PO-CH/NL/0676 PART A

3/3

CABINET OFFICE PAPER

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Reference	Date Of Paper
G (A)(89)10	28/2/1989

16 March 1989

LABOUR MARKET STATISTICS

SUMMARY STATISTICS

		Level	Change on previous period	Thousands Change on previous year
Unemployment (UK)				
Total unadjusted	February 9	2,018	- 56(a)	(-647)(a)
Seasonally adjusted (b)	February 9	1,947	- 41	-538
Workforce in employment (GB) (c),(d)	Sept Q3 1988	25,807	+168	+731
Employees in employment (GB) (c)				
Services	September Q3 1988	15,229	+101	+567
Manufacturing	December Q4 1988	5,154	+ 4	+ 37
Manufacturing	January 1989	5,160	+ 6	+ 26
Vacancies (UK jobcentres) (c)	February 3	228	- 1	- 22

		Percentage change on previous year (underlying increase)
Index of Average Earnings (GB) (c)		
Whole Economy	January	9
Services	January	9
Manufacturing	January	9

Notes

(a) Changes in the unadjusted unemployment figures are affected by the new regulations for claimants aged under 18 introduced in September 1988. The latest monthly change in the unadjusted figures is now hardly affected by this, but reflects seasonal influences.

(b) To maintain a consistent assessment, the seasonally adjusted series now relates only to claimants aged 18 and over (see notes to editors A7)

(c) All figures seasonally adjusted

(d) The workforce in employment comprises employees, the self-employed, participants on work related government training schemes and HM Forces.

The latest figures available on developments in the labour market are summarised below.

Summary

Unemployment (UK seasonally adjusted) fell by 41,200 in the month to February Male unemployment decreased by 29,400 and female unemployment decreased by 11,800. Over the past six months there has been a fall of 46,500 on average compared with a fall of 43,200 per month over the previous six months to August 1988.

The total, unadjusted, decreased in February by 56,133 to 2,018,179.

The workforce in employment estimates have been revised to incorporate the results of the 1988 Labour Force Survey. The workforce in employment is now estimated to have increased by 168,000 in the third quarter of 1988 contributing to overall increases of 731,000 in the year to September 1988 and 2,809,000 between March 1983, when the upward trend began, and September 1988.

The number of employees employed in manufacturing industry in Great Britain is estimated to have increased by 6,000 in January 1989. In the year 1988 there was an increase of 37,000. Compared with an increase of 52,000 in 1987.

The stock of Jobcentre vacancies (UK seasonally adjusted) decreased by 1,100 in February to 228,100. Over the past six months there has been a decrease of 2,500 per month on average.

The underlying increase in average earnings in the year to January was 9 per cent, a rise of ¼ per cent on the year to December.

Additional and more detailed information on unemployment, employment, vacancies, average earnings, unit wage costs, hours of work, productivity and industrial disputes is to be found in subsequent sections of the press notice.

LABOUR MARKET STATISTICS

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PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 16 MARCH 1989

UNEMPLOYMENT

The seasonally adjusted level of unemployment (+) in the United Kingdom decreased by 41,200 to 1.947 million in February, 6.8 per cent of the workforce*.

Over the past six months on average unemployment has fallen by 46,500 per month.

The unadjusted total decreased by 56,133 between January and February to 2,018,179 giving an unemployment rate of 7.1 per cent of the workforce*.

Recent figures are shown in tables 1, 2 and 3.

THOUSAND

TABLE 1:UNEMPLOYMENT - SEASONALLY ADJUSTED + - UNITED KINGDOM

		Male	Female	Total	Change since previous month	Average change over past 6 months	Average change over past 3 months	Unemployment rate: Percentage of workforce*(r)
1988	Feb	1731.3	753.7	2485.0	-34.4	-46.9	-39.8	8.7
	Mar	1709.9	744.0	2453.9	-31.1	-44.0	-38.2	8.6
	Apr	1674.1	728.8	2402.9	-51.0	-43.5	-38.8	8.4
	May	1648.8	715.0	2363.8	-39.1	-40.1	-40.4	8.3
	Jun	1624.0	700.1	2324.1	-39.7	-40.8	-43.3	8.1
	Jul	1586.7	680.6	2267.3	-56.8	-42.0	-45.2	7.9
	Aug	1562.7	662.9	2225.6	-41.7	-43.2	-46.1	7.8
	Sep++	1543.1	648.6	2191.7	-33.9	-43.7	-44.1	7.7
	Oct	1522.4	635.5	2157.9	-33.8	-40.8	-36.5	7.6
	Nov	1484.6	620.6	2105.2	-52.7	-43.1	-40.1	7.4
	Dec	1439.4	598.0	2037.4	-67.8	-47.8	-51.4	7.1
1989	Jan(r)	1405.4	582.4	1987.8	-49.6	-46.6	-56.7	7.0
	Feb(p)	1376.0	570.6	1946.6	-41.2	-46.5	-52.9	6.8 **

\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).
++ September's seasonally adjusted figures have also been adjusted to allow for the estimated distortion caused by the postal strike (See note A8).
** The separate rate for males was 8.3 per cent, and for females 4.8 per cent.
* Revised, see note A4
(p) Provisional and subject to revision (see note A5)
(r) Revised

Personal and Confidential until 11:30 am 16.3.89

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TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED + (P)- REGIONS February 9 1989

	Male	Female	Total	Change since previous month	Unemployment rate	
			THOUSAND		percentage of workforce*(r)	Change since previous month
South East	272.2	121.3	393.5	-12.2	4.2	-0.1
(incl. Greater London)	(167.0)	(68.3)	(235.3)	(-6.9)	(5.4)	(-0.2)
East Anglia	24.3	12.8	37.1	-1.4	3.5	-0.1
South West	69.4	36.7	106.1	-3.0	5.0	-0.1
West Midlands	129.5	57.3	186.8	-5.3	6.9	-0.2
East Midlands	83.6	36.1	119.7	-2.5	6.0	-0.1
Yorks and Humberside	138.3	55.1	193.4	-4.2	8.1	-0.2
North West	204.8	79.3	284.1	-4.7	9.4	-0.2
North	115.8	40.4	156.2	-1.5	10.6	-0.1
Wales	77.1	30.0	107.1	-2.6	8.9	-0.2
Scotland	181.5	71.7	253.2	-3.4	10.1	-0.1
GREAT BRITAIN	**1,296.3**	**540.7**	**1,837.0**	-41.1	6.6	-0.1
Northern Ireland	79.7	29.9	109.6	-0.1	15.9	0.0
UNITED KINGDOM	**1,376.0**	**570.6**	**1,946.6**	-41.2	6.8	-0.1

* Revised, see note A4
(P) Provisional see note A5
\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).

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PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 16 MARCH 1989

TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

		Male	Female	Number	Unemployment rate percentage of workforce* (r)
1988	Feb	1,852,129	813,340	2,665,469	9.3
	Mar	1,803,143	788,978	2,592,121	9.1
	Apr	1,765,711	770,278	2,535,989	8.9
	May	1,692,052	734,822	2,426,874	8.5
	Jun	1,632,041	708,748	2,340,789	8.2
	Jul	1,606,313	720,390	2,326,703	8.1
	Aug	1,576,548	714,627	2,291,175	8.0
	Sep++	1,594,403	716,570	2,310,973	8.1
	Oct	1,484,236	634,626	2,118,862	7.4
	Nov	1,454,771	612,173	2,066,944	7.2
	Dec	1,451,478	595,060	2,046,538	7.2
1989	Jan	1,473,163	601,149	2,074,312	7.3
	Feb	1,434,871	583,308	2,018,179	7.1 +

+ The separate rate for males was 8.6 per cent, and for females 4.9 per cent.

TABLE 3a: UNEMPLOYMENT TOTAL UNADJUSTED - REGIONS February 9 1989 THOUSAND

	Male	Female	Total	Change since previous month	Unemployment rate percentage of workforce* (r)
South East	284.7	123.7	408.4	-11.1	4.3
incl. (Greater London)	(169.3)	(68.5)	(237.8)	(-5.9)	(5.5)
East Anglia	27.4	13.5	41.0	-1.2	3.9
South West	75.8	39.5	115.3	-4.3	5.5
West Midlands	133.6	57.7	191.3	-6.9	7.1
East Midlands	88.3	36.8	125.1	-3.3	6.3
Yorks and Humberside	144.3	56.1	200.4	-5.9	8.4
North West	210.8	80.8	291.5	-7.6	9.7
North	119.6	41.4	161.0	-3.5	11.0
Wales	81.0	31.1	112.0	-4.2	9.3
Scotland	188.4	73.6	262.1	-7.0	10.5
GREAT BRITAIN	1,353.9	554.2	1,908.1	-55.1	6.8
Northern Ireland	80.9	29.1	110.1	-1.1	15.9
UNITED KINGDOM	1,434.9	583.3	2,018.2	-56.1	7.1

++ Changes in the unadjusted unemployment figures are affected by the new regulations for claimants aged under 18, introduced in September 1988, as well as seasonal influences. The figures for September 1988 were also affected by over-recording caused by the postal strike (see notes to editors).

* Revised, see note A4.

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TABLE 4: UNEMPLOYMENT FLOWS x - STANDARDISED, UNADJUSTED
UNITED KINGDOM

Thousands

Month ending	INFLOW Total	INFLOW Change since previous year	OUTFLOW Total	OUTFLOW Change since previous year
1988 Feb	345.2	-53.6	406.6	-54.2
Mar	313.0	-29.1	392.5	-38.9
Apr	323.9	-33.2	372.5	-23.9
May	276.7	-44.1	394.9	-30.5
Jun	273.8	-41.7	367.1	-36.3
Jul	347.5	-81.6	359.7	-68.2
Aug	311.6	-72.8	350.1	-69.5
Sep**	327.4	-129.2	305.9	-145.9
Oct**	319.6	-100.6	486.1	-62.9
Nov	297.8	-77.5	354.0	-78.3
Dec	269.9	-58.7	292.0	-25.5
Jan	269.4	-74.9	245.4	-76.2
1989 Feb	290.0	-55.2	350.8	-55.8

x See note A6
** See notes A7 and A8.

CONFIDENTIAL UNTIL 11.30AM ON 16 MARCH 1989

EMPLOYMENT

The estimates of employees in employment and self employment, and therefore the workforce in employment, have been revised to incorporate the results of the 1988 Labour Force Survey. The revised figures were released on 13 March. (See note B4).

The new figures released in this press notice are for employees in employment in manufacturing industries in Great Britain in January 1989. This is estimated to have increased by 6,000 in January, following increases of 1,000 in the third quarter of 1988 and 4,000 in the fourth quarter. The revised estimates show that the trend is now upward, but may have eased a little in 1988 compared to the stronger growth in 1987.

The latest figures for employees in the rest of the economy and the workforce in employment (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) in Great Britain remain as reported on 13 March. The estimated growth in the workforce in employment was 168,000 in the third quarter of 1988 and 2,809,000 between March 1983, when the upward trend first began, and September 1988.

Recent figures are set out in Tables 5 and 5a.

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Table 5: The Workforce in Employment in Great Britain * Personal and Confidential until 11.30 am 16.3.89

Thousands, seasonally adjusted

		Employees in Employment			Self Employed **			HM Forces			Work related government training programmes +			Workforce in employment **		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
1983	March	11,706	8,823	20,529	1,651	496	2,147	306	15	321	0	0	0	13,663	9,334	22,997
	June	11,674	8,882	20,556	1,652	508	2,160	306	16	322	3	5	8	13,635	9,411	23,046
	Sept	11,659	8,952	20,611	1,702	527	2,229	309	16	325	74	64	139	13,744	9,560	23,304
	Dec	11,645	9,025	20,670	1,751	547	2,298	309	16	325	96	82	178	13,801	9,670	23,471
1984	March	11,630	9,074	20,705	1,801	566	2,367	310	16	326	91	77	168	13,832	9,733	23,566
	June	11,625	9,104	20,729	1,850	586	2,435	310	16	326	91	78	168	13,875	9,783	23,658
	Sept	11,638	9,147	20,785	1,868	596	2,464	312	16	328	112	95	207	13,930	9,854	23,784
	Dec	11,688	9,201	20,888	1,886	606	2,493	311	16	327	109	91	200	13,994	9,914	23,908
1985	March	11,699	9,249	20,948	1,905	617	2,522	310	16	326	101	80	182	14,015	9,962	23,977
	June	11,703	9,292	20,995	1,923	628	2,550	309	16	326	94	74	168	14,029	10,010	24,039
	Sept	11,694	9,339	21,033	1,926	628	2,554	309	16	326	120	100	221	14,049	10,084	24,133
	Dec	11,696	9,360	21,056	1,929	629	2,558	307	16	323	114	94	208	14,047	10,099	24,146
1986	March	11,662	9,403	21,065	1,933	630	2,563	306	16	323	103	80	182	14,004	10,128	24,133
	June	11,635	9,444	21,079	1,937	630	2,567	305	16	322	122	96	218	13,999	10,186	24,184
	Sept	11,611	9,487	21,098	1,977	648	2,625	306	16	323	151	125	276	14,046	10,276	24,321
	Dec	11,588	9,559	21,147	2,018	665	2,684	304	16	320	148	119	268	14,059	10,359	24,418
1987	March	11,601	9,611	21,212	2,059	683	2,742	304	16	320	138	108	245	14,100	10,418	24,519
	June	11,674R	9,713R	21,388R	2,099	701	2,801	302	16	319	171	132	303	14,247R	10,562R	24,809R
	Sept	11,757R	9,794R	21,551R	2,126R	706R	2,832	303	16	319	216	158	373	14,401R	10,674R	25,075R
	Dec	11,851R	9,925R	21,775R	2,152R	711R	2,863	301	16	317	209	147	356	14,513R	10,799R	25,312R
1988	March	11,956R	10,035R	21,990R	2,178R	716R	2,895R	301	16	317	199	135	334	14,634R	10,902R	25,535R
	June	11,982R	10,081R	22,062R	2,205R	721R	2,926R	300	16	316	199	135	335	14,686R	10,953R	25,639R
	Sept	12,002R	10,156R	22,158R	2,225R	732R	2,957R	299	16	315	222	154	377	14,748R	11,059R	25,807R

* The workforce in employment comprises employees in employment, the self-employed, HM Forces, and participants in work related government training programmes.

** See notes B4 and B5.

\+ See note B7
Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

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TABLE 5A
EMPLOYEES IN EMPLOYMENT IN GREAT BRITAIN

Personal and Confidential until 11:30 am 16.3.89 Thousand: Seasonally adjusted

		Manufacturing Industries				Energy & Water Supply Industries			Service Industries		Other Industries		All Industries and Services	
		Levels	Changes			Levels	Changes		Levels	Changes	Levels	Changes	Levels	Changes
			Monthly	Three* monthly	Quarterly		Monthly	Quarterly						
1986 December	Q4	5,084	- 8	- 8	- 23	509	- 1	- 10	14,272	+ 81	1,282	+ 1	21,147	+ 49
1987 January		5,065	- 19	- 11		501	- 8							
February		5,062	- 3	- 10		499	- 2							
March	Q1	5,053	- 9	- 10	- 31	494	- 5	- 15	14,373	+ 101	1,291	+ 9	21,212	+ 65
April		5,046	- 7	- 6		487	- 7							
May		5,063R	+ 17R	0R		487R	0R							
June	Q2	5,078R	+ 15R	+ 8R	+ 25R	490R	+ 3R	- 4R	14,520R	+ 147R	1,300R	+ 9R	21,388R	+ 176R
July		5,081R	+ 3R	+ 12R		487R	- 3R							
August		5,088R	+ 7R	+ 8R		487R	0R							
September	Q3	5,089R	+ 1R	+ 4R	+ 11R	489R	+ 2	- 1R	14,662R	+ 142R	1,310R	- 10R	21,551R	+ 163R
October		5,098R	+ 9R	+ 6R		485R	- 4R							
November		5,111R	+ 13R	+ 8R		484R	- 1R							
December	Q4	5,117R	+ 6R	+ 9R	+ 28R	485R	+ 1R	- 4R	14,861R	+ 199R	1,313R	+ 3R	21,775R	+ 224R
1988 January		5,134R	+ 17R	+ 12R		480R	- 5							
February		5,146R	+ 12R	+ 12R		476R	- 4R							
March	Q1	5,151R	+ 5R	+ 11R	+ 34R	472R	- 4R	- 13R	15,040R	+ 179R	1,327R	- 14R	21,990R	+ 215R
April		5,149R	- 2R	+ 5R		463R	- 9R							
May		5,153R	+ 4R	+ 2R		461R	- 2R							
June	Q2	5,149R	- 4R	- 1R	- 2R	462R	+ 1R	- 10R	15,128R	+ 88R	1,323R	- 4R	22,062R	+ 72R
July		5,153R	+ 4R	+ 1R		459R	- 3R							
August		5,155R	+ 2R	+ 1R		459R	0							
September	Q3	5,150R	- 5R	0R	+ 1R	460R	+ 1	- 2R	15,229R	+ 101R	1,319R	- 4R	22,158R	+ 96R
October		5,138R	- 12R	- 5R		455R	- 5							
November		5,143R	+ 5R	- 4R		455R	0R							
December	Q4	5,154R	+ 11R	+ 1R	+ 4R	456R	+ 1	- 1R						
1989 January		5,160	+ 6	+ 7		452	4							

* = Average monthly change over last three months
R = Revised to incorporate late data now available

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PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 16 MARCH 1989

VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) decreased by 1,100 in the month to February to 228,100. Over the past three months to February, seasonally adjusted vacancies have decreased on average by 5,700 per month.

Unadjusted, there was a decrease of 1,284 unfilled vacancies in the month to 202,043.

The inflow of notified vacancies increased on average by 300 per month in the three months ending February 1989, the outflow decreased by 1,000 per month, and placings increased by 1,600 per month.

Recent figures are shown in tables 6, 7 and 8.

TABLE 6: UNFILLED VACANCIES - UNITED KINGDOM

THOUSAND

		VACANCIES AT JOBCENTRES+				VACANCIES AT CAREERS OFFICES
		SEASONALLY ADJUSTED			UNADJUSTED	
		Number	Change since previous month	Average change over past 3 months	Number	Unadjusted
1988	Feb	249.6	-1.2	-5.2	224.2	18.8
	Mar	249.4	-0.2	-1.8	232.0	20.4
	Apr	255.9	6.6	1.7	251.3	22.1
	May	254.5	-1.5	1.6	262.2	27.0
	Jun	255.1	0.6	1.9	269.5	30.7
	Jul	249.7	-5.4	-2.1	258.2	32.3
	Aug	242.8	-6.9	-3.9	244.0	31.6
	Sep	240.3	-2.5	-4.9	260.1	31.9
	Oct	251.2	10.9	0.5	271.8	30.6
	Nov	245.2	-6.0	0.8	252.3	26.5
	Dec	238.3	-6.9	-0.7	223.3	23.4
1989	Jan	229.2	-9.1	-7.3	203.3	21.9
	Feb	228.1	-1.1	-5.7	202.0	21.8

+ Vacancies at jobcentres are only about a third of all vacancies in the economy. See note C3.

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TABLE 7: VACANCY FLOWS AT JOBCENTRES-SEASONALLY ADJUSTED UNITED KINGDOM

THOUSAND

	INFLOW		OUTFLOW		of which: PLACINGS	
	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending
1988 Feb	234.7	-0.1	239.2	3.3	165.3	2.1
Mar	236.0	0.5	236.1	-1.7	163.0	-0.9
Apr	230.6	1.1	227.3	-2.1	158.1	-2.5
May	231.2	-1.2	228.0	-3.7	157.9	-2.5
Jun	230.8	-1.8	229.7	-2.1	156.3	-2.2
Jul	230.3	-0.1	231.8	1.5	156.4	-0.6
Aug	227.0	-1.4	232.6	1.5	156.8	-0.4
Sep	227.7	-1.0	229.0	-0.2	155.4	-0.3
Oct	232.8	0.8	229.3	-0.9	153.4	-1.0
Nov	234.0	2.3	242.5	3.3	162.3	1.8
Dec	230.8	1.0	233.4	1.5	157.6	0.7
1989 Jan	220.4	-4.1	231.0	0.6	160.5	2.4
Feb	234.8	0.3	239.4	-1.0	167.2	1.6

TABLE 8: UNFILLED VACANCIES* - REGIONS - 3 February 1989 THOUSAND

	VACANCIES AT JOBCENTRES			VACANCIES AT CAREERS OFFICES
	UNADJUSTED	SEASONALLY ADJUSTED		
	TOTAL	Number	Change since previous month	UNADJUSTED
South East	70.0	78.9	-0.5	12.9
(incl. Greater London)	(24.1)	(26.9)	(0.1)	(7.1)
East Anglia	7.9	9.0	-0.3	0.7
South West	16.5	19.6	-0.4	1.3
West Midlands	20.9	22.4	-0.7	1.6
East Midlands	12.0	13.4	-0.5	1.2
Yorks and Humberside	13.0	14.5	0.1	1.0
North West	21.1	23.5	0.7	0.9
North	9.6	10.8	-0.4	0.4
Wales	11.6	12.7	0.6	0.2
Scotland	17.2	19.7	-0.2	0.5
GREAT BRITAIN	**200.0**	**224.5**	-1.7	20.7
Northern Ireland	2.1	3.7	0.7	1.2
UNITED KINGDOM	**202.0**	**228.1**	-1.1	21.8

* The proportion of total vacancies at Jobcentres varies by region. See note C3.

AVERAGE EARNINGS

The underlying increase in average weekly earnings in the year to January was about 9 per cent, a rise of 1/4 per cent on the increase in the year to December. The actual increase in the year to January, at 9.4 per cent, was above the underlying increase because some annual settlements were paid in different months last year and arrears in January 1988 were greater than in January 1989.

TABLE 9: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: WHOLE ECONOMY

			Seasonally adjusted		
		Index 1985 = 100	Index 1985 = 100	Percentage increase over previous 12 months	Underlying % increase over previous 12 months
1987	January	110.8	112.1	7.6	7 1/2
	February	111.2	112.8	7.5	7 1/2
	March	113.2	113.2	6.6	7 1/2
	April	114.0	114.2	6.3	7 3/4
	May	115.3	115.4	8.7	7 3/4
	June	116.4	115.7	7.7	7 3/4
	July	118.2	117.0	8.0	7 3/4
	August	117.3	117.1	7.6	7 3/4
	September	117.2	117.4	7.9	7 3/4
	October	118.4	118.8	8.1	8
	November	120.6	120.2	8.4	8 1/4
	December	122.4	121.0	8.8	8 1/2
1988	January	120.4	121.8	8.7	8 1/2
	February	120.3	122.0	8.2	8 1/2
	March	124.0	124.0	9.5	8 1/2
	April	124.3	124.4	8.9	8 1/2
	May	124.1	124.2	7.6	8 1/2
	June	125.9	125.1	8.1	8 3/4
	July	128.3	126.9	8.5	9
	August	126.8	126.6	8.1	9 1/4
	September	127.3	127.6	8.7	9 1/4
	October	128.9	129.5	9.0	9
	November	131.2	130.7	8.7	8 3/4
	December	135.7	134.3	11.0	8 3/4
1989	January*	131.7	133.3	9.4	9

* Provisional
R Revised

In production industries, the underlying increase in average weekly earnings in the year to January was about 9 per cent, the same as the increase in the year to December, which has been revised upwards from 8 3/4 per cent. Within this sector, in manufacturing industries, the underlying increase in the year to January was about 9 per cent, similar to the increase in the year to December, which has also been revised up from 8 3/4 per cent. The actual increases for both production industries and manufacturing industries in the year to January were 9.5 per cent.

In service industries, the underlying increase in average weekly earnings in the year to January was about 9 per cent, compared with an increase of 8 3/4 per cent in the year to December. The actual increase in the year to January was 9.3 per cent.

TABLE 10: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: MAIN SECTORS
seasonally adjusted

	Production industries*			Manufacturing industries**			Service industries***		
	Index 1985= 100	% increases over previous 12 months		Index 1985= 100	% increases over previous 12 months		Index 1985= 100	% increases over previous 12 months	
		seas adj	underlying		seas adj	underlying		seas adj	underlying
1988 Sep	118.6	8.3	8 1/4	118.2	8.4	8 1/2	116.5	7.6	7 1/2
Oct	119.9	8.7	8 1/4	119.4	8.5	8 1/4	118.2	7.6	8
Nov	120.1	7.9	8 1/4	119.8	8.0	8 1/4	120.4	8.8	8 1/2
Dec	121.5	8.1	8 1/4	121.4	8.3	8 1/4	120.6	9.3	8 1/2
1988 Jan	121.7	8.0	8 1/2	121.7	8.5	8 1/2	121.4	9.2	8 1/2
Feb	120.7	6.3	8 1/2	121.1	7.1	8 1/2	122.1	9.4	8 1/2
Mar	123.1	8.6	8 1/4	123.2	8.8	8 1/2	124.4	10.2	8 1/2
Apr	125.6	9.6	8 1/2	125.2	9.4	8 3/4	123.8	8.6	8 1/2
May	126.0	9.4	8 1/2	124.9	8.9	8 3/4	123.5	6.2	8 1/2
Jun	125.3	8.3	9	125.0	8.0	9	125.5	8.2	8 3/4
Jul	127.0	8.6	9	126.6	8.3	9	126.6	8.4	9
Aug	127.2	8.1	9	126.7	8.3	8 3/4	126.0	7.9	9 1/4
Sep	128.3	8.2	8 3/4	127.6	8.0	8 3/4	126.6	8.7	9 1/4
Oct	130.1	8.5	8 3/4	129.2	8.2	8 1/2	128.4	8.6	9
Nov	130.4	8.6	8 3/4	130.2	8.7	8 3/4	131.0	8.8	8 3/4
Dec	132.5	9.1	9 R	132.4	9.1	9 R	135.6	12.4	8 3/4
1989 Jan(p)	133.2	9.4	9	133.2	9.4	9	132.7	9.3	9

p provisional R revised
* DIVISIONS 1-4 of SIC 1980 covering Energy and water supply and manufacturing.
** DIVISIONS 2-4 of SIC 1980. Included in production industries.
*** DIVISIONS 6-9 of SIC 1980 covering Distribution, hotels and catering, repairs; Transport and communications;Banking,finance, insurance, business services and leasing; Other services (including public administration, education, medical and other medical services, etc).

UNIT WAGE AND SALARY COSTS

THIS PAGE WILL BE REVISED PRIOR TO PUBLICATION TO TAKE OF ADDITIONAL INFORMATION ON UNIT WAGE AND SALARY COSTS THAT WILL THEN BE AVAILABLE.

In the three months ending December 1988, wages and salaries per unit of output in manufacturing industries were 1.0 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 10) as there was a rise of about 7 1/2 per cent in productivity over this period (see Table 13).

In the third quarter of 1988 wages and salaries per unit of output in the whole economy were 5.7 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 2 1/2 per cent in productivity over this period.

Recent figures are:

TABLE 11: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	104.7	8.3	103.9	5.9
	Q2	104.7	6.5	104.9	6.4
	Q3	104.8	3.7	105.8	4.8
	Q4	103.7	-0.2	106.9	4.5
1987	Q1	105.9	1.1	108.1	4.0
	Q2	104.6	-0.1	109.5	4.4
	Q3	105.1	0.3	110.1	4.1
	Q4	106.0	2.2	112.3	5.1
1988	Q1	106.5	0.6	113.8	5.3
	Q2	107.0	2.3	115.0	5.0
	Q3	104.9	-0.2	116.4	5.7
	Q4	107.1	1.0	..	..
1988	Jul	105.1	-0.2	..	..
	Aug	104.8	0.9	..	..
	Sep	104.7	-1.3	..	..
	Oct	105.8	0.5	..	..
	Nov	106.4	0.6	..	..
	Dec	109.2	2.2	..	..
3 months ending					
1988	Jul	106.0	1.0	..	..
	Aug	105.4	0.5	..	..
	Sep	104.9	-0.2	..	..
	Oct	105.1	0.0	..	..
	Nov	105.6	-0.1	..	..
	Dec	107.1	1.0	..	..

CONFIDENTIAL UNTIL 11.30AM ON 16 MARCH 1989

HOURS WORKED IN MANUFACTURING INDUSTRIES

Overtime working by operatives in manufacturing industries continued to be high at 14.9 million hours per week in January compared with 14.8 million hours per week in December 1988 and 14.1 million hours a week in January 1988. The latest estimates confirm that there has been a step up in the trend.

Hours lost through short-time working in manufacturing industries remained low, at 0.16 million hours per week in January.

The index of average weekly hours worked by operatives in manufacturing industries (which takes account of hours of overtime and short-time as well as normal basic hours) was estimated at 102.2 in January 1989 compared with an average of 101.8 over the three month period ending December 1988.

Recent figures are set out in Table 12.

TABLE 12: WORKING HOURS OF OPERATIVES IN MANUFACTURING INDUSTRIES

Great Britain, seasonally adjusted

		Hours of overtime worked	Hours lost through short-time working (stood off for whole or part of week)	Index of average weekl hours (averag 1985 = 100)
		Millions per week	Millions per week	
1987	Sep	13.13	0.25	100.8
	Oct	13.37	0.27	101.0
	Nov	13.33	0.40	100.9
	Dec	13.48	0.26	101.0
1988	Jan	14.13	0.24	101.7
	Feb	13.48	0.27	101.1
	Mar	13.47	0.23	101.1
	Apr	13.43	0.22	101.1
	May	13.67	0.23	101.1R
	Jun	13.44	0.26	101.0
	Jul	13.97	0.31	101.3
	Aug	13.94	0.29	101.3
	Sep	13.92	0.24	101.2R
	Oct	14.51	0.25	101.8
	Nov	14.66	0.22	101.8
	Dec	14.81	0.22	101.8
1989	Jan	14.86	0.16	102.2

R= Revised

Personal and Confidential until 11.30 Am 16.3.89

PRODUCTIVITY

THIS PAGE WILL BE REVISED PRIOR TO PUBLICATION TO TAKE OF ADDITIONAL INFORMATION ON PRODUCTIVITY THAT WILL THEN BE AVAILABLE.

Manufacturing output per head in the three months to December was 0.7 per cent higher than in the three months ending Setpember and 7.5 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the third quarter of 1988 was 0.9 per cent higher than in the previous quarter and 2.6 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 13: OUTPUT PER HEAD — seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	100.0	-0.3	101.1	1.9
	Q2	101.9	0.9	102.1	1.7
	Q3	103.3	3.5	102.8	2.7
	Q4	107.0	8.2	103.7	3.4
1987	Q1	106.5	6.5	103.8	2.7
	Q2	109.8	7.8	104.7	2.5
	Q3	111.6	8.0	106.2	3.3
	Q4	113.4	6.0	106.7	2.9
1988	Q1	114.6	7.6	107.4	3.5
	Q2	116.9	6.5	108.0	3.2
	Q3	121.0	8.4	109.0	2.6
	Q4	121.9	7.5	..	..
1988	Jul	120.4	8.6	..	..
	Aug	120.8	7.3	..	..
	Sep	121.9	9.4	..	..
	Oct	122.1	7.7	..	..
	Nov	122.4	8.1	..	..
	Dec	121.3	6.9	..	..
3 months ending					
1988	Jul	118.3	7.4	..	..
	Aug	119.6	7.7	..	..
	Sep	121.0	8.4	..	..
	Oct	121.6	8.1	..	..
	Nov	122.1	8.4	..	..
	Dec	121.9	7.5	..	..

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Industrial stoppages

In January 1989, it is provisionally estimated that 22 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 37 thousand in December 1988, 106 thousand in January 1988 and an average of 1,066 thousand for January during the ten year period 1979 to 1988.
During the twelve months to January 1989 it is provisionally estimated that a total of 3,610 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 699 stoppages have been provisionally recorded as being in progress, involving a total of 763 thousand workers. The comparable figures for the twelve months to January 1988 were 2,763 thousand lost working days, 1,004 stoppages in progress and 864 thousand workers.

Table 14. Industrial stoppages in progress in the United Kingdom.

	Working days lost (thousand)	Number of Stoppages	Workers involved (thousand)
1988			
Jan(p)	106	89	45
Feb(p)	654	121	151
Mar(p)	258	93	48
Apr(p)	64	51	17
May(p)	143	76	44
Jun(p)	306	86	43
Jul(p)	349	69	36
Aug(p)	433	57	150
Sep(p)	1,112	62	163
Oct(p)	56	77	33
Nov(p)	177	78	146
Dec(p)	37	42	20
1989			
Jan(p)	22	39	11
Cumulative totals			
12 months to January 1988(p)	2,763	1,004	864
12 months to January 1989(p)	3,610	699	763

(p) Provisional and subject to revision, normally upwards, see note H1.

Personal and Confidential until 11.30 am 16.3.89

NOTES TO EDITORS

GENERAL SYMBOLS

The following symbols are used throughout: .. not available, - nil or negligible, p provisional, r revised. Occasionally, totals may differ from the sum of components because of rounding or separate seasonal adjustments of components.

UNEMPLOYMENT (Tables 1-4)

A1. The unemployment figures are based on records of those claiming benefits at Unemployment Benefit Offices. The figures therefore include those who claim Unemployment Benefit, Income Support (formerly Supplementary Benefit up to April 1988) or National Insurance credits. The figures include the severely disabled but exclude students seeking vacation work and the temporarily stopped (see below). A full description of the system of compiling the figures appeared in the September 1982 Employment Gazette.

A2. The unemployment figures exclude students who are claiming benefit during a vacation but who intend to return to full-time education when the new term begins. From November 1986 most students have only been eligible for benefits in the summer vacation. On 9 February 1989 these numbered 905 in the United Kingdom.

A3. The figures exclude temporarily stopped workers, that is, those who had a job on the day of the count but were temporarily suspended from work on that day and were claiming benefits. On 9 February 1989 these numbered 5,064 in Great Britain and 6,061 in the United Kingdom.

A4. National and regional unemployment rates are calculated by expressing the number of unemployed as a percentage of the estimated total workforce (the sum of employees in employment, unemployed claimants, self-employed, HM Forces and participants on work-related government training programmes) at mid-1988. These rates have been updated and revised this month to incorporate revisions to the workforce estimates using the preliminary results of the 1988 Labour Force Survey. Later revisions will be made in the light of results from the 1987 Census of Employment.

Until July 1986, all rates were expressed as a percentage of employees plus the unemployed only. These narrower based rates, continue to be used for local areas (travel-to-work areas and counties) because estimates for the self-employed needed to calculate the new rates are not made below regional level. The denominators for these narrow-based rates relate to mid-1987, but will be fully updated to mid-1988, and the rates revised, when the results of the 1987 Census of Employment, including revised employment estimates for travel-to-work-areas and counties, become available later this year. The UK narrower rates on 9 February 1989 were 10.3 per cent for males and 5.4 per cent for females, 8.2 per cent in total(unadjusted).

A5. The latest figures for national and regional seasonally adjusted unemployment are provisional and subject to revision, mainly in the following month. The seasonally adjusted series takes account of all past discontinuities to be consistent with the current coverage. (See the article "Unemployment adjusted for discontinuities and seasonality" in the July 1985 Employment Gazette and also page 422 of the October 1986 edition for the list of previous changes in coverage taken into account). The seasonally adjusted series now relates only to those aged 18 and over in order to maintain a consistent series, allowing for the change in benefit regulations for those aged under 18 from September 1988. See also notes A7 and A8. For further details see the article 'Unemployment statistics : revisions to the seasonally adjusted series' in the December 1988 issue of Employment Gazette.

A6. The unemployment flows, in Table 4 relate to people claiming and ceasing to claim benefit. A seasonally adjusted series cannot yet be estimated. The figures are standardised to a four and one third week month to allow for the varying periods between successive monthly count dates, and may therefore appear not to balance with the monthly changes in unemployment levels.

A7. The recent extension of the guaranteed offer of a YTS place to all those aged under 18 who have not found a job, and the associated change from 12 September 1988 in the entitlement of young people to claim unemployment-related benefits have inevitably affected the coverage of the claimant count mainly from October. In addition, last summer's school leavers were not eligible for benefits on the 8 September count date. There are now only a few under 18's remaining in the count. The effect of the new regulations is to remove about 90,000 on average from the total count with over 80,000 of this having taken place over the two months to October. Previously the seasonally adjusted unemployment series included those under 18's who had had a job since leaving school(i.e. those not classed as school leavers); and without amendment there would be a discontinuity mainly from October 1988. To maintain consistency over time, the seasonally adjusted series has consequently been restricted to claimants aged 18 and over. On recent levels of unemployment the new series is about 40,000 lower than the former series. The new series are available back to January 1971 at national level (1974 for the regions). See also note A5.

A8. The seasonally adjusted unemployment figures for September 1988 allow for the estimated effect of temporary over-recording caused by the postal strike. The adjustments made at regional level are less precise than those at national level. September's unadjusted figures, however, remain distorted by this effect, estimated at around 55,000. This arose mainly through the special action taken to ensure that the unemployed received their benefits during the strike and delays in the post of information about when claimants ceased to be unemployed. The outflow from unemployment between the August and September counts was therefore understated, with a consequent upward effect on the September totals. This effect unwound between the September and October counts.

EMPLOYMENT (Table 5)

B1. Information on the number of employees in employment is for most industries collected quarterly and monthly from sample surveys addressed to individual establishments and for other industries from returns provided by major employers in the industry. These figures are used to calculate rates of change in employment since the last Census of Employment was held, and the rates of change are applied to comprehensive census results to provide current estimates.

B2. The surveys cover all large establishments and a proportion of small establishments (but none of the smallest employers). 30,000 establishments are surveyed each quarter month (e.g. in March, June etc.), and of these 12,000 are in manufacturing industries. 6,000 of the manufacturing establishments are also surveyed in non-quarter months. Estimates for these months are less reliable than those for quarter months, and the first estimates are subject to revision when the following quarter's figures become available (e.g. January and February estimates are revised in the light of figures for March). As the estimates of employees in employment are derived from employers' reports of the numbers of people they employ, individuals holding two jobs with different employers will be counted twice. Participants in government employment and training schemes are included if they have a contract of employment. HM Forces, homeworkers and private domestic servants are excluded.

B3. The estimates of employees in employment presented in this press notice also take account of the results of the 1985, 1986, 1987 and 1988 sample Labour Force Surveys. The series include allowances for undercounting in the estimates of the number of employees in employment derived from the sample survey of employers.

The estimates of employees in employment and the self-employed were revised to take account of the results of the 1988 Labour Force Survey (LFS)in a press notice issued on 13 March. Although the LFS results have been used very much as in the past there has been a change in the methodology for extrapolating the latest LFS for employees in employment for quarters after March 1988. Previously, the degree of underestimation was assumed to continue accumulating at the rate observed in the previous year, but now an average of the degree of underestimation over the three years up to the latest LFS has been used. This change was made because the exceptionally high rate of growth in employees observed between the Spring 1987 LFS and the Spring 1988 LFS is not considered to be an adequate basis for carrying forward the degree of underestimation in the period since Spring 1988, the reference period of the latest Labour Force Survey.

B4. The self-employed are those who in their main employment work on their own account, whether or not they have any employees. Second occupations classified as self-employed are not included.

B5. Comprehensive estimates of the number of self-employed are taken from the Census of Population, the most recent of which was held in 1981. Estimates for the other years are made by applying rates of change, derived from the sample Labour Force Survey results, to the census benchmark. In this way self employment is estimated to have increased by 12,800 a quarter between mid-1981 and mid-1983, by 68,800 a quarter between mid-1983 and mid-1984, by 28,800 a quarter between mid-1984 and mid-1985, by 4,100 a quarter between mid-1985 and mid-1986, by 58,500 a quarter between mid-1986 and mid-1987 and by 31,000 a quarter between mid-1987 and mid-1988. Pending the results of the 1989 Labour Force Survey it is assumed that the numbers of self employed are continuing to increase at the rate of 31,000 a quarter observed between 1981, the date of the latest Census of Population which provides a benchmark for the self employment series, and 1988, the date of the latest available Labour Force Survey data. The derivation of recent estimates is described in a Press notice issued on March 13 1989 to be reprinted in the April edition of the Employment Gazette.

B6. Figures for HM Forces are provided by the Ministry of Defence.

B7. Estimates of numbers on work-related government training programmes consist of those participants in programmes and schemes who in the course of their participation in the programmes receive training in the context of a workplace but are not employees, self-employed or HM Forces. At present it covers most YTS participants without contracts of employment (the small proportion, about 2 per cent, whose training does not include work experience with an employer are excluded) and the participants on the new JTS. Participants in Employment Training (ET) will be included in this series but at the beginning of September 1988 when the latest count was taken ET had not begun to take effect. The estimates are not seasonally adjusted.

B8. The workforce in employment which comprises employees in employment, the self-employed, HM Forces and participants on work-related government schemes was introduced in the July 1988 issue of this press notice. See page S6 of the August 1988 edition of Employment Gazette for further details.

VACANCIES (Tables 6-8)

C1. The statistics do not include any vacancies on government programmes (except for vacancies on Enterprise Ulster and Action for Community Employment (ACE) included in the seasonally adjusted figures for Northern Ireland). Previously up to August 1988, unadjusted vacancy figures have additionally been provided including Community Programme vacancies. With the introduction of Employment Training (ET) from September 1988 there are no longer any CP vacancies. ET places are training opportunities determined according to the individual needs of unemployed people and therefore cannot be considered as vacancies or counted as such.

CP vacancies handled by jobcentres have been excluded from the seasonally adjusted series since the coverage was revised in September 1985. The seasonally adjusted series are therefore not affected by the cessation of CP vacancies. Figures on the current basis are available back to 1980. (See Employment Gazette October 1985 page 413 for further details).

C2. Vacancies at Jobcentres are mainly for adults aged 18 or over, but include some vacancies for persons under 18. Vacancies at Careers offices are mainly for young persons under 18 years of age, but include some vacancies suitable for adults. Where the vacancy is notified to both services by an employer, it will be included in both counts; for this reason, the two counts should not be added together to give a figure for total vacancies.

C3. The vacancy figures do not represent the total number of vacancies in the economy. Latest estimates suggest that nationally about one third of all vacancies are notified to Jobcentres; and about one quarter of all engagements are made through Jobcentres. Inflow, outflow, and placings figures are collected for four or five week periods between count dates; the figures in this press notice are converted to a standard four and one third week month.

EARNINGS (Tables 9 and 10)

D1. The whole economy index of average earnings was introduced from January 1976. It was described in the April 1976 issue of Employment Gazette. The present series is based on 1985 = 100. Separate indices for 26 industry groups of Standard Industrial Classification (1980) are published in the Employment Gazette.

D2. All the series are based on information obtained from the Department's monthly survey of a representative sample of firms in Great Britain, combined with information supplied by the Ministry of Agriculture Fisheries and Food about agricultural earnings in England and Wales. The survey obtains details of the gross wages and salaries paid to employees, in respect of the last pay week of the month for the weekly paid, and for the calendar month for the monthly paid. The earnings of the latter are converted into a weekly basis. The average earnings are obtained by dividing the total paid by the total number of employees paid, including those employees on strike. The sample of returns contains information relating to some 8 million employees.

D3. The analysis of underlying changes was described in Employment Gazette, April 1981, page 193, and the most recent analysis appeared in Employment Gazette in March 1989. The next analysis will appear in the June 1989 issue.

D4. The average earnings figures are not intended to measure solely the average increase in rates of pay for a standard week reflected in annual pay settlements. Changes in hours worked are not regarded as a temporary factor and therefore continue to influence the underlying rate. Irregular variations in bonuses, sickness, etc., on which no information is available, can also affect the underlying trend, as can changes in the composition of the labour force.

D5. All the seasonally adjusted average earnings series have been updated by the introduction of revised seasonal factors.

UNIT WAGE AND SALARY COSTS (Table 11)

E1. Wages and Salaries per unit of output in manufacturing in the United Kingdom is compiled using monthly series of average earnings, employment and output; it is described in Employment Gazette, June 1982, page 261.

E2. See note G2.

HOURS OF WORK (Table 12)

F1. The hours of overtime and short-time worked by operatives in manufacturing industries are collected by the surveys of individual establishments which are used to collect numbers of employees. Figures are collected monthly; those for non-quarter months are based on a smaller sample, and are therefore subject to retrospective revisions in the same way as the employee estimates.

F2. The index of average weekly hours relates to average weekly hours worked by operatives in manufacturing industries. It is based on the normal weekly hours of full time operatives as in national agreements plus average net overtime. The calculation of this index is described on page 240 of Employment Gazette, June 1983.

PRODUCTIVITY (Table 13)

G1. Index numbers of output per person employed in the United Kingdom are calculated by dividing an index of output by an index of the numbers employed.

G2. The calculation of the productivity (and hence the unit wage cost) series is not affected by the changes to the employment series. The present calculation, using a denominator which excludes participants on work related training schemes, provides a better

indicator of productivity (and wage cost) trends than would the revised employment series. This is because of the smallness of the scheme participants' contribution to output, the fact that some of the contribution will be excluded from the national accounts measure of output, and practical difficulties in the way of producing an analysis of participants.

INDUSTRIAL STOPPAGES (Table 14)

H1. Statistics of stoppages of work due to industrial disputes in the United Kingdom relate only to disputes connected with terms and conditions of employment. Stoppage involving fewer than 10 workers or lasting less than one day are excluded except where the aggregate of working days lost exceeded 100. However, there are difficulties recording stoppages near the margin of this threshold and consequently greater emphasis should be placed on the figure for working days lost rather than on the number of stoppages. The monthly figures are provisional and subject to revision, normally upwards, to take account of additional or revised information received after going to press.

chex.rm/ds/65 **UNCLASSIFIED**

FROM: D I SPARKES
DATE: 17 March 1989

MR DEANE

cc Chief Secretary
Financial Secretary
Paymaster General
Economic Secretary
Sir P Middleton
Sir T Burns
Mr Monck
Mr Scholar
Mr Burgner
Mr Riley
Mr Peretz
Mr Sedgwick
Mr Burr
Mr Gieve
Mr Hibberd
Mr Pickford
Mr Meyrick
Mr Bush
Mr Darlington
Mr Dyer
Mr O'Brien
Miss Wallace
Mrs Chaplin
Mr Tyrie
Mr Call

COMBINED RELEASE OF LABOUR MARKET STATISTICS ON 16 MARCH

The Chancellor was grateful for your minute of 15 March containing assessment and comment on the labour market statistics published yesterday.

DUNCAN SPARKES

rd/1988/reg-lab

PERSONAL AND CONFIDENTIAL
until 11.30am on Thursday 16 March
thereafter CONFIDENTIAL

Unemployment down by about 40,000 again, but underlying earnings up 1/4 point.

FROM: R DEANE
DATE: 15 MARCH 1989

1. **MR PICKFORD** SPickford 15/3

2. **CHANCELLOR** (+ 1 for No.10)

cc Chief Secretary
Financial Secretary
Paymaster General
Economic Secretary
Sir P Middleton
Sir T Burns
Mr Monck
Mr Scholar
Mr Burgner
Mr Riley
Mr Peretz
Mr Sedgwick
Mr Burr
Mr Gieve
Mr Hibberd
Mr Meyrick
Mr Bush
Mr Darlington
Mr Dyer
Mr O'Brien
Miss Wallace
Mrs Chaplin
Mr Tyrie
Mr Call
HB/001

Thanks

COMBINED RELEASE OF LABOUR MARKET STATISTICS ON 16 MARCH

Summary Statistics (seasonally adjusted GB unless otherwise stated)

	Thousands	Level	Change on previous period	Change on previous year
Unemployment (UK) February				
Total (aged 18 and over)		1,947 (6.8%)†	-41	-538
Total (not seasonally adjusted: 'Headline Total')		2,018 (7.1%)†	-56*	-647*
Vacancies (UK) February		228	- 1	-22
Workforce in employment 1988Q3		25,807	+168	+731
Manufacturing employees January		5,160	+ 6	+ 26

	Percentage change on previous year
Index of average earnings, January	
Whole economy, underlying (actual)	9 (9.4)
Manufacturing, underlying (actual)	9 (9.5)
Service industries, underlying (actual)	9 (9.2)
Wage and salary costs per unit of output	
Whole economy, 1988Q3	7.3
Manufacturing, three months to January	2.9
Output per head	
Whole economy, 1988Q3	1.1
Manufacturing, three months to January	6.0

† per cent of workforce
* figures distorted by change in regulations for claimants under 18 (monthly change hardly affected).

