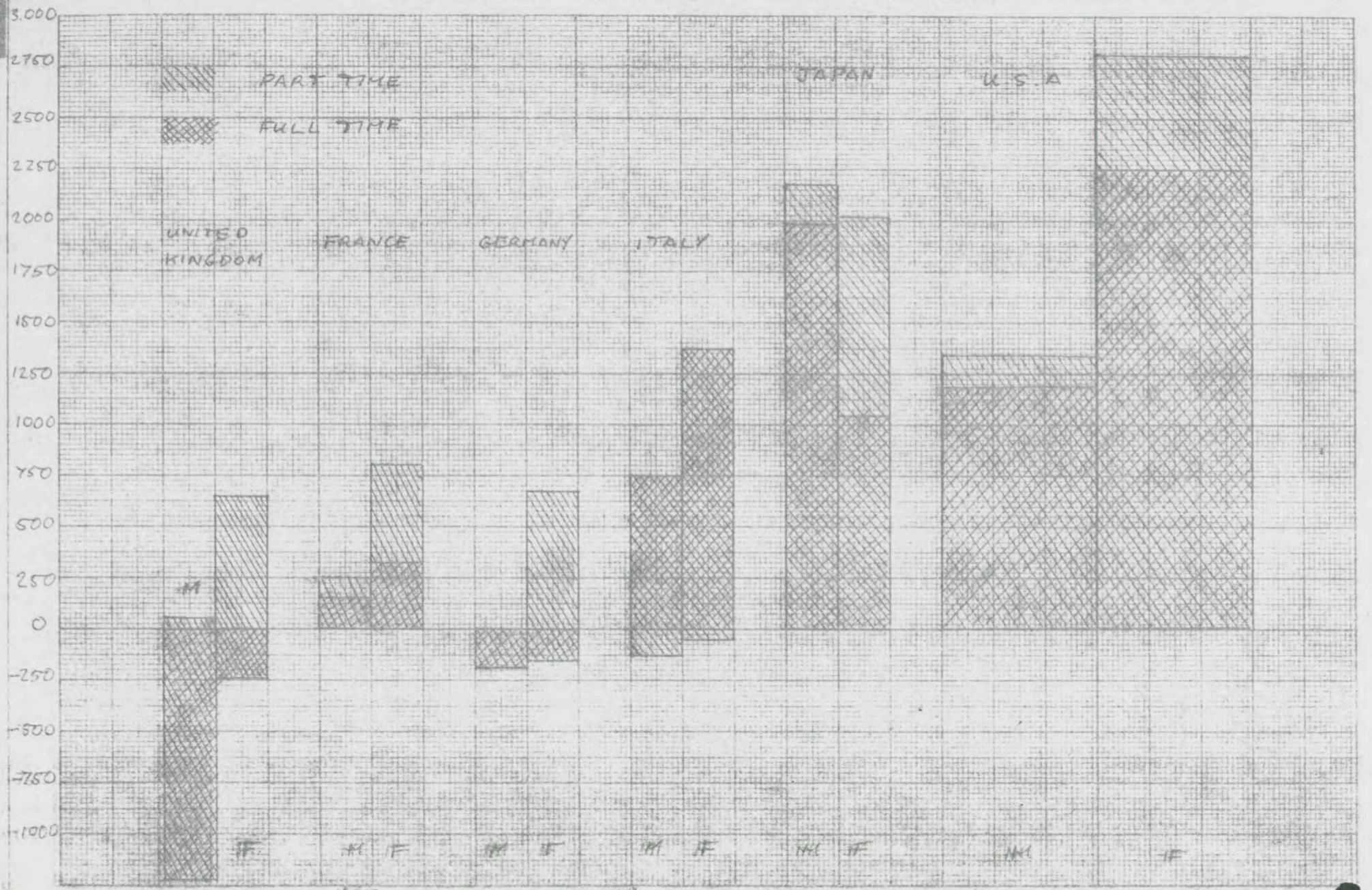
DIAGRAM 7

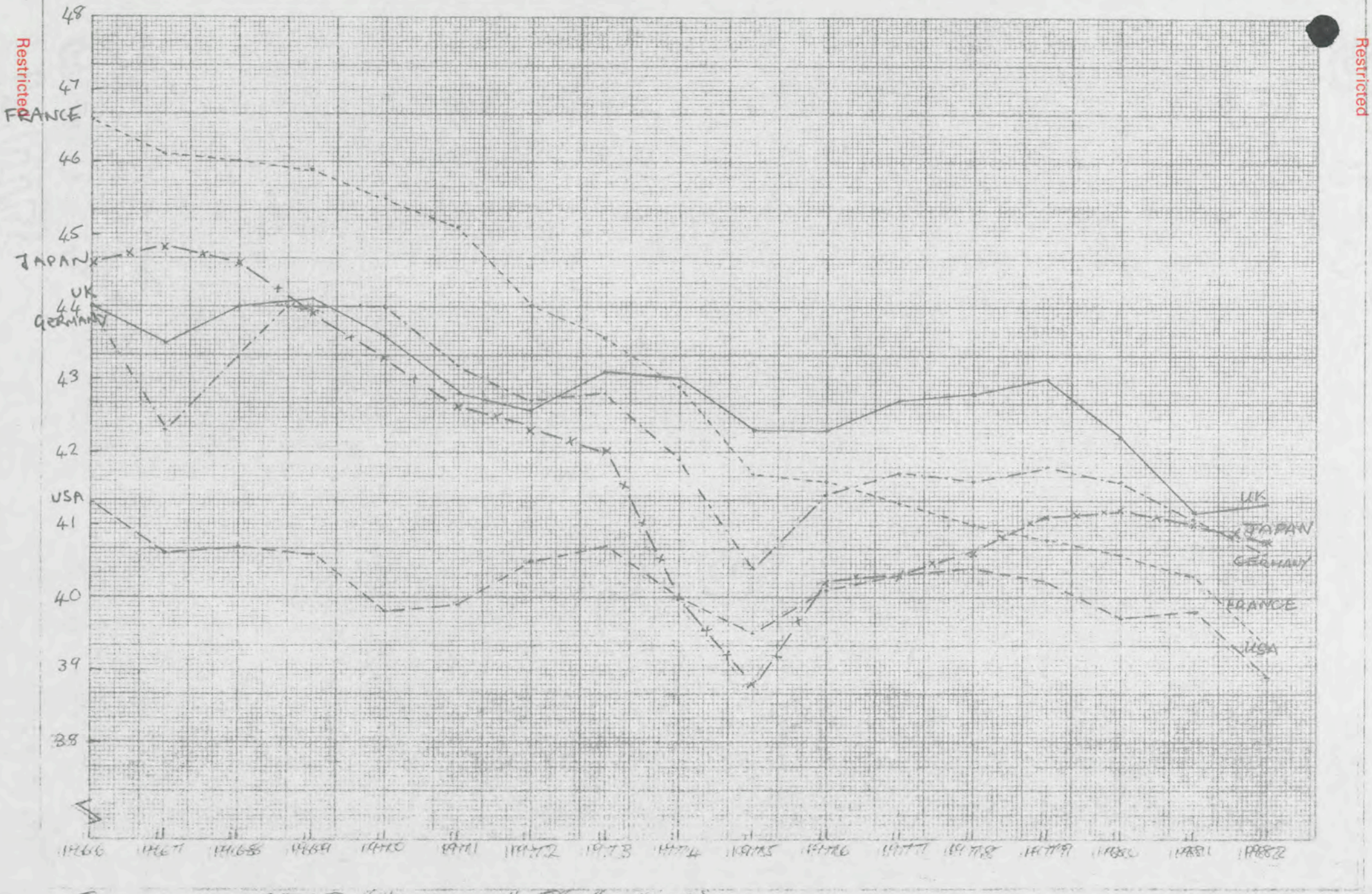
INCREASE IN EMPLOYMENT 1973-81 PART TIME AND FULL TIME



Source: OECD 'Economic Outlook' and UK Census of Employment

DIAGRAM 8

HOURS OF WORK PER WEEK IN MANUFACTURING



Source :- OECD "Historical Statistics"