ASSESSMENT AND COMMENT

[The preliminary results from the 1988 Labour Force Survey (LFS) were released on the 13 March. The workforce in employment has been revised up by ½ million or 2 per cent. The figures now show that employment has increased by 2.8 million since March 1983. These revisions eliminate a long standing conundrum in the statistics, whereby unemployment was falling by much more than employment was rising. However, the revisions also mean that increases in productivity over the last year have been smaller than previously estimated (by about 1½ per cent in the whole economy in the year to 1988Q3) and increases in unit wage costs larger (also by about 1½ per cent in the whole economy).]

2. The seasonally adjusted unemployment series fell by just over 41,000 in February. This is in line with DE's estimate of the underlying trend of around 40,000 per month. The average fall over the last six months has been higher than this at nearly 47,000 per month primarily due to the effects of the mild weather. The continuous fall since July 1986 has now reached almost 1.2 million over 31 consecutive months. Unemployment has fallen to 6.8 per cent of the workforce About half of the fall from the 7.0 per cent reported last month is due to the upward revisions to the employment figures following the LFS (earlier figures will be revised).

3. The headline total fell by 56,000 between January and February. There is now virtually no residual effect of the new regulations introduced last September for claimants aged under 18.

4. Vacancies fell by 1,100 in the month to February. Both the inflow of vacancies and placings by Jobcentres were relatively high indicating continued buoyancy in the labour market.

5. The level of overtime rose again in January and has now reached the highest level since January 1980. In terms of hours per operative it is the highest since 1973/74. Short-time working is at the lowest level since the early 1970s.

6. The increase in underlying whole economy earnings was 9 per cent in the twelve months to January, a rise of ¼ per cent from last month's figure. The underlying increases in the manufacturing and production industries was unchanged from the revised December figure of 9 per cent. The underlying increase in the service sector rose by ¼ per cent to 9 per cent in January.

7. **[NOT FOR USE:** DE estimate that overtime is currently adding ¾ per cent to the rise in manufacturing earnings and ½ per cent in the whole economy. Settlements are currently adding about ¼ per cent to whole economy earnings growth, and ½ per cent to earnings growth in manufacturing. DE expect the whole economy underlying increase to rise to 9¼ per cent next month, and possibly further to 9½ cent in March. Higher settlement levels and the high level of overtime and bonus payments are responsible for the expected increase.]

THE FIGURES IN DETAIL

Unemployment

8. Seasonally-adjusted adult unemployment (excluding school leavers) fell by 41,200 between January and February to 1.947 million (6.8 per cent of the workforce). The average fall over the past six months is 46,500 a month.

9. The 'headline' total fell by 56,100 to 2.018 million, 7.1 per cent of the workforce.

10. The stock of vacancies at Jobcentres (seasonally adjusted) fell by 1,100 between January and February to 228,100.

111. Points of interest:

(a) Seasonally adjusted unemployment now at the lowest level for 8 years, since February 1981 on a consistent basis.

(b) Fallen by 1.2 million since July 1986. Seasonally adjusted total has fallen for thirty-one months in succession by 1,187,000 in total. This is the longest period of continuous decline in unemployment since the War.

(c) Fallen by 538,000 over past year.

(d) Unemployment has fallen in all regions over the past year. Unemployment rates have fallen fastest in the West Midlands and Wales, but

there have been significant falls in all regions, including Northern Ireland.

(e) UK unemployment rate fallen more in past year than in any other major industrialised country. Latest figures (national definitions) show fall in UK rate of 1.9 percentage points over past year, compared with falls of 0.7 in Germany, 0.6 in US, 0.4 in France and 0.3 in Japan. UK unemployment rate lower than EC average, but still above the major 7 averages, reflecting lower unemployment in the three largest countries - US, Japan and Germany.

(f) The 'headline' total in March is likely to fall below 2 million. Seasonal influences will be downward adding to the continuing underlying downward trend.

Employment

12. The number of employees in manufacturing industries increased by 6,000 in January. The rising trend which began in Spring 1987, has slowed since early 1988.

Other features

13. The underlying increase in the whole economy average earnings index rose from 8¾ per cent in December to 9 per cent in January. The actual increase in the index was higher at 9.4 per cent due to back pay and timing adjustments. The increases in the underlying index for the production and manufacturing industries were 9 per cent, unchanged from those in December (which have been revised up from 8¾ per cent). The service sector underlying increase rose to 9 per cent from last month's 8¾ per cent.

14. The level of overtime working remained high in January at 14.9 million hours the highest level since January 1980. This is 5 per cent higher than the level in January 1988. Overtime has been particularly high since the summer of last year. Overtime per operative is now at the highest levels since 1973/74. Short time working is at the lowest level since the early 1970s and significantly lower than at this time last year.

15. Output per head in manufacturing rose by 6.0 per cent in the three months to January on a year earlier. Unit wage costs in manufacturing rose by 2.9 per cent in the same period. Both increases, based upon the revised Labour Force Survey estimates of employment, are similar to recent levels.

ROBERT DEANE

PWP

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PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 16 MARCH THEREAFTER CONFIDENTIAL

LABOUR MARKET STATISTICS

Summary

The latest statistics indicate continued buoyancy in the labour market. Unemployment, seasonally adjusted, fell by a further 41,000 in February to 1.947 million. (The unadjusted total also fell but remained just above 2 million.) Employees in manufacturing rose by 6,000 between December and January, continuing the upward trend now shown by revised estimates. Revised figures for the whole workforce in employment (already published today) showed an increase for GB of 731,000 in the year to September (to 25.807 million) and a rise of 2.8 million since March 1983 when the upward trend began. (you must beat everyone into a collocked hat on employment growth during time as Ch!)

Overtime working in manufacturing remained high in January and short-time working stayed low. There was a further small fall in the stock of vacancies reported to Jobcentres in February although the inflow and the number of placings were relatively high. The underlying increase in average earnings was 9% in the 12 months to January, up by ¼% compared with the year to December.

1988 Labour Force Survey

The preliminary results of the 1988 LFS were published today, 13 March. There are consequent revisions to the published series for employment, unemployment rates, productivity and unit wage costs.

The 1988 LFS shows stronger growth in employment since Spring 1987 than previously estimated, and a fall in unemployment between 1987 and 1988 similar to that of the monthly claimant count. An extra key facts sheet is attached which summarises the main points. In addition, Section D1 provides further details of the latest comparisons of unemployment from the LFS and the count.

Personal and Confidential until ...11.30 AM 16 3.89
Thereafter confidential.

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Personal and Confidential until 11.30 am 16 3 89
Thereafter confidential.

Unemployment

UK unemployment, seasonally adjusted, fell by a further 41,200 to 1.947 million in February, the lowest level since February 1981 on the consistent basis. The unemployment rate fell to 6.8% of the workforce*, below 7 per cent for the first time since December 1980 (6.7%). The continuous fall since July 1986 has now reached 1.187 million over 31 consecutive months. There was a fall in all regions in February. Other key figures are attached separately.

The latest fall of 41,200 is in line with a downward trend of over 40,000 per month. Over the past six months there has been an average fall of nearly 47,000 per month. However, the mild winter will have contributed to the relatively sharp falls over recent months, with less than the normal seasonal slow-down in recruitment and fewer than average lay-offs, for example in the construction industry. The seasonal adjustment, which is based on the pattern for an average year, cannot compensate for this.

Unadjusted 'headline' total

Unadjusted, there was a fall of 56,000 in the claimant total between January and February to 2.018 million, or 7.1 per cent of the workforce.* The number of under 18 year olds still included in the unadjusted total continues to diminish following the change in benefit regulations from last September. The number fell by less than 1,000 to some 3,000 in February.

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*The national and regional (wider-based) unemployment rates have been routinely up-dated and revised this month to incorporate revisions to the workforce estimates using the preliminary results of the 1988 Labour Force Survey. This reduces the current unemployment rates by around 0.1 percentage points on average; the effects of the revisions vary between regions.

Further revisions to these rates will be made later this year, and the denominators for local unemployment rates, for travel-to-work areas and counties (which are compiled on the different narrower basis) will also be up-dated and revised, when the results of the 1987 Census of Employment become available.

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Thereafter confidential.

March 'headline' total

Even without the current downward trend in the figures, we would expect a fall in the unadjusted total between February and March due to the usual seasonal influences. The unadjusted total is therefore highly likely to fall below 2 million in March (published next month).

Employment

Estimates of employees in employment and the self employed have been revised, to incorporate the results of the 1988 Labour Force Survey. These new estimates, which were released today, show a rise in the GB workforce in employment of 731,000 in the year to September and a rise of 2.8 million since March 1983 to 25.807 million. New data to be released on 16 March are as follows.

The estimated number of employees employed in manufacturing increased by 6,000 in the month to January. This follows increases of 37,000 and 52,000 in the 12 months to December in 1988 and 1987 respectively. The trend in the revised estimates is clearly upward but may have eased a little in late 1988.

Overtime working by operatives in manufacturing industry remained high at 14.9 million hours in January, continuing the higher level of overtime seen since the step rise in October 1988.

Hours lost through short-time working in manufacturing industries were very low. 0.16 million hours per week were lost in January.

Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) fell a little further, by 1,100 to 228,100 in the month to February, but the inflow of vacancies and the number of placings made by Jobcentres were relatively high. There has been a downward trend in the stock of vacancies since the peak of 265,100 reached in November 1987. The fall in vacancies since then has been concentrated in London and the South East.

The recorded level of unfilled vacancies at Jobcentres is now back to about the same level as in the Spring of 1987 when unemployment was also falling by around 40,000 per month.

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Average Earnings

The estimate of the underlying increase in earnings for the whole economy for January 1989 was 9 per cent, a ¼ per cent higher than the rate of increase for the year to December. The estimates for production industries and, within production, for manufacturing, were both unchanged from the (revised) December figures at 9 per cent. The estimate for services for January was up ¼ per cent on the rate of increase for December and was also 9 per cent.

The rise is predominantly due to increased settlements paid in January. Because reported settlements continue to be generally higher than their corresponding levels a year ago, the prospect for February is for a further increase in the underlying rate to 9¼ per cent.

Next Labour Market figures

The next labour market briefing will be issued on Monday 10 April. It will contain unemployment and vacancy figures for March and manufacturing employment and earnings figures for February.

Statistics Division
Department of Employment
13 March 1989

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Thereafter confidential.

Department of Employment
Caxton House, Tothill Street, London SW1H 9NF
5803
Telephone 01-273 . . . . . .
Telex 915564 Fax 01-273 5821

Secretary of State

20/3

PWP

Paul Gray Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

20 March 1989

Dear Paul,

GREEN PAPER : "REMOVING BARRIERS TO EMPLOYMENT"

...I attach a copy of our Green Paper, published today, together with the Press Notice which summarises and comments upon it.

I am copying this to the Private Secretaries to all members of the Cabinet, the Attorney General, and to Sir Robin Butler.

Yours sincerely,

Clive Norris

CLIVE NORRIS
Principal Private Secretary

EMPLOYMENT
DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

69/89

20 MARCH 1989

GOVERNMENT ACTS AGAINST CLOSED SHOP

Announcing the publication today of a Green Paper setting out further proposals for the reform of industrial relations and trade union law(1), the Secretary of State for Employment, Norman Fowler, said:-

"The high priority which the Government have given to removing barriers to jobs has made an important contribution to the remarkable growth in employment in this country. This process should be continued. The Green Paper I have published today sets out proposals for further reforms of industrial relations and trade union law.

In particular, the review of the closed shop which I set in hand last December has shown that while the measures we have already taken have broken the grip of the post-entry closed

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(1) "Removing Barriers to Employment: Proposals for the further reform of industrial relations and trade union law", Cm 655 (HMSO, £3.20). A summary of the Green Paper forms part of this Press Notice.

shop, initial recruitment to some 1.3 million jobs is still restricted by the pre-entry closed shop(2). This constitutes an unacceptable barrier to employment which limits the number of people who can get jobs; reduces the supply of skilled labour; and it artificially drives up labour costs. This, in turn, results in higher prices, lower output and inefficient use of the nation's resources. It is estimated that there could be more than 100,000 extra jobs available if the pre-entry closed shop had never existed. The Government consider it is time to act against the pre-entry closed shop and the Green Paper sets out a remedy for those denied a job because they do not belong to a union.

It is also time to review the limits for lawful organisation of industrial action. The Green Paper proposes the removal of immunity for organising secondary action by workers of an employer not party to the trade dispute. The threat of such action can destroy jobs by deterring new enterprises from setting up in this country.

The Green Paper also proposes that those working under contracts "for services" should have the same statutory right to restrain their union from calling on them to take industrial action without a proper secret ballot as those who work under contracts "of employment".

In addition, it is right to consider extending certain functions and powers of the Commissioner for the Rights of Trade Union Members. The Green Paper proposes that it should be possible for the Commissioner's assistance to be available in connection with proceedings relating to certain breaches of union rules which amount to a matter of 'substantial public interest'. It also proposes enabling the Commissioner

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(2) Details of the relevant findings are provided in the Annex to this Press Notice.

to appear alongside an applicant in the title of assisted proceedings.

These proposals continue the step-by-step reform of industrial relations and trade union law which has achieved so much since 1979. By removing further barriers to employment, these reforms will assist the continued growth of the economy and the creation of even more new jobs in the coming decade".

NOTE TO EDITORS

1. The consultation period closes on 20 June 1989.

2. A summary of the Green Paper is attached.

SUMMARY OF GREEN PAPER

"REMOVING BARRIERS TO EMPLOYMENT"

PROPOSALS FOR THE FURTHER REFORM OF INDUSTRIAL RELATIONS AND TRADE UNION LAW

The Green Paper is set out in four chapters. Comments on the issues covered, and the proposals made, should be sent to arrive no later than 20 June to:-

The Employment Department
Industrial Relations Branch B
Level 3
Caxton House
Tothill Street
London SW1H 9NF.

CHAPTER 1 - "INTRODUCTION"

1. This chapter describes the reforms of industrial relations and trade union law undertaken by the Government since 1979. Figure 1 sets out various freedoms, rights and protections now available to individuals and employers as a result of these reforms.

2. Removing barriers to economic efficiency has made an important contribution to the improvement in the employment scene. The chapter sets out key statistics to demonstrate the recent growth in jobs, more flexible patterns of employment, and the fall in unemployment. It is, however, essential to continue the search for greater flexibility, to examine obstacles to the growth of jobs, and ensure that the legal framework for industrial relations is adapted to the needs of the 1990s.

3. The chapter outlines the main proposals in the Green Paper.

CHAPTER 2 - "THE PRE-ENTRY CLOSED SHOP"

This chapter invites comments on the proposal that legislation should provide a right of complaint to an industrial tribunal for any individual whom an employer refuses to engage on the ground of non-membership of a trade union or of any particular trade union, or on the ground of refusal to agree that he will become a member after his employment has started.

4. This chapter recalls that the White Paper "Employment for the 1990s", published in December 1988, announced that the Government intended to examine the operation of the pre-entry closed shop and review the steps employers had taken to use the freedom the law has given them to get rid of closed shop arrangements. The review involved:

- consideration of all the available research and survey evidence;

- discussions with some 40 employers' organisations and individual employers;

- a specially commissioned survey of over 1,600 employees, undertaken between 22 February and 6 March 1989. (A note summarising the findings of this survey is attached as an Annex.)

5. The closed shop is defined as any employment situation in which particular jobs can only be filled, in practice, if the worker is willing to become and remain a member of a specified trade union, or one of a number of specified trade unions. Where a post-entry closed shop exists, an employer may take on a non-unionist, so long as such a recruit joins the union shortly after

starting the job. In the pre-entry closed shop, an individual has to be accepted as a union member before starting work.

6. The main findings of the review of the closed shop are that:

- the closed shop, and particularly the pre-entry closed shop, damages profitability and destroys jobs by artificially pushing up labour costs. It also restricts the supply of skilled workers. It is estimated that there could be over 100,000 more jobs available if the pre-entry closed shop had never existed;

- the pre-entry closed shop is an infringement of the liberty of the individual. Where it is in operation, workers seeking employment cannot choose for themselves whether to join a trade union; in order to get a job they are obliged to do so;

- employers have made limited use of the freedom the law now gives them to get rid of closed shops. Although very few employers now operate formal post-entry closed shops, about 1.3 million workers are still covered by post-entry arrangements. Pre-entry closed shops (whether formal or de facto) are still found in all the major sections of the economy and are particularly prevalent in certain industries and areas. They also cover some 1.3 million workers.

7. The chapter notes that previous Employment Acts have already eliminated many of the worst abuses of the closed shop. Dismissal of an employee, or discriminatory action short of dismissal, for non-membership of a union is now unfair. Industrial action to enforce any closed shop is now unlawful. But it is still lawful

for an employer to discriminate against workers who are not members of a trade union by refusing to engage them.

8. In the Government's view, the findings of the review of the closed shop constitute a substantial case for further legislation, and it is accordingly proposed that the remaining loophole should be closed by giving individuals a statutory right not to be refused engagement on the ground of non-membership of a trade union. Any individual who believed that he had been discriminated against in this way would be able to complain to an industrial tribunal. If the tribunal found that engagement had been refused on the ground of non-membership, it would make a declaration to that effect. If the employer still refused to engage the individual, the tribunal would be able to order the employer to pay compensation to him. The amount of compensation could be calculated on the same basis as applies to refusal of engagement because of discrimination on grounds of sex or race. The maximum in such cases is currently £8,500.

9. An alternative approach mentioned in the chapter would be to give individuals a right of complaint to the High Court. An industrial tribunal would, however, be a more appropriate forum because procedures at a tribunal are less formal, less expensive, easier of access and quicker than those of the High Court. In addition, industrial tribunals already hear complaints from individuals who believe that they have not been recruited by an employer because of discrimination on grounds of sex or race, as well as complaints from individuals who believe that they have been dismissed from employment because they are not union members.

10. The chapter notes that simply to make the closed shop unlawful would provide no effective remedy for those affected by it. The law provides a direct remedy to those who are discriminated against on grounds of sex or race. In the Government's view it must equally do so for those discriminated against on the ground of non-membership of a trade union.

11. The remainder of the chapter considers specific issues which arise from the proposal and on which the Government would welcome views. These are:

- that the proposed new right should be given to people who are not members of a particular union, or one of a number of particular unions (or of a particular branch or section of a union, or one of a number of such branches or sections), as well as to people who are not members of any trade union at all;

- that legislation should protect individuals from being refused engagement either because they are not members of a union at the time of recruitment or because they refuse to agree at the time of recruitment to join a union after their employment has started;

- that no exception should be made in the case of trade unions which are also professional organisations, such as the British Medical Association and the Royal College of Nursing.

CHAPTER 3 - "INDUSTRIAL ACTION"

This chapter invites comments on the following proposals:-

(a) To remove immunity from inducement of workers of an employer not party to a trade dispute to breach or interfere with the performance of contracts, except insofar as such inducement occurs in the course of lawful picketing;

(b) To extend the requirements for balloting before a union authorises or endorses any industrial action so that they apply to such action by union members working under contracts "for services"; and

(c) To extend the definition of "secondary action" so that it includes inducement of action by those who work under contracts "for services".

12. This chapter describes the improvement in industrial relations, and the reduction in the number of strikes and days lost through industrial action, since the 1970s. It notes that these improvements have been achieved at the same time as the Government's reform of industrial relations and trade union law. There are, however, no grounds for complacency, and the process of modernising the law is a continuing one, with the limits for the lawful organisation of industrial action subject to periodic review.

Immunity for organising secondary action

13. The law which enables inducement of breach or interference with the performance of contracts to benefit from "immunity" is

described, in particular the present statutory provisions concerning immunity for organising "secondary" action. These provisions of the Employment Act 1980 were, of course, framed at a time when secondary action had been much more widespread than in recent years.

14. Various considerations point to the need to change the present law as it affects immunity for organising secondary action. In particular:-

- there is no good reason why, in general, employers not party to a dispute should be at risk of having such action organised against them;

- the threat of secondary action with the aim of forcing a new enterprise to accept certain terms and conditions may deter employers from starting up in this country; this sort of threat was made when the American Ford Motor Company was planning a new factory at Dundee; and

- the present law is complicated; in the absence of a court judgment it might be difficult for those involved to determine whether there would be immunity for organising secondary action in certain circumstances.

15. The Government therefore propose to remove immunity from the organisation of secondary action by workers of an employer not party to the trade dispute.

16. Lawful picketing may involve attempts to persuade workers of other employers to breach or interfere with the performance of contracts. However, the Government propose no change to the law on picketing.

Balloting on industrial action by those working under contracts "for services"

17. The chapter recognises that the law on balloting before a union authorises or endorses industrial action has done much to help ensure that union members are given the opportunity to express their willingness or otherwise to take such action. There have been notable examples of members voting against industrial action which their unions might otherwise have sought to organise. It is, of course, essential that ballots are properly conducted, and satisfy all the statutory requirements.

18. The formulation of the law currently applies the balloting requirement only to union members working under contracts "of employment". There are, however, union members (for example many freelance workers in the performing arts, and self-employed workers in construction) who are engaged on contracts "for services" rather than "of employment". It is possible for a "trade dispute" (as defined in the Trade Union and Labour Relations Act 1974) to involve such workers, and for its organisation to have immunity.

19. The Government therefore propose to ensure that union members working under contracts "for services" have the same right to a proper ballot before their union induces them to take industrial action as have those working under contracts "of employment". Employers whose workers are engaged under contracts "for services" should also have protection against a union organising unballoted action by them.

Extending definition of "secondary action" so that it includes action by those working under contracts "for services"

20. The present definition of "secondary" action, inter alia, covers inducement or threat to break or interfere with the performance of a contract "of employment". There is, however, no

reason why secondary action should attract immunity simply because those who take part work under contracts "for services" rather than contracts "of employment".

21. Another proposal in this chapter would remove the present immunity for organising secondary action, but would not affect that immunity in respect of acts arising during the course of lawful picketing. Where picketing is otherwise lawful, but gives rise to breach or interference with the performance of contracts "for services" immunity would therefore continue to be available.

CHAPTER 4 -
"THE COMMISSIONER FOR THE RIGHTS OF TRADE UNION MEMBERS"

This chapter invites comments on the following proposals:-

(a) To enable the Commissioner, at the discretion of an assisted person, to appear alongside the assisted person in the title of proceedings; and

(b) To extend the proceedings in scope of the Commissioner's assistance to enable the Commissioner to assist certain proceedings arising from complaints that union rulebook provisions had not been, or will not be, observed where the Commissioner views the complaint as a matter of substantial public interest.

22. It is not much use union members having rights to protection against abuses of power by their unions if there are unnecessary obstacles to their using the law to enforce these rights. It is also important to maintain the principle, applied in the Government's reform of industrial relations and trade union law since 1979, that the use of legal proceedings to prevent or restrain unlawful acts should be left to those directly affected by those acts. It has never been the Government's intention to encourage unnecessary proceedings, but to help ensure that proceedings can be taken if necessary.

Commissioner to appear in the title of assisted proceedings

23. The Commissioner's assistance is available only where a union member eligible to bring proceedings in his own right applies for that assistance and is willing to see the proceedings brought or continued. But at present the Commissioner cannot appear in the

title of those proceedings, and could not do so unless legislation allows this - even though the Commissioner is not (and will not be) a party to such proceedings.

24. If it was possible for the Commissioner to appear alongside the assisted person in the title of assisted proceedings, however, this could give an assisted person more assurance that the Commissioner stood behind him in the proceedings. It could also increase awareness of the Commissioner's assistance, and afford useful publicity for the Commissioner's office.

25. There might be cases in which the assisted person would prefer not to have the Commissioner appearing in the title of proceedings. There is no reason why the decision about this should not be left to the assisted person.

Extend the proceedings in scope of the Commissioner's assistance

26. The proceedings currently in scope of the Commissioner all relate to the enforcement of union members' statutory rights and of statutory duties owed by unions to their members. The full list of proceedings in scope of assistance is set out in Figure 2 of the Green Paper. The Employment Act 1988 envisaged a possible extension of the proceedings in scope of the Commissioner's assistance.

27. In addition to statutory rights and duties, a union's rulebook is, in effect, a contract between the union and members. The rulebook may impose obligations on a union to follow certain procedures in connection with particular activities, and it gives members rights to ensure that such procedures are followed. These rights are enforceable by individual members affected, through court proceedings.

28. Members contemplating or taking proceedings against their union on the ground that they have been denied rights or duties

owed to them under the terms of their union's rulebook may face considerable disadvantages. Trade unions are large organisations with substantial resources and expertise to call upon when legal proceedings are imminent or taking place. Conversely, union members considering or taking proceedings may well face problems in view of the high costs such proceedings could involve. It will always be daunting for a member to contemplate taking on his union without assistance and support.

29. It is therefore proposed that the Commissioner should have discretion to grant assistance, where she views the complaint as a matter of substantial public interest, in connection with proceedings arising from a complaint by a member that his union has failed, or is likely to fail, to observe the requirements of its rulebook relating to:

- obtaining or nominating candidates for election to union office;

- selection for or election to union office (for example regional, area or branch officials)

- nomination, selection or election of representatives to attend meetings concerned with union policy and practices (for example, a rules-revision conference);

- expulsion or other union discipline, or determining the actual disciplinary penalties imposed on union members;

- enabling the union to authorise or endorse industrial action;

- union ballots of members;

- applying union funds or property;

- imposing, collecting or distributing strike levies; or

- the composition of union bodies, eg conferences or committees, and procedures to be followed by them in taking decisions.

30. Union members would be protected against disciplinary action by their union if taken because they had sought assistance from the Commissioner in connection with any of these matters. The Commissioner's assistance would continue to be available only in connection with proceedings arising from complaints that would be heard at first instance in the High Court.

31. It would be inappropriate to use public funds to support such proceedings unless they were of potential relevance to union members other than just the member making the complaint. In considering an application for assistance about these matters, therefore, the Commissioner should take into account whether the award by the court of the remedy sought by the member would be of relevance to other union members. This criterion would be used by the Commissioner to decide whether an application constituted a matter of "substantial public interest".

ANNEX

NEW SURVEY RESULTS ON THE CLOSED SHOP

* Around 2.6 million employees currently work in closed shops.

* Half of these employees - 1.3 million - work in pre-entry closed shops. This is substantially more than was previously thought.

* Closed shops are most common in the nationalised industries where nearly a quarter of employees work in them.

* About two fifths of employees in pre-entry closed shops say they would be dismissed by their employer if they lost or resigned their union membership.

* These are the main findings of a recent survey of individuals carried out for the Employment Department by NOP Market Research Limited.

* In most respects the survey's findings on the characteristics of employers and employees involved in closed shops in 1989 are consistent with previous research.

Until now the most recent research evidence on the extent of the closed shop in Britain dated from 1984. The Workplace Industrial Relations Survey of that year yielded estimates of the coverage of both pre-entry and post-entry closed shop arrangements. These were based upon interviews with managers and resulted in estimates of around half a million for the pre-entry and just over 3 million for the post-entry closed shop[1].

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[1] Neil Millward and Mark Stevens, British Workplace Industrial Relations 1980-1984 (Gower, 1986)

As part of the Department's review of the closed shop it was decided that new estimates of the extent of the practice were needed. A specially designed survey of individuals was commissioned to obtain the required information. Questions were inserted into the NOP Random Omnibus Survey for two weeks, starting on 22 February.

The NOP Random Omnibus Survey is a regular weekly survey of individuals carried out by NOP Market Research Limited. It is based upon a sample drawn at random from the Electoral Register and involves face-to-face interviews in the respondent's home. The sample in the first week of fieldwork was 1949 individuals of whom 830 were employees; the response rate was 51 per cent. A second week's fieldwork, which ended on 6 March, yielded a sample of 1720, of whom 780 were employees. Results presented in this paper are mostly based upon the first week's results and have been weighted to compensate for unequal probabilities of selection. The second week's information - which was for a more restricted range of questions - is at present only available in unweighted form. It has been taken account of in the numerical estimates of the extent of the closed shop.

The Questions

The survey question on the current coverage of the closed shop was, 'if someone were to be recruited now to do your job, would they have to be a union member,

before being considered for the job, or
before taking up the job, or
after starting the job, or
would they not be required to be a union member?'

Respondents were shown a card by the interviewer to help them understand and choose between the four options.

The first category is clearly the core of what has conventionally been called the **pre-entry** closed shop. The **third** category identifies the **post-entry** closed shop. The second category is a new one in surveys of the closed shop and identifies a weaker form of the traditional pre-entry closed shop. Splitting the pre-entry form into two categories which were treated as one in previous research creates some uncertainty about comparisons between the NOP survey results and previous estimates. However, it seems unlikely that this change of question wording will have affected the estimates in a substantial way. Comparisons with previous results are more likely to be affected by the use of a sample of employees, rather than local managers or trade union officials: in some cases there will be an element of subjectivity about whether any particular job is one involving compulsory union membership, even though in the majority of cases employees and managers will agree. There are also likely to be some differences in view about the form of closed shop arrangement that exists.

The extent of the closed shop in 1989

The results of the question on the current coverage of the closed shop are shown in the following table.

Estimated numbers of employees in the main types of closed shop, 1989

	employees	percentage of all employees
Trade union membership required:		
before being considered for the job	800,000	4
before starting the job	500,000	2
after starting the job	1,300,000	6
Total membership of closed shops	2,600,000	12

Thus the pre-entry and the post-entry closed shop each cover of the order of 1.3 million employees. These are central estimates which are subject to sampling error[2]. The overall figure of 1.3 million for the pre-entry closed shop is better regarded as lying between 1 million and 1.6 million employees.

Comparison with previous estimates

These figures indicate a substantially larger number of people in pre-entry closed shops than was previously thought. A 1978 study estimated the coverage of the pre-entry closed shop as at least 837,000.[3] The same study anticipated a decline in the practice up to 1982, but did not include separate re-estimates for pre-entry closed shops. Estimates based upon the 1984 Workplace Industrial Relations Survey (WIRS) put the extent of the practice at around 500,000. Given the trends in union membership and the new legislation affecting post-entry closed shops during the intervening period, it seems unlikely that the pre-entry closed shop fell sharply in the early 1980s and rose even more dramatically thereafter.

Other possible explanations for the differences between the various estimates are more plausible. Firstly, there may be substantial differences in perception between employees and managers about whether a closed shop exists for any particular job. Managers may be more likely to report closed shops only where the

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[2] The calculation of sampling errors has been based upon the standard formula for a simple random sample of size 1610 with a confidence interval of 95 per cent plus an assumed design factor of 1.2. The design factor allows for the fact that the sample was of multi-stage design and has larger sampling errors than a simple random sample.

[3] Stephen Dunn and John Gennard The Closed Shop in British Industry (Macmillan, 1984).

arrangements are subject to joint management-trade union agreements.[4] Employees on the other hand may have a wider set of circumstances in mind when they say that union membership is compulsory. These might include circumstances where local knowledge of the strength of union organisation at a workplace is such that there would be no point in a non-member applying for a job there.

For similar reasons employees and managers might have different views about the type of closed shop situtation. This might well lead to managers reporting a post-entry closed shop, usually on the basis of a formal agreement with the unions, while some employees would see the situation as one where only current union members would have a chance of being appointed. If this explanation were true it would explain why the current survey results give a higher proportion of closed-shop members in pre-entry situations, while the overall figure for all types of closed shop - about 2.6 million - is consistent with earlier research and expected trends.

Another, but probably less important, explanation might be that non-respondents in the survey of individuals are less likely to be closed-shop members than non-responding establishments in surveys of workplaces. However, even if all non-respondents to the NOP survey were not in closed shops this would only reduce the estimated number in pre-entry closed shops to about 650,000; and such an extreme assumption is highly implausible. Unfortunately, as with most surveys, it is impossible to ascertain how different non-respondents are from respondents.

Recent changes in closed shop membership

Because of the presumed difficulties of comparing individual and employer-based estimates of the closed shop, the NOP survey included a question on the situation when the respondent first took up his or her current job. The comparisons between the results of this question and the question on current closed-shop membership suggest an overall decline over recent years, most noticeably in the case of post-entry situations. This analysis reinforces the overall estimates of coverage as being lower than in earlier years.

Union density in closed shop situations

As expected the survey results show union density to be 100 per cent in virtually all pre-entry closed shops. The survey question was, 'at the particular place where you work, roughly what proportion of people doing your kind of work are members of a trade union?' In pre-entry situtations covered by the first of the two categories shown in the Table virtually every respondent answered '100 per cent'. Fewer than a tenth answered 'nearly 100 per cent' and none gave an answer lower than this. By comparison, just over a half of respondents in post-entry situations answered '100 per cent'. Thus union density is 100 per cent in

[4] In the 1984 WIRS 95 per cent of closed shop arrangements were supported by a written or oral agreement between management and unions.

pre-entry closed shops much more commonly than in post-entry cases.

However, situations of 100 per cent union density are by no means confined to closed shop situations. Nearly a half of respondents who reported 100 per cent membership in their workgroup were in 'open shops'. And four fifths of those who reported union density in their workgroup as nearly 100 per cent were in open shops.

Employer and workplace characteristics

The survey results are very consistent with previous research findings on the types of workplaces that have closed shops.

Closed shops are virtually absent in small workplaces where, of course, union density is generally much lower. Only 3 per cent of employees in workplaces with fewer than 25 employees are in a closed shop.

In small firms - identified in the survey as firms with fewer than 25 employees and only a single site - there are virtually no closed shop employees.

Nationalised industries have the highest incidence of closed shops, both pre- and post-entry, as already known from other sources.[5] Nearly a quarter of workers in these industries said they worked in a closed shop and 12 per cent described the situation as pre-entry.

Reasons for union membership

The closed shop features strongly among the reasons that employees give for being a union member. Union members were asked what was the most important reason for their membership. The most common response overall was 'to protect me if problems come up in the future' (39 per cent) followed by 'to get higher pay and better conditions' (23 per cent). But in 10 per cent of cases the most important reason for membership was that it was 'a condition of having the job'. This proportion is very close to the proportion of employees in closed shops.

Sanctions on closed shop employees

Employees in pre-entry closed shops face a formidable range of sanctions if they lose or give up their trade union membership. Asked what consequences there would be for them at work in such circumstances, about two fifths replied that they would be dismissed or made to resign by their employer. Others mentioned a range of sanctions from fellow workers. Only one in every six of these employees said that there would be no consequences for them at work if they ceased to be a member.

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[5] Millward and Stevens (1986) op cit.

Removing Barriers to Employment

Proposals for the further reform of industrial relations and trade union law

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Presented to Parliament by the Secretary of State for Employment by Command of Her Majesty
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Invitation to comment

The Government would welcome views on the issues and proposals set out in this document. Comments should be sent, to arrive no later than 20 June, to:

The Employment Department
Industrial Relations Branch B
Level 3
Caxton House
Tothill Street
London SW1H 9NF

Chapter 1 Introduction

1.1. Since 1979 the Government have given high priority to a programme of step-by-step reform of industrial relations and trade union law, a major purpose of which has been to remove unnecessary barriers to jobs. Before 1979 poor industrial relations was a major cause of job losses. Since then, employers have been given new freedoms which have enabled them to manage their businesses more efficiently and productively. Trade union members have been given the freedom to decide for themselves whether or not they wish to take part in industrial action. *Figure 1* sets out the major rights, freedoms and protections now provided by the Employment Acts of 1980, 1982 and 1988 and the Trade Union Act 1984.

1.2. Removing barriers to economic efficiency has made an important contribution to the improvement in the employment scene. The recession of the early 1980s hit the UK labour market hard, but since then the UK has rediscovered the art of job growth. A combination of strong and steadily increasing output, improved industrial relations and a more flexible labour force has provided the framework within which enterprise and job and training opportunities can flourish.

1.3. The numbers in the workforce in employment have increased enormously since March 1983 when job growth resumed. Over the five and a half years to September 1988, 2·8 million jobs and training places have been created. All the ground lost during the recession, and more, has been regained and the workforce in employment now stands at its highest ever level. The scale of this increase in jobs is unsurpassed in the post-war period.

1.4. Within this total, since March 1983 the number of employees in employment has increased by 1·6 million, of which 863,000 were full-time jobs. In addition, self-employment has risen by around 800,000.

1.5. The unemployment situation has also greatly improved. Since the 1987 General Election campaign there has been a record-breaking decline in unemployment, down by over a million. It has fallen in each of the last 31 months, the longest and largest fall since the war. Unemployment in the United Kingdom has fallen faster in the past year than in any other major industrialised country, and is now lower than in the majority of European Community countries.

1.6 All parts of the economy have benefited:

—unemployment has fallen in every region;

—long-term unemployment is down more than half a million from its peak of 1·37 million and has recently been falling at a faster rate than total unemployment;

—unemployment among the young (18–24) has also fallen faster than total unemployment. The United Kingdom now has a lower unemployment rate for the under-25s than any other major European Community country except Germany;

—results from the Labour Force Survey suggest that the unemployment rates among ethnic minorities have fallen faster than for the population as a whole.

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Figure 1

Freedoms, Rights and Protections

EMPLOYMENT ACT 1980

Individuals given:

—**protection** against dismissal or discrimination for non-union membership in a closed shop in the case of strongly held personal convictions.

Employers given:

—**freedom** to decide for themselves whether or not to recognise trade unions;

—**right** to restrain unlawful picketing;

—**right** to restrain indiscriminate secondary action;

—**freedom** from inappropriate restrictions in determining pay levels.

EMPLOYMENT ACT 1982

Individuals given:

—increased **protection** and compensation if dismissed because of a closed shop.

Employers given:

—**freedom** to take legal action for injunctions and damages against trade unions themselves;

—**right** to restrain industrial action which is not about employment-related disputes between workers and their employer;

—**right** to restrain secondary action intended to establish or maintain union labour only contracts.

TRADE UNION ACT 1984

Individuals given:

—**right** to regular ballots to decide whether their union should undertake political activities;

—**right** to elect by secret ballot all voting members of their union's executive.

Employers given:

—**right** to restrain industrial action unless there has been a properly-conducted secret ballot.

EMPLOYMENT ACT 1988

Individuals given:

—**right** to restrain their union from calling on them to take any industrial action not supported by a properly-conducted secret ballot;

—**protection** against dismissal for non-union membership in all circumstances;

—**right** to inspect their union's accounting records;

—**protection** against unjustifiable discipline by their union (for example for working during a dispute);

—**right** to elect *all* principal union leaders by secret postal ballot under independent scrutiny;

—**right** to take legal action against trustees if they permit union funds to be used unlawfully;

—**right** to apply to the Commissioner for the Rights of Trade Union Members for assistance in taking certain court proceedings against their trade unions.

Employers given:

—**right** to restrain industrial action intended to establish or maintain any union closed shop practice.

1.7. The improvements which have taken place show the value of the Government's policy of removing barriers to the efficient working of the labour market, but it is essential to continue the search for greater flexibility and to examine obstacles to the growth of jobs which still remain. In this context we must ensure that the legal framework for industrial relations is adapted to the needs of the 1990s.

1.8. The Government consider that it is time to take action against the pre-entry closed shop. This is a restrictive practice, limiting the number of people who can obtain employment in the areas it covers. The effect is to increase labour costs artificially, which in turn destroys jobs. It has a particularly damaging effect on the supply of skilled workers by restricting access to training places. The overall result is higher prices, lower output and an inefficient use of the economy's resources.

1.9. It is also important to keep under review the limits within which industrial action can be lawful. The harm which inappropriate and unnecessary forms of industrial action can do to the economy, and to jobs, needs no emphasis. Much has been achieved already, not least through the right which both employers and trade union members now have to insist on a properly-conducted secret ballot before industrial action. But the Government consider that it is time to examine afresh whether the immunities for secondary action established in 1980 are still appropriate. The Government's view is that, in general, employers who are not parties to a dispute should no longer be exposed to the threat of industrial action—a threat which can deter new enterprises from setting up in this country.

1.10. Finally, the Government consider that thought should be given to whether the scope of the Commissioner for the Rights of Trade Union Members should be extended.

1.11. The Government invite comments on the proposals for further reform of the law set out in this consultative document. Chapter 2 deals with the pre-entry closed shop, Chapter 3 with industrial action (including secondary action) and Chapter 4 with the Commissioner for the Rights of Trade Union Members.

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Chapter 2 The Pre-entry Closed Shop

2.1. The White Paper "Employment for the 1990s"[1] announced that the Government intended to examine the operation of the pre-entry closed shop and review the steps employers had taken to use the freedom the law has given them to get rid of closed shop arrangements.

2.2. This review considered all the available research and survey evidence, and discussions were held with some 40 employers' organisations and individual employers. In addition, a specially commissioned survey of over 1,600 employees was undertaken between 22 February and 6 March 1989.

The nature of the closed shop

2.3. The closed shop means any employment situation in which particular jobs can only be filled, in practice, if the worker is willing to become and remain a member of a specified trade union or one of a number of specified trade unions. The two main forms of the closed shop are: the **post-entry closed shop**, where the employer may take on a non-unionist, so long as such a recruit joins the union shortly after starting the job, and the **pre-entry closed shop**, where the individual has to be accepted as a union member before starting work in a job that is covered by the arrangement. It is the latter form which was given particular attention in the review.

2.4. The relevant research[2] identifies three main types of the pre-entry closed shop. In **craft qualification shops** (such as in general printing) craft unions restrict full membership to those who have completed apprenticeship or similar training and, in some cases, limit the number trained in this way through, for example, apprenticeship ratios. In **labour supply shops** (as in the London wholesale markets) the union operates as an employment agency, being recognised by the employer as the sole or main supplier of labour. In the **labour pool shop** (as in merchant shipping) employers recruit from a recognised pool of labour confined to members of the union. It is likely that the craft qualification and labour pool shops have been the most prevalent.

2.5. Some pre-entry closed shops were established on an industry-wide basis, as in merchant shipping and the theatre, but in most cases the arrangement was a local one, operated at individual workplaces. In 1984 most workplaces with any form of closed shop had a written agreement covering the practice[3], but this was less true of pre-entry than post-entry cases. It was also more common for pre-entry arrangements to be partial, covering particular job categories rather than all manual employees at the workplace.

Extent

2.6. The numbers of people in closed shops increased to a peak of over 5 million in 1978[4]. Since then there has been a fall to around 3·6 million in 1984[5] and around 2·6 million in early 1989[6].

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[1] Cm 540, December 1988.

[2] Stephen Dunn and John Gennard, *The Closed Shop in British Industry* (Macmillan: 1984).

[3] Neil Millward and Mark Stevens, *British Workplace Industrial Relations 1980–84* (Gower: 1986).

[4] Dunn and Gennard, op. cit.

[5] Millward and Stevens, op. cit.

[6] From the survey mentioned in para 2.2, which involved face to face interviews with a random probability sample of adults, conducted by NOP Market Research Limited.

2.7. The **pre-entry** closed shop covered over 800,000 workers in 1978[1]. That figure was explicitly a minimum estimate for a number of reasons, including the difficulty of obtaining reliable information from employers and trade unions in some industries, notably construction, although the closed shop was known to exist there. The most recent evidence, from the specially commissioned survey, suggests that there are 800,000 workers in jobs where it is necessary to be a union member before being considered for the job; in addition there are about 500,000 workers in jobs where new recruits are required to join a union before starting work. **In total, therefore, the number of people covered by all types of pre-entry closed shop arrangements is of the order of 1·3 million.**

2.8. The pre-entry closed shop therefore remains widespread—indeed, significantly more so than previously estimated. There are concentrations in shipping, printing, manufacturing, the theatre and the London wholesale markets. It is also present in construction and road haulage and is found across all major sectors of the economy, largely reflecting its importance in the traditional craft occupations.

Economic effects

2.9. The main economic effect of the closed shop is to destroy jobs by raising labour costs and depressing profitability.

2.10. Over recent years a considerable body of research has established that labour costs are higher in plants where unions bargain over the pay of manual workers, even taking account of a large number of other factors. The range of the "union mark-up" is wide, and one important element in explaining the variation is the presence or absence of a closed shop[2].

2.11. The effect on labour costs is most marked with the pre-entry closed shop. Recent analysis[3] suggests that the existence of a pre-entry closed shop raises the earnings of manual workers by over 10 per cent on average. In plants subject to relatively little product market competition it raises wages by about 20 per cent[4]. In the small proportion of plants in competitive industries which have **both** a pre-entry closed shop **and** a high level of union coverage in the industry, wages can be up to 30 per cent higher. The pre-entry closed shop appears to raise the pay of other manual workers in a plant, not just those it directly covers[4, 5]. It also tends indirectly to push up earnings levels more generally in local and national labour markets.

2.12. The evidence shows that the closed shop not only increases labour costs but also has an adverse effect on company profitability. The evidence for this is strongest in firms exposed to limited competition in their product markets but it is also found more generally[6]. The closed shop also appears to lower productivity, as illustrated by a recent paper which looked at this issue for the engineering industry[7].

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[1] Dunn and Gennard, op. cit.

[2] D Blanchflower, A Oswald and M Garrett, *Insider Power in Wage Determination* (LSE Centre for Labour Economics, Discussion Paper 319: 1988).

[3] M B Stewart, *Union Wage Differentials, Product Market Influences, and the Division of Rents* (LSE Centre for Labour Economics mimeo: November 1988).

[4] M B Stewart, *Collective Bargaining Arrangements, Closed Shops and Relative Pay* (Economic Journal 97: 1987).

[5] D Blanchflower and A Oswald, *The Determination of White-collar Pay* (LSE Centre for Labour Economics, Discussion Paper 307: 1988).

[6] S J Machin and M B Stewart, *Unions and the Financial Performance of British Private Sector Establishments* (University of Warwick mimeo: September 1988); D Blanchflower and A Oswald, *Profit Related Pay: Prose Discovered?* (Economic Journal 98: 1988).

[7] S J Machin, *Union Productivity Effects in British Engineering* (University of Warwick mimeo: 1987).

2.13. The closed shop is sometimes associated with higher levels of industrial action. A 1987 study[1] found a positive relationship between the presence of a closed shop and the probability of a recent strike by manual workers. Some employers have reported that the pre-entry closed shop is associated with high levels of non-strike action such as go-slows and blackings.

2.14. Because it raises aggregate labour costs, the pre-entry closed shop reduces total employment in the economy. It is estimated that if it had never existed and labour costs had consequently been 10 per cent lower for the workers currently covered by pre-entry closed shops, the direct effect would be that aggregate employment would be higher by over 100,000. The total impact on employment would have been greater because, in addition, labour costs would have been lower for **other** workers in plants with pre-entry closed shops; the wage premium in **post-entry** closed shops would have been lower; and labour costs would have been lower elsewhere in the economy through greater competition in the labour market.

2.15. Research[2] has shown that high costs of providing trainee places is an important reason why shortages of skilled craftsmen have been a chronic problem in the British economy. Other work[3] has demonstrated that trade union policy had the effect of raising the cost to employers of providing craft apprentice places, and therefore restricting the supply of craftsmen. Pre-entry closed shops have always been common in the craft unions and have enabled them to exercise this restriction in the labour market.

Practice of employers

2.16. One purpose of the review was to establish what steps employers are taking to use their freedom to get rid of closed shop arrangements. Extensive evidence on this was obtained from employers and employers' organisations.

2.17. Largely as a result of the Government's earlier legislation, few employers now attempt to enforce post-entry closed shops. In several cases (for example, footwear manufacturing, British Gas, British Shipbuilding, British Rail Engineering Ltd) formal post-entry arrangements have been suspended or scrapped. In others (for example, Ford, National Freight Company) formal agreements have been left in place but are no longer enforced. The survey found little evidence of formal post-entry closed shops still being operated, though some local authorities make it a formal condition of engagement that the new recruit agrees to join one of a number of specified trade unions or to make a charitable donation equivalent to union dues. Union membership levels often remain very high where the post-entry closed shop formerly applied—for example, 90 per cent or more—reflecting informal pressures on new recruits, as well as other factors.

2.18. **Formal** pre-entry closed shops were most clearly evident in the shipping, printing and theatrical industries. Under national agreements covering much of the shipping industry, ratings are required to be registered seafarers and, once registered, cannot start work with a unionised company unless they are union members.

2.19. In the general printing industry, skilled employees are usually members of either the NGA[4] or SOGAT. As a result, employers often notify vacancies to the local union branch, which will then put forward members for interview. This applies particularly to the NGA, a craft union covering only skilled printing and pre-press occupations, but also applies to some extent to SOGAT, which has some skilled as well as semi- and unskilled members. There are also post-entry arrangements in a number of companies.

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[1] A Booth and R Cressy, *Strikes with Asymmetric Information: Theory and Evidence* (City University mimeo: August 1987).

[2] Ian Jones, *Pay Relativities and the Provision of Training* (National Institute for Economic and Social Research, Discussion Paper No. 77: 1985).

[3] Paul Ryan, *Apprenticeship and Industrial Relations in Engineering in the Inter-War Period* (presented to the Workshop on Child Labour and Apprenticeship, University of Essex: 1986).

[4] The Annex provides a glossary of trade union titles quoted in abbreviated form.

2.20. As regards the theatre, the Theatrical Management Association (TMA), which represents those concerned with theatrical production in the provinces, entered into new casting agreements with Equity in August 1988. Students graduating from an accredited acting or stage management course are now placed on Equity's Register for two years. If they are able to obtain a suitable offer of employment from a TMA member during that time, they will be given provisional membership of the union. However, graduates from non-accredited courses and non-graduate newcomers to the profession can only obtain Equity cards under a quota system administered by the TMA. Where West End theatres are concerned, the position is more straightforward; an agreement between the Society of West End Theatre and Equity provides that individuals are unable to obtain employment unless they are already in possession of an Equity card.

2.21. Some employers in the road haulage industry require new recruits to have a union card to enable them to gain admittance to particular locations (for example the docks, especially in Liverpool where all road haulage employers notify the TGWU when new labour is required). At the London wholesale markets (for example Smithfield), the TGWU still acts as a recruitment agency for employers, nominating a potential candidate from the union's pool whenever a vacancy arises.

2.22. It is clear from the survey, however, that **informal** pre-entry arrangements remain widespread. For example, employers in the exhibition industry are unlikely to take on anyone who does not possess a union card, for fear of industrial action if a non-member was found to be working at an exhibition site. A number of employers operate *de facto* pre-entry closed shops when recruiting skilled craftsmen, regarding union membership as evidence of the required skills. This attitude was particularly prevalent in engineering but was also found in the construction industry.

2.23. The evidence obtained from employers on the widespread extent of the pre-entry closed shop is amply confirmed by the most recent survey evidence in paragraph 2.7 above.

The situation elsewhere in the European Community

2.24. Evidence obtained in the course of the review shows that formal closed shops are unlawful in many other European Community countries and are rare even where they are not unlawful. France, West Germany, Italy, Luxembourg, Spain and Portugal all have legislation which explicitly or implicitly prohibits the closed shop. Holland has a formal closed shop arrangement in the printing industry but 'conscientious objectors' are exempt and, in practice, use of this let-out is freely available. Informal closed shops do exist in some countries but appear to be much less widespread in any of them than in Britain.

Need for further action

2.25. The review shows that:

—the closed shop, and particularly the pre-entry closed shop, can push up labour costs very significantly, with consequent damage to profitability and to jobs. It also has indirect effects which reduce the flexibility of the labour market and adversely affect employment levels and the supply of skilled workers. It is a restrictive practice and a barrier to employment;

—the pre-entry closed shop is an infringement of the liberty of the individual. Where it is in operation, workers seeking employment cannot choose for themselves whether to join a trade union; in order to get a job they are obliged to do so;

—employers have made limited use of the freedom the law now gives them to get rid of closed shops. Although very few employers now operate formal post-entry closed shops, about 1·3 million workers are still covered by post-entry arrangements. Pre-entry closed shops (whether formal or *de facto*) are still found in all the major sectors of the economy and are particularly prevalent in certain industries and areas. They also cover some 1·3 million workers.

2.26. In the Government's view, these findings constitute a substantial case for further legislation.

2.27. Previous Employment Acts have already eliminated many of the worst abuses of the closed shop. Any dismissal, or discriminatory action against an individual short of dismissal, on the ground of non-membership is now unfair. Industrial action to enforce any closed shop is now unlawful. But it is still lawful for an employer to discriminate against workers who are not members of a trade union by refusing to engage them.

2.28. **The Government now propose to close the remaining loophole by giving individuals a statutory right not to be refused engagement on the ground of non-membership of a trade union.** Any individual who believed that he[1] had been discriminated against in this way would be able to complain to an industrial tribunal. If the tribunal found that engagement had been refused on the ground of non-membership, it would make a declaration to that effect. If the employer still refused to engage the individual, the tribunal would be able to order the employer to pay compensation to him. The amount of compensation could be calculated on the same basis as applies to refusal of engagement because of discrimination on grounds of sex or race. The maximum in such cases is currently £8,500.

2.29. An alternative approach would be to give individuals a right of complaint to the court[2]. The Government believe, however, that an industrial tribunal would be a more appropriate forum because procedures at a tribunal are less formal, less expensive, easier of access and quicker than those of the court. Industrial tribunals already hear complaints from individuals who believe that they have not been recruited by an employer because of discrimination on grounds of sex or race, as well as complaints from individuals who believe that they have been dismissed from employment because they are not union members.

2.30. Simply to make the closed shop unlawful would provide no effective remedy for those affected by it. The law provides a direct remedy to those who are discriminated against on grounds of sex or race. In the Government's view it must equally do so for those discriminated against on the ground of non-membership of a trade union.

Further issues

2.31. A number of specific issues arise from the Government's proposal. These are considered in the remainder of this chapter. The Government would welcome views on them.

2.32. The Government consider that the proposed new right should apply to people who are not members of a particular union, or one of a number of particular unions (or of a particular branch or section of a union, or one of a number of such branches or sections), and to people who are not members of any trade union at all. An employer who has a pre-entry union membership agreement with union A might refuse to engage both an individual who belongs to no union and an individual who is a member of union B. The act of discrimination is essentially the same—a refusal of engagement because the individual is not a member of union A—and it seems right that both individuals should have a remedy.

2.33. Another issue for consideration is the situation—found, as noted earlier, with certain local authorities—where a job applicant is not required to be a union member at the time of engagement but is engaged subject to the explicit understanding that he will become a union member within a specified period after taking up employment. Such an applicant is already protected from dismissal on the ground of non-membership if he fails to join the union within the time allowed, but is clearly placed in a difficult position at the time of the job interview. If he expresses reluctance to become a union member he may well not get the job. But

[1] The terms of this consultative document apply equally to men and women but, for simplicity, the masculine pronoun is used.

[2] Unless otherwise indicated, the term "court" is used to mean the High Court in England and Wales and the Court of Session in Scotland.

he will not want to agree to do something that he has no intention of doing, even if he knows that the post-entry closed shop cannot be enforced. Moreover, he might find himself in difficulties if he agreed to join the union after taking up employment and then failed to do so. Dismissal on the ground of non-membership would automatically be unfair, but the employer might argue that the dismissal was not on account of non-membership but on account of dishonesty.

2.34. The Government therefore believe that legislation should protect individuals from being refused engagement **either** because they are not members of a union at the time of recruitment **or** because they refuse to agree at the time of recruitment to join a union after their employment has started.

2.35. It may be argued that an exception should be made in the case of trade unions which are also professional organisations, such as the British Medical Association and the Royal College of Nursing. This would allow employers to refuse engagement to jobs in the professions concerned on the ground of non-membership of these bodies. Membership of such bodies is not however a requirement for employment in the National Health Service. What is required for employment as a doctor, for example, is to be on the General Medical Council's register, not to be a member of the BMA. No exception, therefore, seems to be required.

Conclusion

2.36. The Government's legislation has done much to reduce the power of the closed shop and its coverage has declined significantly since 1979. But the pre-entry closed shop is still widespread, and is a barrier to employment. The Government therefore believe that individuals should be given a statutory right not to be refused engagement on the ground of non-membership of a trade union.

2.37. **The Government invite views on their proposal for legislation to provide a right of complaint to an industrial tribunal for any individual whom an employer refuses to engage on the ground of non-membership of a trade union or of any particular trade union, or on the ground of refusal to agree that he will become a member after his employment has started.**

Chapter 3 Industrial Action

3.1. When the Government came into office in 1979, strikes were one of the major barriers to improving Britain's economic performance. Days lost through industrial disputes had risen to new high levels during the late 1970s. A series of major strikes and continual minor disputes posed great difficulties for many firms and industries. Poor industrial relations affected productivity and profitability, and this led to reductions in employment. The effect of disputes was to export job after job to other countries, and to create a reputation for unreliability which made it harder to sell our goods and services abroad.

3.2. The last ten years have seen a major improvement in our industrial relations record. Working days lost through industrial action over the last two years have been running at around $3\frac{1}{2}$ to $3\frac{3}{4}$ million a year, compared with an average of 13 million a year during the 1970s. The annual number of stoppages recorded in each of the last four years has been lower than in any other year since 1940. Britain's industrial relations reputation has been transformed, and new jobs and employment opportunities have followed.

3.3. The improved record of the 1980s has been achieved at the same time as the Government's reform of industrial relations and trade union law. These reforms helped correct the imbalances of power between trade unions and employers, and between trade unions and their own members, which were among the fundamental causes of the problems of the 1970s. The atmosphere of industrial relations today is very different. Legislative reform has contributed significantly to the important changes of attitude which have made this improvement possible. But there are no grounds for complacency; the process of modernising the law is a continuing one.

3.4. It has long been recognised that the law has a legitimate role to play—indeed an essential one—in defining the limits within which industrial action can lawfully be organised. These limits must be subject to periodic review, to ensure that the legal framework reflects the needs of our economy and our society now and for the immediate future. The law must be adapted to present-day realities and the needs of the 1990s.

Immunity for organising secondary action

3.5. Organising industrial action would be unlawful under the common law if it were not for the immunities provided by statute. Under the common law, which is case-law developed by the courts as opposed to statute law passed by Parliament, it is unlawful to induce people to break their contracts or to interfere with the performance of a contract, or to threaten to do either of these things. Anyone organising a strike or industrial action would be liable to legal proceedings by employers or others damaged by the action if there were not special protection—"immunity"—for inducing it. As the law stands at present, that immunity can apply to organising certain forms of secondary action.

3.6. If there is a trade dispute between an employer and his workforce, industrial action by workers of *another* employer, in support of the workers in dispute, is secondary action—sometimes known as "sympathy" action. Section 17(2) of the Employment Act 1980 defines "secondary" action as action which induces workers of an employer who is not a party to a trade dispute [1] to break or interfere with the performance of their contracts of employment.

[1] There is a statutory definition of "trade dispute" in section 29 of the Trade Union and Labour Relations Act 1974 (as amended by the Employment Act 1982). Such a dispute exists where there is a dispute between workers and their own employer, and that dispute is wholly or mainly about employment-related matters.

3.7. As a result of the 1980 Act, where secondary action interferes with the performance of commercial contracts, or threatens to do so, its organisers do not have immunity unless **all four** of the following conditions are satisfied:

(*a*) the workers involved in the secondary action work for a customer or supplier of the employer in dispute;

(*b*) that customer or supplier has a current commercial contract with the employer in dispute;

(*c*) the principal purpose of the secondary action is directly to prevent or disrupt supplies to or from the employer in dispute during the dispute; and

(*d*) the secondary action is likely to achieve that purpose.

3.8. The 1980 Act also makes possible immunity for inducing industrial action by workers at an associated employer[1] of an employer in dispute, or at the associated employer's customers or suppliers, where both the following conditions are satisfied:—

(*a*) the principal purpose of the action is to prevent or disrupt the supply of goods or services which but for the dispute would have been supplied by or to the employer in dispute; and

(*b*) the action is likely to achieve that purpose.

The need for change

3.9. The arrangements described above were framed in the light of circumstances in 1980, at a time when secondary industrial action had been much more widespread than it has been in more recent years. But it is now right to ask whether the immunities described in paragraphs 3.7 and 3.8 are still justified.

3.10. The Government believe that the following considerations indicate that the present law needs amendment:

—In general there is no good reason why employers who are not party to a dispute should be at risk of having industrial action organised against them;

—Secondary action may deter employers from starting up for the first time in this country, with harmful effects on new investment and on jobs. For example, there might be a threat of secondary action being organised among workers of the new firm's customers or suppliers, with the aim of forcing the new enterprise to accept certain terms and conditions. This sort of threat was made when the American Ford Motor Company was planning to establish a new factory at Dundee. Regardless of whether they are lawful or unlawful under the present law, there is no good reason why any threats of this kind, or the organisation of action of this kind, should enjoy immunity;

—The law as it stands is complicated, and it could well be difficult for those involved to determine, in the absence of a court judgment, whether there would be immunity for organising certain secondary action. An example might be secondary action which involved a union inducing transport workers to refuse to move coal to power stations, or within power stations, in support of an industrial dispute between British Coal and its employees. If the coal was part of a shipment including other goods from other suppliers, it might be very difficult to know whether there would be immunity for refusal to move the shipment as a whole. The same would apply if the coal was unloaded and stored with coal from other suppliers, from which it could not be distinguished, and transport workers then refused to move any part of the store of coal.

---

[1] "Associated employer" is defined in section 30(5) of the Trade Union and Labour Relations Act 1974 as follows:

> "For the purposes of this Act any two employers are to be treated as associated if one is a company of which the other (directly or indirectly) has control, or if both are companies of which a third person (directly or indirectly) has control; and in this Act 'associated employer' shall be construed accordingly."

3.11. The Government propose no change to the law on picketing. A worker employed by a party to a dispute, picketing **at his own place of work**, may attempt to persuade another worker not to deliver goods. This may amount to inducement of the latter to break or interfere with the performance of his contract of employment. Unless the induced worker's employer is a party to the dispute in connection with which the picket is taking place, the picket would be unlawful secondary action unless provision was made to the contrary. Such provision is made in the 1980 Act so that pickets who are in dispute with their own employer do not lose immunity by doing no more than peacefully picketing as the law [1] allows.

3.12. **The Government therefore propose to make it unlawful to induce industrial action by workers of an employer not party to a trade dispute except in the case of lawful picketing.**

Balloting on industrial action by those doing work under contracts "for services"

3.13. The Trade Union Act 1984 made it a condition of immunity that a trade union intending to organise industrial action which interferes with contracts must first hold a properly conducted ballot of the members who will be induced to take part in the action. The Employment Act 1988 gave individual union members a statutory right to restrain their union from inducing them and others to take or continue any industrial action without such a ballot.

3.14. This legislation has done much to help ensure that union members are given the opportunity to express their willingness or otherwise to take part in, or continue with, industrial action which their union may organise. The Advisory, Conciliation and Arbitration Service Annual Report for 1987, for example, bears out the view that balloting on industrial action has now become a common practice among unions. There is a firm and widespread expectation among union members that they will be consulted by secret ballot before being called on by their union to take or continue with industrial action. This is a major step forward to secure union members' rights, and make unions properly accountable to their members.

3.15. Balloting can also avoid industrial action which the members concerned do not want. There have been some notable examples of union members voting against industrial action which their union might otherwise have sought to organise. In the last year alone, ballots of local government workers, miners and dockers produced majorities against industrial action which their unions might otherwise have organised.

3.16. It is of course essential that ballots should be properly conducted. The Government have issued a draft statutory code of practice "Trade union ballots on industrial action", whose purpose would be to promote desirable practices in relation to the conduct of such ballots. Consideration is being given to further steps which may be taken in the light of representations received on the published draft. If such a code is in due course approved by Parliament and brought into effect, the Government will carefully consider any evidence that unions are failing to take the code's recommendations about good practice into account, or are failing to apply them where it is appropriate and practicable to do so.

---

[1] Picketing is declared lawful by section 15 of the Trade Union and Labour Relations Act 1974 (as amended by the Employment Act 1980) *only* if the following conditions are satisfied:

(*a*) the picketing is at or near the pickets' own place of work; and

(*b*) the purpose of the picketing is peacefully to obtain or communicate information, or peacefully to persuade a person to work or not to work.

There are certain limited exceptions to (*a*) above, to cover the position of union officials, those who do not normally work from any one particular place, and those who do not have a place of work because the termination of their employment gave rise to the dispute which the picketing supports.

3.17. At present the requirements of the law on balloting before a union's authorisation or endorsement of industrial action apply only in respect of action taken by those employed under contracts of employment [1]. The relevant definition of " contract of employment " is as follows:—

> " A contract of service or apprenticeship, whether it is express or implied and (if it is express) whether it is oral or in writing[2]. "

3.18. There are many union members who work under arrangements which do not come within this definition. The most obvious examples are " freelance " workers, such as those working in the performing arts, and self-employed workers in the construction industry who are engaged on contracts " for services " rather than " of employment ". It is perfectly possible for a trade dispute to involve such workers; the definition of employment for the purposes of a trade dispute is wide enough to include them [3].

3.19. The Government believe that there is no reason to deprive union members doing work under contracts " for services " of the right to a proper ballot before their union induces them to take industrial action.

3.20. In addition, the present law on immunity for organising secondary action defines such action as, among other things, action which involves inducement or threat " to break a contract of employment " (or to interfere or induce another to interfere with the performance of such a contract)[4]. The Government's proposals to make certain changes to this legislation have been described in paragraphs 3.5–3.12 above.

3.21. The Government believe there is no reason why secondary action should attract immunity simply because those who take part in it work under contracts " for services " rather than contracts of employment. It would therefore be appropriate to extend the definition of secondary action so that it covered inducement etc to break or interfere with the performance of contracts " for services " as well as contracts of employment.

3.22. **The Government therefore propose to amend the law so as to:—**

(*a*) extend the statutory requirements for union ballots on industrial action so that they would apply to the authorisation or endorsement by a union of industrial action taken by its members working under contracts " for services "; and

(*b*) extend the definition of secondary action so that it includes action by those who work under contracts " for services ".

Conclusion

3.23. The Government consider that it is now time to question whether the present immunities for secondary action are any longer justified, and to give union members working under contracts " for services " the right to a ballot before their union induces them to take industrial action. **With this in mind the Government invite views on the changes proposed in paragraphs 3.12 and 3.22 above.**

---

[1] See reference in sections 10(1) and (2) of the Trade Union Act 1984, and the definition of " industrial action " in section 1(8) of the Employment Act 1988.

[2] Section 30(1) of the Trade Union and Labour Relations Act 1974.

[3] The definition of " employment " in section 29(6) of the Trade Union and Labour Relations Act 1974 (which defines " trade dispute ") states that:

> " ' Employment ' includes any relationship whereby one person personally does work or performs services for another."

[4] Section 17(2) of the Employment Act 1980.

Chapter 4 The Commissioner for the Rights of Trade Union Members

4.1. It has been a consistent principle of the Government's approach to the reform of industrial relations and trade union law that the use of legal proceedings to prevent or restrain unlawful acts should be left to those directly affected by such acts. This applies not only to employers and their customers and suppliers who may be damaged by, for example, unlawful inducement to take industrial action, but also to union members when their union denies them their statutory rights, or fails to carry out statutory duties owed to them.

4.2. It is not much use, however, having provisions in the law which can protect union members against abuses of power by their union if there are unnecessary obstacles to their using the law to enforce their rights. The Trade Union Act 1984 therefore gave members two options if their union breached its statutory duties in respect of elections to its principal executive committee or in respect of its membership register. While able to seek a remedy from the court, members were also given access to the quicker, less expensive and less formal mechanism of a hearing before the Certification Officer[1]. In addition, the Employment Act 1988 established the Commissioner for the Rights of Trade Union Members, with power to grant material assistance to union members contemplating or taking certain court proceedings against their union, its officials or trustees.

4.3. It has never been the Government's intention to encourage unnecessary proceedings, but to help ensure that proceedings can be taken if necessary. The Government would be quite content to see few proceedings (and few applications for assistance to the Commissioner, or to the Certification Officer for a declaration) *provided* that this is because unions are not breaching statutory duties or denying members their rights.

The Commissioner

4.4. The Commissioner's office opened for business in December 1988. The proceedings currently in scope of the Commissioner's assistance are set out in *Figure 2*. The Commissioner is independent of Government control, and cannot be directed by Ministers to assist, or not to assist, any particular application. Union members who apply for the Commissioner's assistance are protected against being disciplined by their union for having done so [2].

4.5. Assistance provided by the Commissioner may include paying for legal advice and representation, or making arrangements for advice and representation to be provided. Anyone granted assistance is given a choice about the arrangements to be made for this, for example whether the assisted person will employ legal advice and representation himself and be reimbursed by the Commissioner, or whether he will choose to have the Commissioner make payments for these services directly on his behalf. In granting assistance the Commissioner will always indicate the extent of that assistance, for example up to what stage in any current or prospective court proceedings it will be available [3].

---

[1] After making appropriate enquiries following a complaint, the Certification Officer decides whether to make a declaration that the union has breached its statutory duties on elections or its membership register.

[2] A member disciplined by his union for this reason may complain to an industrial tribunal which, if it finds the complaint well founded, will make a declaration to that effect. The declaration can lead to an award of compensation being made by the industrial tribunal, or in some cases by the Employment Appeal Tribunal.

[3] Where the assistance relates to any court proceedings the Commissioner is under a duty to pay costs or expenses awarded against the assisted person by the court as a result of those proceedings.

Figure 2

Proceedings currently in scope of the Commissioner's assistance

At present the Commissioner for the Rights of Trade Union Members is able to grant assistance in connection with applications to the High Court, and High Court proceedings arising out of complaints by a union member that his union:—

—has, without the support of a properly-conducted secret ballot, authorised or endorsed industrial action in which he and other members are likely to be (or have been) induced to take part;

—has not observed statutory requirements in respect of elections to its principal executive committee or membership register;

—has applied its funds for electoral or party political purposes without a properly constituted political fund;

—has failed to comply with the rules approved by the Certification Officer in any ballot, or proposed ballot, on the use of funds for electoral or party political purposes;

—has failed to bring or continue any proceedings to recover union property applied to pay or compensate any individual for any penalty imposed for an offence or for contempt of court;

—has denied his statutory right to inspect its accounting records; or

—trustees have caused or permitted, or propose to cause or permit, any unlawful application of the union's funds or property.

4.6. In general the Commissioner has a wide discretion to decide whether to grant assistance. The Commissioner is required to grant assistance, however, if an application concerns court proceedings which relate to the same matter as a declaration against the applicant's union already made by the Certification Officer about a union election or membership register, and it appears to the Commissioner that the applicant has a reasonable prospect of obtaining a court order from proceedings.

Commissioner to appear in the title of assisted proceedings

4.7. Consistent with the principle described in paragraph 4.1 above, the Commissioner's assistance is available only where a union member eligible to bring proceedings in his own right applies for that assistance and is willing to see the proceedings brought or continued. The Commissioner is under a statutory duty to provide assistance on terms which will ensure that any person against whom assisted proceedings are taken will be informed of that assistance. At present, however, the Commissioner cannot appear in the title of those proceedings.

4.8. If it was possible for the Commissioner to appear alongside the assisted person in the title, this could give the assisted person more assurance that the Commissioner stood behind him in the proceedings. It could also increase public awareness of the grant of assistance and of the Commissioner.

4.9. There might however be cases in which the assisted person would prefer not to have the Commissioner appearing in the title of proceedings. There is no reason why the decision about this should not be left to the assisted person.

4.10. **The Government therefore propose to enable the Commissioner, at the discretion of an assisted person, to appear alongside the assisted person in the title of proceedings.**

Extend the proceedings in scope of the Commissioner's assistance

4.11. The proceedings currently in scope of the Commissioner (see *Figure 2*) all relate to the enforcement of union members' statutory rights and of statutory duties owed by unions to their members. The Employment Act 1988 envisaged a possible extension of proceedings in scope of the Commissioner's assistance. The time is now right to consider extension.

4.12. A union's rulebook is in effect a contract between the union and the individual member. In addition to statutory rights and duties, the rulebook contract of membership may impose obligations on a union to follow certain procedures in connection with particular activities, and it gives members rights to ensure that such procedures are followed. These rights are enforceable by individual members affected through court proceedings.

4.13. Members contemplating or taking proceedings against their union on the ground that they have been denied rights or duties owed to them under the terms of their union's rulebook may face considerable disadvantages. Trade unions are large organisations with substantial resources and expertise to call upon when legal proceedings are imminent or taking place. Conversely, union members considering or taking proceedings may well face problems in view of the high costs such proceedings could involve. It will always be daunting for a member to contemplate taking on his union without assistance and support.

4.14. It took considerable courage, for example, for members of the NUM to seek a remedy from the court when their union sought to call industrial action without following the procedures required by its rulebook in 1984. There may well have been other cases where members might have wished to take proceedings to enforce the terms of their union's rulebook but have not felt themselves able to do so. Even during the first couple of months of operation, the Commissioner has had applications for assistance from members contemplating proceedings based on a perceived denial of rights owed to them under their union's rulebook, and has had to turn them down because such proceedings are not currently within scope of assistance.

4.15. It is therefore proposed that the Commissioner should have discretion, where she views the complaint as a matter of substantial public interest, to grant assistance in connection with proceedings arising from a complaint by a member that his union has failed, or is likely to fail, to observe requirements of its rulebook relating to:

—obtaining or nominating candidates for election to union office;

—selection for, or election to, union office (for example regional, area or branch officials);

—nomination, selection or election of representatives to attend meetings concerned with union policy and practices (for example, a rules-revision conference);

—expulsion or other union discipline, or determining the actual disciplinary penalties imposed on union members;

—enabling the union to authorise or endorse industrial action;

—union ballots of members;

—applying union funds or property;

—imposing, collecting or distributing strike levies; or

—the composition of union bodies, for example conferences or committees, and procedures to be followed by them in taking decisions.

4.16. Union members would be protected against disciplinary action by their union if taken because they had sought assistance from the Commissioner in connection with any of these matters. The Commissioner's assistance would continue to be available only in connection with proceedings arising from complaints that would be heard at first instance in the High Court.

4.17. It would be inappropriate to use public funds to support such proceedings unless they were of potential relevance to union members other than just the member making the complaint. In considering an application for assistance about these matters, therefore, the Commissioner should take into account whether the award by the court of the remedy sought by the member would be of relevance to other union members. This criterion would be used by the Commissioner to decide whether an application constituted a matter of "substantial public interest".[1]

4.18. **The Government therefore propose to extend the proceedings in scope of the Commissioner's assistance to enable the Commissioner to assist certain proceedings arising from complaints that union rulebook provisions had not been, or will not be, observed where the Commissioner views the complaint as a matter of substantial public interest, as described in paragraphs 4.15–4.17 above.**

Conclusion

4.19. The Government have already taken major steps to protect trade union members against abuses of power by their unions, not least by the setting up of the Commissioner for the Rights of Trade Union Members.

The Government invite comments on their proposals:

—to enable the Commissioner to appear in the title of assisted proceedings (paragraph 4.10 above);

—to extend the scope of the Commissioner's assistance (paragraph 4.18 above).

[1] The Commissioner may also need to take into account that a court can, at its discretion, refuse to hear a case brought by a member if he has not fully used any procedure provided in the union's rules for pursuing such a grievance. However, section 2 of the Employment Act 1988 provides that the court must deal with the complaint if the member has previously made a valid application to the union for the grievance to be resolved or submitted for consideration in accordance with the union's rules, and the application to the court was made more than six months after the union received the member's application.

ANNEX

Abbreviated union titles

BMA	British Medical Association
Equity	British Actors Equity Association incorporating the Variety Artistes Federation
NGA	National Graphical Association
NUM	National Union of Mineworkers
SOGAT	Society of Graphical and Allied Trades
TGWU	Transport and General Workers Union

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Department of Employment
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 . . 5803 .
Telex 915564 Fax 01-273 5821

Secretary of State

pass

Paul Gray Esq
10 Downing Street
LONDON
SW1A 2AA

10 April 1989

LABOUR MARKET STATISTICS

... I am enclosing our standard brief on the labour market statistics which are to be issued on Thursday. The brief is of course personal and confidential until 11.30 on 13 April and confidential thereafter.

I am copying this to Allex Allan (Treasury), Sir Peter Middleton (Treasury), Mr Hibbert (CSO), John Footman (Bank of England), Trevor Woolley (Cabinet Office), Neil Thornton (DTI), Sir Brian Hayes (DTI), David Crawley (Scottish Office), Russell Hillhouse (Scottish Office), Stephen Williams (Welsh Office), David Watkins (Northern Ireland Office) David Fell (Department of Economic Development, Northern Ireland Office), and Andrew Dunlop (No 10 Policy Unit).

Anne-Marie Lawlor

ANNE-MARIE LAWLOR
Private Secretary

COVERING PERSONAL AND CONFIDENTIAL

2/14

COVERING PERSONAL AND CONFIDENTIAL UNTIL 11:30AM ON 13 APRIL 1989 THEREAFTER CONFIDENTIAL

LABOUR MARKET STATISTCS: NOTES FOR THE PRIME MINISTER

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10. EARNINGS

STATISTICS DIVISION
DEPARTMENT OF EMPLOYMENT
13 APRIL 1989
ENQUIRIES TEL: 01-273-5522

PERSONAL AND CONFIDENTIAL UNTIL **11.30am 13 April 1989**

LABOUR MARKET STATISTICS - KEY FACTS A2(i)

UNEMPLOYMENT IN MARCH

Seasonally adjusted (UK) (Consistent)

Now 1.918 million, lowest for over 8 years (since January 1981).
Down 30,600 in March
Rate 6.7%, lowest since December 1980.
Down 32 months running, longest and largest continuous fall since the war.
Down 1.215 million since July 1986.

Fall of 939,000 (consistent) since election June 1987 (1,036,000 since campaign, April 1987 figure).

Fall in last 12 months 536,000
Average fall of 45,600 per month, over last six months.

TOTAL (unadjusted) (UK)
Now 1.960 million (6.9%)
Down 58,000 since February.

Regional unemployment (Seasonally adjusted)
Fall in all regions of UK over last year: rates fallen most in West Midlands and Wales followed by Yorkshire and Humberside, North West and North.

Long term unemployment. (UK, unadjusted January: Claimants unemployed for one year or more)
821,000 in January, lowest for more than 6 years. Record fall of half a million in past two years. Fallen faster than total unemployed. Long term unemployed aged 18-24 now more than halved in 2 years, down by a third among over 25s.
Over 5 year unemployed falling since Oct 1987, down by 40,000 (14 %) altogether.

Young Unemployed (UK)
18 - 24's down by 39% in two years to January 1989.
Latest EC unemployment comparison for under 25's (January 89) showed UK 9.8% compared with EC average 19.0% (lower than all other EC countries except Germany, Denmark and Luxembourg).

Fiddling the figures
Only 2 changes to compilation of the count since 1979; 7 changes altogether including 5 administrative changes.
Seasonally adjusted unemployment is consistent and allows comparisons of trend over time: nothing to hide.

Labour force survey (GB Spring 1988)
(Gives international - ILO/OECD - measure of unemployment: without work, available and seeking work during past 4 weeks)

Confirms unemployment fallen sharply, Spring 1987 to 1988. Similar falls of half a million in ILO/OECD measure (505,000) and monthly count (540,000). (Difference within margins of survey error)
ILO/OECD measure in spring 1988; 2.37 million, marginally lower than (headline) count of 2.41 million. The international measure peaked in 1984 while the claimant count started to fall two years later.

International Comparisons
UK rate fallen faster **in past 2 years** than any other major industrialised country (also over the past year except for Spain). UK unemployment lower than EC average (9.9%). Latest international rates show unemployment higher in France (10.2%), Italy (12.2%), Canada (7.5%), Belgium (9.5%), Netherlands (9.4%), Spain (19.2%) and Ireland (17.3%). (Comparable UK 7.2% - OECD standardised rate for January.)

Effect of measures on unemployment count
- Participants in employment and training measures reduced slightly during past 2 years when unemployment fallen rapidly.
- Those on schemes are not unemployed, they are at work or training.

Flows out of unemployment
-More than 1/3 million per month leave the count. Over a quarter of those becoming unemployed leave within the first month, over half leave within 3 months.
-Job starts: 7.5 million per year(1987) includes employed and unemployed, equivalent to about 30,000 every working day.

VACANCIES (Seasonally Adjusted, UK)
Unfilled vacancies at Jobcentres 222,900 in March **down 5,200** since February.
Only about a third of vacancies reported to Jobcentres.

AVERAGE EARNINGS (GB)
Underlying increase in average earnings in year to February **9 1/4%, up by 1/4 per cent** compared with year to January.

PERSONAL AND CONFIDENTIAL UNTIL **11.30am 13 April 1989**

KEY FACTS

EMPLOYMENT (GB seasonally adjusted)

EMPLOYMENT IN MANUFACTURING
at 5,154,000 (23% of employees in employment) in December 1988
- at 5,150,000 in February 1989
- up 37,000 (0.7%) in year to Dec
- up 4,000 (0.1%) in Q4 1988.

OVERTIME AND SHORT TIME
- overtime of 14.2 million hours a week worked in February
- short time of 0.26 million hours a week lost in December.

WORKFORCE IN EMPLOYMENT
Workforce in employment in Q4 1988
- now stands at 25,961,000 (highest ever)
- on a rising trend for more than 5 years since March 1983
- Increase since March 1983 by 2,964,000 (13%), of which:
  1,730,000 employees (up 8%)
  841,000 self employed (up 39%)
  401,000 trainees (0 in Mar 1983)
  -8,000 HM Forces (down 2%)
- Even excluding trainees on work-related programmes, employment is now at the highest level ever.
- Increase in year to December 1988 of 649,000 (3%), of which:
  480,000 (74%) full time
  169,000 (26%) part time
  297,000 (46%) male
  352,000 (54%) female
- Change in definition:
  New workforce definition introduced in July 88. Workforce in employment includes participants on work-related government training programmes. The change is in line with international guidelines.

WORK-RELATED GOVT TRAINING PROGRAMMES
- Participants in programmes and schemes who receive training in the context of a workplace and are not employees or self-employed
- Inclusion of these people in total employment is consistent with ILO guidelines. Includes most YTS, JTS and ET participants.

TREND - LATEST QUARTER
- Employment growth of 169,000 (0.7%) in Q4 1988.

EMPLOYMENT IN SERVICES
- at 15,336,000 (69% of employees in employment) in December 1988
- up by 475,000 (3%) over the year
- service sector employment (incl. self employment) accounts for almost two-thirds of employment
- the increase in the third and fourth quarters have been affected by the run-down in CP over the summer, in preparation for ET.
  (Effect = decreases of about 20,000 in September and about 130,000 in December).

SELF-EMPLOYMENT
- at an estimated 2,988,000 (12% of workforce in employment) in Dec 88
- up by 125,000 (4%) over year to December
- up by more than 1.1 million since June 1979 (following little change in the seventies).

PART-TIME EMPLOYMENT
- at 6,291,000 (24% of workforce in employment) in December 1988
- up by 169,000 (3%) over year to December
- up by 1,447,000 (30%) since March 1983
- part-time jobs account for 26% of employment growth since Dec 1987
- continuing rise is a sign of increased labour market flexibility good for the economy
- according to 1988 LFS less than 8% of those working part-time did so because they could not find a full-time job (ie. majority preferred part-time work)
- NB. a part-time job can be anything up to 30 hours a week: ie. more than half a full-time job.

DOUBLE JOBBING
- increase includes second jobs as employees (but excludes second jobs as self-employed)
- second jobs are still extra jobs, even if held by people already employed.

INTERNATIONAL COMPARISONS
- Increase 83-87 (latest comparable) UK equals rest of EC combined (this will not be true for 83-88)
- UK proportion of population of working age in employment (66%) much higher than EC average.

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13 April 1989

LABOUR MARKET STATISTICS

SUMMARY STATISTICS

		Level	Change on previous period	Thousands Change on previous year
Unemployment (UK)				
Total unadjusted	March 9	1,960	- 58	(-632)(a)
Seasonally adjusted (b)	March 9	1,918	- 31	-536
Workforce in employment (GB) (c),(d)	Dec Q4 1988	25,961	+169	+649
Employees in employment (GB) (c)				
Services	December Q4 1988	15,336	+100	+475
Manufacturing	December Q4 1988	5,154	+ 4	+ 37
Manufacturing	February 1989	5,150	- 10	+ 4
Vacancies (UK) (jobcentres) (c)	March 3	223	- 5	- 27

		Percentage change on previous year (underlying increase)
Index of Average Earnings (GB) (c)		
Whole Economy	February	9¼
Services	February	9
Manufacturing	February	9¼

Notes

(a) The change in the unadjusted unemployment figure compared with a year ago is affected by the new regulations for claimants aged under 18 introduced in September 1988.

(b) To maintain a consistent assessment, the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors A7)

(c) All figures seasonally adjusted

(d) The workforce in employment comprises employees, the self-employed, participants on work related government training schemes and HM Forces.

The latest figures available on developments in the labour market are summarised below.

Summary

Unemployment (UK seasonally adjusted) fell by 30,600 in the month to March Male unemployment decreased by 17,700 and female unemployment decreased by 12,900. Over the past six months there has been a fall of 45,600 on average compared with a fall of 43,700 per month over the previous six months to September 1988.

The total, unadjusted, decreased in March by 57,959 to 1,960,220.

The workforce in employment is estimated to have increased by 169,000 in the fourth quarter of 1988 contributing to overall increases of 649,000 in the year to December 1988 and 2,964,000 between March 1983, when the upward trend began, and December 1988.

The number of employees employed in manufacturing industry in Great Britain is estimated to have decreased by 10,000 in February 1989.

The stock of Jobcentre vacancies (UK seasonally adjusted) decreased by 5,200 in March to 222,900. Over the past six months there has been a decrease of 2,900 per month on average.

The underlying increase in average earnings in the year to February was 9¼ per cent, a rise of ¼ per cent on the year to January.

Additional and more detailed information on unemployment, employment, vacancies, average earnings, unit wage costs, hours of work, productivity and industrial disputes is to be found in subsequent sections of the press notice.

LABOUR MARKET STATISTICS

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UNEMPLOYMENT

The seasonally adjusted level of unemployment (+) in the United Kingdom decreased by 30,600 to 1.918 million in March, 6.7 per cent of the workforce*.

Over the past six months on average unemployment has fallen by 45,600 per month.

The unadjusted total decreased by 57,959 between February and March to 1,960,220 giving an unemployment rate of 6.9 per cent of the workforce*.

Recent figures are shown in tables 1, 2 and 3.

THOUSAND

TABLE 1:UNEMPLOYMENT - SEASONALLY ADJUSTED + - UNITED KINGDOM

	Male	Female	Total	Change since previous month	Average change over past 6 months	Average change over past 3 months	Unemployment rate: Percentage of workforce*
1988 Mar	1709.9	744.0	2453.9	-31.1	-44.0	-38.2	8.6
Apr	1674.1	728.8	2402.9	-51.0	-43.5	-38.8	8.4
May	1648.8	715.0	2363.8	-39.1	-40.1	-40.4	8.3
Jun	1624.0	700.1	2324.1	-39.7	-40.8	-43.3	8.1
Jul	1586.7	680.6	2267.3	-56.8	-42.0	-45.2	7.9
Aug	1562.7	662.9	2225.6	-41.7	-43.2	-46.1	7.8
Sep++	1543.1	648.6	2191.7	-33.9	-43.7	-44.1	7.7
Oct	1522.4	635.5	2157.9	-33.8	-40.8	-36.5	7.6
Nov	1484.6	620.6	2105.2	-52.7	-43.1	-40.1	7.4
Dec	1439.4	598.0	2037.4	-67.8	-47.8	-51.4	7.1
1989 Jan	1405.4	582.4	1987.8	-49.6	-46.6	-56.7	7.0
Feb(r)	1377.9	570.8	1948.7	-39.1	-46.2	-52.2	6.8
Mar(p)	1360.2	557.9	1918.1	-30.6	-45.6	-39.8	6.7 **

\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).
++ September's seasonally adjusted figures have also been adjusted to allow for the estimated distortion caused by the postal strike (See note A8).
** The separate rate for males was 8.2 per cent, and for females 4.7 per cent.
* See note A4
(p) Provisional and subject to revision (see note A5)
(r) Revised

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TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED+ (P)- REGIONS March 9 1989

	Male	Female	Total	Change since previous month	Unemployment rate	
			THOUSAND		percentage of workforce*	Change since previous month
South East	269.2	118.3	387.5	-6.8	4.1	-0.1
(incl. Greater London)	(163.6)	(66.6)	(230.2)	(-5.3)	(5.3)	(-0.1)
East Anglia	24.1	12.5	36.6	-0.6	3.5	-0.1
South West	69.0	35.6	104.6	-1.7	5.0	-0.1
West Midlands	126.3	55.2	181.5	-5.3	6.7	-0.2
East Midlands	82.8	35.4	118.2	-1.8	5.9	-0.1
Yorks and Humberside	135.5	53.9	189.4	-4.0	7.9	-0.2
North West	203.2	77.6	280.8	-3.5	9.3	-0.1
North	114.3	40.1	154.4	-1.9	10.5	-0.1
Wales	75.6	29.4	105.0	-2.1	8.8	-0.2
Scotland	180.4	70.4	250.8	-2.6	10.0	-0.1
GREAT BRITAIN	**1,280.5**	**528.3**	**1,808.8**	-30.3	6.5	-0.1
Northern Ireland	79.7	29.6	109.3	-0.3	15.8	0.0
UNITED KINGDOM	**1,360.2**	**557.9**	**1,918.1**	-30.6	6.7	-0.1

* See note A4
(P) Provisional see note A5
\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).

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TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

		Male	Female	Number	Unemployment rate percentage of workforce*
1988	Mar	1,803,143	788,978	2,592,121	9.1
	Apr	1,765,711	770,278	2,535,989	8.9
	May	1,692,052	734,822	2,426,874	8.5
	Jun	1,632,041	708,748	2,340,789	8.2
	Jul	1,606,313	720,390	2,326,703	8.1
	Aug	1,576,548	714,627	2,291,175	8.0
	Sep++	1,594,403	716,570	2,310,973	8.1
	Oct++	1,484,236	634,626	2,118,862	7.4
	Nov	1,454,771	612,173	2,066,944	7.2
	Dec	1,451,478	595,060	2,046,538	7.2
1989	Jan	1,473,163	601,149	2,074,312	7.3
	Feb	1,434,871	583,308	2,018,179	7.1
	Mar	1,399,364	560,856	1,960,220	6.9

+ The separate rate for males was 8.4 per cent, and for females 4.7 per cent.

TABLE 3a: UNEMPLOYMENT TOTAL UNADJUSTED - REGIONS March 9 1989 THOUSAND

	Male	Female	Total	Change since previous month	Unemployment rate percentage of workforce*
South East	278.6	118.5	397.0	-11.4	4.2
incl. (Greater London)	(166.4)	(66.2)	(232.6)	(-5.3)	(5.4)
East Anglia	26.5	13.1	39.6	-1.4	3.7
South West	73.1	37.1	110.2	-5.1	5.2
West Midlands	129.0	55.1	184.1	-7.1	6.8
East Midlands	86.2	35.6	121.8	-3.3	6.1
Yorks and Humberside	139.9	54.3	194.1	-6.3	8.1
North West	207.1	77.9	285.0	-6.6	9.5
North	116.7	40.3	157.0	-4.0	10.7
Wales	78.1	29.6	107.7	-4.3	9.0
Scotland	184.3	71.1	255.3	-6.7	10.2
GREAT BRITAIN	1,319.5	532.4	1,851.9	-56.2	6.6
Northern Ireland	79.9	28.5	108.4	-1.7	15.7
UNITED KINGDOM	1,399.4	560.9	1,960.2	-58.0	6.9

++ Changes in the unadjusted unemployment figures are affected by the new regulations for claimants aged under 18, introduced in September 1988, as well as seasonal influences. The figures for September 1988 were also affected by over-recording caused by the postal strike (see notes to editors).

* See note A4.

TABLE 4: UNEMPLOYMENT FLOWS x - STANDARDISED, UNADJUSTED
UNITED KINGDOM

Thousands

Month ending	INFLOW Total	INFLOW Change since previous year	OUTFLOW Total	OUTFLOW Change since previous year
1988 Mar	313.0	-29.1	392.5	-38.9
Apr	323.9	-33.2	372.5	-23.9
May	276.7	-44.1	394.9	-30.5
Jun	273.8	-41.7	367.1	-36.3
Jul	347.5	-81.6	359.7	-68.2
Aug	311.6	-72.8	350.1	-69.5
Sep**	327.4	-129.2	305.9	-145.9
Oct**	319.6	-100.6	486.1	-62.9
Nov	297.8	-77.5	354.0	-78.3
Dec	269.9	-58.7	292.0	-25.5
1989 Jan	269.4	-74.9	245.4	-76.2
Feb	290.0	-55.2	350.8	-55.8
Mar	264.0	-49.0	326.8	-65.7

x See note A6
** See notes A7 and A8.

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EMPLOYMENT

Whole economy estimates for December 1988 are available for the first time this month. Some of the estimates for earlier periods have been revised to take account of newly available information.

The workforce in employment (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) in Great Britain is estimated to have increased by 169,000 in the fourth quarter of 1988 and by 2,964,000 since March 1983. The total increase in the year to December 1988 is estimated at 649,000; of this 480,000 was full-time and 169,000 part-time jobs (including 45,000 participants in work related government training programmes).The increase of 169,000 in the December quarter consists of a projected increase of 31,000 in the self-employed, an estimated increase of 98,000 in employees in employment, a rise of 42,000 in work related government training programmes (this reflects the inclusion for the first time of participants on Employment Training) and a fall of 2,000 in HM Forces.

Employees in employment

In the year to December 1988, the number of employees in employment increased by 484,000, the net result of rises of 475,000 in services and 37,000 in manufacturing offset by a fall of 29,000 in the energy and water supply industries; there was no change in other industries (agriculture and construction).

The increase of 98,000 in the number of employees in employment in the fourth quarter of 1988 was made up of increases of 100,000 in services and 4,000 in manufacturing offset by falls in the estimated numbers in the energy and water industries and other industries of 4,000 and 1,000 respectively.

The number of employees in employment in manufacturing industries decreased by an estimated 10,000 in February following rises of 6,000 in January and 4,000 in the fourth quarter of 1988. Despite this decrease the current trend in manufacturing employment probably remains slightly upward.

Recent figures are set out in Tables 5 and 5a.

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Table 5: The Workforce in Employment in Great Britain *

Thousands, seasonally adjusted

		Employees in Employment			Self Employed **			HM Forces			Work related government training programmes +			Workforce in employment **		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
1983	March	11,706	8,823	20,529	1,651	496	2,147	306	15	321	0	0	0	13,663	9,334	22,997
	June	11,674	8,882	20,556	1,652	508	2,160	306	16	322	3	5	8	13,635	9,411	23,046
	Sept	11,659	8,952	20,611	1,702	527	2,229	309	16	325	74	64	139	13,744	9,560	23,304
	Dec	11,645	9,025	20,670	1,751	547	2,298	309	16	325	96	82	178	13,801	9,670	23,471
1984	March	11,630	9,074	20,705	1,801	566	2,367	310	16	326	91	77	168	13,832	9,733	23,566
	June	11,625	9,104	20,729	1,850	586	2,435	310	16	326	91	78	168	13,875	9,783	23,658
	Sept	11,638	9,147	20,785	1,868	596	2,464	312	16	328	112	95	207	13,930	9,854	23,784
	Dec	11,688	9,201	20,888	1,886	606	2,493	311	16	327	109	91	200	13,994	9,914	23,908
1985	March	11,699	9,249	20,948	1,905	617	2,522	310	16	326	101	80	182	14,015	9,962	23,977
	June	11,703	9,292	20,995	1,923	628	2,550	309	16	326	94	74	168	14,029	10,010	24,039
	Sept	11,694	9,339	21,033	1,926	628	2,554	309	16	326	120	100	221	14,049	10,084	24,133
	Dec	11,696	9,360	21,056	1,929	629	2,558	307	16	323	114	94	208	14,047	10,099	24,146
1986	March	11,662	9,403	21,065	1,933	630	2,563	306	16	323	103	80	182	14,004	10,128	24,133
	June	11,635	9,444	21,079	1,937	630	2,567	305	16	322	122	96	218	13,999	10,186	24,184
	Sept	11,611	9,487	21,098	1,977	648	2,625	306	16	323	151	125	276	14,046	10,276	24,321
	Dec	11,588	9,559	21,147	2,018	665	2,684	304	16	320	148	119	268	14,059	10,359	24,418
1987	March	11,601	9,611	21,212	2,059	683	2,742	304	16	320	138	108	245	14,100	10,418	24,519
	June	11,674	9,713	21,388	2,099	701	2,801	302	16	319	171	132	303	14,247	10,562	24,809
	Sept	11,757	9,794	21,551	2,126	706	2,832	303	16	319	216	158	373	14,401	10,674	25,075
	Dec	11,851	9,925	21,775	2,152	711	2,863	301	16	317	209	147	356	14,513	10,799	25,312
1988	March	11,957R	10,035	21,991R	2,178	716	2,895	301	16	317	199	135	334	14,635R	10,902	25,536R
	June	11,983R	10,081	22,064R	2,205	721	2,926	300	16	316	199	135	335	14,687R	10,953	25,640R
	Sept	12,000R	10,161R	22,161R	2,225	732	2,957	299	16	315	214R	146R	359R	14,738R	11,055R	25,792R
	Dec	12,020	10,239	22,259	2,245	743	2,988	297	16	313	247	154	401	14,810	11,151	25,961

* The workforce in employment comprises employees in employment, the self-employed, HM Forces, and participants in work related government training programmes.