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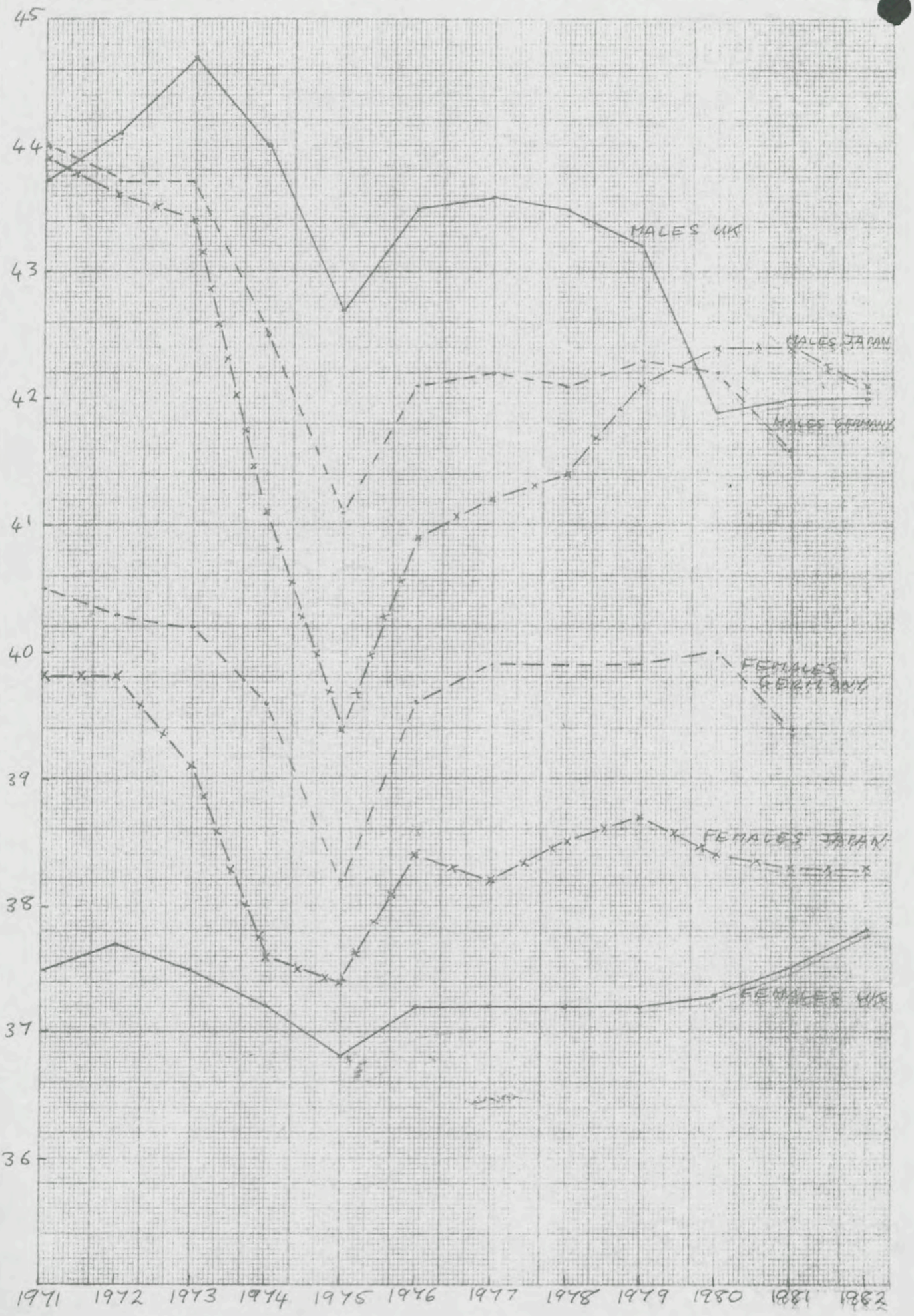
DIAGRAM 9