** See notes B4 and B5.

\+ See note B7
Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

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TABLE 5A
EMPLOYEES IN EMPLOYMENT IN GREAT BRITAIN

Thousand: Seasonally adjusted

		Manufacturing Industries				Energy & Water Supply Industries			Service Industries		Other Industries		All Industries and Services	
		Levels	Changes			Levels	Changes		Levels	Changes	Levels	Changes	Levels	Changes
			Monthly	Three* monthly	Quarterly		Monthly	Quarterly						
1987 January		5,065	- 19	- 11		501	- 8							
February		5,062	- 3	- 10		499	- 2							
March	Q1	5,053	- 9	- 10	- 31	494	- 5	- 15	14,373	+ 101	1,291	+ 9	21,212	+ 65
April		5,046	- 7	- 6		487	- 7							
May		5,063	+ 17	0		487	0							
June	Q2	5,078	+ 15	+ 8	+ 25	490	+ 3	- 4	14,520	+ 147	1,300	+ 9	21,388	+ 176
July		5,081	+ 3	+ 12		487	- 3							
August		5,088	+ 7	+ 8		487	0							
September	Q3	5,089	+ 1	+ 4	+ 11	489	+ 2	- 1	14,662	+ 142	1,310	- 10	21,551	+ 163
October		5,098	+ 9	+ 6		485	- 4							
November		5,111	+ 13	+ 8		484	- 1							
December	Q4	5,117	+ 6	+ 9	+ 28	485	+ 1	- 4	14,861	+ 199	1,313	+ 3	21,775	+ 224
1988 January		5,134	+ 17	+ 12		480	- 5							
February		5,146	+ 12	+ 12		476	- 4							
March	Q1	5,151	+ 5	+ 11	+ 34	472	- 4	- 13	15,041R	+ 180R	1,327	+ 14	21,991R	+ 216R
April		5,149	- 2	+ 5		463	- 9							
May		5,153	+ 4	+ 2		461	- 2							
June	Q2	5,149	- 4	- 1	- 2	462	+ 1	- 10	15,129R	+ 88	1,323	- 4	22,064R	+ 73R
July		5,153	+ 4	+ 1		459	- 3							
August		5,155	+ 2	+ 1		459	0							
September	Q3	5,150	- 5	0	+ 1	460	+ 1	- 2	15,236R	+ 107R	1,314R	- 9R	22,161R	+ 97R
October		5,138	- 12	- 5		456R	- 4R							
November		5,143	+ 5	- 4		455	- 1R							
December	Q4	5,154	+ 11	+ 1	+ 4	456	+ 1	- 4R	15,336	+ 100	1,313	- 1	22,259	+ 98
1989 January		5,160	+ 6	+ 7		453R	- 3R							
February		5,150	- 10	+ 2		451	- 2							

* = Average monthly change over last three months
R = Revised to incorporate late data now available

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VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) decreased by 5,200 in the month to March to 222,900. Over the past three months to March, seasonally adjusted vacancies have decreased on average by 5,100 per month.

Unadjusted, there was an increase of 2,733 unfilled vacancies in the month to 204,776.

The inflow of notified vacancies decreased on average by 500 per month in the three months ending March 1989, the outflow increased by 500 per month, and placings increased by 2,100 per month.

Recent figures are shown in tables 6, 7 and 8.

TABLE 6: UNFILLED VACANCIES - UNITED KINGDOM

THOUSAND

		VACANCIES AT JOBCENTRES+				VACANCIES AT CAREERS OFFICES
		SEASONALLY ADJUSTED			UNADJUSTED	
		Number	Change since previous month	Average change over past 3 months	Number	Unadjusted
1988	Mar	249.4	-0.2	-1.8	232.0	20.4
	Apr	255.9	6.6	1.7	251.3	22.1
	May	254.5	-1.5	1.6	262.2	27.0
	Jun	255.1	0.6	1.9	269.5	30.7
	Jul	249.7	-5.4	-2.1	258.2	32.3
	Aug	242.8	-6.9	-3.9	244.0	31.6
	Sep	240.3	-2.5	-4.9	260.1	31.9
	Oct	251.2	10.9	0.5	271.8	30.6
	Nov	245.2	-6.0	0.8	252.3	26.5
	Dec	238.3	-6.9	-0.7	223.3	23.4
1989	Jan	229.2	-9.1	-7.3	203.3	21.9
	Feb	228.1	-1.1	-5.7	202.0	21.8
	Mar	222.9	-5.2	-5.1	204.8	23.1

+ Vacancies at jobcentres are only about a third of all vacancies in the economy. See note C3.

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TABLE 7: VACANCY FLOWS AT JOBCENTRES-SEASONALLY ADJUSTED UNITED KINGDOM

THOUSAND

	INFLOW		OUTFLOW		of which: PLACINGS	
	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending
1988 Mar	236.0	0.5	236.1	-1.7	163.0	-0.9
Apr	230.6	1.1	227.3	-2.1	158.1	-2.5
May	231.2	-1.2	228.0	-3.7	157.9	-2.5
Jun	230.8	-1.8	229.7	-2.1	156.3	-2.2
Jul	230.3	-0.1	231.8	1.5	156.4	-0.6
Aug	227.0	-1.4	232.6	1.5	156.8	-0.4
Sep	227.7	-1.0	229.0	-0.2	155.4	-0.3
Oct	232.8	0.8	229.3	-0.9	153.4	-1.0
Nov	234.0	2.3	242.5	3.3	162.3	1.8
Dec	230.8	1.0	233.4	1.5	157.6	0.7
1989 Jan	220.4	-4.1	231.0	0.6	160.5	2.4
Feb	234.8	0.3	239.4	-1.0	167.2	1.6
Mar	229.3	-0.5	234.8	0.5	164.0	2.1

TABLE 8: UNFILLED VACANCIES* - REGIONS - 3 March 1989 THOUSAND

	VACANCIES AT JOBCENTRES			VACANCIES AT CAREERS OFFICES
	UNADJUSTED	SEASONALLY ADJUSTED		
	TOTAL	Number	Change since previous month	UNADJUSTED
South East	68.8	75.7	-3.2	13.3
(incl. Greater London)	(23.2)	(25.6)	(-1.3)	(7.0)
East Anglia	8.1	8.8	-0.2	0.8
South West	18.0	19.4	-0.2	1.3
West Midlands	20.5	22.1	-0.3	1.7
East Midlands	12.1	12.9	-0.5	1.4
Yorks and Humberside	12.8	13.8	-0.7	1.1
North West	21.7	23.6	0.1	1.1
North	9.9	10.8	0.0	0.4
Wales	12.2	12.7	0.0	0.3
Scotland	18.5	19.7	0.0	0.5
GREAT BRITAIN	202.6	219.4	-5.1	21.8
Northern Ireland	2.2	3.5	-0.2	1.3
UNITED KINGDOM	204.8	222.9	-5.2	23.1

* The proportion of total vacancies at Jobcentres varies by region. See note C3.

AVERAGE EARNINGS

The underlying increase in average weekly earnings in the year to February was about 9 1/4 per cent, a rise of 1/4 per cent on the increase in the year to January. The actual increase in the year to February, at 9.8 per cent, was above the underlying increase because some annual settlements were paid in different months last year.

TABLE 9: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: WHOLE ECONOMY

			Seasonally adjusted		
		Index 1985 = 100	Index 1985 = 100	Percentage increase over previous 12 months	Underlying % increase over previous 12 months
1987	January	110.8	112.1	7.6	7 1/2
	February	111.2	112.8	7.5	7 1/2
	March	113.2	113.2	6.6	7 1/2
	April	114.0	114.2	6.3	7 3/4
	May	115.3	115.4	8.7	7 3/4
	June	116.4	115.7	7.7	7 3/4
	July	118.2	117.0	8.0	7 3/4
	August	117.3	117.1	7.6	7 3/4
	September	117.2	117.4	7.9	7 3/4
	October	118.4	118.8	8.1	8
	November	120.6	120.2	8.4	8 1/4
	December	122.4	121.0	8.8	8 1/2
1988	January	120.4	121.8	8.7	8 1/2
	February	120.3	122.0	8.2	8 1/2
	March	124.0	124.0	9.5	8 1/2
	April	124.3	124.4	8.9	8 1/2
	May	124.1	124.2	7.6	8 1/2
	June	125.9	125.1	8.1	8 3/4
	July	128.3	126.9	8.5	9
	August	126.8	126.6	8.1	9 1/4
	September	127.3	127.6	8.7	9 1/4
	October	128.9	129.5	9.0	9
	November	131.2	130.7	8.7	8 3/4
	December	135.7	134.3	11.0	8 3/4
1989	January	131.8	133.3	9.4	9
	February*	132.0	133.9	9.8	9 1/4

* Provisional

In production industries, the underlying increase in average weekly earnings in the year to February was about 9 1/2 per cent, compared with an increase of 9 per cent in the year to January. Within this sector, in manufacturing industries, the underlying increase in the year to February was about 9 1/4 per cent, a rise of 1/4 per cent on the increase in the year to January. The actual increases for production industries and manufacturing industries in the year to February were 10.7 per cent and 10.2 per cent respectively.

In service industries, the underlying increase in average weekly earnings in the year to February was about 9 per cent, the same as the increase in the year to January. The actual increase in the year to January was 8.9 per cent.

TABLE 10: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: MAIN SECTORS
seasonally adjusted

	Production industries*			Manufacturing industries**			Service industries***		
	Index 1985=100	% increases over previous 12 months		Index 1985=100	% increases over previous 12 months		Index 1985=100	% increases over previous 12 months	
		seas adj	under-lying		seas adj	under-lying		seas adj	under-lying
1988 Sep	118.6	8.3	8 1/4	118.2	8.4	8 1/2	116.5	7.6	7 1/2
Oct	119.9	8.7	8 1/4	119.4	8.5	8 1/4	118.2	7.6	8
Nov	120.1	7.9	8 1/4	119.8	8.0	8 1/4	120.4	8.8	8 1/2
Dec	121.5	8.1	8 1/4	121.4	8.3	8 1/4	120.6	9.3	8 1/2
1988 Jan	121.7	8.0	8 1/2	121.7	8.5	8 1/2	121.4	9.2	8 1/2
Feb	120.7	6.3	8 1/2	121.1	7.1	8 1/2	122.1	9.4	8 1/2
Mar	123.1	8.6	8 1/4	123.2	8.8	8 1/2	124.4	10.2	8 1/2
Apr	125.6	9.6	8 1/2	125.2	9.4	8 3/4	123.8	8.6	8 1/2
May	126.0	9.4	8 1/2	124.9	8.9	8 3/4	123.5	6.2	8 1/2
Jun	125.3	8.3	9	125.0	8.0	9	125.5	8.2	8 3/4
Jul	127.0	8.6	9	126.6	8.3	9	126.6	8.4	9
Aug	127.2	8.1	9	126.7	8.3	8 3/4	126.0	7.9	9 1/4
Sep	128.3	8.2	8 3/4	127.6	8.0	8 3/4	126.6	8.7	9 1/4
Oct	130.1	8.5	8 3/4	129.2	8.2	8 1/2	128.4	8.6	9
Nov	130.4	8.6	8 3/4	130.2	8.7	8 3/4	131.0	8.8	8 3/4
Dec	132.5	9.1	9	132.4	9.1	9 R	135.6	12.4	8 3/4
1989 Jan	133.2	9.4	9	133.2	9.4	9	132.7	9.3	9
Feb(p)	133.6	10.7	9 1/2	133.5	10.2	9 1/4	133.0	8.9	9

p provisional
* DIVISIONS 1-4 of SIC 1980 covering Energy and water supply and manufacturing.
** DIVISIONS 2-4 of SIC 1980. Included in production industries.
*** DIVISIONS 6-9 of SIC 1980 covering Distribution, hotels and catering, repairs; Transport and communications;Banking,finance, insurance, business services and leasing; Other services (including public administration, education, medical and other medical services, etc).

UNIT WAGE AND SALARY COSTS

WAGES AND SALARIES PER UNIT OF OUTPUT WILL BE THE SUBJECT OF SEPARATE PRESS RELEASE ON MONDAY 17 APRIL 1989. THIS PAGE WILL BE AMENDED PRIOR TO PUBLICATION TO TAKE ACCOUNT OF UPDATED AND REVISED ESTIMATES THAT WILL THEN BE AVAILABLE.

In the three months ending January 1989, wages and salaries per unit of output in manufacturing industries were 2.9 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 10) as there was a rise of about 6 per cent in productivity over this period (see Table 13).

In the third quarter of 1988 wages and salaries per unit of output in the whole economy were 7.3 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 1 per cent in productivity over this period.

Recent figures are:

TABLE 11: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	104.7	8.3	104.0	6.2
	Q2	104.7	6.5	105.2	6.8
	Q3	104.8	3.7	106.0	4.7
	Q4	103.7	-0.2	106.8	4.3
1987	Q1	105.9	1.1	107.8	3.7
	Q2	104.8	0.1	109.4	4.0
	Q3	106.0	1.1	110.5	4.2
	Q4	107.5	3.7	112.9	5.7
1988	Q1	108.6	2.5	115.2	6.9
	Q2	109.8	4.8	117.0	6.9
	Q3	108.0	1.9	118.6	7.3
	Q4	110.3	2.6	..	..
1988	Aug	107.9	3.1	..	..
	Sep	108.0	0.7	..	..
	Oct	109.4	2.7	..	..
	Nov	109.7	2.2	..	..
	Dec	111.7	2.9	..	..
1989	Jan	111.5	3.6	..	..
3 months ending					
1988	Aug	108.4	2.7	..	..
	Sep	108.0	1.9	..	..
	Oct	108.4	2.2	..	..
	Nov	109.0	1.9	..	..
	Dec	110.3	2.6	..	..
1989	Jan	111.0	2.9	..	..

CONFIDENTIAL UNTIL 11.30 AM ON 13 APRIL 1989

HOURS WORKED IN MANUFACTURING INDUSTRIES

Overtime working by operatives in manufacturing industries continued to be quite high at 14.2 million hours per week in February, compared with 14.9 million hours per week in January 1989 and 13.5 million hours a week in February 1988. The decrease in February follows four months of extremely high overtime, and the level in February remains significantly above levels seen before October 1988, when there was a step up in the trend.

Hours lost through short-time working in manufacturing industries remained low, at 0.26 million hours per week in February.

The index of average weekly hours worked by operatives in manufacturing industries (which takes account of hours of overtime and short-time as well as normal basic hours) was estimated at 101.2 in February 1989 compared with an average of 101.5 over the three month period ending December 1988.

Recent figures are set out in Table 12.

TABLE 12: WORKING HOURS OF OPERATIVES IN MANUFACTURING INDUSTRIES

Great Britain, seasonally adjusted

		Hours of overtime worked	Hours lost through short-time working (stood off for whole or part of week)	Index of average weekly hours (average 1985 = 100)
		Millions per week	Millions per week	
1987	Sep	13.13	0.25	100.8
	Oct	13.37	0.27	101.0
	Nov	13.33	0.40	100.9
	Dec	13.48	0.26	100.9R
1988	Jan	14.13	0.24	101.6R
	Feb	13.48	0.27	101.0R
	Mar	13.47	0.23	101.0R
	Apr	13.43	0.22	100.9R
	May	13.67	0.23	100.9R
	Jun	13.44	0.26	100.7R
	Jul	13.97	0.31	101.0R
	Aug	13.94	0.29	101.0R
	Sep	13.92	0.24	100.9R
	Oct	14.51	0.25	101.4R
	Nov	14.66	0.22	101.5R
	Dec	14.81	0.22	101.5R
1989	Jan	14.86	0.16	101.8R
	Feb	14.21	0.26	101.2

R= Revised to take account of the results of the October 1988 Earnings and Hours survey of manual workers.

Personal and Confidential until 11:30 Am 13.4.89

OUTPUT PER HEAD WILL BE THE SUBJECT OF A SEPARATE PRESS RELEASE ON MONDAY 7 APRIL 1989. THIS PAGE WILL BE AMENDED PRIOR TO PUBLICATION TO TAKE ACCOUNT OF UPDATED AND REVISED ESTIMATES THAT WILL THEN BE AVAILABLE.

Manufacturing output per head in the three months to January was 0.9 per cent higher than in the three months ending October and 6.0 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the third quarter of 1988 was 0.8 per cent higher than in the previous quarter and 1.1 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 13: OUTPUT PER HEAD seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	100.0	-0.3	100.9	1.6
	Q2	101.9	0.9	101.9	1.4
	Q3	103.3	3.5	102.7	2.8
	Q4	107.0	8.2	103.7	3.4
1987	Q1	106.5	6.5	103.9	3.0
	Q2	109.6	7.6	104.5	2.6
	Q3	110.7	7.2	105.4	2.6
	Q4	111.8	4.5	105.8	2.0
1988	Q1	112.4	5.5	105.8	1.8
	Q2	113.9	3.9	105.7	1.1
	Q3	117.5	6.1	106.6	1.1
	Q4	118.4	5.9	..	..
1988	Aug	117.3	5.0	..	..
	Sep	118.1	7.1	..	..
	Oct	118.1	5.4	..	..
	Nov	118.6	6.3	..	..
	Dec	118.5	6.1	..	..
1989	Jan	119.5	5.7	..	..
3 months ending					
1988	Aug	116.3	5.3	..	..
	Sep	117.5	6.1	..	..
	Oct	117.8	5.8	..	..
	Nov	118.3	6.3	..	..
	Dec	118.4	5.9	..	..
1989	Jan	118.9	6.0		

Industrial stoppages

In February 1989, it is provisionally estimated that 58 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 38 thousand in January 1989, 654 thousand in February 1988 and an average of 1,212 thousand for February during the ten year period 1979 to 1988.
During the twelve months to February 1989 it is provisionally estimated that a total of 3,024 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 662 stoppages have been provisionally recorded as being in progress, involving a total of 643 thousand workers. The comparable figures for the twelve months to February 1988 were 2,489 thousand lost working days, 994 stoppages in progress and 846 thousand workers.

Table 14. Industrial stoppages in progress in the United Kingdom.

	Working days lost (thousand)	Number of Stoppages	Workers involved (thousand)
1988			
Feb(p)	654	121	151
Mar(p)	258	93	48
Apr(p)	64	51	17
May(p)	137	75	41
Jun(p)	306	86	43
Jul(p)	349	69	36
Aug(p)	433	57	150
Sep(p)	1,112	62	163
Oct(p)	52	79	33
Nov(p)	177	79	146
Dec(p)	39	43	20
1989			
Jan(p)	38	40	11
Feb(p)	58	65	18
Cumulative totals			
12 months to February 1988(p)	2,489	994	846
12 months to February 1989(p)	3,024	662	643

(p) Provisional and subject to revision, normally upwards, see note H1.

NOTES TO EDITORS

GENERAL SYMBOLS

The following symbols are used throughout: .. not available, - nil or negligible, p provisional, r revised. Occasionally, totals may differ from the sum of components because of rounding or separate seasonal adjustments of components.

UNEMPLOYMENT (Tables 1-4)

A1. The unemployment figures are based on records of those claiming benefits at Unemployment Benefit Offices. The figures therefore include those who claim Unemployment Benefit, Income Support (formerly Supplementary Benefit up to April 1988) or National Insurance credits. The figures include the severely disabled but exclude students seeking vacation work and the temporarily stopped (see below). A full description of the system of compiling the figures appeared in the September 1982 Employment Gazette.

A2. The unemployment figures exclude students who are claiming benefit during a vacation but who intend to return to full-time education when the new term begins. From November 1986 most students have only been eligible for benefits in the summer vacation. On 9 March 1989 these numbered 901 in the United Kingdom.

A3. The figures exclude temporarily stopped workers, that is, those who had a job on the day of the count but were temporarily suspended from work on that day and were claiming benefits. On 9 March 1989 these numbered 6,768 in Great Britain and 8,280 in the United Kingdom.

A4. National and regional unemployment rates are calculated by expressing the number of unemployed as a percentage of the estimated total workforce (the sum of employees in employment, unemployed claimants, self-employed, HM Forces and participants on work-related government training programmes) at mid-1988.

Until July 1986, all rates were expressed as a percentage of employees plus the unemployed only. These narrower based rates, continue to be used for local areas (travel-to-work areas and counties) because estimates for the self-employed needed to calculate the new rates are not made below regional level. The denominators for these narrow-based rates relate to mid-1987, but will be fully updated to mid-1988, and the rates revised, when the results of the 1987 Census of Employment, including revised employment estimates for travel-to-work-areas and counties, become available later this year. The UK narrower rates on 9 March 1989 were 10.1 per cent for males and 5.2 per cent for females, 7.9 per cent in total (unadjusted).

A5. The latest figures for national and regional seasonally adjusted unemployment are provisional and subject to revision, mainly in the following month. The seasonally adjusted series takes account of all past discontinuities to be consistent with the current coverage. (See the article "Unemployment adjusted for discontinuities and seasonality" in the July 1985 Employment Gazette and also page 422 of the October 1986 edition for the list of previous changes in coverage taken into account). The seasonally adjusted series now relates only to those aged 18 and over in order to maintain a consistent series, allowing for the change in benefit regulations for those aged under 18 from September 1988. See also notes A7 and A8.

For further details see the article 'Unemployment statistics : revisions to the seasonally adjusted series' in the December 1988 issue of Employment Gazette.

A6. The unemployment flows, in Table 4 relate to people claiming and ceasing to claim benefit. A seasonally adjusted series cannot yet be estimated. The figures are standardised to a four and one third week month to allow for the varying periods between successive monthly count dates, and may therefore appear not to balance with the monthly changes in unemployment levels.

A7. The recent extension of the guaranteed offer of a YTS place to all those aged under 18 who have not found a job, and the associated change from 12 September 1988 in the entitlement of young people to claim unemployment-related benefits have inevitably affected the coverage of the claimant count mainly from October. In addition, last summer's school leavers were not eligible for benefits on the 8 September count date. There are now only a few under 18's remaining in the count. The effect of the new regulations is to remove about 90,000 on average from the total count with over 80,000 of this having taken place over the two months to October. Previously the seasonally adjusted unemployment series included those under 18's who had had a job since leaving school(i.e. those not classed as school leavers); and without amendment there would be a discontinuity mainly from October 1988. To maintain consistency over time, the seasonally adjusted series has consequently been restricted to claimants aged 18 and over. On recent levels of unemployment the new series is about 40,000 lower than the former series. The new series are available back to January 1971 at national level (1974 for the regions). See also note A5.

A8. The seasonally adjusted unemployment figures for September 1988 allow for the estimated effect of temporary over-recording caused by the postal strike. The adjustments made at regional level are less precise than those at national level. September's unadjusted figures, however, remain distorted by this effect, estimated at around 55,000. This arose mainly through the special action taken to ensure that the unemployed received their benefits during the strike and delays in the post of information about when claimants ceased to be unemployed. The outflow from unemployment between the August and September counts was therefore understated, with a consequent upward effect on the September totals. This effect unwound between the September and October counts.

EMPLOYMENT (Table 5)

B1. Information on the number of employees in employment is for most industries collected quarterly and monthly from sample surveys addressed to individual establishments and for other industries from returns provided by major employers in the industry. These figures are used to calculate rates of change in employment since the last Census of Employment was held, and the rates of change are applied to comprehensive census results to provide current estimates.

B2. The surveys cover all large establishments and a proportion of small establishments (but none of the smallest employers). 30,000 establishments are surveyed each quarter month (e.g. in March, June etc.), and of these 12,000 are in manufacturing industries. 6,000 of the manufacturing establishments are also surveyed in non-quarter months. Estimates for these months are less reliable than those for quarter months, and the first estimates are subject to revision when the following quarter's figures become available (e.g. January and February estimates are revised in the light of figures for March). As the estimates of employees in employment are derived from employers' reports of the numbers of people they employ, individuals holding two jobs with different employers will be counted twice. Participants in government employment and training schemes are included if they have a contract of employment. HM Forces, homeworkers and private domestic servants are excluded.

B3. The estimates of employees in employment presented in this press notice also take account of the results of the 1985, 1986, 1987 and 1988 sample Labour Force Surveys (LFS). The series include allowances for undercounting in the estimates of the number of employees in employment derived from the sample survey of employers. When the 1988 LFS results were incorporated in March 1989 there was a small change in methodology - see page 201 of the April 1989 issue of Employment Gazette for details. Estimates of employees in employment will be further revised when the 1987 Census of Employment results become available.

B4. The self-employed are those who in their main employment work on their own account, whether or not they have any employees. Second occupations classified as self-employed are not included.

B5. Comprehensive estimates of the number of self-employed are taken from the Census of Population, the most recent of which was held in 1981. Estimates for the other years are made by applying rates of change, derived from the sample Labour Force Survey results, to the census benchmark. In this way self employment is estimated to have increased by 12,800 a quarter between mid-1981 and mid-1983, by 68,800 a quarter between mid-1983 and mid-1984, by 28,800 a quarter between mid-1984 and mid-1985, by 4,100 a quarter between mid-1985 and mid-1986, by 58,500 a quarter between mid-1986 and mid-1987 and by 31,000 a quarter between mid-1987 and mid-1988. Pending the results of the 1989 Labour Force Survey it is assumed that the numbers of self employed are continuing to increase at the rate of 31,000 a quarter observed between 1981, the date of the latest Census of Population which provides a benchmark for the self employment series, and 1988, the date of the latest available Labour Force Survey data. The derivation of recent estimates is described in an article on page 201 of the April edition of the Employment Gazette.

B6. Figures for HM Forces are provided by the Ministry of Defence.

B7. Estimates of numbers on work-related government training programmes consist of those participants in programmes and schemes who in the course of their participation in the programmes receive training in the context of a workplace but are not employees, self-employed or HM Forces. For the period up to September 1988 it covers most YTS participants without contracts of employment (the small proportion, about 2 per cent, whose training does not include

work experience with an employer are excluded) and the participants on the new JTS. Participants in Employment Training (ET) are included in this series from December 1988. The estimates are not seasonally adjusted.

B8. The workforce in employment which comprises employees in employment, the self-employed, HM Forces and participants on work-related government schemes was introduced in the July 1988 issue of this press notice. See page S6 of the August 1988 edition of Employment Gazette for further details.

VACANCIES (Tables 6-8)

C1. The statistics do not include any vacancies on government programmes (except for vacancies on Enterprise Ulster and Action for Community Employment (ACE) included in the seasonally adjusted figures for Northern Ireland). Previously up to August 1988, unadjusted vacancy figures have additionally been provided including Community Programme vacancies. With the introduction of Employment Training (ET) from September 1988 there are no longer any CP vacancies. ET places are training opportunities determined according to the individual needs of unemployed people and therefore cannot be considered as vacancies or counted as such.
CP vacancies handled by jobcentres have been excluded from the seasonally adjusted series since the coverage was revised in September 1985. The seasonally adjusted series are therefore not affected by the cessation of CP vacancies. Figures on the current basis are available back to 1980. (See Employment Gazette October 1985 page 413 for further details).

C2. Vacancies at Jobcentres are mainly for adults aged 18 or over, but include some vacancies for persons under 18. Vacancies at Careers offices are mainly for young persons under 18 years of age, but include some vacancies suitable for adults. Where the vacancy is notified to both services by an employer, it will be included in both counts; for this reason, the two counts should not be added together to give a figure for total vacancies.

C3. The vacancy figures do not represent the total number of vacancies in the economy. Latest estimates suggest that nationally about one third of all vacancies are notified to Jobcentres; and about one quarter of all engagements are made through Jobcentres. Inflow, outflow, and placings figures are collected for four or five week periods between count dates; the figures in this press notice are converted to a standard four and one third week month.

EARNINGS (Tables 9 and 10)

D1. The whole economy index of average earnings was introduced from January 1976. It was described in the April 1976 issue of Employment Gazette. The present series is based on 1985 = 100. Separate indices for 26 industry groups of Standard Industrial Classification (1980) are published in the Employment Gazette.

D2. All the series are based on information obtained from the Department's monthly survey of a representative sample of firms in Great Britain, combined with information supplied by the Ministry of

Agriculture Fisheries and Food about agricultural earnings in England and Wales. The survey obtains details of the gross wages and salaries paid to employees, in respect of the last pay week of the month for the weekly paid, and for the calendar month for the monthly paid. The earnings of the latter are converted into a weekly basis. The average earnings are obtained by dividing the total paid by the total number of employees paid, including those employees on strike. The sample of returns contains information relating to some 8 million employees.

D3. The rationale for the measurement of underlying changes in earnings was described in Employment Gazette, April 1981, page 193. In brief, the underlying measure adjusts actual earnings for temporary influences such as arrears of pay, variations in the timing of settlements, and industrial disputes. A short description and analysis of the differences between the seasonally adjusted earnings index and the underlying index appears quarterly in the Employment Gazette, the most recent being in the March 1989 issue.

D4. The average earnings index measures the monthly level of EARNINGS. Earnings include payments to employees for hours of overtime worked, bonus payments and shift premia, grading increments and other productivity or incentive payments. Increases in earnings will therefore include increases in these elements of pay and not just increases in basic pay rates. For this reason earnings increases usually exceed SETTLEMENT increases and WAGE CLAIMS. The Employment Department does not produce a settlements index but figures for settlements are produced by other bodies such as the CBI.

D5. Average earnings will also be affected by factors that are not temporary in nature such as changes in the composition of the workforce such as may arise through employing more or fewer part time employees, changes in hours worked, and irregular variations in bonuses, sickness etc on which no information is available.

UNIT WAGE AND SALARY COSTS (Table 11)

E1. Later figures for unit wage costs and productivity will be available from the Department of Employment, Caxton House, Tothill Street from 11.30 am Monday 17 April. These estimates will be consistent with Output of Production Industries released by the CSO at the same time and GDP(O) figures published on 17 March 1989.

E2. Wages and Salaries per unit of output in manufacturing in the United Kingdom is compiled using monthly series of average earnings, employment and output; it is described in Employment Gazette, June 1982, page 261.

E3. See note G2.

HOURS OF WORK (Table 12)

F1. The hours of overtime and short-time worked by operatives in manufacturing industries are collected by the surveys of individual establishments which are used to collect numbers of employees. Figures are collected monthly; those for non-quarter months are based on a smaller sample, and are therefore subject to retrospective revisions in the same way as the employee estimates.

F2. The index of average weekly hours relates to average weekly hours worked by operatives in manufacturing industries. It is based on the normal weekly hours of full time operatives as in national agreements plus average net overtime. The calculation of this index is described on page 240 of Employment Gazette, June 1983.

PRODUCTIVITY (Table 13)

G1. See E1.

G2. Index numbers of output per person employed in the United Kingdom are calculated by dividing an index of output by an index of the numbers employed.

G3. The calculation of the productivity (and hence the unit wage cost) series is not affected by the changes to the employment series. The present calculation, using a denominator which excludes participants on work related training schemes, provides a better indicator of productivity (and wage cost) trends than would the revised employment series. This is because of the smallness of the scheme participants' contribution to output, the fact that some of the contribution will be excluded from the national accounts measure of output, and practical difficulties in the way of producing an analysis of participants.

INDUSTRIAL STOPPAGES (Table 14)

H1. Statistics of stoppages of work due to industrial disputes in the United Kingdom relate only to disputes connected with terms and conditions of employment. Stoppage involving fewer than 10 workers or lasting less than one day are excluded except where the aggregate of working days lost exceeded 100. However, there are difficulties recording stoppages near the margin of this threshold and consequently greater emphasis should be placed on the figure for working days lost rather than on the number of stoppages. The monthly figures are provisional and subject to revision, normally upwards, to take account of additional or revised information received after going to press.

JH/Q/83

CONFIDENTIAL

Department of Employment
Caxton House, Tothill Street, London SW1H 9NF
5803
Telephone 01-273 . . . . . .
Telex 915564 Fax 01-273 5821

Secretary of State

CH/EXCHEQUER	
REC.	11 APR 1989
ACTION	MR STRACHAN
COPIES TO	PMG SIR P MIDDLETON
	DAME A MUELLER
	MR ALSON
	MISS POSTLE MR SPARROW

John M M Banham Esq
Director-General
Confederation of British Industry
Centre Point
103 New Oxford Street
LONDON
WC1A 1DU

7/4/89

Dear John.

I read your letter of 22 February about public holiday arrangements, including May Day, with great interest. It is helpful to have the views of CBI members at a time when, as you will be aware, we are reviewing the May Day question.

You will recall that when we consulted formally about May Day in 1982 no consensus emerged about either the need for any change or about other possible holidays dates. The Government therefore concluded and announced that there would be no change to the existing arrangements.

Turning to the present review, there remain a variety of interests to be reconciled, including particularly those of the tourist industries, education and the banks, as well as industry in general. These focus on questions such as the effects of any change on the holiday season, the school term and the mismatch of bank holiday dates England and Wales, Scotland and Northern Ireland, which the Jack Committee has recently addressed.

Employment Department · Training Agency
Health and Safety Executive · ACAS

CONFIDENTIAL

Secretary of State
for Employment

Against that background I have noted carefully what you say about the value of uninterrupted operations from August to Christmas and that member firms have made adjustments to deal with the bunching of public holidays in Spring. We shall of course take your soundings carefully into account.

I am copying this reply to my Cabinet colleagues to whom you copied your letter.

Yo Norman

NORMAN FOWLER

external copy list:
Chancellor
SofS, DTI

internal list:
PS/Ministers
PS/Secretary
Mr Manley
Mr Whybrew
Mr A G Johnson
Mr R David
Miss Dimond
Mr Lightfoot

CONFIDENTIAL UNTIL 11.30 AM ON THURSDAY 13 APRIL 1989

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INTERNATIONAL COMPARISONS

HOURLY EARNINGS IN MANUFACTURING (Percentage changes on a year earlier)

		Latest period available
Greece	17.6	Q2 1988
Portugal (h)	9.5	Q2 1988
Great Britain (c)	9 1/4	FEBRUARY
Finland	9.0	Q2 1988
Sweden (g)	8.7	NOVEMBER
Spain (e)	7.9	Q3 1988
New Zealand (i)	6.5	Q3 1988
Norway (d)	5.8	Q3 1988
Denmark (g)	5.5	NOVEMBER
Australia (b)	5.4	SEPTEMBER
Italy (b)	5.4	DECEMBER
Ireland	5.3	Q2 1988
Canada	4.9	DECEMBER
Japan (a)(f)	4.9	DECEMBER
Germany	4.4	Q4 1988
Austria (a)(g)	3.7	SEPTEMBER
France (b)	3.1	Q3 1988
United States	3.1	JANUARY
Belgium (j)	1.9	Q3 1988
Netherlands (b)	1.2	SEPTEMBER
OECD	5.2	JUNE
EEC	6.0	JUNE

Source: OECD Main Economic Indicators: MARCH 1989

(a) Monthly Earnings
(b) Hourly Rates
(c) Weekly Earnings (Underlying)
(d) Males
(e) Not Seasonally Adjusted
(f) 3 month ending
(g) Mining and Manufacturing
(h) Daily Earnings
(i) Weekly Rates; all activities
(j) Mining, manufacturing and transport

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"Unemployment fell by slightly less than in recent months and underlying earnings growth rose by ¼ point again. But the new whole economy productivity and unit wage cost figures are disappointing." cc SPitchford 12/4

FROM: R DEANE (EB)
DATE: 12 APRIL 1989
Ext 5207

PMP

1. **MR PICKFORD** ✓
2. **CHANCELLOR** (+ 1 for No.10)

Chief Secretary	Mr Burr
Financial Secretary	Mr Gieve
Paymaster General	Mr Hibberd
Economic Secretary	Mr Meyrick
Sir P Middleton	Mr Bush
Sir T Burns	Mr Darlington
Mr Monck	Mr Dyer
Mr Scholar	Mr O'Brien
Mr Burgner	Miss Wallace
Mr Riley	Mrs Chaplin
Mr Peretz	Mr Tyrie
Mr Sedgwick	Mr Call
	HB/001

John Did this get sent to Paul Gray yesterday? Thanks ✓ R.

COMBINED RELEASE OF LABOUR MARKET STATISTICS ON 13 APRIL

Summary Statistics (seasonally adjusted GB unless otherwise stated)

	Thousands Level	Change on previous period	Change on previous year
Unemployment (UK) March			
Total (aged 18 and over)	1,918 (6.7%)†	-31	-536
Total (not seasonally adjusted: 'Headline Total')	1,960 (6.9%)†	- 58*	-632*
Vacancies (UK) March	223	- 5	-27
Workforce in employment 1988Q4	25,961	+169	+649
Manufacturing employees February	5,150	-10	+ 4

	Percentage change on previous year
Index of average earnings, February	
Whole economy, underlying (actual)	9¼ (9.7)
Manufacturing, underlying (actual)	9¼ (10.1)
Service industries, underlying (actual)	9 (8.9)
Wage and salary costs per unit of output	
Whole economy, 1988Q4	8.4
Manufacturing, three months to January	2.9
Output per head	
Whole economy, 1988Q4	0.5
Manufacturing, three months to January	6.0

† per cent of workforce
* figures distorted by change in regulations for claimants under 18 (monthly change hardly affected).

ASSESSMENT AND COMMENT

2. The seasonally adjusted unemployment series fell by 30,600 in March. DE say this fall is still consistent with an underlying downward trend of around 40,000 per month. The smaller fall in March may be due to some rebound from above average falls at the turn of the year caused by the mild winter. The average fall over the last six months is 45,600. Unemployment in March fell to 6.7 per cent of the workforce. The continuous fall since July 1986 has now reached 1.2 million over 32 consecutive months.

3. The headline total fell by 58,000 between February and March to below 2 million. The seasonally adjusted series fell below 2 million in January.

4. The workforce in employment (employees in employment, the self-employed, HM Forces and participants in government training programmes) is estimated to have increased by 169,000 in 1988Q4. This follows a revised increases of 152,000 in the third quarter (the previous estimate was 168,000). Employment has now increased by nearly 3 million since March 1983. The total increase in the year to December is estimated at 649,000 of which almost three-quarters is full-time employment.

5. Vacancies fell by 5,200 to 222,900 in March. Most of the fall in recent months has been in the South East. Inflows and placings are both at high levels indicating continued buoyancy in the labour market.

6. The level of overtime fell back slightly in February but is still above the average level of last year. Short-term working rose a little from last month's extremely low level.

7. The increase in underlying whole economy earnings was 9¼ per cent in the twelve months to February, a rise of ¼ per cent from last month's figure. Underlying whole economy earnings have now increased by ¼ per cent in each of the last three months. The estimate for production industries rose by ½ per cent to 9½ per cent (the rounding was unfavourable). The manufacturing estimate rose by ¼ per cent while the service sector estimate was unchanged at 9 per cent.

8. **[NOT FOR USE:** In February 1988 the underlying increase in whole economy earnings was 8½ per cent, ¾ per cent lower than the increase in the year to February 1989. DE estimate that overtime is responsible for ½ per cent of the

rise in manufacturing earnings and ¼ per cent of the rise in whole economy earnings growth over the last year. Settlements are currently estimated to be adding just under ½ per cent to the growth in whole economy earnings, and over ½ per cent to earnings growth in manufacturing over last year's levels. DE expect the whole economy underlying increase to remain at 9¼ per cent next month, but upward pressure from settlements could push the underlying increase up to between 9¼ and 9¾ per cent in April.]

THE FIGURES IN DETAIL

Unemployment

9. Points of interest:

(a) Seasonally adjusted unemployment now at the lowest level for over 8 years, since January 1981 on a consistent basis.

(b) Fallen by almost 1¼ million since July 1986. Seasonally adjusted total has fallen for thirty-two months in succession by 1,215,000 in total. This is the longest period of continuous decline in unemployment since the War.

(c) Fallen by 536,000 over past year.

(d) Unemployment has fallen in all regions over the past year. Unemployment rates have fallen fastest in the West Midlands and Wales, but there have been significant falls in all regions, including Northern Ireland.

(e) UK unemployment rate fallen more in past year than in any other major industrialised country. Latest figures (national definitions) show fall in UK rate of 1.9 percentage points over past year, compared with falls of 0.9 in US, 0.8 in Germany, 0.5 in France and 0.5 in Japan. UK unemployment rate lower than EC average, but still above the major 7 average, reflecting lower unemployment in the three largest countries - US, Japan and Germany.

(f) The 'headline' total is likely to fall in April. Seasonal influences will be slightly downward adding to the continuing underlying trend.

Employment

10. The new figures available this month relate to the workforce in employment in December (quarterly series) and employees in manufacturing industries in February.

11. The December quarter increase of 169,000 in the workforce in employment is higher than the increases recorded in the second and third quarters of 1988. The increase over September is composed of:

(a) a projected increase in self-employment of 31,000;

(b) an increase of 98,000 employees in employment. This includes an increase of 100,000 in the service sector and 4,000 in manufacturing, partly offset by a fall of 4,000 and 1,000 in energy and water supply and other industries (agriculture and construction) respectively;

(c) a rise of 42,000 in workforce related government training schemes. Estimates for participants in ET are included for the first time, although this has been partly offset by a seasonal fall in the number on YTS.

(d) a fall of 2,000 in HM Forces.

The increase in the workforce in employment in the year to December is estimated to be 649,000, 480,000 full-time and 169,000 part-time jobs (including all of the 45,000 increase in participants on government training programmes).

12. The increase of 2,964,000 in the workforce in employment since March 1983 consists of 1.7 million employees in employment, 0.8 million self-employed, 0.4 million on Government training schemes, and a slight reduction in HM Forces. 1.8 million of the total increase was in female employment and over half of the total increase was in full-time employment.

13. The number of employees in manufacturing industries fell by 10,000 in February. However, the monthly figures are erratic. Although it has slowed recently, manufacturing employment has been on an upward trend since Spring 1987.

Other features

14. The underlying increase in the whole economy average earnings index rose from 9 cent in January to 9¼ per cent in February. The actual increase in the index was higher at 9.7 per cent due to bonuses and other adjustments. The underlying increase in the manufacturing sector rose by ¼ per cent to 9¼ per cent. The actual increase was 10.1 per cent reflecting the low earnings figure from last year caused by a dispute in the motor vehicle industry. The underlying increase in the production industries rose by ½ per cent to 9½ per cent (the actual increase was 10.8 per cent reflecting the effects of disputes in the motor vehicle and coal industries). The apparently high increase in the underlying figure is partly due to rounding. The service sector underlying increase was unchanged at 9 per cent, the actual increase being 8.9 per cent.

15. The level of overtime working fell slightly in February to 14.2 million hours. This is 5½ per cent higher than the level in February 1988. Overtime has been particularly high since the summer of last year. Overtime per operative in the last few months has been at the highest levels since 1973/74. Short time working remains at levels last seen in the early 1970s.

16. Output per head and unit wage cost figures for manufacturing industries in February will not be released until Monday 17 April (we have not seen these yet). 1988Q4 figures for the whole economy will be released with the other labour market figures. These show whole economy output per head in 1988Q4 0.5 per cent higher than a year earlier (down from 1.0 per cent in 1988Q3) and unit wage costs 8.4 per cent higher than a year earlier (up from 7.3 per cent in 1988Q3).

A note on the recent trend in these figures is attached.

Line to take:

- continuing fall in unemployment and rising employment reflects buoyant growth in the economy over the last year;

Defensive:

Poor whole economy productivity and unit wage cost figures imply that productivity miracle is at an end?

- Whole economy productivity and unit wage cost figures primarily reflect time lags. The slowdown in economic growth towards the end of last year has (as is normal when output slows) not yet been reflected in the labour market.

- Also accidents reduced output from the North Sea sector in the second half of last year, adversely affecting the whole economy figures. (**If pressed:** effect of these accidents is to add approximately ½ per cent to whole economy unit wage cost growth and take away approximately ½ per cent from whole economy productivity growth.)

- Other major countries have also experienced some slowdown in whole economy productivity growth during 1988.

Unit wage cost figures show inflation out of control?

- The Government remains totally committed to reducing inflation, and the necessary action has been taken. Domestic cost increases will not be accommodated by the Government. It is up to firms to control their pay and costs. The more successfully they do so, the less costly in terms of output and employment the necessary adjustment will be.

Robert Deane

ROBERT DEANE

rd/1988/reg-lab

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RECENT TREND IN WHOLE ECONOMY PRODUCTIVITY AND UNIT WAGE COSTS

Whole economy productivity and unit wage cost figures for 1988Q4 will be released on Thursday 13 April. They show a slowdown in productivity growth and a rise in the growth of unit wage costs. I attach tables which illustrate the recent trend in both manufacturing and the whole economy. These figures confirm that the declining trend in productivity growth and the upward trend in growth of unit wage costs have been continuing through 1987 and 1988.

2. Preliminary figures for the main G7 countries up to the third quarter also suggest that they also have been experiencing a slowdown in productivity growth through 1988: in the US whole economy productivity growth (on a year ago) has fallen from about 2 per cent in 1988Q1 to about 1½ per cent in 1988Q3; in Japan from about 5 per cent to about 4 per cent; and in Germany from nearly 4 per cent to about 2¾ per cent. This compares with a fall in the UK from 1.8 per cent to 1.0 per cent.

<u>Construction of GDP(O)</u>

3. Output is ideally measured either by direct estimates of the volume of production or by value added deflated by an appropriate price. In a number of service industries, however, indicators of value or volume of output are difficult to obtain or unavailable.

4. In the private sector, employment is used as a proxy for output in advertising; other business, professional and technical services; private education and health services; and other private services (office cleaning, privatised refuse disposal, research and development, charities, trade unions and professional associations). Arbitrary adjustments are made for changes in output per head. Employment is also used as one of the proxies for output in banking, building societies and legal services.

5. In the non-trading public sector output is proxied by inputs -- labour, which is given by far the greater weight, and capital consumption. This implies that there are no changes in capital or labour productivity.