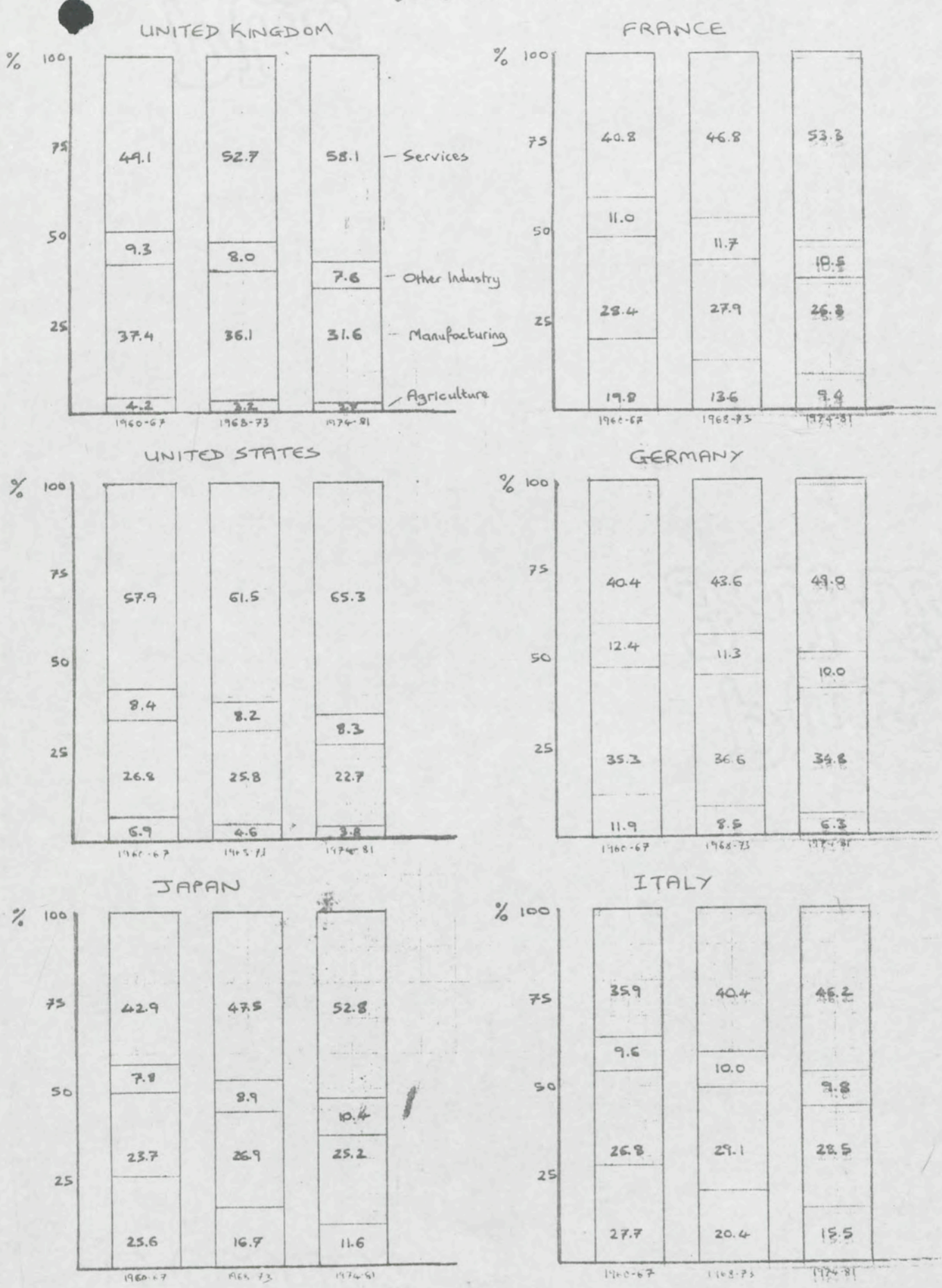
HOURS OF WORK PER WEEK IN MANUFACTURING. MALES & FEMALES



Source: OECD "Historical Statistics

Distribution of Civilian Employment by Sector 1960 - 1981

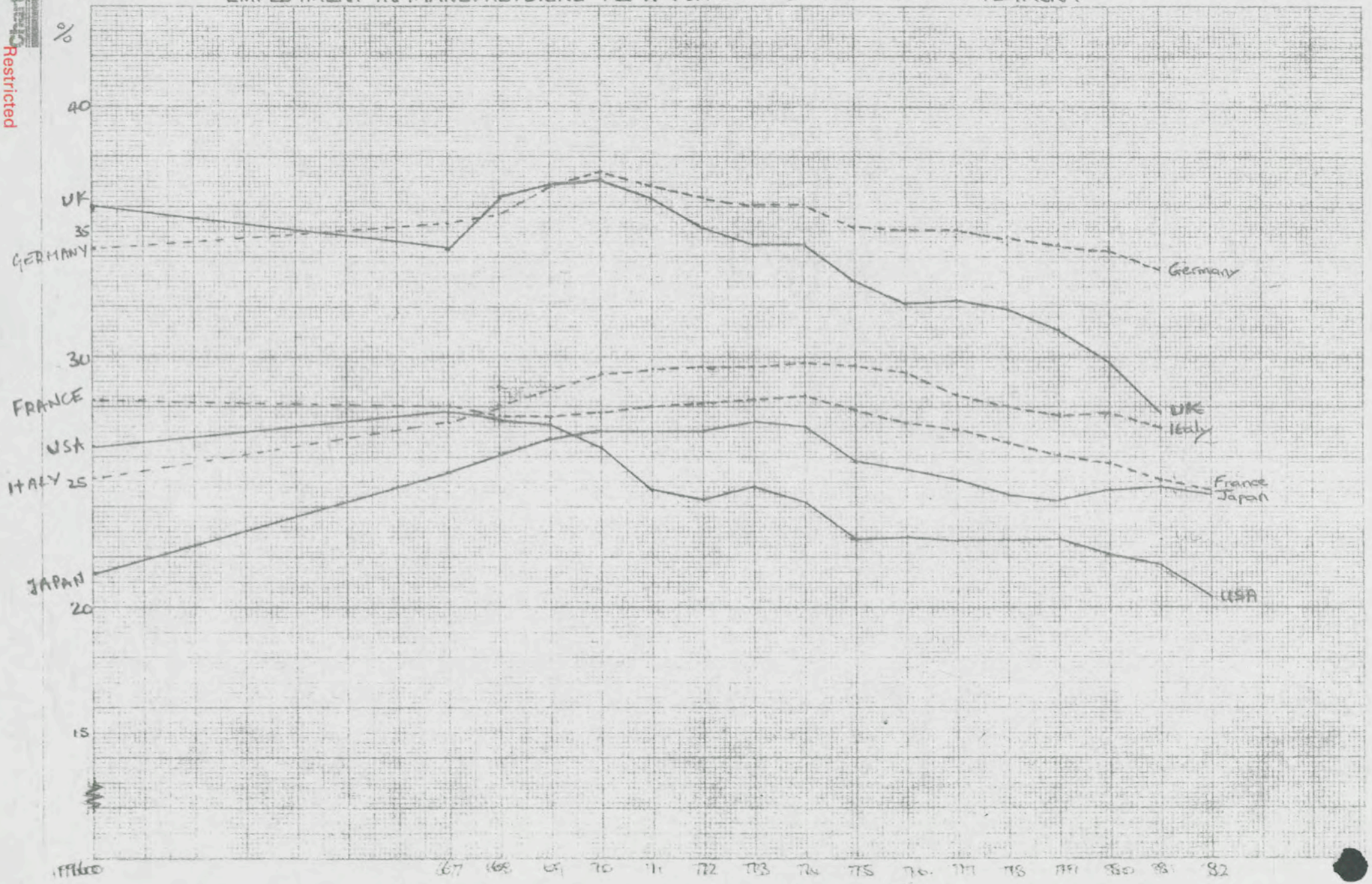
DIAGRAM 10



Source: OECD Economic Outlook 'Historical Statistics', Tables 2.9 - 2.12

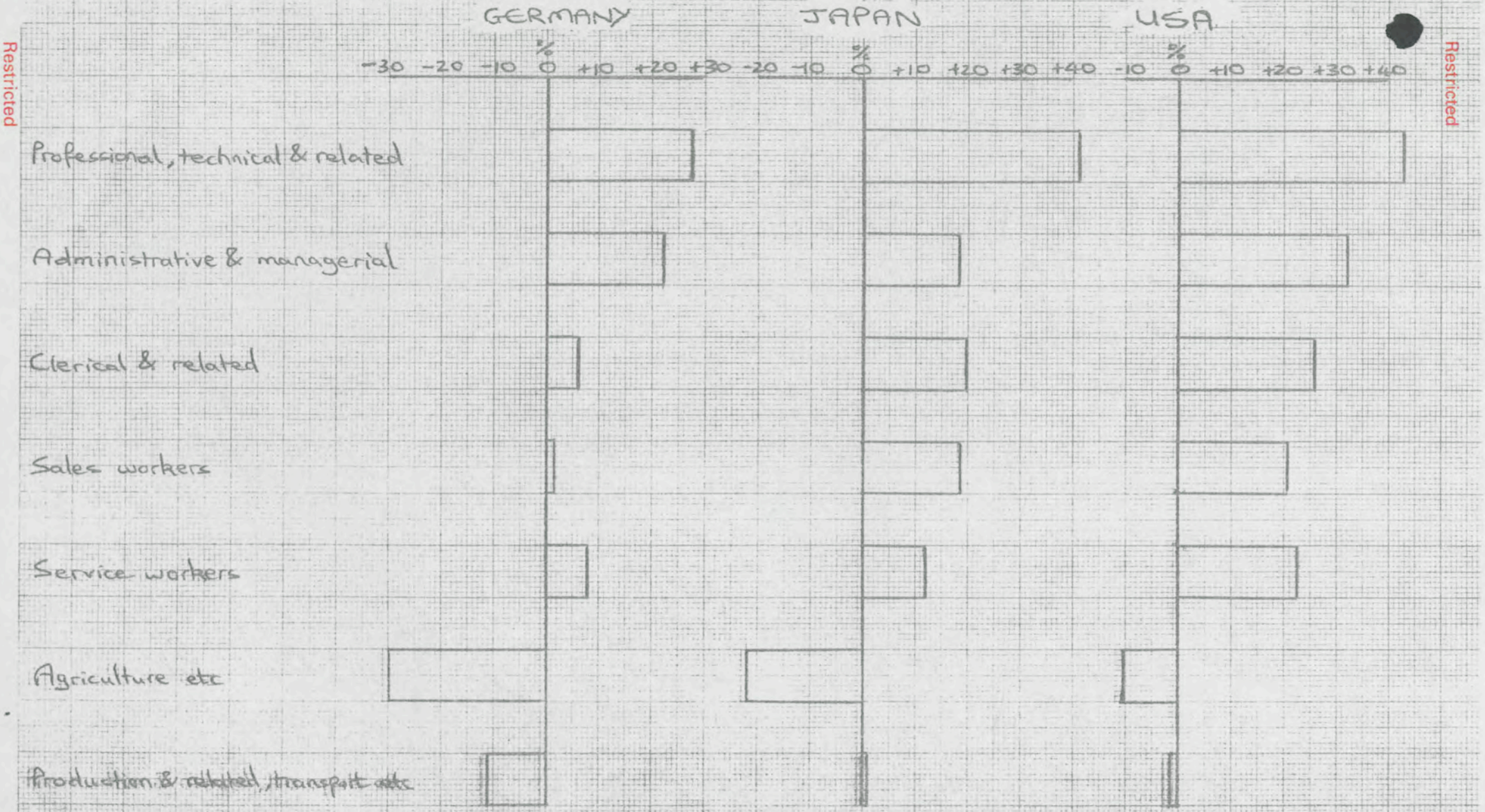
DIAGRAM II

EMPLOYMENT IN MANUFACTURING AS A PERCENTAGE OF CIVILIAN EMPLOYMENT



SOURCE: OECD Economic Outlook, Historical Statistics, and OECD Yearbook of Labour Statistics

Employment by Occupation: Percentage changes 1973-82 — Diagram 12



Source: ILO Yearbook of Labour Statistics 1983