6. In total these service sectors where output is proxied by employment account for about 15 per cent of GDP(O).

YEAR-ON-YEAR GROWTH RATES (per cent)

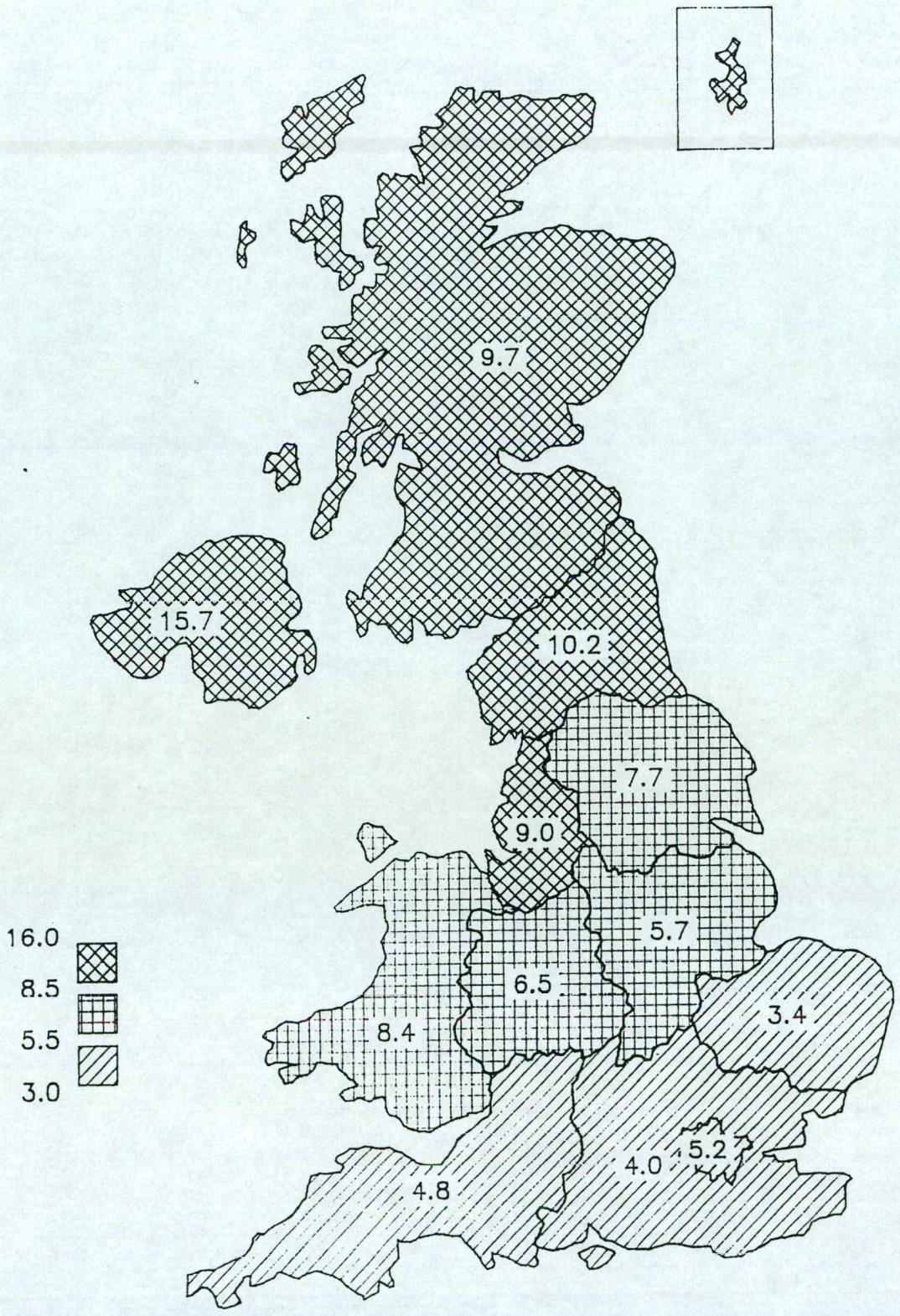
	WHOLE ECONOMY					MANUFACTURING				
	GDP(O)	Employed lab force	Average earnings	Product-ivity	UWCs	Output	Employed lab force	Average earnings	Product-ivity	UWCs
1980	(2.9)	(0.7)	NA	(2.2)	22.7	(8.7)	(5.1)	NA	(3.9)	22.3
1981	(1.3)	(3.4)	12.8	2.2	9.6	(6.0)	(9.0)	13.2	3.5	9.4
1982	2.1	(2.0)	9.4	4.3	4.8	0.2	(6.1)	11.2	6.5	4.2
1983	3.4	(0.8)	8.5	4.2	3.8	2.9	(5.1)	9.0	8.5	0.4
1984	3.2	1.8	6.0	1.4	4.3	4.2	(1.5)	8.6	5.8	2.8
1985	3.1	1.4	8.5	1.6	5.7	2.5	(0.5)	9.1	2.9	6.0
1986	2.9	0.6	7.9	2.3	5.5	0.9	(2.0)	7.7	3.0	4.5
1987	4.8	2.2	7.8	2.5	4.4	5.6	(0.8)	8.0	6.5	1.5
1988	4.3	3.1	8.7	1.1	7.4	7.0	1.5	8.5	5.3	2.9
1987Q1	4.0	1.2	7.2	3.0	3.7	3.9	(2.5)	7.7	6.5	1.1
1987Q2	4.5	1.9	7.6	2.6	4.0	6.1	(1.4)	7.7	7.6	0.1
1987Q3	5.2	2.5	7.9	2.6	4.2	7.3	0.0	8.5	7.2	1.1
1987Q4	5.1	3.1	8.4	2.0	5.7	5.3	0.8	8.3	4.5	3.7
1988Q1	5.5	3.5	8.8	1.8	6.8	7.6	2.0	8.2	5.5	2.5
1988Q2	4.6	3.4	8.3	1.1	6.9	5.8	1.9	8.8	3.9	4.8
1988Q3	4.1	3.1	8.4	1.0	7.3	7.7	1.5	8.2	6.1	1.9
1988Q4	3.1	2.6	9.6	0.5	8.4	6.9	0.9	8.7	5.9	2.6

Figures in brackets are negative

Seasonally Adjusted Unemployment Rate

13 April 1989

United Kingdom: Regions



NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

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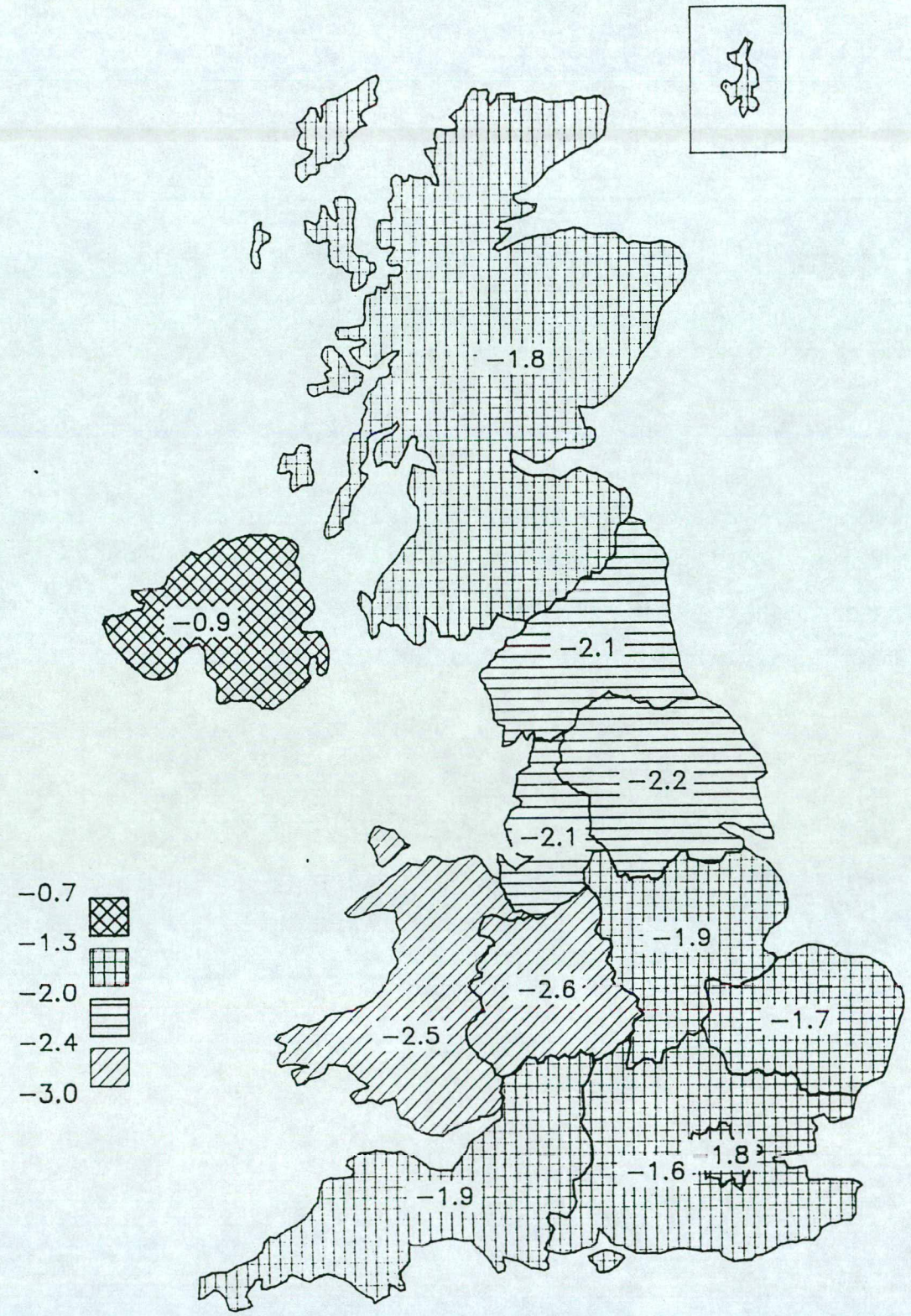
Change in Seasonally Adjusted Unemployment Rate

April 1988 – April 1989

United Kingdom: Regions



NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

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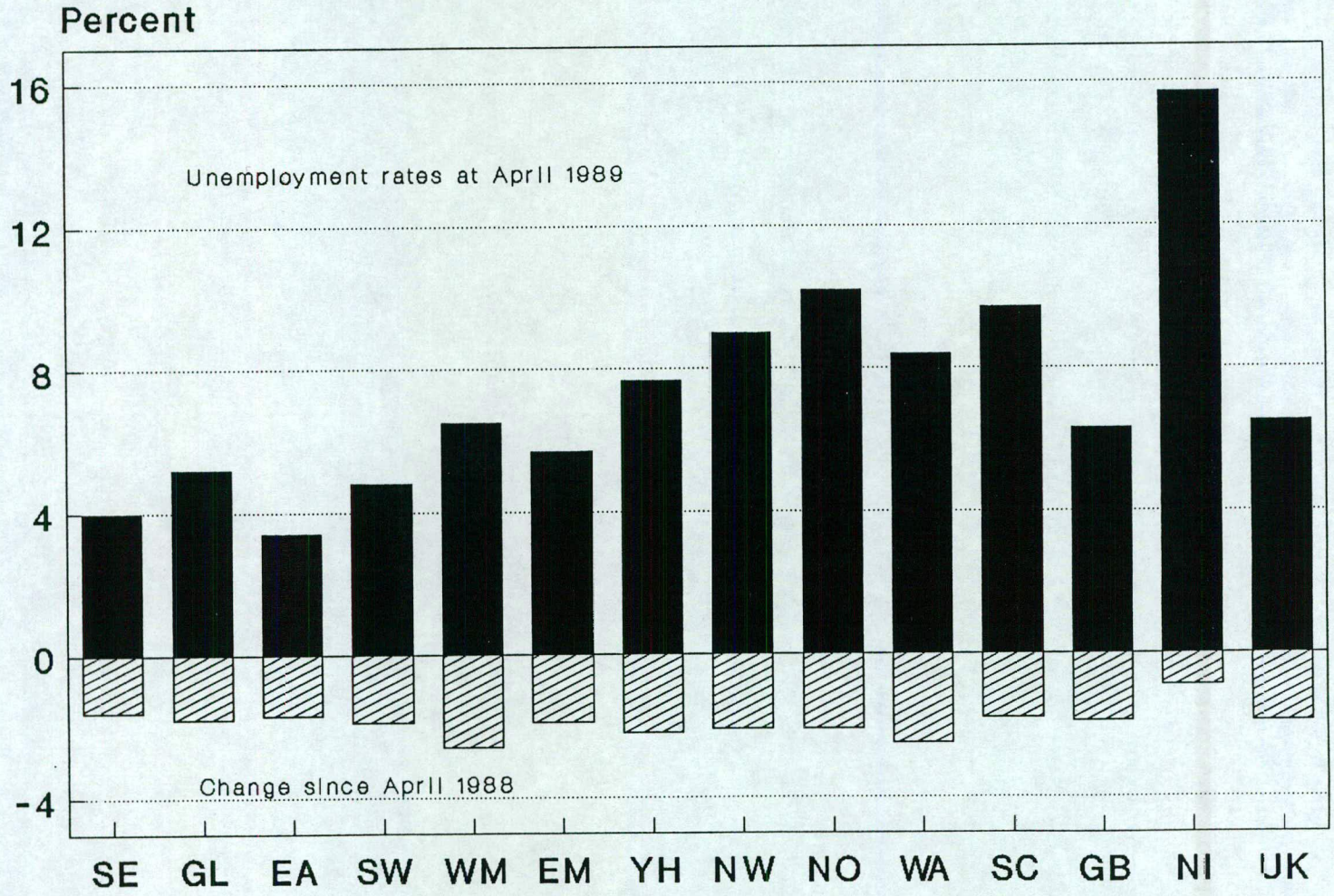
REGIONAL UNEMPLOYMENT RATES SEASONALLY ADJUSTED April 1989



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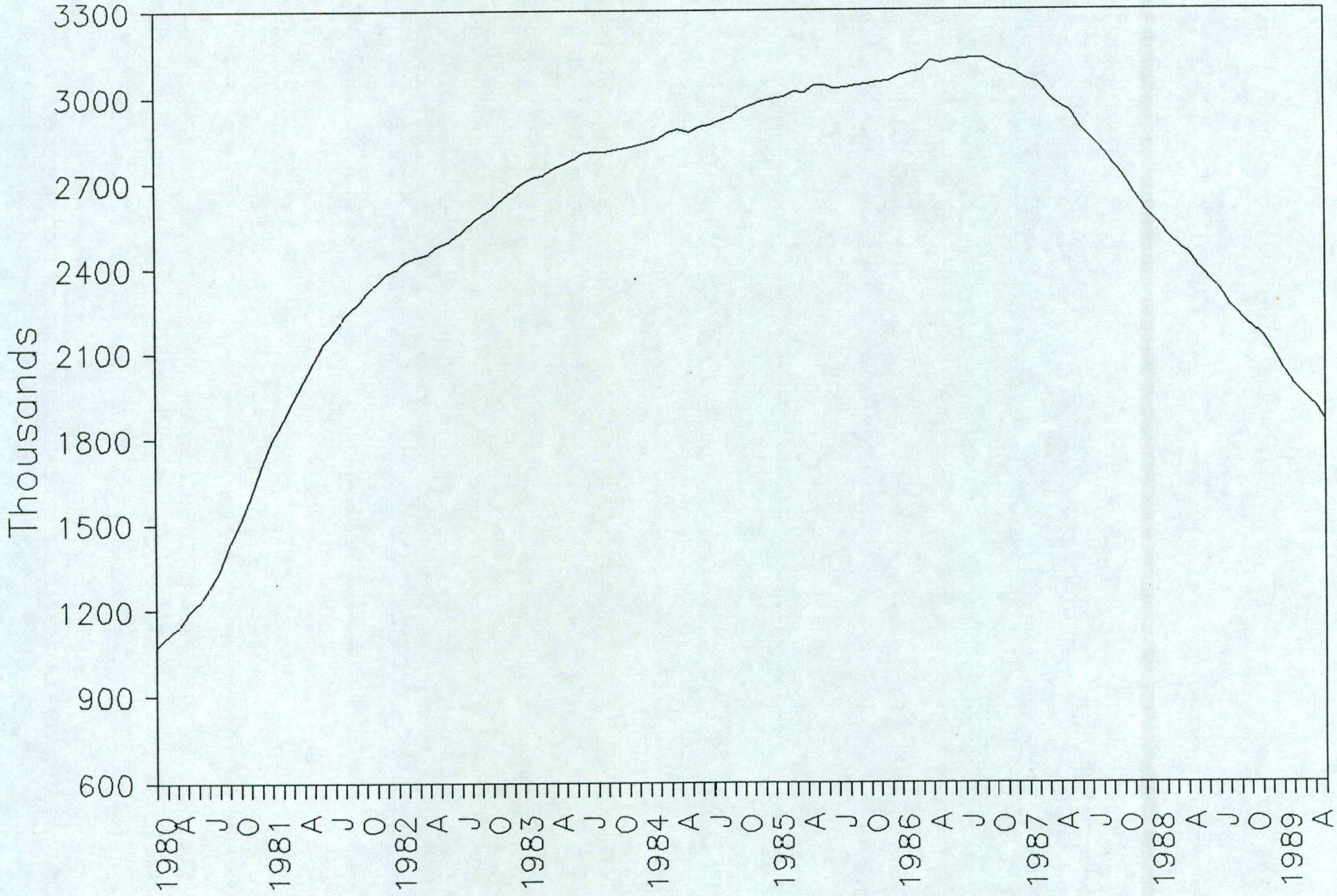
SEASONALLY ADJUSTED UNEMPLOYMENT

CONSISTENT WITH CURRENT COVERAGE U.K. April 1989



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REGIONAL UNEMPLOYMENT, SEASONALLY ADJUSTED

			RATE (% of WORKFORCE)		
	April 1989	Change in month since March 1989	April 1989	Change in month since March 1989	Change in year since April 1988
	Thousands				
REGIONS					
South East	374.3	-13.3	4.0	-0.1	-1.6
(Greater London)	(223.2)	(-7.1)	5.2	-0.2	-1.8
East Anglia	35.5	-1.2	3.4	-0.1	-1.7
South West	101.6	-3.1	4.8	-0.1	-1.9
West Midlands	174.1	-7.2	6.5	-0.3	-2.6
East Midlands	112.9	-5.1	5.7	-0.3	-1.9
Yorks & Humber	183.8	-5.4	7.7	-0.2	-2.2
North West	272.0	-8.4	9.0	-0.3	-2.1
North	149.2	-4.9	10.2	-0.3	-2.1
Wales	101.2	-3.7	8.4	-0.3	-2.5
Scotland	243.4	-7.1	9.7	-0.3	-1.8
GREAT BRITAIN	**1748.2**	**-59.2**	**6.3**	-0.2	-1.9
Northern I.	108.2	-1.0	15.7	-0.1	-0.9
UNITED KINGDOM Total	**1856.4**	**-60.2**	**6.5**	-0.2	-1.9
Male	1320.0	-39.5	7.9	-0.2	-2.1
Female	536.4	-20.7	4.5	-0.2	-1.6

UNITED KINGDOM, claimants January 1989 C3a

Thousands

Unemployment by duration

Duration	Number at January 1989	Change since January 1988 $	
All durations	2074	(-648)	-564
Over 6 months	1160	(-387)	-348
Over 1 year	821	(-279)	-268
Over 2 years	545	-183	
Over 3 years	411	-105	
Over 4 years	309	-72	
Over 5 years	237	-38	
Up to 6 months	914	(-261)	-215
6 to 12 months	339	(-108)	-80
1 to 2 years	277	(-96)	-85
2 to 3 years	134	-77	
3 to 4 years	102	-33	
4 to 5 years	72	-34	
Over 5 years	237	-38	

Unemployment by Age

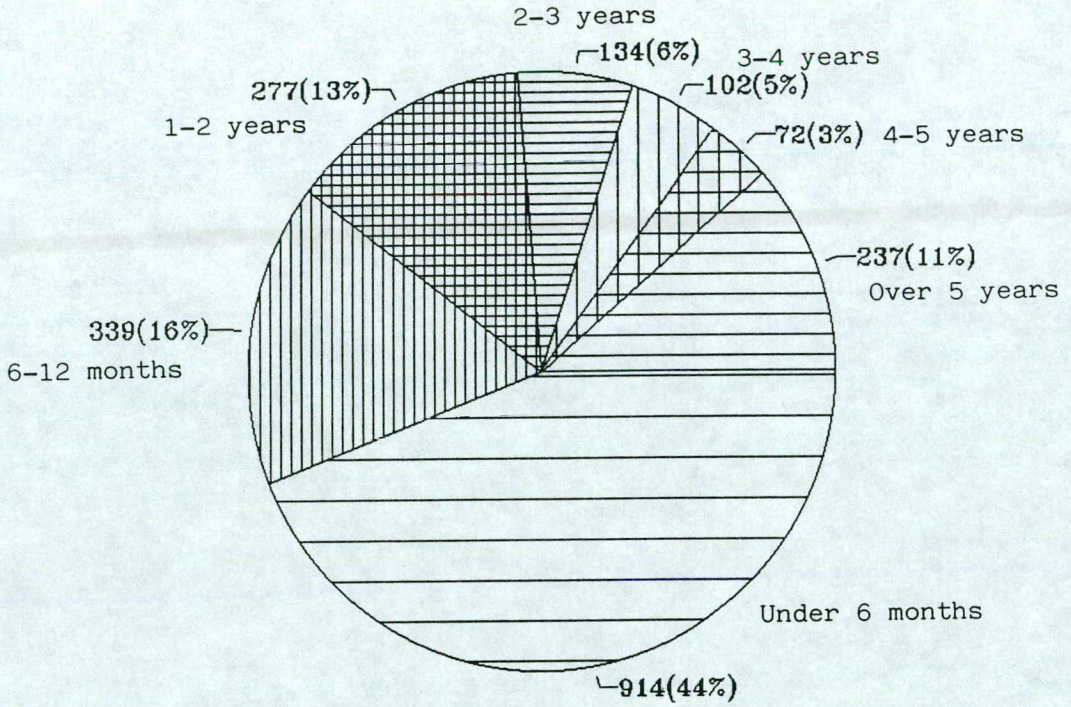
	Number at January 1989	Change since January 1988 $
18-19 years	169	-61
20-24 years	427	-117
25-49 years	1030	-260
50 and over	444	-94
All ages *	2074	(-648)*

$ Changes given in brackets are affected by September's change in benefit regulations for the under 18 year olds. Estimates of changes allowing for these effects are given alongside. (Based on the estimated effects in the quarters to October 1988 and January 1989).

* Includes those aged under 18.

U.K. UNEMPLOYMENT BY DURATION

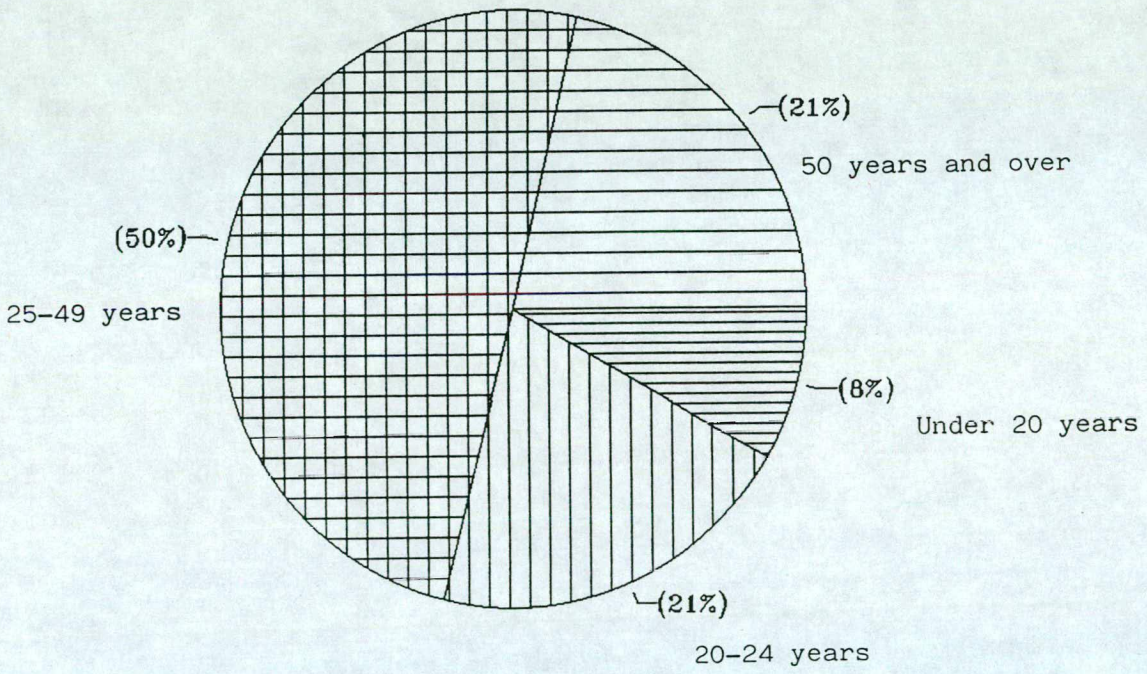
THOUSANDS



JANUARY 1989

U.K. UNEMPLOYMENT BY AGE

THOUSANDS



JANUARY 1989

INTERNATIONAL COMPARISONS OF UNEMPLOYMENT C4A

International standardised unemployment rates are used wherever possible in the following table comparing levels of unemployment. They are more comparable than the figures on national definitions which are subject to greater differences in coverage. OECD standardised rates are used wherever possible. (The latest available national figures are however used in tables C4b and C4c for the purposes of comparing recent changes.)

	STANDARDISED UNEMPLOYMENT RATES* SEASONALLY ADJUSTED		
	% rate	Latest month	
Spain	18.1	NOV	
Ireland	(17.3)*	MAR	
Italy	(10.5)*	MAR	
France	10.2	FEB	
Belgium	9.5	FEB	
Netherlands	9.4	JAN	
Canada	7.6	FEB	
Greece	(7.4)*	APR 87	
United Kingdom	7.0	FEB	
Australia	6.9	JAN	
Denmark	(6.6)*	FEB	
Germany	5.7	JAN	
Portugal	5.5	NOV	
United States	5.1	FEB	
Austria	[4.8]a	FEB	
Norway	4.4	NOV	
Finland	4.1	FEB	
Japan	2.3	FEB	
Luxembourg	(1.9)*	MAR	
Sweden	1.6	FEB	
Switzerland	[0.6]a	JAN	
OECD Total	6.5	JAN	(estimated)
MAJOR 7**	5.9	JAN	(estimated)
EC Average	(9.4)*	MAR	

* NOTE: For those EC countries for which no OECD standardised rates are available, similar harmonised rates compiled by the Statistical Office of European Communities (EUROSTAT) are shown in brackets. These showed the UK rate at 7.2% in March compared with the EC average of 9.4%.

a National definitions. Standardised rates not available for Austria or Switzerland.

** UK, France, Germany, Italy, USA, Japan and Canada.

The following table shows the changes in unemployment using national definitions, both in terms of percentage increases and, more significantly, changes in percentage rates. The latter are recommended for comparisons of trends.

UNEMPLOYMENT, LATEST MONTH COMPARED WITH A YEAR EARLIER

Unadjusted unemployment, national definitions

	RECOMMENDED			
	Change in % rate	% Change in total	Change (000s)	Latest month
Norway	+ 2.8	+101	+ 43	FEB
Denmark	+ 1.4	+ 20	+ 43	DEC
Italy	+ 0.8	+ 5	+ 175	JAN
Portugal	+ 0.2	+ 3	+ 11	JAN
Netherlands	- 0.1	- 1	- 7	DEC
Switzerland	- 0.1	- 22	- 5	FEB
USA	- 0.2	- 2	- 130	APR
Greece	- 0.2	- 5	- 7	FEB
France	- 0.3	NC	- 1	MAR
Canada	- 0.3	- 3	- 34	MAR
Luxembourg	- 0.3	- 17	- 1	JAN
Japan	- 0.4	- 13	- 220	FEB
Sweden	- 0.5	- 23	- 18	MAR
Ireland	- 0.6	- 4	- 9	APR
Austria	- 0.6	- 7	- 16	FEB
Australia	- 0.7	- 8	- 53	JAN
Germany	- 0.8	- 10	- 227	APR
Finland	- 1.2	- 20	- 30	JAN
Belgium	- 1.7	- 10	- 44	FEB
United Kingdom*	- 1.9	- 23	- 547	APR
Spain	- 2.2	- 10	- 296	JAN

NC No Change
* Seasonally adjusted series consistent with current coverage.
Sources:- OECD "Main Economic Indicators" supplemented by Labour Attache reports etc.

When assesssing the change in unemployment in more recent periods than over the past year, seasonally adjusted figures need to be used. The following table compares seasonally adjusted rates for the latest three months with the previous three months.

UNEMPLOYMENT, LATEST 3 MONTHS COMPARED WITH PREVIOUS 3 MONTHS

Seasonally adjusted, national defintions
RECOMMENDED

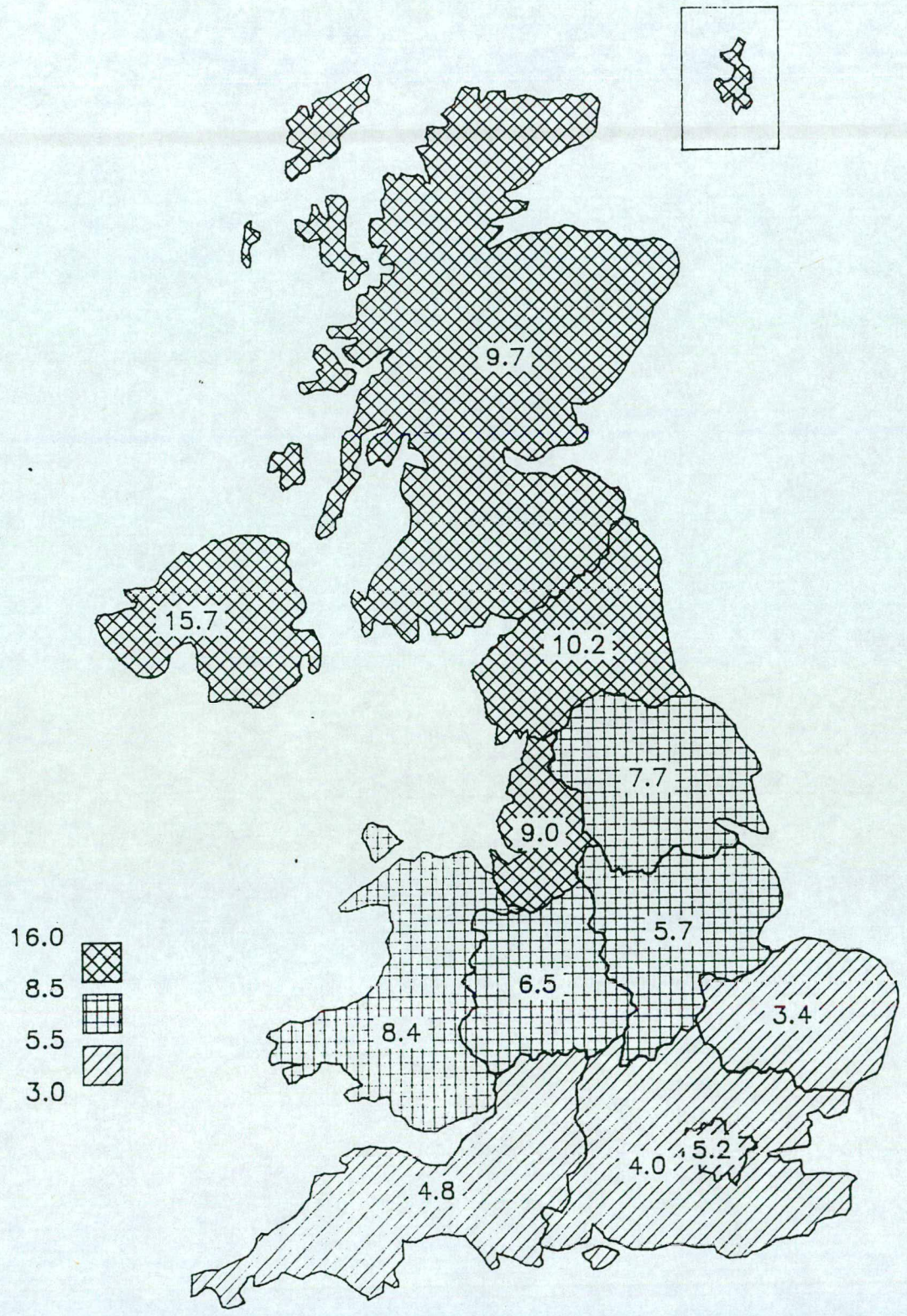
	Change in Percentage rate	Percentage Changes	Change Number (000s)	Latest month
Norway	+ 0.6	+ 18	+ 11	FEB
Denmark	+ 0.5	+ 5	+ 13	DEC
Portugal	+ 0.2	+ 3	+ 9	JAN
Netherlands	- 0.1	NC	- 3	DEC
France	- 0.1	- 1	- 30	MAR
Australia	- 0.1	- 5	- 3	JAN
Sweden	- 0.1	- 5	- 4	DEC
Japan	- 0.1	- 5	- 83	JAN
Switzerland	- 0.1	- 13	- 2	JAN
Ireland	- 0.2	- 1	- 3	APR
Italy	- 0.2	- 2	- 72	JAN
Canada	- 0.2	- 3	- 33	MAR
Austria	- 0.2	- 4	- 6	FEB
United States	- 0.2	- 4	- 277	APR
Finland	- 0.2	- 6	- 6	JAN
Belgium	- 0.3	- 3	- 10	FEB
Germany	- 0.4	- 5	- 108	APR
United Kingdom	- 0.5	- 7	- 136	APR
Spain	- 0.7	- 4	- 103	JAN

Note Seasonally adjusted figures not available for Greece and Luxembourg.
NC = No change
Sources:- OECD "Main Economic Indicators" supplemented by Labour Attache reports etc

Seasonally Adjusted Unemployment Rate

13 April 1989

United Kingdom: Regions



NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

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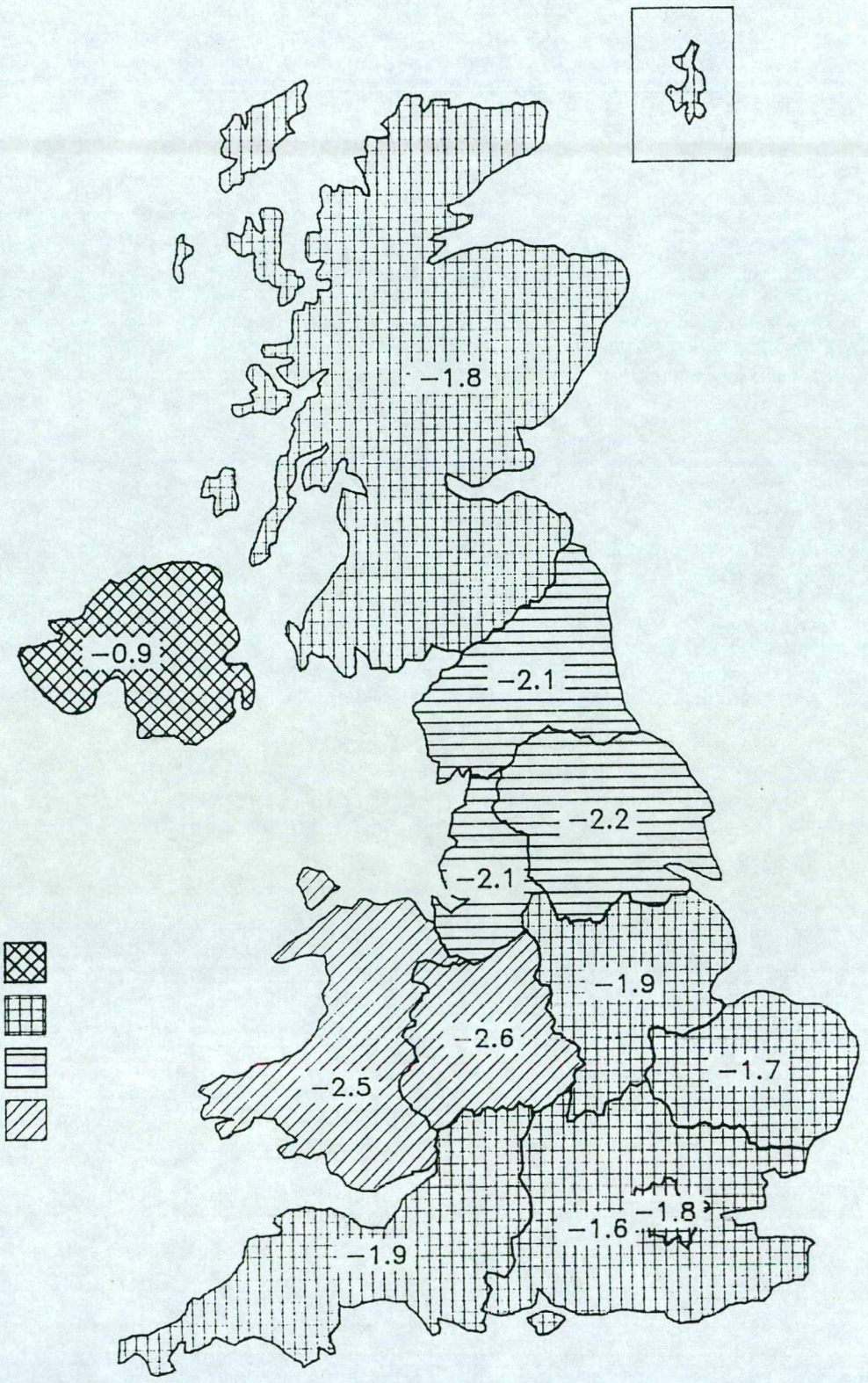
Change in Seasonally Adjusted Unemployment Rate

April 1988 – April 1989

United Kingdom: Regions



NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

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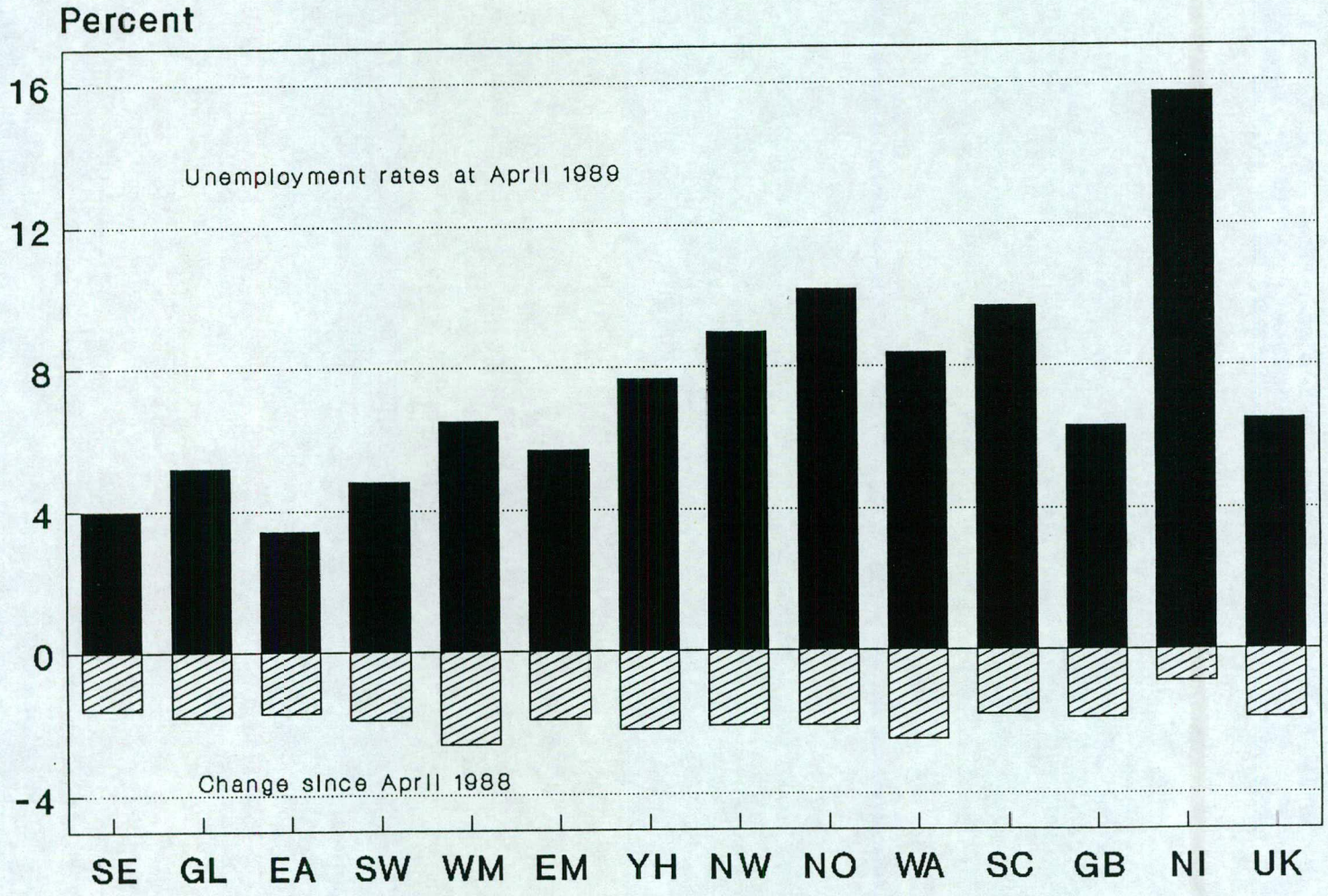
REGIONAL UNEMPLOYMENT RATES SEASONALLY ADJUSTED April 1989



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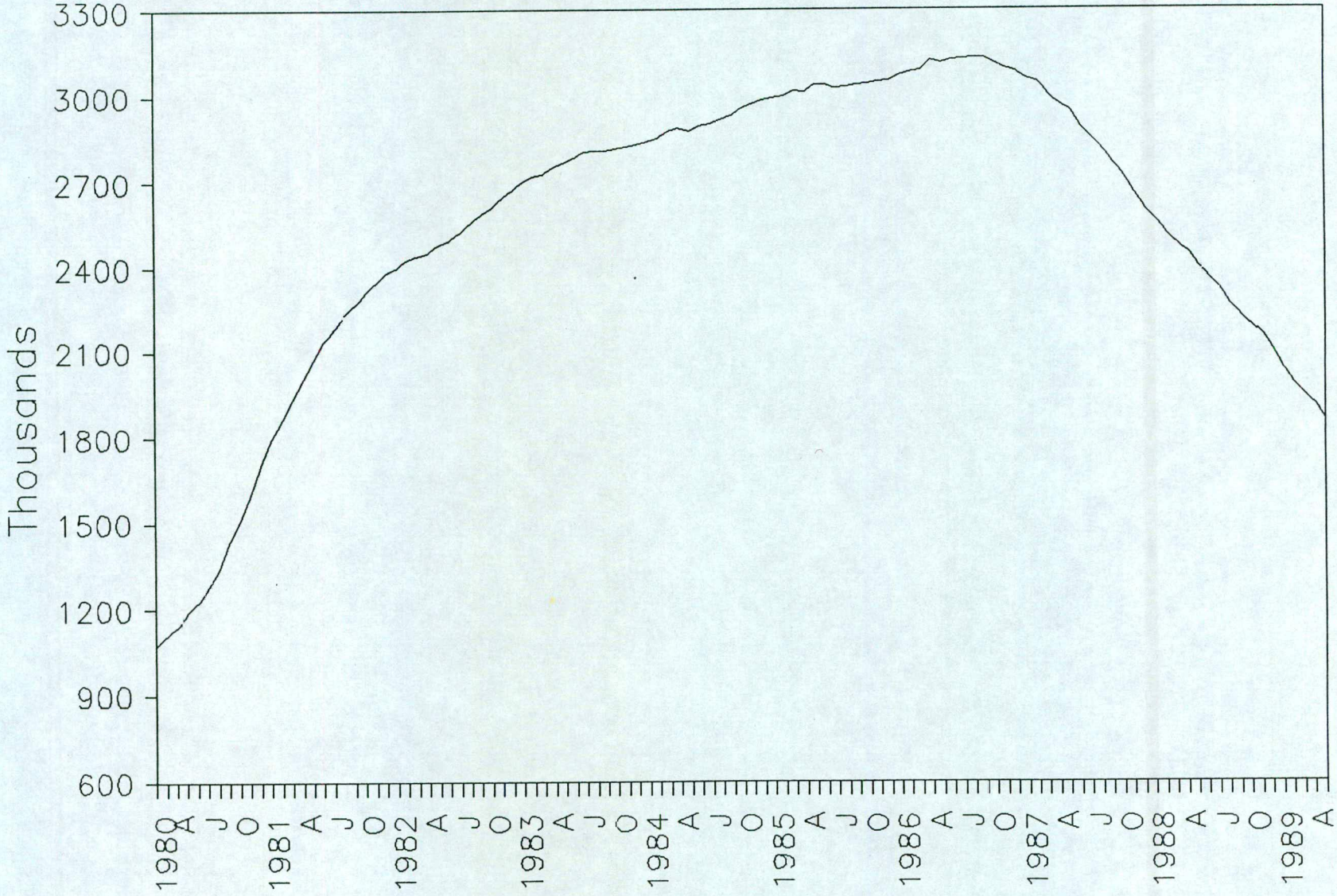
SEASONALLY ADJUSTED UNEMPLOYMENT

CONSISTENT WITH CURRENT COVERAGE U.K. April 1989



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PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON PRESS RELEASE DAY, 18 May 1989

REGIONAL UNEMPLOYMENT, SEASONALLY ADJUSTED

			RATE (% of WORKFORCE)		
	April 1989	Change in month since March 1989	April 1989	Change in month since March 1989	Change in year since April 1988
	Thousands				
REGIONS					
South East	374.3	-13.3	4.0	-0.1	-1.6
(Greater London)	(223.2)	(-7.1)	5.2	-0.2	-1.8
East Anglia	35.5	-1.2	3.4	-0.1	-1.7
South West	101.6	-3.1	4.8	-0.1	-1.9
West Midlands	174.1	-7.2	6.5	-0.3	-2.6
East Midlands	112.9	-5.1	5.7	-0.3	-1.9
Yorks & Humber	183.8	-5.4	7.7	-0.2	-2.2
North West	272.0	-8.4	9.0	-0.3	-2.1
North	149.2	-4.9	10.2	-0.3	-2.1
Wales	101.2	-3.7	8.4	-0.3	-2.5
Scotland	243.4	-7.1	9.7	-0.3	-1.8
GREAT BRITAIN	**1748.2**	**-59.2**	**6.3**	-0.2	-1.9
Northern I.	108.2	-1.0	15.7	-0.1	-0.9
UNITED KINGDOM Total	**1856.4**	**-60.2**	**6.5**	-0.2	-1.9
Male	1320.0	-39.5	7.9	-0.2	-2.1
Female	536.4	-20.7	4.5	-0.2	-1.6

UNITED KINGDOM, claimants January 1989 C3a

Thousands

Unemployment by duration

Duration	Number at January 1989	Change since January 1988 $	
All durations	2074	(-648)	-564
Over 6 months	1160	(-387)	-348
Over 1 year	821	(-279)	-268
Over 2 years	545	-183	
Over 3 years	411	-105	
Over 4 years	309	-72	
Over 5 years	237	-38	
Up to 6 months	914	(-261)	-215
6 to 12 months	339	(-108)	-80
1 to 2 years	277	(-96)	-85
2 to 3 years	134	-77	
3 to 4 years	102	-33	
4 to 5 years	72	-34	
Over 5 years	237	-38	

Unemployment by Age

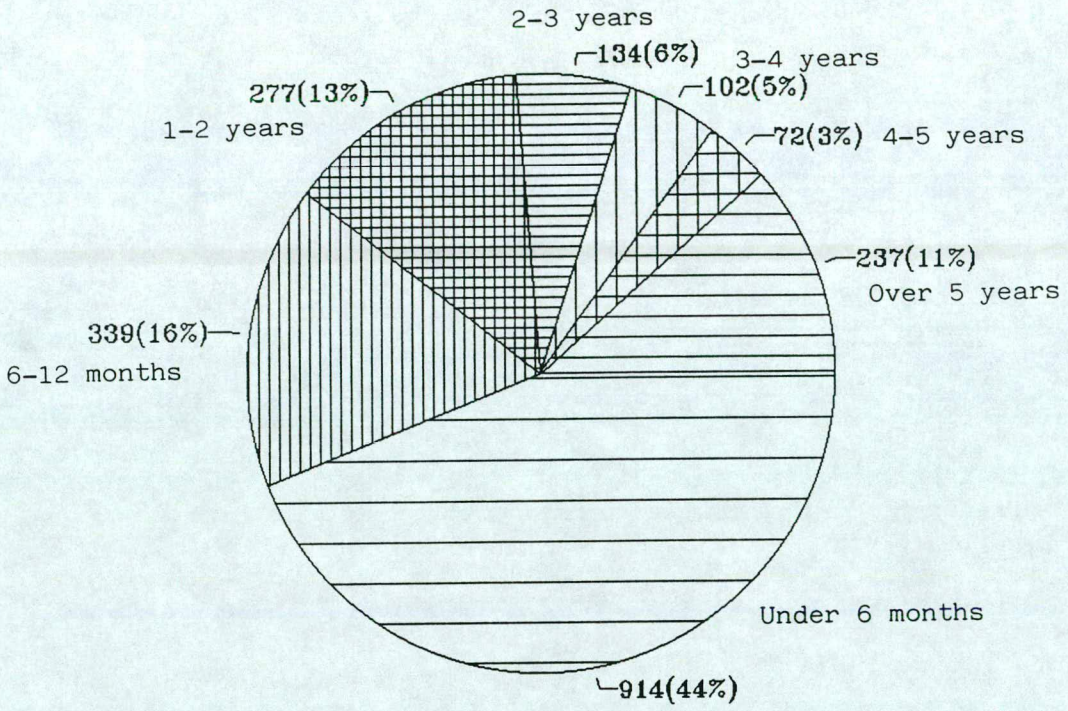
	Number at January 1989	Change since January 1988 $
18-19 years	169	-61
20-24 years	427	-117
25-49 years	1030	-260
50 and over	444	-94
All ages *	2074	(-648)*

$ Changes given in brackets are affected by September's change in benefit regulations for the under 18 year olds. Estimates of changes allowing for these effects are given alongside. (Based on the estimated effects in the quarters to October 1988 and January 1989).

* Includes those aged under 18.

U.K. UNEMPLOYMENT BY DURATION

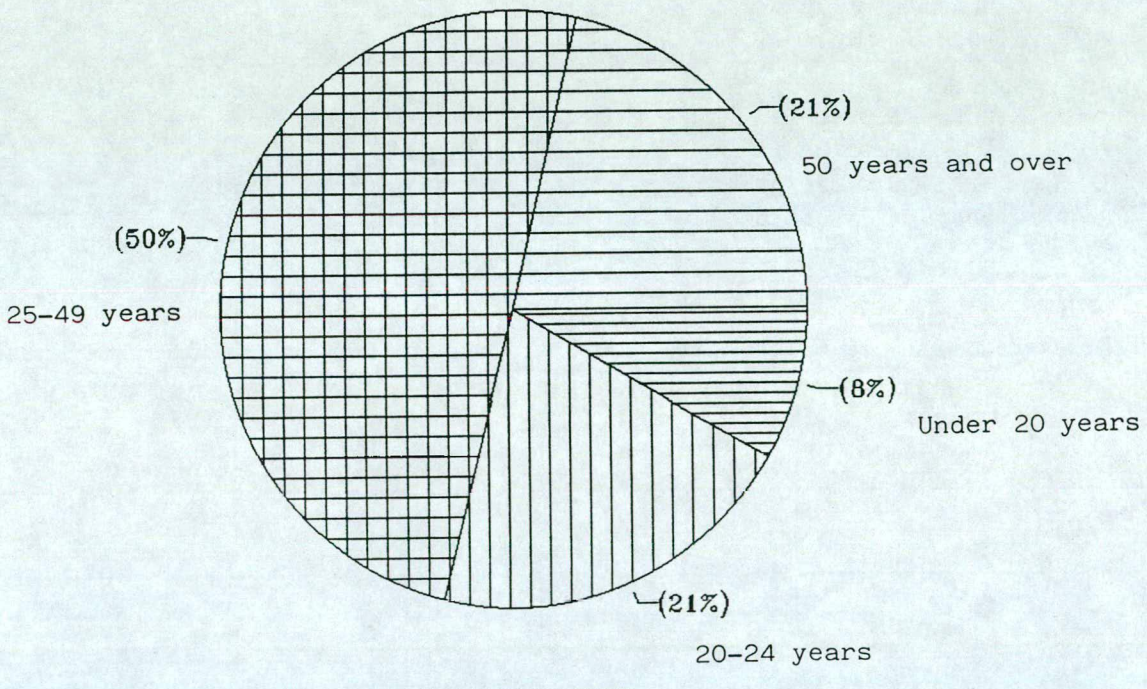
THOUSANDS



JANUARY 1989

U.K. UNEMPLOYMENT BY AGE

THOUSANDS



JANUARY 1989

INTERNATIONAL COMPARISONS OF UNEMPLOYMENT C4A

International standardised unemployment rates are used wherever possible in the following table comparing levels of unemployment. They are more comparable than the figures on national definitions which are subject to greater differences in coverage. OECD standardised rates are used wherever possible. (The latest available national figures are however used in tables C4b and C4c for the purposes of comparing recent changes.)

	STANDARDISED UNEMPLOYMENT RATES* SEASONALLY ADJUSTED	
	% rate	Latest month
Spain	18.1	NOV
Ireland	(17.3)*	MAR
Italy	(10.5)*	MAR
France	10.2	FEB
Belgium	9.5	FEB
Netherlands	9.4	JAN
Canada	7.6	FEB
Greece	(7.4)*	APR 87
United Kingdom	7.0	FEB
Australia	6.9	JAN
Denmark	(6.6)*	FEB
Germany	5.7	JAN
Portugal	5.5	NOV
United States	5.1	FEB
Austria	[4.8]a	FEB
Norway	4.4	NOV
Finland	4.1	FEB
Japan	2.3	FEB
Luxembourg	(1.9)*	MAR
Sweden	1.6	FEB
Switzerland	[0.6]a	JAN
OECD Total	6.5	JAN (estimated)
MAJOR 7**	5.9	JAN (estimated)
EC Average	(9.4)*	MAR

* NOTE: For those EC countries for which no OECD standardised rates are available, similar harmonised rates compiled by the Statistical Office of European Communities (EUROSTAT) are shown in brackets. These showed the UK rate at 7.2% in March compared with the EC average of 9.4%.

a National definitions. Standardised rates not available for Austria or Switzerland.

** UK, France, Germany, Italy, USA, Japan and Canada.

The following table shows the changes in unemployment using national definitions, both in terms of percentage increases and, more significantly, changes in percentage rates. The latter are recommended for comparisons of trends.

UNEMPLOYMENT, LATEST MONTH COMPARED WITH A YEAR EARLIER

Unadjusted unemployment, national definitions

	RECOMMENDED			
	Change in % rate	% Change in total	Change (000s)	Latest month
Norway	+ 2.8	+101	+ 43	FEB
Denmark	+ 1.4	+ 20	+ 43	DEC
Italy	+ 0.8	+ 5	+ 175	JAN
Portugal	+ 0.2	+ 3	+ 11	JAN
Netherlands	- 0.1	- 1	- 7	DEC
Switzerland	- 0.1	- 22	- 5	FEB
USA	- 0.2	- 2	- 130	APR
Greece	- 0.2	- 5	- 7	FEB
France	- 0.3	NC	- 1	MAR
Canada	- 0.3	- 3	- 34	MAR
Luxembourg	- 0.3	- 17	- 1	JAN
Japan	- 0.4	- 13	- 220	FEB
Sweden	- 0.5	- 23	- 18	MAR
Ireland	- 0.6	- 4	- 9	APR
Austria	- 0.6	- 7	- 16	FEB
Australia	- 0.7	- 8	- 53	JAN
Germany	- 0.8	- 10	- 227	APR
Finland	- 1.2	- 20	- 30	JAN
Belgium	- 1.7	- 10	- 44	FEB
United Kingdom*	- 1.9	- 23	- 547	APR
Spain	- 2.2	- 10	- 296	JAN

NC No Change
* Seasonally adjusted series consistent with current coverage.
Sources:- OECD "Main Economic Indicators" supplemented by Labour Attache reports etc.

When assesssing the change in unemployment in more recent periods than over the past year, seasonally adjusted figures need to be used. The following table compares seasonally adjusted rates for the latest three months with the previous three months.

UNEMPLOYMENT, LATEST 3 MONTHS COMPARED WITH PREVIOUS 3 MONTHS

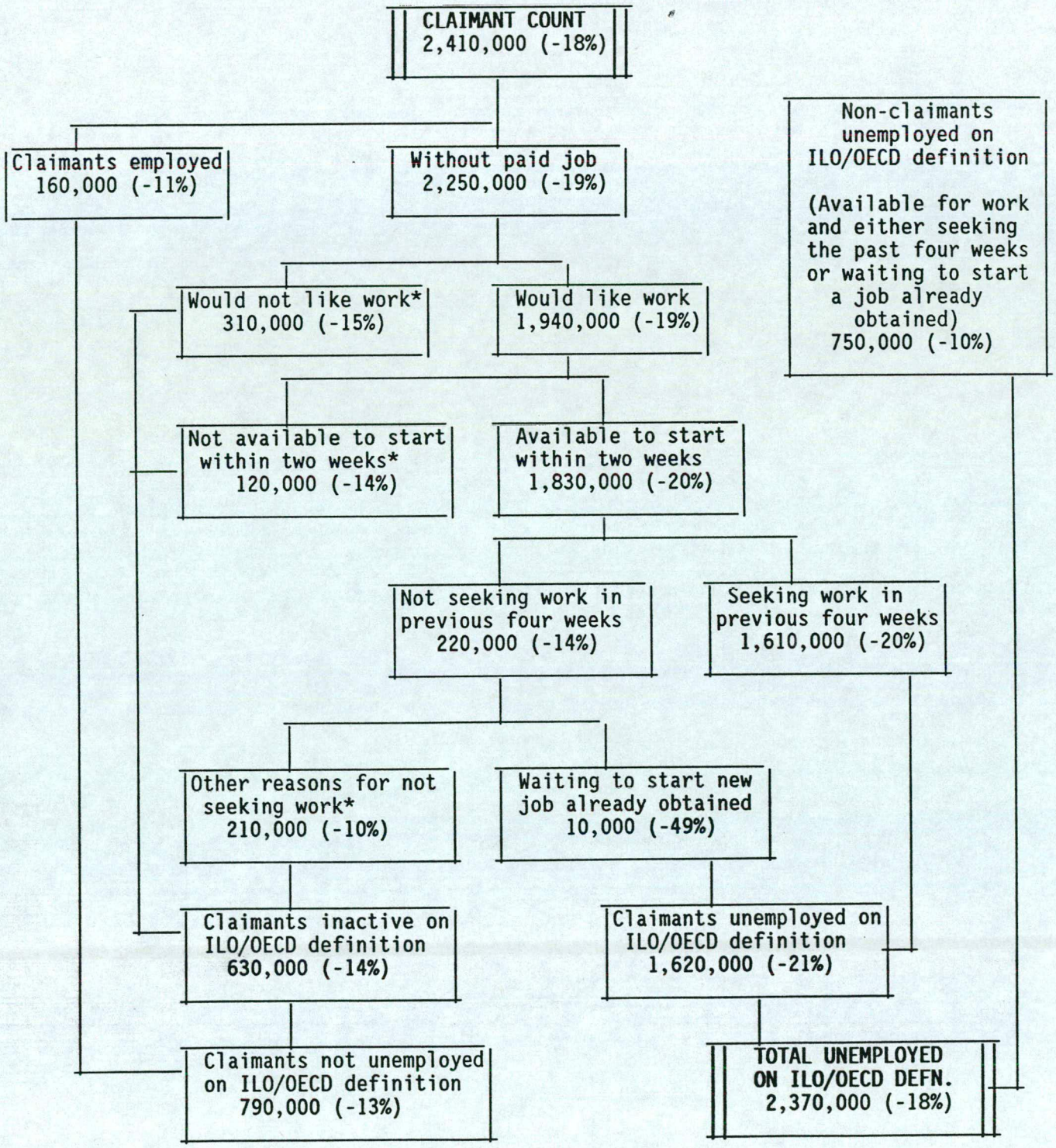
Seasonally adjusted, national defintions
RECOMMENDED

	Change in Percentage rate	Percentage Changes	Change Number (000s)	Latest month
Norway	+ 0.6	+ 18	+ 11	FEB
Denmark	+ 0.5	+ 5	+ 13	DEC
Portugal	+ 0.2	+ 3	+ 9	JAN
Netherlands	- 0.1	NC	- 3	DEC
France	- 0.1	- 1	- 30	MAR
Australia	- 0.1	- 5	- 3	JAN
Sweden	- 0.1	- 5	- 4	DEC
Japan	- 0.1	- 5	- 83	JAN
Switzerland	- 0.1	- 13	- 2	JAN
Ireland	- 0.2	- 1	- 3	APR
Italy	- 0.2	- 2	- 72	JAN
Canada	- 0.2	- 3	- 33	MAR
Austria	- 0.2	- 4	- 6	FEB
United States	- 0.2	- 4	- 277	APR
Finland	- 0.2	- 6	- 6	JAN
Belgium	- 0.3	- 3	- 10	FEB
Germany	- 0.4	- 5	- 108	APR
United Kingdom	- 0.5	- 7	- 136	APR
Spain	- 0.7	- 4	- 103	JAN

Note Seasonally adjusted figures not available for Greece and Luxembourg.
NC = No change
Sources:- OECD "Main Economic Indicators" supplemented by Labour Attache reports etc

The monthly claimant count compared with the ILO/OECD measure of unemployment:

G.B. Spring 1988(p)
(Percentage changes since Sping 1987 are shown in brackets)



D1b
Unemployment - Coverage
of the count

UNEMPLOYMENT COUNT
COMPARISON WITH ESTIMATES FROM THE LABOUR FORCE SURVEY

1. Unemployment can be taken by different people to mean different things depending on the context in which the figures are used, and can be measured in different ways.

2. As in most other Western European countries, we use an administrative system to provide monthly unemployment figures, although we also use household surveys to provide less frequent information on a different basis. We use the count of claimants* at unemployment benefit offices because the figures are available frequently, quickly and cheaply, in particular providing detailed local figures which would be very costly to obtain from alternative sources. However, the count necessarily reflects the administrative system on which it is based and cannot be ideal for every purpose eg to measure labour slack or social hardship.

3. Instead of using the claimant count, alternative measures of unemployment can be obtained from household sample surveys such as the annual Labour Force Survey (LFS). The criteria for defining unemployment in surveys can of course be varied and there is no universally accepted definition of "true" unemployment; but according to results of the LFS for GB in spring 1988 there were 2.37 million unemployed according to internationally recommended definitions (ILO/OECD) ie available and seeking work in the previous 4 weeks. This compares with 2.41 million in the claimant count on average over the survey period. The difference of 40,000 between these figures, which is within the margins of survey error, is the net result of the difference between two partly offsetting groups. 790,000 claimants were either employed or not unemployed on the ILO/OECD measure, while, on the other hand, some 750,000 people were without jobs and unemployed on the ILO/OECD definition but not claiming benefits. The preceding chart (D1a) illustrates the comparison, also showing percentage changes since 1987.

4. The Following are the main points from these latest results, published in a press release on 13 March and also the April 1989 issue of Employment Gazette.

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*those claiming Unemployment Benefits, Income Support or National Insurance credits as an unemployed person.

MAIN POINTS

Latest annual Labour Force Survey for GB, Spring 1988:

* Confirms beyond doubt that unemployment has been falling very sharply.

* Shows similar falls of half a million since Spring 1987, in the official monthly count and in unemployment as measured by the survey using international definitions (claimant count fell by some 540,000, ILO/OECD measure by 505,000: difference within margins of survey error).

* Shows that in 1988 the monthly claimant count was again similar to unemployment on the international definition (ILO/OECD). The international measure was 40,000 lower than the claimant count (2.37 million compared with the average count of 2.41 million (headline total) for Spring 1988: difference within margins of survey error.)

* Shows that in Spring 1988 790,000 claimants (33%) not unemployed by the international definition, eg employed, looking after family, sick or disabled, retired, did not want work.

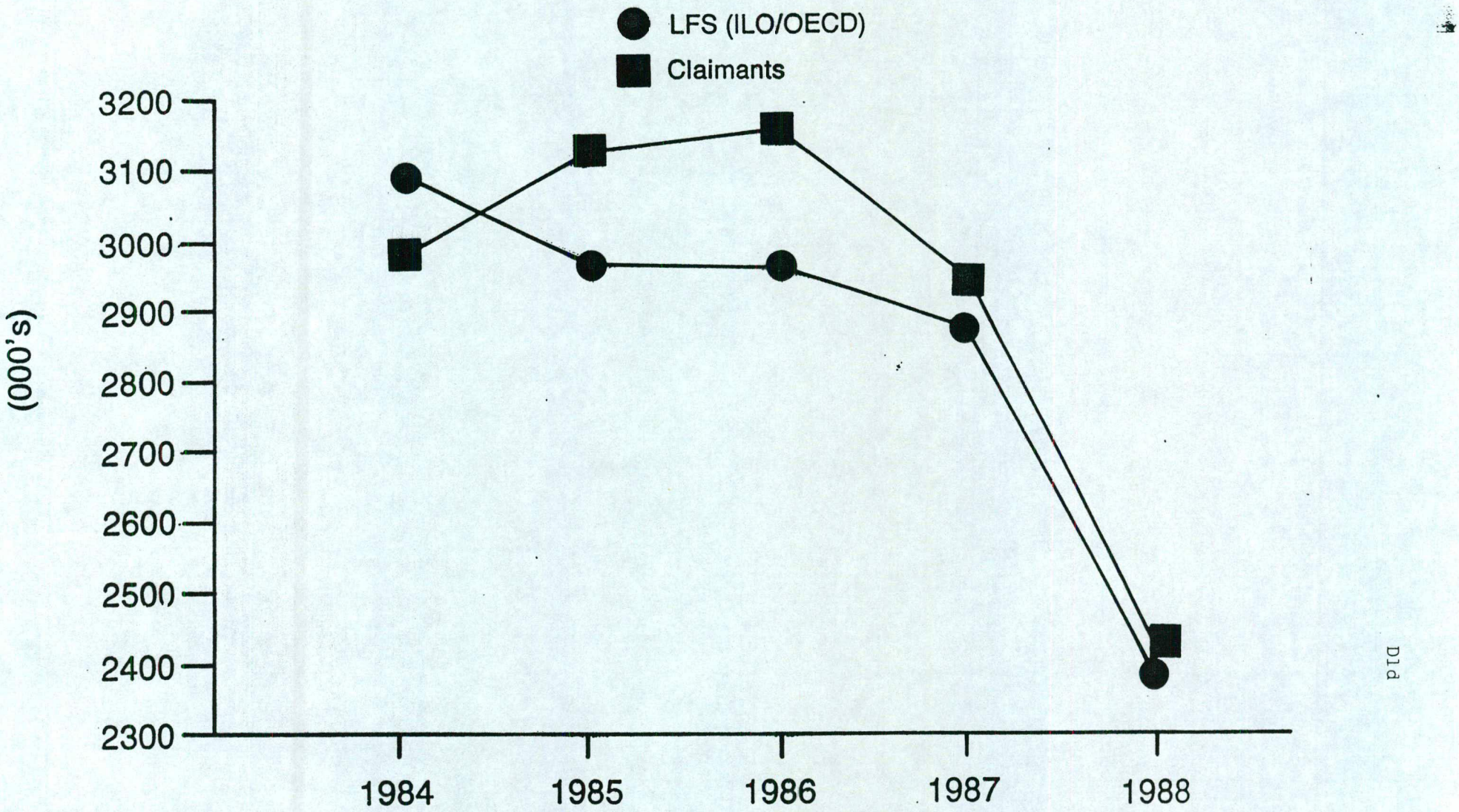
  This compares with 750,000 unemployed on the international measure but not claiming benefits.

* The sharpest falls in claimants between 1987 and 1988 occurred among those seeking work - indicative of a strong response by those genuinely unemployed to substantial improvements in the labour market.

* Since 1984, the international survey measure of unemployment has generally been falling (all years apart from 1986 when it remained at the 1985 level), while the claimant count carried on rising until 1986. Since 1986 both measures have been falling substantially. (See the graph attached).

* Survey definition of unemployment is consistent with international recommendations (ILO guidelines as used by OECD), and relates to those without a job, available for work and looking for work in the last 4 weeks.

Survey and Claimant Unemployment (GB)



D1d

CHANGES AFFECTING THE UNEMPLOYMENT COUNT

The details of all recent changes affecting the monthly unemployment figures are as follows. Seven changes since 1979 have had a discernible effect on the totals for adult unemployment and have been taken into account in the consistent series of seasonally adjusted estimates according to the coverage of the current count of benefit claimants.

Most of the changes listed below have arisen from changes in rules or procedures for claiming benefits. The exceptions were the fifth and sixth which were made for statistical reasons to correct inaccurancies. Only two of the changes (the third and sixth) actually involved an amendment to the method of compiling the unemployment count.

1. In October 1979 fortnightly attendance at unemployment benefit offices was introduced and the estimated effect was to add about 20,000, both to the unemployment count used at the time, based on registrations at Jobcentres, and the claimant figures introduced later (see below).

2. In November 1981 the higher long-term rate of supplementary benefit was introduced for men aged 60 or over who had been on (then) Supplementary Benefit for over one year. Over the following 12 month period, this removed an estimated 37,000 men, again from both the registrant and claimant series.

3. In October 1982 registration at jobcentres became voluntary, saving administrative costs and eliminating the need for unemployed people to attend both a Jobcentre and an unemployment benefit office in order to get their benefits.

The previous count of registrants at Jobcentres became incomplete and it was necessary to move to counting claimants at Unemployment Benefit Offices. This reduced the count by 190,000 on average (for the year up to October 1982) as a result of three factors:

- computerisation of count and improved accuracy with more up-to-date record keeping of those becoming and ceasing to be unemployed. (Estimated effect - 78,000)

- exclusion of registrants not claiming benefits (-135,000)

- inclusion of severely disabled (+23,000).

Details of the change were published in the September and December 1982 issues of Employment Gazette[1] and figures on the new claimant basis back to 1971 were then published.

4. The 1983 Budget provisions, at the time, enabled 162,000 men, mainly aged 60 and over, to receive National Insurance credits or the higher long term rate of (then) Supplementary Benefit without attending an Unemployment Benefit Office. The effect accumulated between April and August 1983.

5. In July 1985, a reconciliation between social security records and the Department of Economic Development's computer records of claimants showed discrepancies in the figures for Northern Ireland. The corrective action resulted in the unadjusted figures from July 1985 being some 5,000 lower than would otherwise have been the case.

6. From March 1986, the compilation of the figures was delayed by two weeks, to take place three weeks rather than one week after the specified count date. This excluded from the count an estimated average of 50,000 records of claimants who had already ceased to be unemployed before that date, and who were previously over-recorded.[2]

7. From 12 September 1988 most people aged under 18 have been unable to claim Income Support and are therefore excluded from the monthly unemployment count. Consequently the seasonally adjusted series has been revised to include only those aged 18 or over, in order to maintain the consistent coverage. On recent levels of unemployment, the new series was some 40,000 lower than the former seasonally adjusted series. (The former series already excluded those aged under 18 classed as school leavers, but included those who had had a job since leaving school.)

In addition a change in regulations for school leavers in November 1980 did affect the total claimant series later introduced and, to a relatively minor extent, the registrant series in use at the time. It did not, however, affect the seasonally adjusted series significantly.

There have also been some temporary distortions, notably in the summer of 1981 and in September 1988, as a result of strikes for which adjustments have been made to the seasonally adjusted series. There have also been some other changes to the rules for receiving benefits which could have had a marginal effect on the unemployment count. These changes have not significantly influenced the trend in the series. For example, recent alterations to the entitlement to Unemployment Benefit will have had little effect because many of those involved would have continued to claim to get Income Support or, in some cases, National Insurance credits, and would therefore still be included in the unemployment count.

UNEMPLOYMENT RATES

In July 1986, new regional and national unemployment rates were introduced showing the number of unemployed as a percentage of the working population (the sum of employees in employment, the unemployed, the self-employed, and HM Forces). The considerable growth in self-employment in recent years has made it increasingly important to take them into account in the calculations. However, unemployment rates on the former basis - showing unemployment as a percentage of the sum of the unemployed and employees in employment only continue to be published, and are the only rates available for counties and travel-to-work areas because estimates of self-employment are not made below regional level.

A further minor amendment to the wider based regional and national denominators was made in July 1988, to include those on work-related training schemes in line with their inclusion in the statistics of the employed workforce.[3] This means that the wider based unemployment rates are now expressed as a percentage of the total workforce. All the rates shown in table 1 are consistent with this basis.

These changes to the calculation of unemployment rates have not in any way affected the numbers included in the unemployment count.

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1 Employment Gazette, September 1982 edition, p 389: 'Compilation of the unemployment statistics'; and December 1982 edition p S20: 'Changed basis of the unemployment statistics'.

2 Employment Gazette, March/April 1986 edition p 107: 'Change in the compilation of the unemployment statistics'.

3 Employment Gazette, August 1988 edition, p S6: 'Employment statistics: revised presentation'.

Effect of employment and training schemes
Numbers on employment and training schemes have reduced slightly over the past 2 years during which unemployment has been falling rapidly.

Effect of Restart/availability tests etc.
Unreasonable to deny genuine improvements, particularly at a time when growth of the economy has been outstripping most of our competitors, and given the record level of employment, and growth of nearly 3 million jobs since 1983.

Reasonable to ensure that only paying benefits to those entitled and available for work, and to help long-term unemployed back to work by offering variety of opportunities designed to find them a job or improve their prospects of finding one.

Tighter procedures do not affect the benefit of anyone genuinely available and looking for work. No apologies for stopping benefit of those working in the black economy or claiming when unable to take a job eg because of family responsibilities.

Impossible to make estimate of effects on the count of these various measures, in particular at a time when labour market has been improving so strongly (cannot separate the various effects).

Inflated claims of higher "real" totals
Such inflated estimates (sometimes as high as 5 million) have included all those who say they would like work even if they are not seeking work: eg early retired, sick or those looking after families.

Estimates sometimes include those on government schemes, who are at work (and included as in employment according to international guidelines.)

It is one thing to suggest some people might otherwise be unemployed without the help given, quite another to suggest they really are unemployed when they are at work or in training.

International measure of unemployment
(Labour force survey gives international - ILO/OECD - measure of unemployment: without work, available and seeking work during past 4 weeks)
Confirms unemployment fallen sharply Spring 1987 to 1988. Similar falls of half a million in ILO/OECD measure (505,000) and monthly count (540,000) (Difference within margins of survey error)
ILO/OECD measure 2.37 million marginally lower than (headline) count of 2.41 million. The international measure peaked in 1984 while the claimant count started to fall 2 years later.
OECD's published unemployment rate for UK estimated on standard definition was 7.0% in Febrary 1989, similar to our 6.8% at that time.

Changes affecting the unemployment count
Only 2 changes to method of compiling unemployment count since 1979. Some other changes to administrative procedures have also occurred. However, all the significant changes in coverage (7 in total since 1979) have been allowed for in the seasonally adjusted series, which is maintained on a consistent basis, according to the current coverage, to provide comparable assessments of the trend.

(Not rewriting history but helping to explain it properly, by removing distortions. Basic counts remain unchanged as recorded at the time.)

Estimating past series according to new coverage is the only means of maintaining consistency for assessing trends.

Alternative attempts by others to make inflated estimates of unemployment on an old basis are meaningless (eg Unemployment Unit). Effects of changes in coverage vary over time, and estimating the effects today or into the future involves speculation about demographic, economic and other factors (eg cannot know how many people would now be registered at Jobcentres on the pre 1982 basis as if it were still compulsory to register to qualify for benefits. These procedures no longer exist. Similarly unrealistic to estimate under 18's in future who would claim benefits if rules had remained unchanged.)

D4A

PERSONAL AND CONFIDENTIAL UNTIL 11:30 AM ON 18 MAY 1989

Labour market
-job changes
and flows

LABOUR MARKET - job changes and flows

1. TOTAL JOB CHANGES have recently been running at about 7 1/2 million a year,* over 1/2 million per month, or about 30,000 per working day. These include movements of people with jobs as well as the unemployed taking up jobs.

2. VACANCY FLOWS run at lower levels than the above, eg the inflow in the year to April averaged 228,000 a month (UK seasonally adjusted), because only about a third of all vacancies are notified to jobcentres. Placings by jobcentres, in the year to April averaged about 158,000 a month (UK seasonally adjusted).
These are estimated to be broadly a quarter of all engagements or job changes in the economy.

3. OUTFLOW from unemployment averaged about 346 thousand per month in the year to April 1989. This represents an annual outflow of 4.1 million. Many took up jobs, though some would be leaving unemployment for other reasons eg retirement, training, or otherwise leaving the labour force, or exhaustion of entitlement to benefit.

Over a quarter of those becoming unemployed flow off the register within a month of joining it, more than half leave within 3 months, over two-thirds within 6 months. 87% leave within a year. The remaining 13% flow into long term unemployment. The attached chart illustrates these chances of remaining in the count or leaving it within certain durations of unemployment.

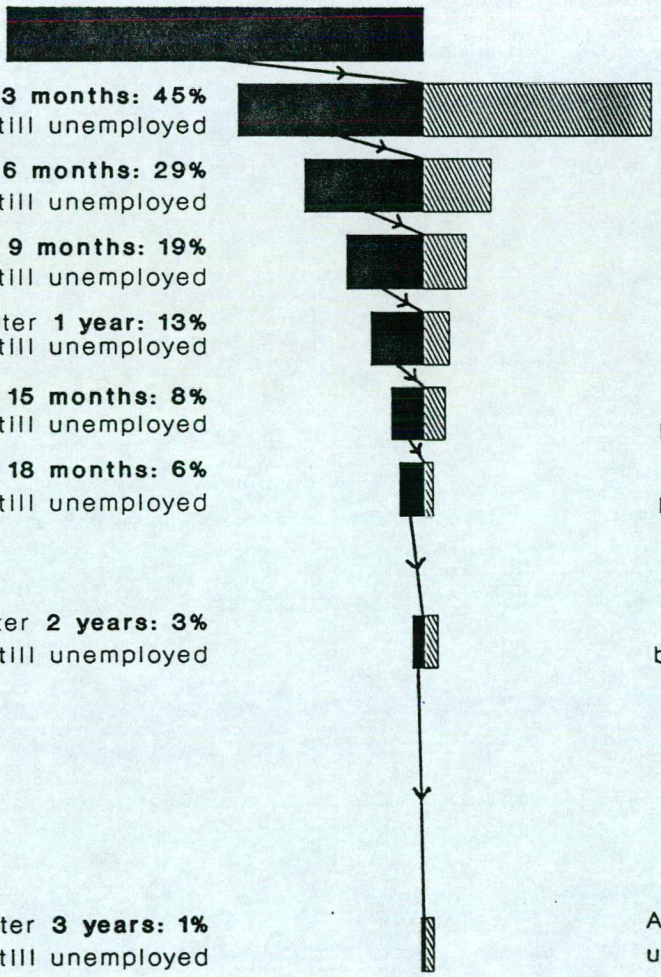
*The estimate of 7 1/2 million job changes relates to 1987 and is based on a survey conducted by IFF Research Ltd in January 1988. The same survey provided an estimate of over 7000,000 unfilled vacancies in the economy at that time, confirming that approximately only a third of all vacancies are notified to Jobcentres (Employment Gazette April 1988 page 211 gives further details.)

PERSONAL AND CONFIDENTIAL UNTIL 11:30 AM ON 18 MAY 1989

LIKELIHOOD OF REMAINING IN OR LEAVING UNEMPLOYMENT* (AGED 18 AND OVER).

Great Britain. Based on claimant data for the period **January 1988 - January 1989**
On average, 286,000 people become unemployed* each month.

Of those becoming unemployed:



After **3 months: 45%** are still unemployed

55% leave unemployment within the first **3 months**

After **6 months: 29%** are still unemployed

16% leave unemployment between **3** and **6 months**

After **9 months: 19%** are still unemployed

10% leave unemployment between **6** and **9 months**

After **1 year: 13%** are still unemployed

6% leave unemployment between **9** and **12 months**

After **15 months: 8%** are still unemployed

5% leave unemployment between **12** and **15 months**

After **18 months: 6%** are still unemployed

2% leave unemployment between **15** and **18 months**

After **2 years: 3%** are still unemployed

3% leave unemployment between **18** and **24 months**

After **3 years: 1%** are still unemployed

A further 2% leave unemployment between **2** and **3 years**

Remaining unemployed **Ceasing unemployment**

* Percentages are based on outflows between January 1988 and January 1989 and therefore do not relate to the experience of a single group of individuals who all became unemployed over the same period.

DEMOGRAPHIC AND LABOUR FORCE BACKGROUND

Great Britain Thousand	Reaching school leaving age	Reaching retirement age and deaths	Net migration and adjustment	Population of working age (1)		Civilian labour force (2)	
				Number	Change over year	Number	Change over year
ESTIMATES							
1971	737	-	-	31,686	-	24,895	-
1972	760	739	-9	31,698	+12	24,953	+58
1973	778	750	+9	31,735	+37	25,125	+172
1974	801	751	-45	31,740	+5	25,269	+144
1975	818	740	-33	31,785	+45	25,305	+36
1976	840	707	+2	31,920	+135	25,702	+396
1977	871	683	+2	32,110	+190	25,901	+200
1978	891	655	-12	32,334	+224	25,949	+48
1979	906	662	-8	32,570	+236	26,021	+72
1980	930	773	+1	32,728	+158	26,198	+177
1981	936	729	-30	32,905	+177	26,242	+43
1982	912	697	-69	33,051	+146	26,045	-196
1983	902	650	-3	33,300	+249	25,907	-138
1984 GB LF	873	677	+67	33,563	+263	26,428	+522
ILO/OECD						26,604	-
1985	868	750	+60	33,741	+178	26,793	+189
1986	840	713	+23	33,891	+150	26,929	+136
1987	852	697	+18	34,064	+173	27,253	+324
1988	799	664	+8	34,207	+143	27,610	+358
PROJECTIONS							
1989	751	662	+4	34,300	+93	27,940	+330
1990	700	660	0	34,340	+40	28,059	+119
1991	677	655	-4	34,358	+18	28,152	+92
1992	651	643	+1	34,367	+9	28,208	+56
1993	623	628	+2	34,364	-3	28,244	+36
1994	634	628	+1	34,371	+7	28,278	+34
1995	688	640	-2	34,417	+46	28,336	+58
1996	715	646	-1	34,485	+68	28,409	+74
1997	710	646	+3	34,552	+67	28,478	+68
1998	699	641	-2	34,608	+56	28,527	+49
1999	700	640	-2	34,666	+58	28,575	+48
2000	697	644	-2	34,717	+51	28,620	+45

In the year to mid-1988 the population of working age is estimated to have grown by just under 150 thousand, and the civilian labour force by over 350 thousand as activity rates rose largely in response to falling unemployment. The rate of increase in the population of working age is projected to continue declining until 1993, reflecting the falling numbers of young people. Despite this, the labour force (on a working assumption of broadly stable claimant unemployment) shows a projected growth of 1 million by the end of the century, mainly due to anticipated further rises in female activity rates.

Notes :

(1) The population of working age comprises men aged 16-64 and women aged 16-59 years. The figures are OPCS estimates up to 1987 and GAD projections from 1988.

(2) The civilian labour force, on the international ILO/OECD definition, includes people either in civilian employment or looking for work and available to start (the estimates up to 1984 are on the slightly different GB Labour Force definition). The definitions and the projection methodology are described in more detail in an article in the April 1989 *Employment Gazette* ("Labour Force Outlook to the Year 2000").

EMPLOYMENT - CHANGES IN THE METHOD OF ESTIMATION

Workforce in employment (UK)

1) Introduction of Workforce in Employment - July 1988

The 'workforce in employment' replaced the 'employed labour force' as the broad aggregate measure of employment. The workforce in employment comprises the employees in employment, the self-employed, HM Forces and participants on work related government training programmes. This fourth group consists of those participants on programmes and schemes who in the course of their participation receive training in the context of a workplace but are not employees, self-employed or HM Forces. This change was made in the light of ILO recommended definitions of employment.

Employees in Employment (GB)

1) Introduction of Supplementary series - June 1983

When provisional results from the 1981 Census of Employment became available they showed that the application to the previous census figure (1978) of changes estimated from sample survey data was producing substantial under-estimates. The methodology was reviewed and a supplementary set of estimates, which included an undercounting allowance was introduced in June 1983.

2) Use of 1981 and 1983 Labour Force Surveys (LFS) - July 1984

Data from the 1983 LFS confirmed that the supplementary figures provided more accurate estimates than the basic series. The estimates for employees in employment were revised, using LFS data for 1981 and 1983 to assess the current extent of underestimation from the sample survey of employers. Estimates could now be produced incorporating the adjustment for underestimation in industrial and regional detail, and so the estimates not incorporating the adjustment and the term "supplementary" were dropped.

3) Use of the 1984 LFS - March 1985

Data from the 1984 LFS was used to improve the assessment of underestimation from the sample survey of employees.

4) Use of the 1985 LFS - April 1986

Revised data from the 1984 LFS and new results from the 1985 LFS were used to revise the allowance for underestimation.

5) Introduction of 1984 Census of Employment - December 1986

The 1984 census results provided a new "benchmark" from which estimates for later dates are calculated, using the proportionate changes in employment derived from the sample surveys, adjusted using LFS data as previously. The series was also slightly adjusted to take account of revised data from the 1985 LFS and a small revision to the proportion of YTS participants with contracts of employment.

The estimates for dates between the censuses were also revised. Differences at the detailed industry and regional level between the previous estimates for September 1984 and the census estimates were interpolated back to the earlier census date. The census figures used for 1981, and the estimates for later dates based on them were first adjusted to improve the consistency of the industry coding in the two censuses. The estimates prior to September 1981 were also revised to improve the consistency of industry coding.
Some minor technical changes were also made to the method used to derive seasonally adjusted estimates.

6) Use of the 1985 and preliminary 1986 LFS results- March 1987

Data from the 1985 LFS and preliminary results from the 1986 LFS were used to improve the assessment of underestimation from the sample survey of employees. The quality of the estimates was improved by using national LFS data separately for full time and part time female employees, rather than a single overall adjustment for all females.

7) Use of the preliminary 1987 LFS results - February 1988

Preliminary results of the 1987 LFS were incorporated in the employment estimates as described above for the 1986 results.

8) Use of the preliminary 1988 LFS results - March 1989

Preliminary results of the 1988 LFS were incorporated in the employment estimates as in the past for the period May 1987 to April 1988, and with slight modifications thereafter. Previously, the degree of underestimation was assumed to continue accumulating at the rate observed in the previous year, but now an average of the degree of underestimation over the three years up to the latest LFS has been used. This change was made because the exceptionally high rate of growth in employees observed between the Spring 1987 LFS and the Spring 1988 LFS is not considered to be an adequate basis for carrying forward the degree of underestimation in the period since Spring 1988, the reference period of the latest Labour Force Survey.

Employees in Employment (NI)

With the exception of Agriculture, estimates of employees in employment are obtained from the Quarterly Employment Enquiry conducted by the Department of Economic Development (NI). This survey covers employers who employ 25 or more employees. Results are 'rated up' to provide estimates of total employment by Industrial Class and sex. The rating factors used are based on results from the Census of Employment. Information on employment in firms which have opened post Census is also included in the estimates.

The number of Employees in Agriculture is obtained at June of each year from the Agricultural Census which is conducted by the Department of Agriculture (NI).

Self Employment (GB)

1) New method of estimating Self Employment - January 1982

The LFS data was used in place of the discontinued information from the National Insurance Card count. New estimates were produced for the period 1975 to 1979.

2) Introduction of an assumption of continued growth - June 1983

The conventional assumption that the level of self employment had remained constant since the date of the latest LFS data was reviewed. As there were reasons for expecting some continuaton of the upward trend in self employment a supplementary series, was introduced; this assumed that growth at the rate observed between the last two surveys had continued subsequently.

3) Use of the 1981 and 1983 LFS results - July 1984

The self employment figures were updated to take account of the changes between the LFS in 1981 and 1983.

4) Change in the rate of growth assumption - March 1985

When the estimates for the self employed were updated for the 1984 LFS the figures for self employment showed exceptional growth between 1983 and 1984. It was considered inappropriate to make the assumption that this rate had continued. The estimates of self employment for dates after June 1984 incorporated the assumption that the average rate of increase between 1981 and 1984 had continued.

5) Use of the 1985 LFS - April 1986

The estimates were up-dated to take account of new results from the 1985 LFS and revised data from the 1984 LFS.

6) Use of the 1986 LFS - March 1987

The estimates were up-dated to take account of new results from the 1986 LFS.

7) Use of the 1987 LFS - February 1988

The estimates were up-dated to take account of the preliminary results of the 1987 LFS.

8) Use of the 1988 LFS - March 1989

The estimates were up-dated to take account of the preliminary results of the 1988 LFS.

Self Employment (NI)

The numbers of self employed in Agriculture are obtained annually from the Agricultural Census. Self employment figures for other industries post 1981 are based on results from the Census of Population.

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EMPLOYMENT: DOUBLE JOBBING AND GOVERNMENT SCHEMES AND PROGRAMMES

The treatment of double jobbing in the employees in employment estimates

The estimates for employees in employment include some double counting of persons because some employees with two jobs are included twice. This cannot be avoided with figures collected from employers' reports of the number of people they employ. Since employers will generally not know if an employee is in fact filling a post as his second job, it would not be practical to exclude second jobs from these estimates.

Evidence on the number of people with two jobs can be derived from household surveys - principally the Labour Force and General Household Surveys. However, these cannot provide reliable figures for the number of second jobs included in the employees in employment series because some work will be included which would not be covered by the employer based information such as babysitting or gardening for a householder. Furthermore a particular survey's assessment of the number of second jobs will depend on the design and context of the survey. Adjustment of the employees in employment series to exclude second jobs would therefore be impracticable.

GOVERNMENT SCHEMES AND PROGRAMMES

Estimates of employees in employment

1. Participants in a number of schemes and programmes are employed in precisely the same way as any other employee and are therefore included in the estimates of employees in employment. These measures include:

in Great Britain:	New Workers Scheme
	Community Programme
	Community Industry
in Northern Ireland:	Action for Community Employment

Note: The number of employees in employment has however been affected by the run down of CP during the summer, in preparation for Employment Training (ET). It is estimated that without this change there would have been a further 20,000 employees in employment in the service sector in September 1988, and a further 130,000 employees in employment in the service sector in December 1988. It is expected that these estimates of employees in employment will be reduced further as CP comes to an end but that this will be broadly offset by increasing numbers on ET included in the workforce in employment as participants on work related government training programmes.

2. Those young people on the Youth Training Scheme (in Great Britain) or the Youth Training Programme (in Northern Ireland) who have contracts of employment - currently estimated to be about 15 percent of participants - are included in the employees in employment series. Similarly some participants on Employment

Training who have contracts of employment, ie. those receiving continuation funding, will be included in the employees in employment series.

Estimates of self-employment

3. Those supported by the Enterprise Allowance Scheme are included in the Labour Force Survey based estimates of self-employment.

Work related government training programmes

4. The numbers on work related government training programmes cover those participants who in the course of their participation receive training in the context of a workplace but are not employees, self employed or HM Forces. This group is included in the workforce in employment. The numbers on work related government training programmes include most YTS participants without contracts of employment (the small proportion, about 2 per cent, whose training does not include work experience with an employer are not included). Participants on new Job Training Scheme (JTS) were included until September 1988 when they transferred to the ET scheme. All participants on Employment Training (ET) without contracts of employment who receive work experience , which is the great majority, have been included in the estimates of participants in work related government training programmes from December 1988. (The small proportion - about 3 per cent - who do not receive work experience were excluded). In Northern Ireland, participants in work related government training programmes comprise participants in the Job Training Programme, certain Management Training Schemes, adults on the Attachment Training Scheme (participants with firms only, as opposed to those in FE colleges) and Youth Training Programme participants without a contract of employment, excluding second year trainees in FE colleges.

5. Those on the Voluntary Projects Programme and Wider Opportunities Training Programme are not employed and are hence not covered by the workforce in employment series.

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C-O-N-F-I-D-E-N-T-I-A-L until 11.30am on 18 May 1989

INTERNATIONAL COMPARISONS OF EMPLOYMENT

1. Latest figures for the major industrialised economies show that since March 1983, when employment began to rise in the United Kingdom, it has grown at a much faster rate than in Japan, Italy, Germany or France. However the rate of employment growth has been higher in the United States and Canada.

TABLE 1 : CIVILIAN EMPLOYMENT SEASONALLY ADJUSTED CHANGE 1983 Q1 TO 1988 Q3

	Thousands	Per Cent
CANADA	1810	17.1%
USA	16046	16.2%
UK	2815	12.1%
JAPAN	2938	5.1%
GERMANY	792	3.2%
ITALY	697	3.4%
FRANCE *	-289	-1.4%

Source : OECD Quarterly Labour Force Statistics (except UK)
Notes : * 1982 Q4 to 1987 Q4.

2. Between 1983 and 1987 the increase in employment in the United Kingdom was greater than that in the rest of the European Community combined. This will not be true for period 1983 to 1988 but the UK rise will still be greater than that for any other Community country. Comparisons over more recent periods are not so favourable since the increase in Spain alone between 1985 and 1987 was greater than that recorded for the UK . Over the longer period 1979 to 1987 employment fell slightly in the UK whilst it rose in the rest of the Community as a whole.

TABLE2 : CIVILIAN EMPLOYMENT IN THE EUROPEAN COMMUNITY

	1983 - 1987		1979 - 1987	
	Thousand	Per Cent	Thousand	Per Cent
BELGIUM	79	2.2	-86	-2.3
DENMARK	163	6.5	162	6.5
GERMANY	647	2.6	-76	-.3
GREECE	58	1.6	286	8.6
SPAIN	395	3.6	-462	-3.9
FRANCE	-192	-.9	-329	-1.5
IRELAND	-43	-3.9	-62	-5.5
ITALY	234	1.1	527	2.6
LUXEMBOURG	12	7.6	13	8.3
NETHERLANDS	286	5.8	430	8.9
PORTUGAL	30	.7	317	8.2
EC12 - UK	1669	1.7	720	.7
UK	1756	7.5	-18	-.1
EC12	3425	2.8	702	.6

Source: "Employment and unemployment 1988" and "Eurostatistics 8/9 1988" (EUROSTAT) except UK (DE).

3. Comparisons of the proportion of working-age population in work show the UK above our major European competitors but below the United States, Canada, Japan and some smaller countries.

TABLE 3 : TOTAL EMPLOYMENT AS A PERCENTAGE OF THE POPULATION AGED 15 TO 64 : 1986

	Per Cent
SWEDEN	79
DENMARK	78
JAPAN	70
UNITED STATES	69
CANADA	67
UNITED KINGDOM	66
GERMANY	60
FRANCE	59
BELGIUM	56
NETHERLANDS	52
OECD TOTAL	64
EC12	58

Source: OECD Historical Statistics 1966-1986

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FULL TIME AND PART TIME WORKFORCE IN EMPLOYMENT IN GREAT BRITAIN

(Note: full-time and part-time employment estimates are not collected in Northern Ireland and are therefore not available for the United Kingdom)

Since March 1983, when the rising trend began, the workforce in employment is now estimated to have increased by 2,947,000. This increase comprises 1,539,000 (52%) full-time jobs and 1,408,000 (48%) part-time jobs. However in the year to December 1988 only one fifth of the increase in employment was in part-time jobs. (A part-time job is one of 30 hours per week or less.)

THE WORKFORCE IN EMPLOYMENT * - TOTAL

Great Britain — Thousands, seasonally adjusted

		Males			Females			Persons		
		All	of which: full time	of which: part time*	All	of which: full time	of which: part time*	All	of which: full time	of which: part time*
1983	March	13,663	12,795	868	9,334	5,357	3,977	22,997	18,153	4,845
	June	13,635	12,740	895	9,411	5,378	4,032	23,046	18,119	4,928
	Sept	13,744	12,762	982	9,560	5,417	4,143	23,304	18,179	5,125
	Dec	13,801	12,762	1,039	9,670	5,459	4,212	23,471	18,221	5,251
1984	March	13,832	12,802	1,030	9,733	5,496	4,237	23,566	18,298	5,267
	June	13,875	12,831	1,045	9,783	5,523	4,260	23,658	18,354	5,305
	Sept	13,930	12,882	1,048	9,854	5,558	4,296	23,784	18,440	5,345
	Dec	13,994	12,917	1,077	9,914	5,570	4,344	23,908	18,487	5,421
1985	March	14,015	12,953	1,062	9,962	5,605	4,357	23,977	18,559	5,419
	June	14,029	12,944	1,086	10,010	5,623	4,387	24,039	18,566	5,473
	Sept	14,049	12,953	1,096	10,084	5,636	4,448	24,133	18,590	5,544
	Dec	14,047	12,935	1,112	10,099	5,643	4,456	24,146	18,578	5,568
1986	March	14,004	12,918	1,086	10,127	5,648	4,479	24,130	18,565	5,565
	June	13,996	12,859	1,138	10,185	5,649	4,537	24,182	18,508	5,674
	Sept	14,047	12,880	1,167	10,282	5,672	4,610	24,329	18,552	5,777
	Dec	14,060	12,862	1,198	10,357	5,701	4,655	24,417	18,563	5,854
1987	March	14,099	12,899	1,200	10,415	5,725	4,690	24,513	18,623	5,890
	June	14,245	12,982	1,263	10,563	5,818	4,745	24,808	18,800	6,008
	Sept	14,404	13,103	1,300	10,685	5,904	4,781	25,088	19,007	6,081
	Dec	14,514	13,181	1,333	10,795	5,998	4,797	25,309	19,179	6,130
1988	March	14,629	13,316	1,313	10,898	6,094	4,805	25,527	19,410	6,117
	June	14,680	13,346	1,333	10,957	6,143	4,814	25,637	19,490	6,147
	Sept	14,738	13,407	1,331	11,065	6,207	4,858	25,803	19,614	6,190
	Dec	14,804	13,452	1,352	11,141	6,240	4,901	25,945	19,692	6,253
Change										
Mar 83-Dec 88		1,141	657	484	1,807	882	924	2,947	1,539	1,408
Dec 87-Dec 88		290	271	19	346	241	104	635	512	123

* The workforce in employment comprises employees in employment, the self employed, HM Forces and participants in work related government training programmes. In classifying the workforce in employment between full and part time all programme participants are counted as in employment part time.

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THE WORKFORCE IN EMPLOYMENT - COMPONENTS

Great Britain

Thousands, seasonally adjusted

		Employees in Employment						Self Employment					HM Forces			Work related + government training programmes		
		Males		Females			Persons	Males		Females		Persons	Males	Females	Persons	Males	Females	Persons
		All	of which part time*	All	of full time	which part time	All	All	of which part time	All	of which part time	All	All	All	All	All	All	All
1983	March	11,706	745	8,823	5,110	3,713	20,529	1,651	123	496	264	2,147	306	15	321	0	0	0
	June	11,674	766	8,881	5,121	3,760	20,556	1,652	126	508	267	2,160	306	16	322	3	5	8
	Sept	11,659	772	8,952	5,151	3,801	20,611	1,702	136	527	278	2,229	309	16	325	74	64	139
	Dec	11,645	798	9,025	5,184	3,841	20,670	1,751	145	547	289	2,298	309	16	325	96	82	178
1984	March	11,630	784	9,074	5,213	3,861	20,705	1,801	155	566	299	2,367	310	16	326	91	77	168
	June	11,625	790	9,104	5,232	3,872	20,729	1,850	164	586	311	2,435	310	16	326	91	78	168
	Sept	11,638	771	9,147	5,261	3,885	20,785	1,868	165	596	315	2,464	312	16	328	112	95	207
	Dec	11,688	801	9,201	5,268	3,933	20,888	1,886	167	606	320	2,493	311	16	327	109	91	200
1985	March	11,699	792	9,249	5,298	3,952	20,948	1,905	169	617	325	2,522	310	16	326	101	80	182
	June	11,703	822	9,292	5,309	3,983	20,995	1,923	170	628	321	2,550	309	16	326	94	74	168
	Sept	11,694	808	9,339	5,320	4,019	21,033	1,926	168	628	328	2,554	309	16	326	120	100	221
	Dec	11,696	832	9,360	5,323	4,037	21,056	1,929	166	629	325	2,558	307	16	323	114	94	208
1986	March	11,662	819	9,401	5,324	4,077	21,063	1,933	164	630	322	2,563	306	16	323	103	80	182
	June	11,632	853	9,444	5,322	4,122	21,076	1,937	163	630	319	2,567	305	16	322	122	96	218
	Sept	11,613	843	9,493	5,339	4,154	21,106	1,977	173	648	331	2,625	306	16	323	151	125	276
	Dec	11,590	866	9,556	5,363	4,193	21,145	2,018	184	665	343	2,684	304	16	320	148	119	268
1987	March	11,599	869	9,607	5,380	4,227	21,206	2,059	194	683	355	2,742	304	16	320	138	108	245
	June	11,672	888	9,714	5,468	4,246	21,386	2,099	204	701	367	2,801	302	16	319	171	132	303
	Sept	11,759	882	9,805	5,549	4,255	21,564	2,126	203	706	368	2,832	303	16	319	216	158	373
	Dec	11,852	922	9,920	5,639	4,281	21,772	2,152	202	711	368	2,863	301	16	317	209	147	356
1988	March	11,951	913	10,031	5,730	4,301	21,982	2,178	200	716	368	2,895	301	16	317	199	135	334
	June	11,976	935	10,085	5,775	4,310	22,061	2,205	199	721	369	2,926	300	16	316	199	135	335
	Sept	12,000	914	10,171	5,832	4,340	22,172	2,225	203	732	373	2,957	299	16	315	214	146	359
	Dec	12,015	898	10,228	5,858	4,370	22,243	2,245	207	743	377	2,988	297	16	313	247	154	401
Change																		
Mar 83-Dec 88		309	153	1,405	748	657	1,714	594	84	247	114	841	-9	1	-8	247	154	401
Dec 87-Dec 88		163	-25	308	219	89	471	93	5	32	9	125	-5	0	-5	38	6	45

*Estimates of part-time male employees are not seasonally adjusted.

+ Participants in the YTS who receive work experience except those who have contracts of employment (those who have contracts of employment are included in the employees in employment) plus participants in new JTS (up to September 1988) and ET (from December 1988). Not seasonally adjusted. All participants in work related government training programmes are assumed to work part-time.

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CHANGES IN EMPLOYEES IN EMPLOYMENT

United Kingdom

Thousands, not seasonally adjusted

Industry	Year ending Dec 1988 Change Absolute	Percent
Agriculture forestry and fishing	-11.4	-3.5
Energy and water supply	-29.0	-5.9
Other mineral and ore extraction etc	18.1	2.3
Metal goods, engineering and vehicles	- 4.2	-0.2
Other manufacturing industries	25.9	1.2
Construction	11.2	1.1
Distribution, hotels, catering, repairs	140.5	3.0
Transport & Communication	54.7	4.0
Banking, finance insurance	185.6	7.6
Other Services	88.4	1.3
All Industries	479.7	2.1

Region	Year ending Dec 1988 Change Absolute	Percent
South East	206.6	2.7
(Greater London)	41.7	1.2
East Anglia	41.6	5.0
South West	23.1	1.4
West Midlands	53.2	2.5
East Midlands	35.4	2.3
Yorks & Humberside	30.2	1.6
North West	7.3	0.3
North	27.5	2.5
Wales	10.2	1.2
Scotland	39.5	2.1
Great Britain	474.6	2.2
Northern Ireland	5.0	1.0
United Kingdom	479.7	2.1

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1 AVERAGE EARNINGS

1 Table A gives a breakdown of the average earnings index by broad sectors of industry. The full detail will not be published until the next issue of Employment Gazette (Table 5.3 of Labour Market Data). However, it is available on request from the date of the press release.

2 The monthly figures in Table A are not seasonally adjusted.

3 Table B shows the latest information on annual changes in average earnings in manufacturing industries in the main industrial countries. The periods covered and the definitions vary, although the comparison gives a broad idea of how the rate of change in average earnings in Great Britain is related to that of our principal overseas competitors.

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INDUSTRY BREAKDOWN

INDEX OF AVERAGE EARNINGS (Unadjusted)*

Classes SIC 1980	Weights	Index (1985 = 100)						Percentage increase over previous 12 months					
		1988			1989			1988			1989		
		Oct	Nov	Dec	Jan	Feb	Mar**	Oct	Nov	Dec	Jan	Feb	Mar**
Metal processing and manufacture	14	142.9	124.2	134.1	138.4	126.3	127.9	9.9	8.5	9.8	9.7	9.2	8.8
Mineral extraction and manufacturing	14	126.1	127.9	136.3	129.6	131.6	131.0	6.7	6.7	7.3	7.5	8.5	6.1
Chemical and man-made fibres	20	128.4	139.2	138.5	131.3	130.6	129.9	9.4	8.8	8.0	8.2	8.6	7.8
Mechanical engineering	44	127.4	129.5	132.6	132.7	133.0	135.1	9.2	8.8	10.2	10.4	9.6	8.4
Electrical and electronic engineering	37	130.7	131.7	135.1	135.3	134.8	138.4	9.3	8.7	8.6	8.6	7.2	9.8
Motor vehicle and parts	17	129.0	136.3	139.4	137.0	139.8	143.1	7.9	13.5	15.4	14.2	36.4	7.7
Other transport and equipment	17	124.5	126.1	134.0	131.8	132.1	136.9	7.5	6.5	6.9	10.9	11.0	14.2
Metal goods and instruments	27	128.2	131.3	130.5	132.8	133.2	132.8	8.2	7.3	8.4	10.0	8.1	8.2
Food, drink and tobacco	33	127.0	133.2	135.2	130.6	130.4	134.1	8.0	10.5	9.2	7.8	7.6	10.6
Textiles	13	124.5	128.0	125.4	127.2	128.6	127.1	5.4	5.9	5.6	6.4	7.2	3.7
Leather, footwear and clothing	17	123.9	124.9	127.4	128.9	129.3	130.5	7.6	6.9	6.2	7.1	6.5	4.6
Timber and wooden furniture	11	134.2	138.3	138.3	146.4	142.9	129.7	4.4	11.6	21.4	18.7	13.4	5.0
Paper products, printing and publishing	26	127.7	127.3	128.3	126.8	127.4	129.5	8.1	6.8	7.3	7.6	7.1	7.3
Rubber, plastic and other manufacturing	14	127.4	131.2	131.2	131.5	132.2	133.6	8.4	7.1	4.4	8.1	8.0	8.0
*Manufacturing Industries	304	128.7	130.8	133.5	132.6	132.2	133.7	8.2	8.7	9.1	9.4	10.0	8.4
Coal and coke	15	141.8	142.1	140.7	144.8	145.7	151.1	14.8	14.0	11.8	13.0	24.7	14.6
Mineral oil and natural gas	1	134.6	147.2	141.0	143.7	141.3	137.9	14.0	10.3	13.6	13.1	12.3	8.7
Electricity, gas and other energy and water supply	19	124.9	125.3	124.2	123.0	124.2	129.5	5.9	4.6	6.9	6.0	7.4	11.6
*Production Industries≠	339	129.2	131.2	133.4	132.7	132.5	134.4	8.5	8.6	9.1	9.4	10.5	8.9
Construction	55	133.5	136.4	138.8	135.2	136.8	142.6	12.9	12.7	12.0	11.6	12.2	11.3
*Production≠ and Construction Industries	394	129.8	131.9	134.2	133.1	133.1	135.5	8.8	8.9	9.2	9.5	10.4	9.1
Agriculture & Forestry≠	19	136.9	116.1	119.2	113.5	112.1	ø	11.9	-3.8	5.0	7.0	6.8	ø
Distribution and repairs	164	126.0	127.1	132.8	130.5	131.8	136.2	9.8	8.4	8.9	9.8	9.5	9.0
Hotel and catering	49	129.4	132.5	139.9	133.3	133.7	136.9	10.4	9.3	7.9	10.1	11.9	13.0
Transport and communication (except sea transport)	71	124.4	127.0	127.5	125.2	125.1	126.3	6.1	4.6	5.0	6.4	6.6	6.4
Banking, finance and insurance	44	128.7	142.1	136.7	136.6	135.8	154.6	4.3	6.0	6.7	7.2	7.2	14.2
Public administration	90	128.3	131.8	129.5	130.0	131.6	131.9	11.0	12.9	9.9	10.1	9.0	7.9
Education and health services	147	131.6	132.8	156.6	134.1	134.2	134.9	9.6	11.0	26.9	11.4	10.7	6.6
Other services	22	123.8	124.8	131.8	132.0	126.5	127.6	6.0	5.0	7.3	8.9	5.6	9.0
*Service industries	587	127.8	130.9	137.5	131.2	131.5	135.1	8.6	8.8	12.4	9.3	8.9	8.6
*Whole economy	1000	128.9	131.2	135.7	131.8	132.0	135.0	9.0	8.7	11.0	9.4	9.7	8.9

*Except for percentage increase figures shown in these lines which reflect seasonally adjusted index figures.
**Provisional.
≠Manufacturing, coal and coke, mineral oil and natural gas, electricity, gas, other energy and water supply.
≠England and Wales only.
øNot available.

CONFIDENTIAL UNTIL 11.30 AM THURSDAY 18 MAY 1989

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CONFIDENTIAL UNTIL 11.30 AM ON THURSDAY 18 MAY 1989

INTERNATIONAL COMPARISONS

HOURLY EARNINGS IN MANUFACTURING (Percentage changes on a year earlier)

		Latest period available
Greece	17.6	Q2 1988
Portugal (h)	12.0	Q3 1988
Finland	9.0	Q2 1988
Great Britain (c)	9	MARCH
Sweden (g)	8.9	DECEMBER
Spain (e)	7.9	Q3 1988
New Zealand (i)	6.5	Q3 1988
Austria (a)(g)	6.1	NOVEMBER
Japan (a)(f)	6.0	JANUARY
Italy (b)	5.7	JANUARY
Denmark (g)	5.5	DECEMBER
Australia (b)	5.4	SEPTEMBER
Ireland	5.3	Q2 1988
Canada	5.1	JANUARY
Germany	4.4	Q4 1988
United States	3.2	FEBRUARY
France (b)	3.1	Q4 1988
Norway (d)	2.5	Q4 1988
Netherlands (b)	1.0	FEBRUARY
Belgium (j)	0.6	Q4 1988
OECD	5.2	JUNE
EEC	6.0	JUNE

Source: OECD Main Economic Indicators: APRIL 1989

(a) Monthly Earnings
(b) Hourly Rates
(c) Weekly Earnings (Underlying)
(d) Males
(e) Not Seasonally Adjusted
(f) 3 month ending
(g) Mining and Manufacturing
(h) Daily Earnings
(i) Weekly Rates; all activities
(j) Mining, manufacturing and transport

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RESTRICTED UNTIL 18 MAY 1989 D11(a)

Industrial Disputes -Summary Facts

WORKING DAYS LOST

In March, working days lost are provisionally estimated at 73,000. This is the lowest March figure since 1949, when 70,000 thousand working days were lost; it compares with a March average for the last ten years of 943,000 working days lost. The three largest stoppages in March 1989, each 8,000 working days lost, occurred in aerospace manufacturing, construction and an education authority.

The total of working days lost for the twelve months ended March is provisionally estimated as 2.9 million. The largest elements in this total are 1.2 million working days lost from postal workers' disputes and 0.8 million working days lost in shipbuilding. The 2.9 million days total compares with 2.5 million days lost in the corresponding period a year ago and an average over the previous ten years of 10.2 million days lost.

NUMBER OF STOPPAGES

The number of stoppages provisionally recorded as in progress in the twelve months to March is 681. Subsequent revisions will raise this total. The highly provisional single month figure for March of 69 is likely to be the lowest March figure since 1942.

1988 (Revised Figures)

The number of working days lost through stoppages of work due to industrial disputes in 1988 is estimated at 3.7 million days. This is slightly higher than the figures in recent years of 3.5 million days lost in 1987 and 1.9 million days lost in 1986 but is well below the average of 10.3 million days lost in the 10 year period 1978 to 1987.

The number of stoppages recorded as in progress in 1988 has finally been revised upwards, as predicted in last month's briefing note, to 781. This is lower than the 1,016 stoppages recorded in 1987 and the lowest figure since 1935 (564 stoppages). Comparisons involving the stoppages figures should be made with caution: some small stoppages are excluded by definition and the figures are also affected by the difficulties in ensuring complete recording of stoppages, in particular of short disputes.

Personal and Confidential until 11:30 am 18:5:89

ADVANCE INFORMATION - RESTRICTED UNTIL PUBLICATION ON 18 MAY 1989 D11(b)

KEY FACTS - INDUSTRIAL STOPPAGES

(a) TWELVE MONTH PERIODS

	WORKING DAYS LOST (MILLION)	STOPPAGES (NUMBER)
Year to March 1989(p)	2.9	681
Year to March 1988(p)	2.5	976
1985	6.4	903
1986 (best year for working days lost)	1.9	1,074
1987	3.5	1,016
1988(p) (best year for number of stoppages)	3.7	781
Average 1970 to 1979	12.9	2,631

(b) SINGLE MONTH FIGURES

	WORKING DAYS LOST (THOUSAND)	STOPPAGES (NUMBER)
February 1989(p)	63	76
March 1989(p)	73	69
March - Average of 1979 to 1988	943	166

(p) = provisional

BULL POINTS

1. Most recent figures for working days lost are at record low levels; the February 1989 figure, 63 thousand, is the lowest February figure since 1963 whilst the March 1989 figure is the lowest March figure since 1949.

2. 2.9 million working days lost in year to March (provisional estimate) compares with an average of 12.9 million for the 1970's.

3. Number of stoppages recorded in 1988 is lower than in any other year since 1940.

ADVANCE INFORMATION - RESTRICTED UNTIL PUBLICATION ON 18 MAY 1989

EMPLOYMENT AND TRAINING MEASURES: SCHEME PARTICIPANTS IN GB

MONTH ENDING

THOUSAND

Quarterly		EAS	CI	NWS*	JRS	CP	ET OF WHICH: ET** ALLOWANCES	ET OF WHICH: CP WAGES	JTS	YTS+
Dec	84	39	8	57	78	130				279
Mar	85	41	8	52	70	133				252
Jun	85	48	8	43	61	138				236
Sep	85	49	8	50	54	151				296
Dec	85	52	8	57	48	174				278
Mar	86	55	8	51	43	200				243
Jun	86	60	8	31	37	221				270
Sep	86	66	8	28	32	235				333
Dec	86	74	8	33	27	248			1	323
Mar	87	81	8	34	24	244			2	306
Monthly										
Mar	87	81	8	34	24	244			2	306
Apr	87	85	8	32	23	238			2	300
May	87	87	8	29	22	235			8	290
Jun	87	90	8	24	22	232			13	247
Jul	87	93	8	18	21	231			17	376
Aug	87	94	8	18	21	229			20	389
Sep	87	96	8	18	21	229			22	424
Oct	87	97	8	19	20	224			24	413
Nov	87	96	8	20	20	222			25	410
Dec	87	96	8	19	19	221			24	402
Jan	88	95	7	19	19	221			26	393
Feb	88	95	7	18	19	224			28	386
Mar	88	95	7	16	18	223			30	376
Apr	88	94	7	14	16	223			30	367
May	88	94	7	13	15	220			31	355
Jun	88	94	7	12	14	213			31	381
Jul	88	94	7	11	13	208			30	395
Aug	88	93	7	10	12	202			30	403
Sep	88	93	7	9	11	10	48	128	-	417
Oct	88	92	7	5	10	10	67	100	-	411
Nov	88	91	7	3	9	10	92	78	-	407
Dec	88	92	7	2	8	1	108	60	-	397
Jan	89	90	7	-	8	-	131	38	-	397
Feb	89	90	7	-	7	-	157	14	-	391
Mar	89	89	8	-	7	-	175	1	-	383
Apr	89	88	-	-	6	-	184	-	-	386

* Figures prior to June 1986 relate to similar Young Workers Scheme
** These are the figures normally quoted for ET. They include transfer from JTS but not CP
++ Excludes trainers, figures for latest months subject to revision
- Nil/Neglible

EMPLOYMENT DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

86/89

13 April 1989

FURTHER FALL IN UNEMPLOYMENT, RECORD LEVELS OF EMPLOYMENT

Statement by the Secretary of State for Employment

Seasonally adjusted unemployment has fallen this month by 30,600 to 1.918 million, the lowest level for over 8 years. The unadjusted total of unemployment has fallen below 2 million for the first time since October 1980. Unemployment, seasonally adjusted, has now fallen for 32 months in succession giving the longest and largest sustained fall on record. The total is down by 1.215 million since July 1986, and by 536,000 over the last 12 months.

The unemployment rate is now down to 6.7%, the lowest figure since December 1980. All regions have seen a decrease, with the West Midlands and Wales showing the biggest reductions. Over the past two years the rate of unemployment has dropped faster than in any other major industrialised country and the UK rate based on international definitions is now lower than France, Italy, Canada, Belgium, the Netherlands, Spain and Ireland. Young people have benefited in particular. The number of unemployed people aged 18 to 24 has gone down 39% in the two years to January 1989 and their rate of unemployment is about half the EC average for this age group.

prepared by the
Government Statistical Service

Employment is also at record levels. The figures we are publishing today show that new jobs are continuing to be created. The number of people in jobs is estimated to have increased by 172,000 in the fourth quarter of 1988 and by 654,000 over the year as a whole. Since March 1983 the number of people in jobs has increased by 2,971,000. There are now well over 26 million people in employment - the highest number ever.

Continuing progress with reducing unemployment and creating jobs will depend on moderation in wage costs. The underlying increase in earnings over the whole economy rose by 1/4% in February. Unrealistic pay settlements can only harm job prospects.

EMPLOYMENT DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

13 April 1989

85/89

LABOUR MARKET STATISTICS

SUMMARY STATISTICS

		Level	Change on previous period	Thousands Change on previous year
Unemployment (UK)				
Total unadjusted	March 9	1,960	- 58	(-632)(a)
Seasonally adjusted (b)	March 9	1,918	- 31	-536
Workforce in employment (GB) (c),(d)	Dec Q4 1988	25,961	+169	+649
Employees in employment (GB) (c)				
Services	December Q4 1988	15,336	+100	+475
Manufacturing	December Q4 1988	5,154	+ 4	+ 37
Manufacturing	February 1989	5,150	- 10	+ 4
Vacancies (UK) (jobcentres) (c)	March 3	223	- 5	- 27

		Percentage change on previous year (underlying increase)
Index of Average Earnings (GB) (c)		
Whole Economy	February	9¼
Services	February	9
Manufacturing	February	9¼

Notes

(a) The change in the unadjusted unemployment figure compared with a year ago is affected by the new regulations for claimants aged under 18 introduced in September 1988.

(b) To maintain a consistent assessment, the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors A7)

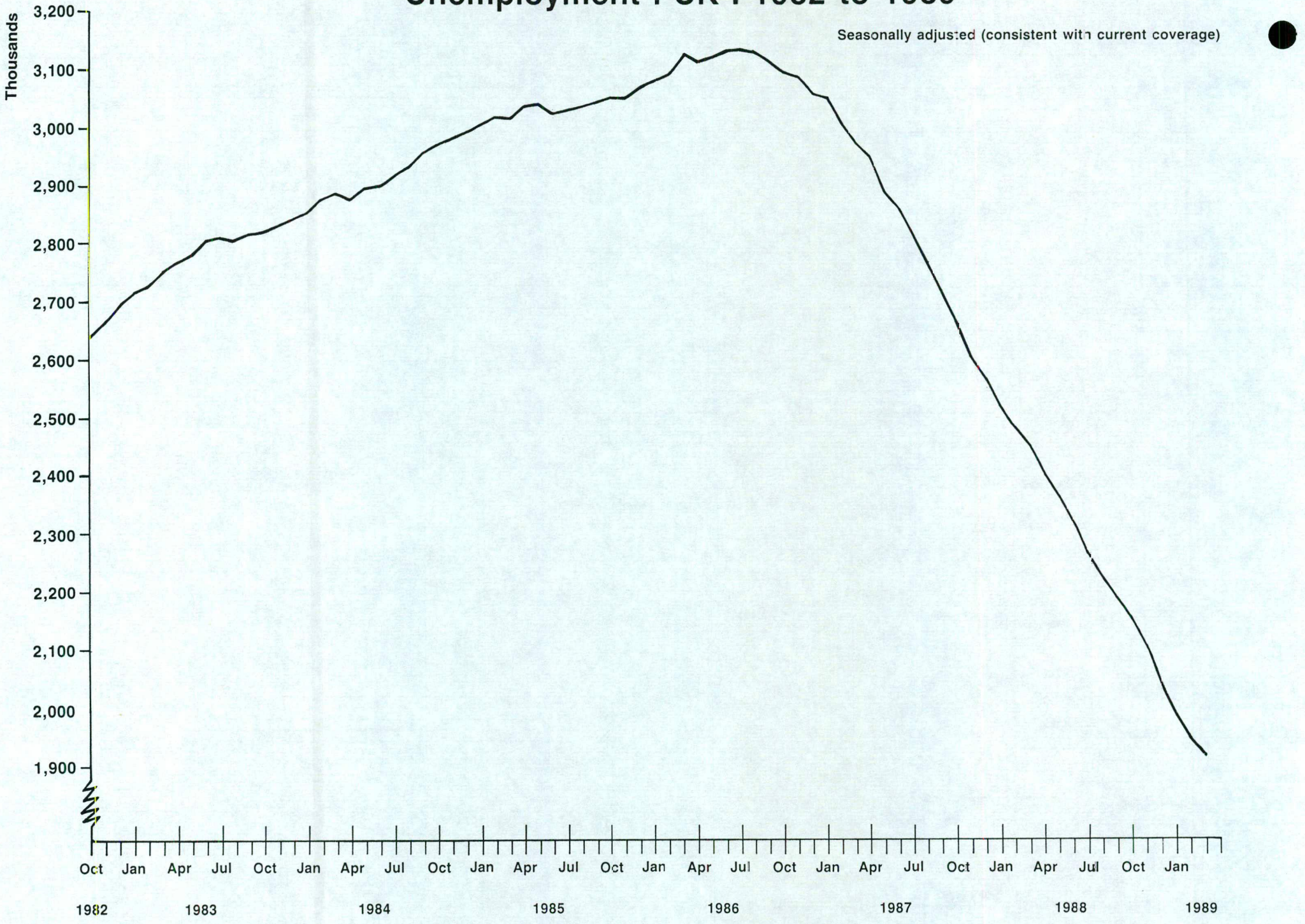
(c) All figures seasonally adjusted

(d) The workforce in employment comprises employees, the self-employed, participants on work related government training schemes and HM Forces.

prepared by the
Government Statistical Service

prepared by the
Government Statistical Service

Unemployment : UK : 1982 to 1989



PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 13 APRIL THEREAFTER CONFIDENTIAL

LABOUR MARKET STATISTICS

Summary

UK unemployment, seasonally adjusted, fell further by 30,600 in March to 1.918 million, and the unadjusted total has now also fallen below 2 million. The GB workforce in employment increased by 169,000 in the fourth quarter of 1988, contributing to overall increases of 649,000 in the year to December 1988 and 2.964 million since March 1983, when the upward trend began. There was a fall of 10,000 in February in employees in manufacturing. The latter figure tends to be erratic, and so does not necessarily indicate a change from the upward trend which began in Spring 1987. Overtime working in manufacturing fell back a little, but nevertheless stayed relatively high in February. Similarly, short-time working remained low. There was a further fall in the stock of vacancies notified to Jobcentres in March, but the inflow and placings continued at relatively high levels. The underlying increase in average earnings was 9¼% in the 12 months to February, up by a further ¼%, compared with the year to January.

Unemployment

UK unemployment, seasonally adjusted, fell by a further 30,600 between February and March to 1.918 million, the lowest level since January 1981 on the consistent basis. The unemployment rate fell to 6.7 per cent of the workforce. The continuous fall since July 1986 has now reached 1.215 million over 32 consecutive months. There was a fall in all regions in March. Other key figures are attached separately.

The latest monthly fall of 30,600 is the smallest for nearly 2 years but, given the monthly fluctuations, is consistent with a continuing downward trend of around 40,000 per month. The smaller fall in March reflected an easing in the decline among male claimants, although this may be partly caused by some rebound from above average falls over recent months caused by the mild winter.

Unadjusted 'headline' total

There was a fall of 58,000 between February and March in the unadjusted claimant total, now also below 2 million, at 1.960 million or 6.9 per cent

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of the workforce.

April 'headline' total

Even without the continuing downward trend, we would expect a slight fall in the unadjusted total between March and April due to the usual seasonal influences. A further fall in the unadjusted total is therefore likely.

Employment

The workforce in employment in Great Britain (employees in employment, the self employed, HM Forces and participants in work related government training programmes) is estimated to have increased by 169,000 in the fourth quarter of 1988. This follows increases of 104,000 in the second quarter and 152,000 in the third quarter and continues the upward trend observed since March 1983. The increase in the year 1988 amounted to 649,000.

The fourth quarter increase of 169,000 in the workforce in employment is made up of a projected increase in the self-employed of 31,000, an estimated increase of 98,000 employees in employment, a rise of 42,000 in work related government training programmes and a fall of 2,000 in HM Forces. The increase in employes in employment comprised increases in both the service sector, 100,000, and manufacturing industry, 4,000, offset by falls in energy and water supply and other industries (agriculture and construction) of 4,000 and 1,000 respectively.

The substantial increase in the number of participants in work related government training programmes reflects the impact of participants on Employment Training (ET) who were included in the figures for for the first time in the December estimates, (previous estimates related to early September before ET had begun to take effect). This growth in ET has been partly offset by a seasonal fall in the number on YTS.

The number of employees in employment in the service sector has however been affected by the run down of CP. It is estimated that without this change there would have been about 20,000 more employees in the service sector in September and 130,000 more in December 1988. It is expected that the estimates of employees will be reduced further as CP comes to an end but that this will be broadly offset by increasing numbers on ET included in the workforce in employment as participants on work related government training programmes.

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Personal and Confidential until 11.30 am 13.4.89
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The workforce in employment increased by 649,000 in the year 1988, of which the number of employees in employment accounted for 484,000. This was the net result of increases of a 475,000 in the service industries, and 37,000 in manufacturing offset by falls of 29,000 in energy and water supply industries, and no change in 'other' industries.

The increase of 2,964,000 in the workforce in employment between March 1983, when the upward trend began, and December 1988 is made up of increases in

1,730,000 employees in employment
841,000 self employed
and 401,000 participants in work related government training schemes together with a reduction of 8,000 HM Forces.

Of the increase of 2,964,000 in the workforce in employment from March 1983 to December 1988 1,147,000 were men and 1,817,000 were women. Over the same period there was a growth of 1,518,000 in full-time employment and 1,446,000 (including 401,000 participants) in part-time employment. During the year to December 1988 full-time employment is estimated to have increased by 480,000 while part-time employment increased by 169,000 (including 45,000 participants).

In the month of February the estimated number of employees employed in manufacturing fell by 10,000. The monthly figures can be erratic and although the trend has slowed since the Spring of 1987 when it turned upwards, this latest figure is not thought at this stage to indicate a change in direction.

Overtime working by operatives in manufacturing industry remained high but fell back to 14.2 million hours in February, following four months of extremely high overtime (averaging 14.7 million hours). However the level in February remains significantly above levels seen before October 1988, when there was a step up in the trend.

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Although hours lost through short-time working in manufacturing industries were a little higher than last month at 0.26 million hours per week in February, compared to 0.16 million hours in January, this is still a very low level.

Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) fell by a further 5,200 between February and March to 222,900, continuing the generally downward trend since the peak of 265,100 in November 1987. The fall since then has been mainly concentrated in the South East.

The inflow of notified vacancies fell back again in the month to March, but at 229,300 was still relatively high and similar to the average for the previous 12 months. Recorded placings made by Jobcentres similarly remained fairly high.

Average Earnings

The estimate of the underlying increase in earnings for the whole economy for February 1989 is 9¼ per cent, a ¼ per cent higher than the rate of increase for the year to January. The estimate for production industries is 9½ per cent, up ½ per cent from the rate for January. Within production, the increase for manufacturing is 9¼ per cent, up ¼ per cent from the rate for January. The estimate for services was unchanged from January at 9 per cent.

Increased settlements are the main driving force behind the upward movement. While settlements will again have caused upward pressure in March, this is not currently expected to be sufficient to move the March rate of increase above 9¼ per cent.

Next Labour Market figures

The next labour market briefing will be issued on Monday 15 May in advance of the press release on 18 May. It will contain unemployment and vacancy figures for April and manufacturing employment and earnings figures for March.

Statistics Division
Department of Employment
10 April 1989

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SECRET

000245

CABINET OFFICE
OFFICE of the MINISTER for the CIVIL SERVICE

The Minister of State
Privy Council Office
The Rt. Hon. Richard Luce MP

Horse Guards Road
London SW1P 3AL
Telephone: 01 -270 5929

PWP

C89/1958

CHIEF SECRETARY
REC.

Rt Hon John Major MP
Chief Secretary to the Treasury
Parliament Street
LONDON
SW1P 3AG

Mr Dixon,
Cx, Sir P Middleton
Mr Anson, Dame A Mueller,
Mr Monck, Mr P Wilson, Mr Harris
Mr Pain, Mr Ennis, Mr Sheridan,
Miss Wheldon,

13 April 1989

Dear John,

TUPE: LEGISLATION

I have seen your letter of 23 March to Norman Fowler on the feasibility of general legislation on technical redundancy.

I have a close interest in this issue. This stems from my Department's responsibility for Civil Service contracts of employment, and our interest in personnel policies and in recruitment; and more specifically there are machinery of Government changes where the current redundancy arrangements often impose constraints, and Next Steps, where privatisation is always an option which must be considered.

Generally easing up present difficulties here would in principle be welcome. But I am sure you are right to conclude that this is not the moment to consider general legislation on this point. As you say, and as we found in 1984, even a limited approach to legislation would not be straightforward and would not dispose of all the difficulties that can come up under the present arrangements. The argument which led us to conclude against general legislation in 1984 is surely enormously strengthened by the point which you make about the possibility of the European Commission opening up the whole issue of the Government's application of TUPE. I believe that we should therefore, as you suggest, continue to proceed on a case by case basis.

SECRET

I am copying this letter to the Prime Minister, Norman Fowler, Nicholas Ridley, David Young, Patrick Mayhew, Peter Fraser and Sir Robin Butler.

RICHARD LUCE

PWP

dti

the department for Enterprise

CH/EXCHEQUER
REC. 17 APR 1989
ACTION CST
COPIES TO

✓17/4

CONFIDENTIAL

Re X, presumably there is local govt assistance which attracts RSG. or is this not so? —

PRIME MINISTER

JAPANESE VEHICLE ISSUES: TOYOTA AND NISSAN

— Ch/ Apparently not. Genuinely without state assistance of any sort. Good. [illegible]

I am writing to let you and colleagues know that tomorrow I shall be announcing to the House Toyota's formal decision to set up a car assembly plant in the UK at Burnaston near Derby. I attach a copy of my draft statement.

This is clearly very good news indeed. It will give a significant boost to UK car production capacity, offer valuable opportunities to our component manufacturers and of course provide a significant number of good quality jobs in the Derby area. I am particularly pleased that we have been able to secure the investment without offering Government financial assistance.

I am also glad to report that we have just had final confirmation that the French have climbed down on the question of Nissan UK's exports to France. The French Ministry of Industry have passed on the straightforward instruction that Nissan UK cars are not to be included in the company's share of the French import quota.

I am bound to be asked about the dispute in the Toyota context on 18 April. To avoid turning the occasion into a post-mortem on Nissan, I propose to put the position on record through an arranged Parliamentary Question today. I attach a copy of the draft.

the Enterprise initiative

PB1BAM

dti

the department for Enterprise

I am copying this minute to Nigel Lawson, Geoffrey Howe, John Wakeham, John Belstead and Peter Walker.

ATTACHMENTS: draft statement on Toyota
draft arranged PQ on Nissan

D Y

(Approved by the Secretary of State and signed in his absence)

17 April 1989

DEPARTMENT OF TRADE AND INDUSTRY

the Enterprise initiative

dti

the department for Enterprise

DRAFT PARLIAMENTARY STATEMENT

My Lords. I told the House on 26 January that Toyota were considering setting up a car plant in Europe and that the United Kingdom was the lead candidate as a location for the project.

I am pleased to be able to return to the House today to report that the company have now made a final decision to proceed with the project in the United Kingdom. The President of the company, Dr Shoichiro Toyoda, and I are today signing a document setting out the Heads of Agreement reached between us, copies of which I am placing in the Library of the House.

Toyota have chosen a 280-acre site at Burnaston near Derby. The project will be in two phases. In Phase I, after a short period of pilot production starting in December 1992, commercial production will begin in August 1993 and will rise gradually thereafter to the maximum capacity of 100,000 cars per year. When economic and commercial circumstances allow, the project will move into Phase II, in which capacity will be expanded to 200,000 cars per year. The plant will then employ some 3,000 people, and will involve a total investment of about £700 million.

X My Lords, the company have decided to proceed with the project without Government financial assistance. And it is their firm intention to achieve a local content level of 60 per cent from the start of commercial production in August 1993 and an 80 per cent level within a further two years.

the Enterprise initiative

BRIAN

Toyota's decision was probably the largest mobile industrial investment still to be won and it represents a major vote of confidence in the United Kingdom. I have no doubt that it will make a significant contribution to the local economy in the area around Derby, to the United Kingdom economy and indeed to the European economy as a whole. I wish the company every success here.

PRIBAN

dti

the department for Enterprise

MONDAY, 17 APRIL 1989

LORD BROUGHAM AND VAUX : TO ASK HER MAJESTY'S GOVERNMENT WHAT IS THE PRESENT POSITION WITH REGARD TO THE IMPORTS OF CARS INTO FRANCE FROM THE NISSAN PLANT AT SUNDERLAND.

LORD YOUNG OF GRAFFHAM

I wrote to Dr Bangemann, the European Commissioner responsible for industry and the internal market, on 6 March asking him formally to clarify with the French Government that cars produced at Sunderland by Nissan Motor Manufacturing UK Ltd are allowed to enter France quite independently of the level of car imports into France from Japan. Dr Bangemann has just replied to me saying that the Commission have now received a formal assurance from the French Government that this will be the case. On this basis, Nissan Motor Manufacturing UK Ltd expect that their business with France will continue unimpeded. I welcome this resolution of the position and look forward to discussions with France and other Member States on future policy in the European Community on the range of vehicles issues that will have to be considered in the context of completion of the single market.

PS1CKK

Nigel Lawson T

CH/EXCHEQUER
REC. - 5 MAY 1989
ACTION MR. Nash - C+E
COPIES TO PS/CST PS/FST PS/PMG PS/EST. SIR P. Middleton MR R.I.G Allen MR Culpin MRS Cope MR Call MR Eaton - UKREP MR Unwin MR Jefferson Smith MR Wilmott MR P.R.H. Allen } C+E
MRS Brown

Department of Employment
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 5804/5
Telex 915564 Fax 01-273 5821

Minister of State
The Rt Hon John Cope MP

Philip Mawer Esq
Private Secretary to the Home Secretary
Home Office
50 Queen Anne's Gate
London SW1H 9AT

4th May 1989

Dear Philip,

In recent discussion at OD(E) on the question of frontier controls, Mr Cope drew attention to the role of work permits and to concern in other Member States about unrestricted movement of non-EC national workers within the EC. There are some 2.3 million already within the Community, for example Turks in Germany, Algerians in France and North Africans in Italy. Other Member States are unwilling to allow those people freedom to work in their own countries and do not accept that free movement provisions between EC countries apply to them. Mr Cope promised to let the Home Secretary have some more information on this point so that the point can be used in negotiations in frontier controls.

The point might be particularly effective with the French during their forthcoming Presidency, because of the political sensitivity there about foreign workers. It would reinforce our position that third country nationals, including those already living in the EC, are not covered by the free movement provisions (except as immediate dependents of EC national workers). It illustrates the practical difficulties of control without internal frontiers.

Although the French and others rely on internal controls on employers to prevent illegal work, this is less effective as well as more bureaucratic than our own system of control at the frontier which requires the separation of arrivals from other EC countries. It would seem to be a case where the type of controls should vary according to the needs of individual Member States.

I attach a copy of a note by officials giving information about numbers of third country workers already in the EC and variations in arrangements for work permits. Some of this information is rather old and we have set in hand an exercise to update it. Nevertheless we believe it gives an accurate general picture of the position which may be useful.

I am copying this to Private Secretaries to members of OD(E) and to the Cabinet Office.

Yours sincerely,

JN Kirkpatrick

John Kirkpatrick
Private Secretary

THIRD COUNTRY WORKERS IN THE EC

Work permit arrangements

1. All EC Member State restrict the entry of workers who are not EC nationals. Their arrangements for issuing work permits are summarised at Annex A and in the table at Annex B.

2. The main common feature is that employment of non-EC nationals is generally restricted to jobs for which no EC national (or foreign worker already admitted) is available. Up to the 1960s most Northern EC Member States admitted relatively large numbers of foreign workers, but with rising unemployment they have all tightened conditions of entry, and admission of new workers is now subject to much stricter criteria based on labour market needs.

3. The general restriction to jobs for which there is no suitable resident labour means that new foreign workers will usually need a specific skill. However, only in the UK and Belgium is there a general condition that only people with high level skill qualifications will be admitted. Other countries would seem to be more ready to admit less skilled people in response to labour shortages.

4. In most countries the permit can only be issued in the first place for a specific job. However it is relatively easy for the worker to change jobs after entry in some countries (France, Denmark), and in some countries there are types of permit which are not limited to specific jobs at all (Belgium, Germany, Luxembourg).

5. In Denmark and Germany it is the worker who applies for the permit. In Belgium and France it depends on the type of permit who applies. In other countries the employer applies. (In Netherlands and Greece both worker and employer apply).

6. In Denmark, Ireland, Italy and the UK the permit is normally issued before entry and is used as an entry document. In other countries it is issued after entry, but in these cases some form of pre-entry clearance, involving evidence that the proposed job meets criteria, is usually required. It seems that in these cases it may be relatively easy to get

entry to the country, and the real control may only come when someone starts work. That control is done locally in Italy, Greece and Germany.

7. The time limit on a permit usually depends on the duration of the job. In Germany there is a standard 3 year period and in France there is a system of progressive relaxation of restrictions on work. Most Member States remove work restrictions after a period varying from 2 to 5 years legal residence.

8. Some countries have special exemptions from permit controls for particular foreign nationals. Denmark is a member of the Nordic Union which provides for free movement of labour with Sweden, Norway, Finland and Iceland. (Such workers are however required to carry identification and may be stopped for checks at the Danish frontier). Germany also has special arrangements with Austria. The UK has some special arrangements with some Commonwealth countries and Dependent Territories. Some French overseas territories are part of metropolitan France and enjoy EC free movement rights.

9. Most countries have exemptions from permit restrictions for various groups of people doing short term work (eg entertainers, businessmen) or working for charities or religious organisations.

Relative strictness of work permit controls

10. Northern Member States all have relatively strict criteria for issue of permits, but controls on entry are probably stronger in UK, Ireland and Denmark than in other countries. Controls in Italy are relatively informal. Greek work permit controls are draconian on paper but depend heavily on decisions by local bureaucracy.

Migrants already working in EC countries

11. Annex C gives survey data showing numbers of third country workers in EC Member States. Most of these are 'guestworkers' or others who came in during the period of labour shortage up to the 1960s, and their descendants, who have not yet gained citizenship. These groups are generally concentrated in poorer areas with lower employment prospects than the average.

12. The countries with the highest proportion of non-EC workers are Germany and France, followed by Netherlands, Luxembourg and UK. The figures for Italy and Greece are almost certainly underestimated, since there are known to be many unauthorised workers from N. Africa and the Middle East in those countries, and to a lesser extent in Spain and Portugal.

Concern about third country workers

13. Foreign workers have been a political issue recently in both Germany and France. In recent elections in Berlin gains were made by extreme right wing candidates on the issue of Turkish workers. Assimilation of foreign workers is a particularly sensitive issue in Germany because of the growing numbers of ethnic Germans (with full right to citizenship) returning from Eastern Europe. By contrast, the long established communities of Turkish and Yugoslav guestworkers have not been given German citizenship and the theory is that they will return home. In France, there has been considerable political agitation over foreign workers from N. Africa. The policy is to assimilate them and give citizenship, but they are often seen as providing unwelcome competition to ethnic French workers.

14. French employers have expressed concern about the Commission's frontier proposals and their Government's apparent support for measures which would allow third country workers from other Member States (eg Turks from Germany) access to French jobs and social security benefits. The French government has avoided fully committing itself.

EC provisions on third country workers

15. EC provisions on free movement of labour only apply to third country nationals who are dependent members of the immediate family of an EC worker. The Commission has established the right to require Member States to supply information about procedures for admission of third country nationals, but the European Court has rejected its attempts to establish Community competence over the rules for their admission, which rest with Member States.

16. The Single European Act, in setting up the internal market 'without frontiers' was accompanied by a Conference Declaration (subscribed to by Member States and the Commission) reserving the right of Member States to 'take such measures as they consider necessary for the purpose of controlling immigration from third countries'.

Department of Employment
Overseas Labour Section
April 1989

ANNEX A

WORK PERMIT PROCEDURES IN EC MEMBER STATES

All EC Member States normally require third country nationals to have work permits. The main features of their schemes are as follows:-

Belgium

There are three types of work permit, class A (unrestricted), B (limited to an employer or industry), C (temporary/casual work). In practice admission of migrant workers has been suspended since 1974 except for highly qualified people not available in the Belgian labour market. Permits give wider permission to change employment than in the UK. Priority has been given to former colonies and countries with which Belgium has had labour agreements, and there are a number of exceptions from the permit requirements including employees of family businesses. Unlimited right to work is given after 5 years legal residence.

Denmark

Nationals of Nordic Union Countries (Iceland, Norway, Sweden, Finland) have free movement to Denmark and can work there without permits. Strict work permit regulations apply to other third country nationals. Permits are issued to the worker, valid only for specific jobs for the first two years. They must be issued before entry to Denmark. Permits are not required for people such as entertainers working in Denmark for less than 3 months.

Germany

Germany has in the past brought in considerable numbers of 'guestworkers', mostly recruited in Turkey and Yugoslavia. Since 1973 this has been stopped and there are new strict work permit controls limited to categories such as trainees, scientists, and entertainment artists. Remaining guestworkers have not generally obtained German nationality and in theory are eventually expected to return home. By contrast, there has been a considerable increase in ethnic German immigrants from Eastern Europe who are entitled to German nationality. (These people are covered by free movement provisions.)

Permits are now only issued by local employment offices after workers have legally entered the country. The criteria depend on the labour market and permits may or may not be restricted to specific jobs. They

are normally given for three years. Unlimited permits can be issued after 5 years legal residence and to second generation migrants.

Senior executives and directors, and people such as entertainers doing short-term work are exempt from work permit controls.

There are special arrangements allowing movement of workers between Germany and Austria.

Greece

Issue of permits depends on labour market needs as determined by local authorities. Both the employer and the worker must get authorisation. There are no specific skill requirements and criteria depend on local assessment of the need. There are penalties including imprisonment for employers taking on unauthorised labour. All permits are subject to security clearance. The employer must get permission before the worker enters Greece. The worker's entry is then approved, and he must then report locally to be issued with the permit. Greece has a particular problem of illegal immigrants from Middle Eastern countries because of the difficulty of controlling access by sea.

France

In past years France admitted large numbers of workers from Algeria and other Nrth. African countries. The current policy is to assimilate these workers by eventual granting of citizenship and to severely restrict further entry (other than for seasonal agricultural workers). Work permits are now only given in exceptional cases, depending on the labour market, though there are no specific skill criteria. Permits are only given if there is no available French or EC labour. There are three types of permit, granted successively - first temporary class A valid for one year for a specific type of work in a specific region, then class B, for the same work for a further 3 years, and finally class C, unrestricted. There are also separate arrangements for short-term employment. Work permit holders are free to change their employer (except for temporary permits).

Workers must have an agreed contract of employment before coming to France but the work permit is not issued until they are in the country.

Ireland

Work permits are only given where there are no suitable Irish or EC nationals available. There are no specific skill criteria. Employers must apply for permission to recruit specific foreign workers. Permits are normally valid for one year. New applications must be made for change of employment. The worker must normally have the permit at the time of entry.

Italy

Vacancies for which it is proposed to recruit third country workers are published, and permission given if there are then no suitable applicants. The permit is valid for the duration of the job. The job can be changed under the same conditions. The worker must normally have the permit to enter Italy.

There are known to be considerable numbers of illegal foreign workers from Nrth. Africa in Italy.

Luxembourg

Issue of work permits depends on the labour market. There are 4 types - A (one year for a specific job), B (4 years for a specific type of work), C (unlimited), D (apprentices and trainees). People involved in multinational work (less than one year) are exempt. The permit is only needed when someone starts work, not to gain entry, but entry visas may require previous endorsement of a contract of employment.

Netherlands

The Netherlands have a considerable number of foreign workers from former colonies, such as Moluccans. Entry of foreign workers is now limited to cases where there is no reasonable alternative. Applications are made jointly by the employer and the worker. There is a quota system for employers wanting to take on groups of workers. They enter on temporary residence permits while their work permit applications are processed. Permits are usually given indefinitely. Workers with permits may change employment. They may work permit free after 3 years. Priority has been given to countries with which Netherlands has had labour recruitment agreements (Spain, Portugal, Tunisia, Turkey, Greece, Morocco and Yugoslavia). The rules have been tightened in recent years with growing unemployment.

UK

Work permits are only given when there is no suitable resident labour and the job is at a high professional skill level. Employers apply for permits which must be for specific jobs. Workers can apply for leave to remain without employment restriction after 4 years. There is a limited quota of permits for citizens of Dependent Territories (mainly Hong Kong). Workers must have permits to enter the UK for work. Only exceptionally can foreigners already in the UK get permission to work.

Spain and Portugal

No detailed information available. Both countries apply work permit restrictions to third country nationals (and EC nationals until 1993).

SUMMARY OF WORK PERMIT CONDITIONS

	Only if no suitable resident/EC labour	Only for high level skills	Only for specific jobs	Employer applies	Worker applies
Belgium	Yes	Yes	In some cases	In some cases	In some cases
Denmark	Yes	No	Initially	No	Yes
Germany	Yes	No	In some cases	No	Yes
Greece	Yes	No	Yes	Yes	Yes
France	Yes	No	Initially	In some cases	In some cases
Ireland	Yes	No	Yes	Yes	No
Italy	Yes	No	Yes	Yes	No
Luxembourg	Yes	No	In some cases	Yes	No
Netherlands	Yes	No	Yes	Yes	Yes
UK	Yes	Yes	Yes	Yes	No

	Prior entry clearance needed	Permit issued before entry	Time limit on permit	Time before restrictions removed	Special 3rd country exemptions
Belgium	No	No	Varies	5 years	_
Denmark	No	Yes	Initially 2 yrs	2 years	Nordic Union
Germany	Yes	No	3 yrs	5 years	Austria
Greece	Yes	No	Varies	_	_
Spain	Yes	No	Initially 1 yr	4 years	_
Portugal	In some cases	Yes	Varies	_	_
Italy	Yes	Yes	Varies	_	_
Netherlands	Yes	No	Varies	_	_
Belgium	In some cases	No	No	3 years	_
Ireland	In some cases	Yes	Varies	4 years	_

Annex B

Annex C

Source: EC stats (1985 survey data)

COUNTRY	NO OF 3RD COUNTRY NATIONAL WORKERS	% OF WORKING POPULATION
Belgium	46,000	1.5 %
Denmark	27,000	1.2 %
Germany	1,035,000	4.7 %
Greece	18,000	0.9 %
Spain (1983)	29,000	0.4 %
France	612,000	3.4 %
Ireland	4,000	0.5 %
Italy (1984)	13,000	0.1 %
Luxembourg	3,000	2.0 %
Netherlands	90,000	2.0 %
Portugal	24,000	0.5 %
U K	423,000	1.9 %
EC Total	2,331,000	2.3 %

COVERING PERSONAL AND CONFIDENTIAL

Department of Employment
Caxton House, Tothill Street, London SW1H 9NF
5803
Telephone 01-273 . . . . . .
Telex 915564 Fax 01-273 5821

Secretary of State

CH/EXCHEQUER
REC. 17 MAY 1989
ACTION
COPIES TO

Paul Gray Esq
10 Downing Street
LONDON
SW1A OAA

17 May 1989

Dear Paul

... I enclose our standard revised brief for unit wage and salary costs and productivity, which are to be issued on Thursday. The figures are personal and confidential until 11.30 am Thursday 18 May.

I am copying this to Alex Allan (Treasury), Sir Peter Middleton (Treasury), Mr Hibbert (CSO), Mr Footman (Bank of England), Neil Thornton (DTI), Sir Brian Hayes (DTI), and Andrew Dunlop (No.10 Policy Unit).

Yours ever

Anne Marie

ANNE-MARIE LAWLOR
Private Secretary

COVERING PERSONAL AND CONFIDENTIAL

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LABOUR MARKET STATISTICS PRESS NOTICE

NOTES FOR THE PRIME MINISTER

UNIT WAGE AND SALARY COSTS AND PRODUCTIVITY

I enclose revised pages for unit wage and salary costs and productivity. The estimates are based on GDP(O) figures released by the CSO at 11.30 am on 17 May 1989.

These figures are personal and confidential until 11.30 am on Thursday 18 May 1989.

M J JANES
STATISTICS A1
DEPARTMENT OF EMPLOYMENT
17 April 1989

UNIT WAGE AND SALARY COSTS

In the three months ending March 1989, wages and salaries per unit of output in manufacturing industries were 3.1 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 10) as there was a rise of about 6 per cent in productivity over this period (see Table 13).

In the fourth quarter of 1988 wages and salaries per unit of output in the whole economy were 8.4 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 1/2 per cent in productivity over this period.

TABLE 15: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	104.7	8.3	104.0	6.2
	Q2	104.7	6.5	105.2	6.8
	Q3	104.8	3.7	106.0	4.7
	Q4	103.7	-0.2	106.8	4.3
1987	Q1	105.9	1.1	107.8	3.7
	Q2	104.9	0.2	109.4	4.0
	Q3	105.9	1.0	110.5	4.2
	Q4	107.6	3.8	112.9	5.7
1988	Q1	108.4	2.4	115.1	6.8
	Q2	109.7	4.6	117.0	6.9
	Q3	108.2	2.2	118.6	7.3
	Q4	110.0	2.2	122.4	8.4
1989	Q1	111.8	3.1		
1988	Oct	109.2	2.3	..	..
	Nov	109.6	2.0	..	..
	Dec	111.1	2.2	..	..
1989	Jan	111.8	3.9	..	..
	Feb	112.0	3.0	..	..
	Mar	111.5	2.2		
3 months ending					
1988	Oct	108.5	2.2	..	..
	Nov	109.0	1.8	..	..
	Dec	110.0	2.2	..	..
1989	Jan	110.8	2.7	..	..
	Feb	111.6	3.1	..	..
	Mar	111.8	3.1		

PRODUCTIVITY

Manufacturing output per head in the three months to March was 0.5 per cent higher than in the three months ending December and 6.0 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the fourth quarter of 1988 was 0.2 per cent lower than in the previous quarter but 0.5 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 16: OUTPUT PER HEAD seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	100.0	-0.3	100.9	1.6
	Q2	101.9	0.9	101.9	1.4
	Q3	103.3	3.5	102.7	2.8
	Q4	107.0	8.2	103.7	3.4
1987	Q1	106.6	6.6	103.9	3.0
	Q2	109.6	7.6	104.5	2.6
	Q3	110.8	7.3	105.4	2.6
	Q4	111.7	4.4	105.8	2.0
1988	Q1	112.5	5.5	105.8	1.8
	Q2	114.0	4.0	105.7	1.1
	Q3	117.3	5.9	106.5	1.0
	Q4	118.7	6.3	106.3	0.5
1989	Q1	119.3	6.0	..	..
1988	Oct	118.2	5.6	..	..
	Nov	118.7	6.5	..	..
	Dec	119.1	6.7	..	..
1989	Jan	119.1	5.3	..	..
	Feb	118.9	6.7	..	..
	Mar	119.8	6.0		
3 months ending					
1988	Oct	117.7	5.8	..	..
	Nov	118.2	6.3	..	..
	Dec	118.7	6.3	..	..
1989	Jan	119.0	6.2		
	Feb	119.0	6.2	..	..
	Mar	119.3	6.0		

rd/1988/reg-lab

PERSONAL AND CONFIDENTIAL
until 11.30am on Thursday 18 MAY
thereafter CONFIDENTIAL

File:HB/001

FROM: R LIND (EB)
DATE: 17 May 1989
x 5206

A large fall in unemployment, although DE still estimate the trend fall at 40,000 a month.

1. **MR PICKFORD** ✓ SPickford 17/5

2. **CHANCELLOR**

Ch/
Comments on line-to-take?

Thanks. Line OK. @15

cc Chief Secretary
Financial Secretary
Paymaster General
Economic Secretary
Sir P Middleton
Sir T Burns
Mr Monck
Mr Scholar
Mr Burgner
Mr Riley
Mr Peretz
Mr Sedgwick
Mr Burr
Mr Gieve
Mr Hibberd
Mr Meyrick
Mr Bush
Mr Darlington
Mr Dyer
Mr O'Brien
Miss Wallace
Mrs Chaplin
Mr Tyrie
Mr Call
Mr Gray - No.10

COMBINED RELEASE OF LABOUR MARKET STATISTICS ON 18 MAY

Summary statistics (seasonally adjusted GB unless otherwise stated)

	Thousands	Level	Change on previous period	Change on previous year
Unemployment (UK) April				
Total (aged 18 and over)		1,856 (6.5%)†	-60	-547
Total (not seasonally adjusted: 'Headline Total')		1,884 (6.6%)†	-77*	-652*
Vacancies (UK) April		222	-1	-34
Workforce in employment (UK) 1988Q4		26,513	+143	+640
Manufacturing employees March		5,147	-8	-3

	Percentage change on previous year	
Index of average earnings, March		
Whole economy, underlying (actual)	9¼	(8.9)
Manufacturing, underlying (actual)	9	(8.4)
Service industries, underlying (actual)	9	(8.6)
Wage and salary costs per unit of output		
Whole economy, 1988Q4	8.4	
Manufacturing, 1989Q1	3.1	
Output per head		
Whole economy, 1988Q4	0.5	
Manufacturing, 1989Q1	6.0	

† per cent of workforce
* figures distorted by change in regulations for claimants under 18 (monthly change hardly affected).

ASSESSMENT AND COMMENT

2. The seasonally adjusted unemployment series fell by 60,200 in April. Although this is the third sharpest fall on record on this basis, DE say that it is consistent with their trend estimate of 40,000. They point to monthly fluctuations - e.g., falls of 68,000 in December and 32,000 last month. They offer no specific factors to explain this month's large fall. But DE did suggest that the sharp fall could have been the result of a late count in April, a five-week month. A strong downward trend and extra week in the count could have added to the reduction in April. DE expect an offsetting effect in May. The average fall over the past six months has been 50,300, but DE are playing this down as they say it overstates the trend. Easter had no direct effect on the figures apart from making them more variable than usual.

3. The workforce in employment series (employees in employment, the self-employed, HM Forces and participants in government training programmes) is on the UK basis for the first time. The quarterly manufacturing employees in employment series has also been changed to the UK basis (although not the monthly series yet). These changes make them consistent with the unemployment series. The figures show that in 1988Q4 the workforce in employment increased by 143,000, to be 640,000 higher than in the same period a year earlier. On the GB basis, the revised figures show increases of 142,000 and 636,000 respectively.

4. Vacancies fell by 800 to 222,100 in April. Most of the fall in recent months has been in the South East. DE say that the latest figures do not indicate less buoyancy in the labour market, as Easter will have had an effect by reducing vacancies notified to Jobcentres.

5. The level of overtime fell back again in March. DE say that this is probably a normal reaction to the very high levels worked over the winter.

6. The increase in underlying whole economy earnings was 9¼ per cent in the twelve months to March, the same as last month. The estimate for service industries is unchanged from February's figure of 9 per cent. The manufacturing estimate is 9 per cent, compared with the initial estimate of 9¼ per cent for February (now revised down to 9 per cent also).

THE FIGURES IN DETAIL

Unemployment

7. Points of interest:

(a) Seasonally adjusted unemployment now at the lowest level for over 8 years, since December 1980 on a consistent basis.

(b) Fallen by over 1¼ million since July 1986. Seasonally adjusted total has fallen for thirty-three months in succession by 1,277,000 in total. This is the longest period of continuous decline in unemployment since the War.

(c) Fallen by 547,000 over past year.

(d) Unemployment has fallen in all regions over the past year. Unemployment rates have fallen fastest in the West Midlands and Wales, but there have been significant falls in all regions, including Northern Ireland.

(e) UK unemployment rate fallen more in past 2 years than in any other major industrialised country. UK unemployment rate lower than EC average, but still above the major 7 average, reflecting lower unemployment in the three largest countries - US, Japan and Germany.

Employment

8. DE have changed the basis of most of the employment figures this month. The quarterly workforce in employment series (and its various components) has been changed to the UK basis. Only the monthly figures for the production industries (and thus manufacturing) remain on the GB basis. The aim is to make the employment figures consistent with the unemployment series.

9. The figures on the new basis show that the workforce in employment increased by 143,000 between the third and fourth quarters of 1988. That represents an

increase of 640,000 over the fourth quarter of 1987. Manufacturing employees in employment (UK) increased by 2,000 between 1988Q3 and 1988Q4, to a level 38,000 higher than a year earlier.

10. The number of employees in manufacturing industries (GB) fell by 8,000 in March. Following the upward trend between spring 1987 and spring 1988 this series has been broadly flat over the past year. There have been lay-offs in areas such as electrical engineering. Returns also suggest increased non-retention of temps.

Other features

11. The underlying increase in the whole economy average earnings index was unchanged from February at 9¼ per cent. The actual increase in the index was lower at 8.9 per cent. Back pay in March was only 60 per cent of its level in March 1988. There were also adjustments for an unusually large number of supply teachers (with lower earnings). The underlying increase in the manufacturing sector was 9 per cent, unchanged from the revised February figure. The actual increase was 8.4 per cent. The underlying increase in the production industries was also unchanged from the revised February figure at 9¼ per cent (the actual increase was 8.9 per cent). The service sector underlying increase was unchanged at 9 per cent, the actual increase being 8.6 per cent.

12. The level of overtime working fell slightly in February to 13.8 million hours. Overtime has fallen back to the levels seen in 1988Q3 following the very high levels of the winter months, when it averaged 14½ million hours. Short time working remains low; 0.30 million hours per week were lost in March.

13. Output per head in manufacturing was 6 per cent higher in the first quarter of 1989 than a year earlier; in the 3 months to February it was 6¼ per cent higher than a year earlier (revised down from 6½ per cent). Manufacturing unit wage costs in the first quarter of 1989 were 3.1 per cent higher than a year earlier; growth in the year to the 3 months ending in February was 3 per cent (revised up from 2.9 per cent). The whole economy figures for 1988Q4 have not been revised from last month. They show output per head in 1988Q4 0.5 per cent higher than a year earlier (down from 1.1 per cent in 1988Q3) and unit wage costs 8.4 per cent higher than a year earlier (up from 7.3 per cent in 1988Q3).

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Line to take:

- Monthly unemployment figures erratic. Taking March and April together, trend is still around 40,000.

- Labour market usually lags behind changes in activity. Labour market should ease as output and demand continue to slow. [**IF PRESSED:** Red Book said unemployment "most unlikely to continue falling at the same rapid rate in 1989" as a whole as it did in 1988.]

- Earnings figures show no increase.

Robert Lind

ROBERT LIND

PERSONAL AND CONFIDENTIAL
until 11.30am on Thursday 18 MAY
thereafter UNCLASSIFIED

EMPLOYMENT
DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

113/89

18 May 1989

Statement by the Secretary of State for Employment
The Rt Hon Norman Fowler MP

UNEMPLOYMENT FALLS TO 6.5 PER CENT -
FURTHER 60,000 DROP

Unemployment fell sharply in April by just over 60,000 to 1,856,000 on a seasonally adjusted basis. Unemployment has now fallen for over 33 consecutive months and is at its lowest level for over 8 years. The unemployment rate now stands at 6.5%, the lowest figure since November 1980.

Over the past two years the rate of unemployment in the UK has continued to fall faster than in any other major industrialised country. On agreed international definitions the United Kingdom unemployment rate is about 2.5 percentage points lower than the European Community average. The United Kingdom now has a lower unemployment rate than Spain, Italy, France, Belgium, Ireland, Greece and the Netherlands .

We have had much greater success than many other European countries in creating jobs. Since March 1983 the number of people in employment has increased by 2,951,000 to 26,513,000. This is the highest number of people ever in work in this country. The latest available international comparisons show that the increase in the number of people in employment in the United Kingdom between 1983 and 1987 was greater than the rest of the European Community put together.

Excessive wage settlements also damage job prospects. The increase in average earnings over the whole economy in March remained the same as in February but at 9 1/4% puts at risk our ability to compete in both domestic and foreign markets. If wage costs are not kept to realistic levels the creation of the additional jobs that we all want to see will not occur.

All regions in the United Kingdom have shared in the downward trend in unemployment with the West Midlands and Wales experiencing the biggest reductions over the past year followed by Yorkshire and Humberside, the North West and the North. Within this total long-term unemployment has been falling faster than unemployment generally and in January the number of long-term unemployed was the lowest for more than 6 years. Young people are also benefiting. Over the two years to January the number of unemployed 18 to 24 year-olds dropped by 39% and the number of long-term unemployed in this age group more than halved. The latest international comparison shows that unemployment among 18 to 24 year-olds in the United Kingdom is about half the average in the European Community generally.

EMPLOYMENT DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

112/89

LABOUR MARKET STATISTICS
SUMMARY STATISTICS

18 May 1989

			Level	Change on previous period	Thousands Change on previous year
Unemployment (UK)					
Total unadjusted	April	13	1,884	- 77	(-652)(a)
Seasonally adjusted (b)	April	13	1,856	- 60	-547
Workforce in employment (UK) (c),(d) (e)	Dec Q4 1988		26,513	+ 143	+640
Employees in employment (UK) (c)					
All industries and Services (UK)	Dec Q4 1988		22,741	+ 71	+475
Services (UK)	Dec Q4 1988		15,661	+ 69	+466
Manufacturing (UK)	December Q4 1988		5,256	+ 2	+ 38
Manufacturing (GB)	March 1989		5,147	- 8	- 3
Vacancies (UK jobcentres) (c)	April 7		222	- 1	- 34

Percentage change on previous year (underlying increase)

Index of Average Earnings (GB) (c)		
Whole Economy	March	9¼
Services	March	9
Manufacturing	March	9

Notes

(a) The changes in the unadjusted unemployment figures compared with a year ago is affected by the new regulations for claimaints aged under 18 introduced in September 1988.
(b) To maintain a consistent assessment, the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors A7)
(c) All figures seasonally adjusted
(d) The workforce in employment comprises employees, the self-employed, participants on work related government training schemes and HM Forces.
(e) The employment statistics are presented for the first time this month on a UK basis.

prepared by the
Government Statistical Service

The latest figures available on developments in the labour market are summarised below.

Summary

Unemployment (UK seasonally adjusted) fell by 60,200 in the month to April. Male unemployment decreased by 39,500 and female unemployment decreased by 20,700. Over the past six months there has been a fall of 50,300 on average compared with a fall of 40,800 per month over the previous six months to October 1988.

The total, unadjusted, decreased in April by 76,639 to 1,883,581.

For the first time this month the employment statistics are presented where possible on a United Kingdom basis.

The workforce in employment in the United Kingdom is estimated to have increased by 143,000 in the fourth quarter of 1988 contributing to overall increases of 640,000 in the year to December 1988 and 2,951,000 between March 1983, when the upward trend began, and December 1988.

The number of employees employed in manufacturing industry in Great Britain is estimated to have decreased by 8,000 in March 1989. In the first quarter of 1989 there was a fall of 5,000 in manufacturing employment, while over the year to March 1989 there was a fall of 3,000.

The stock of Jobcentre vacancies (UK seasonally adjusted) decreased by 800 in April to 222,100. Over the past six months there has been a decrease of 4,900 per month on average.

The underlying increase in average earnings in the year to March was 9¼ per cent, the same level as in the year to February.

Additional and more detailed information on unemployment, employment, vacancies, average earnings, unit wage costs, hours of work, productivity and industrial disputes is to be found in subsequent sections of the press notice.

LABOUR MARKET STATISTICS

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UNEMPLOYMENT

The **seasonally adjusted level of unemployment**[±] in the United Kingdom decreased by 60,200 to 1.856 million in April, 6.5 per cent of the workforce*.

Over the past six months on average unemployment has fallen by 50,300 per month.

The unadjusted total decreased by 76,639 between March and April to 1,883,581 giving an unemployment rate of 6.6 per cent of the workforce*.

Recent figures are shown in tables 1, 2 and 3.

THOUSAND

TABLE 1:UNEMPLOYMENT - SEASONALLY ADJUSTED[+] - UNITED KINGDOM

		Male	Female	Total	Change since previous month	Average change over past 6 months	Average change over past 3 months	Unemployment rate: Percentage of workforce*
1988	Apr	1674.1	728.8	2402.9	-51.0	-43.5	-38.8	8.4
	May	1648.8	715.0	2363.8	-39.1	-40.1	-40.4	8.3
	Jun	1624.0	700.1	2324.1	-39.7	-40.8	-43.3	8.1
	Jul	1586.7	680.6	2267.3	-56.8	-42.0	-45.2	7.9
	Aug	1562.7	662.9	2225.6	-41.7	-43.2	-46.1	7.8
	Sep++	1543.1	648.6	2191.7	-33.9	-43.7	-44.1	7.7
	Oct	1522.4	635.5	2157.9	-33.8	-40.8	-36.5	7.6
	Nov	1484.6	620.6	2105.2	-52.7	-43.1	-40.1	7.4
	Dec	1439.4	598.0	2037.4	-67.8	-47.8	-51.4	7.1
1989	Jan	1405.4	582.4	1987.8	-49.6	-46.6	-56.7	7.0
	Feb	1377.9	570.8	1948.7	-39.1	-46.2	-52.2	6.8
	Mar(r)	1359.5	557.1	1916.6	-32.1	-45.9	-40.3	6.7
	Apr(p)	1320.0	536.4	1856.4	-60.2	-50.3	-43.8	6.5 **

\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).
++ September's seasonally adjusted figures have also been adjusted to allow for the estimated distortion caused by the postal strike (See note A8).
** The separate rate for males was 7.9 per cent, and for females 4.5 per cent.
* See note A4
(p) Provisional and subject to revision (see note A5)
(r) Revised

TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED+ (P) - REGIONS April 13 1989

	Male	Female	Total	Change since previous month	Unemployment rate percentage of workforce*	Change since previous month
			THOUSAND			
South East	261.6	112.7	374.3	-13.3	4.0	-0.1
(incl. Greater London)	(159.5)	(63.7)	(223.2)	(-7.1)	(5.2)	(-0.2)
East Anglia	23.5	12.0	35.5	-1.2	3.4	-0.1
South West	67.2	34.4	101.6	-3.1	4.8	-0.1
West Midlands	121.6	52.5	174.1	-7.2	6.5	-0.3
East Midlands	79.1	33.8	112.9	-5.1	5.7	-0.3
Yorks and Humberside	131.9	51.9	183.8	-5.4	7.7	-0.2
North West	197.4	74.6	272.0	-8.4	9.0	-0.3
North	110.4	38.8	149.2	-4.9	10.2	-0.3
Wales	73.0	28.2	101.2	-3.7	8.4	-0.3
Scotland	175.1	68.3	243.4	-7.1	9.7	-0.3
GREAT BRITAIN	**1,240.9**	**507.3**	**1,748.2**	-59.2	6.3	-0.2
Northern Ireland	79.1	29.1	108.2	-1.0	15.7	-0.1
UNITED KINGDOM	**1,320.0**	**536.4**	**1,856.4**	-60.2	6.5	-0.2

* See note A4
(P) Provisional see note A5
\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).

TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

		Male	Female	Number	Unemployment rate percentage of workforce*
1988	Apr	1,765,711	770,278	2,535,989	8.9
	May	1,692,052	734,822	2,426,874	8.5
	Jun	1,632,041	708,748	2,340,789	8.2
	Jul	1,606,313	720,390	2,326,703	8.1
	Aug	1,576,548	714,627	2,291,175	8.0
	Sep++	1,594,403	716,570	2,310,973	8.1
	Oct++	1,484,236	634,626	2,118,862	7.4
	Nov	1,454,771	612,173	2,066,944	7.2
	Dec	1,451,478	595,060	2,046,538	7.2
1989	Jan	1,473,163	601,149	2,074,312	7.3
	Feb	1,434,871	583,308	2,018,179	7.1
	Mar	1,399,364	560,856	1,960,220	6.9
	Apr	1,350,793	532,788	1,883,581	6.6

+ The separate rate for males was 8.1 per cent, and for females 4.5 per cent.

TABLE 4: UNEMPLOYMENT TOTAL UNADJUSTED - REGIONS April 13 1989 THOUSAND

	Male	Female	Total	Change since previous month	Unemployment rate percentage of workforce*
South East	268.2	112.1	380.3	-16.8	4.0
incl. (Greater London)	(161.7)	(63.4)	(225.1)	(-7.5)	(5.2)
East Anglia	25.1	12.2	37.4	-2.3	3.5
South West	69.5	34.1	103.5	-6.7	4.9
West Midlands	123.2	52.1	175.2	-8.9	6.5
East Midlands	82.7	33.7	116.4	-5.4	5.9
Yorks and Humberside	135.5	51.6	187.1	-7.0	7.8
North West	200.9	74.5	275.5	-9.5	9.1
North	113.2	38.6	151.8	-5.2	10.3
Wales	75.2	28.0	103.2	-4.5	8.6
Scotland	178.0	67.6	245.6	-9.7	9.8
GREAT BRITAIN	1,271.4	504.5	1,776.0	-75.9	6.4
Northern Ireland	79.3	28.3	107.6	-0.7	15.6
UNITED KINGDOM	1,350.8	532.8	1,883.6	-76.6	6.6

++ Changes in the unadjusted unemployment figures are affected by the new regulations for claimants aged under 18, introduced in September 1988, as well as seasonal influences. The figures for September 1988 were also affected by over-recording caused by the postal strike (see notes to editors).

* See note A4.

TABLE 5: UNEMPLOYMENT FLOWS [x] - STANDARDISED, UNADJUSTED
UNITED KINGDOM

Thousands

Month ending	INFLOW Total	INFLOW Change since previous year	OUTFLOW Total	OUTFLOW Change since previous year
1988 Apr	323.9	-33.2	372.5	-23.9
May	276.7	-44.1	394.9	-30.5
Jun	273.8	-41.7	367.1	-36.3
Jul	347.5	-81.6	359.7	68.2
Aug	311.6	-72.8	350.1	-69.5
Sep**	327.4	-129.2	305.9	-145.9
Oct**	319.6	-100.6	486.1	-62.9
Nov	297.8	-77.5	354.0	-78.3
Dec	269.9	-58.7	292.0	-25.5
1989 Jan	269.4	-74.9	245.4	-76.2
Feb	290.0	-55.2	350.8	-55.8
Mar	264.0	-49.0	326.8	-65.7
Apr	247.5	-76.4	313.9	-58.6

x See note A6
** See notes A7 and A8.

EMPLOYMENT IN THE UNITED KINGDOM

The presentation of employment statistics in the monthly press notice will in future be on a United Kingdom basis where possible. However, the new figures available this month cover employees in production industries in Great Britain only.

Figures for employees in the rest of the economy and the workforce in employment (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) in the United Kingdom remain essentially as reported in April except for small revisions - reflecting some late data now to hand - for employment in the service sector and recent changes in the seasonal pattern. The workforce in employment is estimated to have increased by 143,000 in the fourth quarter of 1988 and by 2,951,000 since March 1983 (when the upward trend began).

Recent United Kingdom employment figures are set out in Tables 6 to 8.

EMPLOYMENT AND HOURS WORKED IN MANUFACTURING INDUSTRIES IN GREAT BRITAIN

New figures this month show that in March the estimated number of employees in employment in manufacturing industries in Great Britain decreased by 8,000, contributing to a fall of 5,000 in the first quarter of 1989. Over the year to March 1989 the number of employees in manufacturing industries fell by 3,000 compared with a rise of 97,000 in the previous 12 months and a fall of 151,000 in the year to March 1987.

Overtime working by operatives in manufacturing industries fell a little to 13.8 million hours per week in March, compared with 14.8 million hours per week in December 1988 and 13.5 million hours a week in March 1988. The amount of overtime worked has now slipped back to the levels which prevailed in the third quarter of 1988, following the exceptionally high levels seen during the winter months.

Hours lost through short-time working in manufacturing industries remained low, at 0.30 million hours per week in March.

The index of average weekly hours worked by operatives in manufacturing industries (which takes account of hours of overtime and short-time as well as normal basic hours) was estimated at 100.9 in March giving an average of 101.3 over the three month period ending March 1989.

Recent manufacturing employment and hours figures are set out in Table 9.

Table 6: The Workforce in Employment in the United Kingdom *

Thousands, seasonally adjusted

		Employees in Employment			Self Employed **			HM Forces			Work related government training programmes +			Workforce in employment **		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
1983	March	11,977R	9,047	21,024R	1,704	504	2,209	306	15	321	6	3	9	13,993R	9,569	23,562R
	June	11,945R	9,109R	21,053R	1,705	516	2,221	306	16	322	8	8	16	13,964R	9,648R	23,613R
	Sept	11,928R	9,180	21,108R	1,755	535	2,290	309	16	325	79	67	146	14,071R	9,798	23,869R
	Dec	11,914R	9,253R	21,168R	1,804	554	2,359	309	16	325	101	86	187	14,129R	9,909R	24,038R
1984	March	11,899R	9,303R	21,202R	1,854	574	2,428	310	16	326	96	80	176	14,159R	9,972	24,132R
	June	11,895R	9,332R	21,227R	1,903	594	2,496	310	16	326	95	80	175	14,203R	10,022R	24,224R
	Sept	11,909R	9,376	21,285	1,921	604	2,525	312	16	328	118	98	216	14,260R	10,094R	24,353R
	Dec	11,958R	9,431R	21,389R	1,939	614	2,554	311	16	327	115	94	209	14,323R	10,155R	24,478R
1985	March	11,969R	9,481	21,450R	1,958	624	2,582	310	16	326	107	83	190	14,344R	10,204	24,548R
	June	11,972R	9,524R	21,496R	1,975	635	2,610	309	16	326	100	76	176	14,357	10,251	24,608R
	Sept	11,962R	9,571R	21,533	1,979	636	2,615	309	16	326	126	103	229	14,377R	10,326R	24,703
	Dec	11,963R	9,592R	21,556R	1,982	636	2,619	307	16	323	120	97	217	14,373R	10,342R	24,715R
1986	March	11,927	9,633R	21,560R	1,986	637	2,623	306	16	323	108	83	191	14,328R	10,369R	24,696R
	June	11,895R	9,675	21,570R	1,989	637	2,627	305	16	322	127	99	226	14,317R	10,427	24,744R
	Sept	11,874	9,724R	21,598R	2,030	655	2,685	306	16	323	157	128	285	14,368R	10,523R	24,891R
	Dec	11,850	9,786R	21,637R	2,071	673	2,744	304	16	320	155	123	278	14,380	10,598R	24,978R
1987	March	11,860	9,838R	21,698R	2,112	691	2,802	304	16	320	143	111	255	14,418R	10,656R	25,074R
	June	11,933R	9,945R	21,878R	2,152	709	2,861	302	16	319	177	134	311	14,564R	10,804R	25,369
	Sept	12,019R	10,038R	22,057R	2,178	714	2,892	303	16	319	223	161	383	14,723R	10,928R	25,652R
	Dec	12,111	10,154R	22,266R	2,205	719	2,923	301	16	317	216	151	366	14,833	11,040R	25,873R
1988	March	12,213R	10,266R	22,478R	2,231	724	2,955	301	16	317	205	138	343	14,949R	11,144R	26,093R
	June	12,238R	10,320R	22,558R	2,257	729	2,986	300	16	316	205	138	343	15,000R	11,203R	26,203R
	Sept	12,261R	10,408R	22,670R	2,278	739	3,017	299	16	315	220	149	369	15,058	11,313R	26,371R
	Dec	12,275R	10,466R	22,741R	2,298	750	3,048	297	16	313	254	157	412	15,124R	11,390R	26,513R

* The workforce in employment comprises employees in employment, the self-employed, HM Forces, and participants in work related government training programmes.

** See notes B4 and B5.

+ See note B7
Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

Table 7: Quarterly changes in the Workforce in Employment in the United Kingdom *

Thousands, seasonally adjusted

		Employees in Employment			Self Employed **			HM Forces			Work related government training programmes +			Workforce in employment **		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
1983	June	-32	62R	30R	1	12	12	0	1	1	3	5	7	-29	79R	50
	Sept	-16R	71R	55R	50	19	69	3	0	3	71	59	130	107R	150R	257R
	Dec	-14	73R	59R	49	20	69	0	0	0	22	19	41	58	112R	169R
1984	March	-15R	49R	34R	50	19	69	1	0	1	-5	-6	-11	30R	63R	93R
	June	-5	29	25R	49	20	68	0	0	0	-1	0	-1	43	49	93R
	Sept	14R	44	58R	18	10	29	2	0	2	22	18	40	57R	72	129R
	Dec	49	55R	104R	18	10	29	-1	0	-1	-3	-4	-7	64	61R	125R
1985	March	11R	50R	61R	18	10	29	-1	0	-1	-8	-11	-19	20R	49R	69R
	June	4	43R	46	18	11	28	-1	0	0	-7	-7	-14	14	47R	61
	Sept	-10R	47	37R	3	1	4	0	0	0	26	27	53	20R	75	94R
	Dec	1	22R	22R	3	1	4	-2	0	-2	-6	-6	-12	-4	16R	12R
1986	March	-36R	41	4R	3	1	4	-1	0	-1	-12	-14	-26	-46R	27	-19R
	June	-32R	42R	10R	4	0	4	-1	0	-1	19	16	35	-10R	58R	48R
	Sept	-21R	49R	28R	41	18	59	1	0	1	30	30	59	50R	96R	146R
	Dec	-24	63R	39R	41	18	59	-2	0	-2	-2	-5	-8	12	75R	88R
1987	March	10	52R	61R	41	18	59	0	0	0	-11	-12	-23	38R	58	96R
	June	73R	107R	180R	41	18	59	-1	0	-1	33	23	57	146R	148R	294R
	Sept	86R	93R	179R	26	5	31	1	0	0	46	26	72	159R	124R	283R
	Dec	92R	116R	208R	26	5	31	-2	0	-2	-7	-10	-17	110R	111R	221R
1988	March	101R	112R	213R	26	5	31	0	0	0	-11	-13	-24	116R	104R	220R
	June	26R	54R	80R	26	5	31	-1	0	-1	0	0	0	51R	59R	110R
	Sept	23R	88R	112R	20	11	31	-1	0	-1	16	11	26	58R	110R	168R
	Dec	14R	57R	71R	20	11	31	-2	0	-2	34	9	43	66R	77R	143R

* The workforce in employment comprises employees in employment, the self-employed, HM Forces, and participants in work related government training programmes.

** See notes B4 and B5.

● See note B7
Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

Table 8: Employees in Employment in the United Kingdom

Thousand: Seasonally adjusted

		Manufacturing Industries		Energy & Water Supply Industries		Service Industries		Other Industries		All Industries and Services	
		Levels	Changes	Levels	Changes	Levels	Changes	Levels	Changes	Levels	Changes
1983 March	Q1	5,593R		659		13,362		1,410		21,024R	
June	Q2	5,537	- 55	648	- 11	13,463R	+ 101R	1,405	- 5	21,053R	+ 30R
September	Q3	5,485	- 52R	643	- 6	13,572	+ 110R	1,409	+ 4	21,108R	+ 55R
December	Q4	5,456R	- 29	634	- 8	13,671R	+ 99R	1,406	- 3	21,168R	+ 59R
1984 March	Q1	5,428R	- 28R	623	- 11	13,749	+ 78R	1,402	- 4R	21,202R	+ 34R
June	Q2	5,423R	- 5	616	- 7	13,799R	+ 49R	1,389	- 12	21,227R	+ 25R
September	Q3	5,401R	- 22	613	- 4	13,877	+ 78R	1,394	+ 5	21,285	+ 58R
December	Q4	5,401	0R	608	- 4	13,989R	+ 112R	1,391	- 3	21,389R	+ 104R
1985 March	Q1	5,388R	- 13R	601	- 7	14,073	+ 84R	1,387	- 4	21,450R	+ 61R
June	Q2	5,379	- 9R	589	- 13	14,152R	+ 79R	1,376	- 11	21,496R	+ 46
September	Q3	5,373R	- 6R	577	- 11	14,223	+ 71R	1,359R	- 17	21,533	+ 37R
December	Q4	5,346R	- 27	567	- 10	14,295R	+ 72R	1,347	- 12	21,556R	+ 22R
1986 March	Q1	5,309	- 37R	549	- 17	14,365R	+ 70R	1,336R	- 11	21,560R	+ 4R
June	Q2	5,249R	- 60R	539	- 11	14,451R	+ 86	1,331R	- 5	21,570R	+ 10R
September	Q3	5,210R	- 39R	528	- 11	14,535R	+ 84R	1,325	- 6R	21,598R	+ 28R
December	Q4	5,185R	- 25R	518	- 11	14,607R	+ 72R	1,327R	+ 3R	21,637R	+ 39R
1987 March	Q1	5,154	- 31R	503	- 15	14,707R	+ 100R	1,334R	+ 7R	21,698R	+ 61R
June	Q2	5,180	+ 27R	499	- 4	14,856R	+ 149R	1,343R	+ 9	21,878R	+ 180R
September	Q3	5,191	+ 11	498	- 1	15,014R	+ 158R	1,355	+ 12R	22,057R	+ 179R
December	Q4	5,217R	+ 26R	493	- 5	15,195R	+ 181R	1,360R	+ 5R	22,266R	+ 208R
1988 March	Q1	5,252R	+ 35R	481	- 12	15,375R	+ 180	1,370R	+ 10R	22,478R	+ 213R
June	Q2	5,253R	0R	471	- 10	15,468R	+ 93R	1,367R	- 3R	22,558R	+ 80R
September	Q3	5,253	+ 1R	468	- 2	15,592R	+ 124R	1,356R	- 11R	22,670R	+ 112R
December	Q4	5,256R	+ 2R	464	- 4	15,661R	+ 69R	1,360R	- 5R	22,741R	+ 71R

* = Average monthly change over last three months
R = Revised to incorporate late data now available

Table 9: Great Britain

Employees in Employment in Production Industries

Thousand: Seasonally adjusted

		Energy & Water Supply Industries			Manufacturing Industries			
		Levels	Changes		Levels	Changes		
			Monthly	Quarterly		Monthly	Three monthly*	Quarterly
1987 April		487	- 7		5,048R	- 4R	- 5R	
May		487	0		5,063	+ 14R	+ 1R	
June	Q2	490	+ 3	- 4	5,079R	+ 17R	+ 9R	+ 27R
July		487	- 3		5,081	+ 1R	+ 11R	
August		487	- 1		5,087R	+ 6R	+ 8	
September	Q3	489	+ 3	- 1	5,090R	+ 3R	+ 3R	+ 10R
October		485	- 5		5,101R	+ 11R	+ 7R	
November		484	- 1		5,112R	+ 11R	+ 8	
December	Q4	485	+ 1	- 5	5,116R	+ 4R	+ 9	+ 26R
1988 January		480	- 4		5,133R	+ 17R	+ 11R	
February		476	- 4		5,144R	+ 11R	+ 11R	
March	Q1	472	- 4	- 12	5,150R	+ 6R	+ 11	+ 34
April		463	- 10		5,151R	+ 1R	+ 6R	
May		461	- 1		5,152R	+ 1R	+ 3R	
June	Q2	462	+ 1	- 10	5,150R	- 2R	0R	0R
July		459	- 3		5,153	+ 3R	+ 1	
August		459	0		5,155	+ 2	+ 1	
September	Q3	460	+ 1	- 2	5,150	- 5R	0	0R
October		456	- 4		5,141R	- 10R	- 4R	
November		455	- 1		5,144R	+ 3R	- 4	
December	Q4	456	+ 1	- 4	5,152R	+ 8R	+ 1R	+ 2R
1989 January		453	- 3		5,162R	+ 10R	+ 7	
February		451	- 2		5,155R	- 7R	+ 4R	
March	Q1	448	- 2	- 8	5,147	- 8	- 2	- 5

Working Hours of operatives in Manufacturing Industries

Seasonally adjusted

	Hours of overtime worked (millions)	Hours lost through short-time working (stood off for whole or part of week) (millions)	Index of average weekly hours (average 1985=100)
1987 April	12.53	.40	100.3
May	12.46	.38	100.3
June	12.88	.32	100.6
July	12.56	.34	100.4
August	12.81	.29	100.6
September	13.13	.25	100.8
October	13.37	.27	101.0
November	13.33	.40	100.9
December	13.48	.26	100.9
1988 January	14.13	.24	101.6
February	13.48	.27	101.0
March	13.47	.23	101.0
April	13.43	.22	100.9
May	13.67	.23	100.9
June	13.44	.26	100.7
July	13.97	.31	101.0
August	13.94	.29	101.0
September	13.92	.24	100.9
October	14.51	.25	101.4
November	14.66	.22	101.5
December	14.81	.22	101.5
1989 January	14.80R	.18R	101.8
February	14.06R	.27R	101.2
March	13.80	.30	100.9

* = Average monthly change over last three months

R = Revised to incorporate late data now available

VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) decreased by 800 in the month to April to 222,100. Over the past three months to April, seasonally adjusted vacancies have decreased on average by 2,400 per month.

Unadjusted, there was an increase of 12,027 unfilled vacancies in the month to 216,803.

The inflow of notified vacancies decreased on average by 3,500 per month in the three months ending April 1989, the outflow decreased by 6,800 per month, and placings decreased by 4,400 per month.

Recent figures are shown in tables 10,11 and 12.

TABLE 10: UNFILLED VACANCIES - UNITED KINGDOM — THOUSAND

		VACANCIES AT JOBCENTRES+				VACANCIES AT CAREERS OFFICES
		SEASONALLY ADJUSTED			UNADJUSTED	
		Number	Change since previous month	Average change over past 3 months	Number	Unadjusted
1988	Apr	255.9	6.6	1.7	251.3	22.1
	May	254.5	-1.5	1.6	262.2	27.0
	Jun	255.1	0.6	1.9	269.5	30.7
	Jul	249.7	-5.4	-2.1	258.2	32.3
	Aug	242.8	-6.9	-3.9	244.0	31.6
	Sep	240.3	-2.5	-4.9	260.1	31.9
	Oct	251.2	10.9	0.5	271.8	30.6
	Nov	245.2	-6.0	0.8	252.3	26.5
	Dec	238.3	-6.9	-0.7	223.3	23.4
1989	Jan	229.2	-9.1	-7.3	203.3	21.9
	Feb	228.1	-1.1	-5.7	202.0	21.8
	Mar	222.9	-5.2	-5.1	204.8	23.1
	Apr	222.1	-0.8	-2.4	216.8	25.1

+ Vacancies at jobcentres are only about a third of all vacancies in the economy. See note C3.

TABLE 11: VACANCY FLOWS AT JOBCENTRES-SEASONALLY ADJUSTED UNITED KINGDOM

THOUSAND

	INFLOW		OUTFLOW		of which: PLACINGS	
	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending
1988 Apr	230.6	1.1	227.3	-2.1	158.1	-2.5
May	231.2	-1.2	228.0	-3.7	157.9	-2.5
Jun	230.8	-1.8	229.7	-2.1	156.3	-2.2
Jul	230.3	-0.1	231.8	1.5	156.4	-0.6
Aug	227.0	-1.4	232.6	1.5	156.8	-0.4
Sep	227.7	-1.0	229.0	-0.2	155.4	-0.3
Oct	232.8	0.8	229.3	-0.9	153.4	-1.0
Nov	234.0	2.3	242.5	3.3	162.3	1.8
Dec	230.8	1.0	233.4	1.5	157.6	0.7
1989 Jan	220.4	-4.1	231.0	0.6	160.5	2.4
Feb	234.8	0.3	239.4	-1.0	167.2	1.6
Mar	229.3	-0.5	234.8	0.5	164.0	2.1
Apr(p)	210.1	-3.5	210.6	-6.8	147.2	-4.4

(p) Provisional

TABLE 12: UNFILLED VACANCIES* - REGIONS - 7 Apr, 89

THOUSAND

	VACANCIES AT JOBCENTRES			VACANCIES AT CAREERS OFFICES
	UNADJUSTED	SEASONALLY ADJUSTED		
	TOTAL	Number	Change since previous month	UNADJUSTED
South East	72.4	75.7	0.0	13.7
(incl. Greater London)	(24.0)	(25.4)	(-0.2)	(6.9)
East Anglia	8.5	8.6	-0.2	1.1
South West	19.6	18.5	-0.9	1.5
West Midlands	21.2	21.9	-0.2	2.1
East Midlands	12.8	12.7	-0.2	1.5
Yorks and Humberside	12.9	13.4	-0.4	1.3
North West	23.1	23.5	-0.1	1.3
North	10.6	10.7	-0.1	0.4
Wales	13.0	13.3	0.6	0.3
Scotland	20.2	20.3	0.6	0.6
GREAT BRITAIN	214.3	218.5	-0.9	23.7
Northern Ireland	2.5	3.6	0.1	1.4
UNITED KINGDOM	216.8	222.1	-0.8	25.1

* The proportion of total vacancies at Jobcentres varies by region. See note C3.

AVERAGE EARNINGS

The underlying increase in average weekly earnings in the year to March was about 9 1/4 per cent, the same as the increase in the year to February. The actual increase in the year to March, at 8.9 per cent, was below the underlying increase as back pay in March 1988 was higher than in 1989 and some of this years annual settlements have not yet been paid.

TABLE 13: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: WHOLE ECONOMY

			Seasonally adjusted		
		Index 1985 = 100	Index 1985 = 100	Percentage increase over previous 12 months	Underlying % increase over previous 12 months
1987	January	110.8	112.1	7.6	7 1/2
	February	111.2	112.8	7.5	7 1/2
	March	113.2	113.2	6.6	7 1/2
	April	114.0	114.2	6.3	7 3/4
	May	115.3	115.4	8.7	7 3/4
	June	116.4	115.7	7.7	7 3/4
	July	118.2	117.0	8.0	7 3/4
	August	117.3	117.1	7.6	7 3/4
	September	117.2	117.4	7.9	7 3/4
	October	118.4	118.8	8.1	8
	November	120.6	120.2	8.4	8 1/4
	December	122.4	121.0	8.8	8 1/2
1988	January	120.4	121.8	8.7	8 1/2
	February	120.3	122.0	8.2	8 1/2
	March	124.0	124.0	9.5	8 1/2
	April	124.3	124.4	8.9	8 1/2
	May	124.1	124.2	7.6	8 1/2
	June	125.9	125.1	8.1	8 3/4
	July	128.3	126.9	8.5	9
	August	126.8	126.6	8.1	9 1/4
	September	127.3	127.6	8.7	9 1/4
	October	128.9	129.5	9.0	9
	November	131.2	130.7	8.7	8 3/4
	December	135.7	134.3	11.0	8 3/4
1989	January	131.8	133.3	9.4	9
	February	132.0	133.8	9.7	9 1/4
	March*	135.0	135.0	8.9	9 1/4

* Provisional
R Revised

In production industries, the underlying increase in average weekly earnings in the year to March was about 9 1/4 per cent, the same as the increase in the year to February, which has been revised downwards from 9 1/2 per cent. Within this sector, in manufacturing industries, the underlying increase in the year to March was about 9 per cent, the same as the increase in the year to February, which has also been revised downwards by 1/4 per cent. The actual increases for production industries and manufacturing industries in the year to March were 8.9 per cent and 8.4 per cent respectively.

In service industries, the underlying increase in average weekly earnings in the year to March was about 9 per cent, the same as the increase in the year to February. The actual increase in the year to March was 8.6 per cent.

TABLE 14: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: MAIN SECTORS
seasonally adjusted

	Production industries*			Manufacturing industries**			Service industries***		
	Index 1985=100	% increases over previous 12 months		Index 1985=100	% increases over previous 12 months		Index 1985=100	% increases over previous 12 months	
		seas adj	underlying		seas adj	underlying		seas adj	underlying
1988 Oct	119.9	8.7	8 1/4	119.4	8.5	8 1/4	118.2	7.6	8
Nov	120.1	7.9	8 1/4	119.8	8.0	8 1/4	120.4	8.8	8 1/2
Dec	121.5	8.1	8 1/4	121.4	8.3	8 1/4	120.6	9.3	8 1/2
1988 Jan	121.7	8.0	8 1/2	121.7	8.5	8 1/2	121.4	9.2	8 1/2
Feb	120.7	6.3	8 1/2	121.1	7.1	8 1/2	122.1	9.4	8 1/2
Mar	123.1	8.6	8 1/4	123.2	8.8	8 1/2	124.4	10.2	8 1/2
Apr	125.6	9.6	8 1/2	125.2	9.4	8 3/4	123.8	8.6	8 1/2
May	126.0	9.4	8 1/2	124.9	8.9	8 3/4	123.5	6.2	8 1/2
Jun	125.3	8.3	9	125.0	8.0	9	125.5	8.2	8 3/4
Jul	127.0	8.6	9	126.6	8.3	9	126.6	8.4	9
Aug	127.2	8.1	9	126.7	8.3	8 3/4	126.0	7.9	9 1/4
Sep	128.3	8.2	8 3/4	127.6	8.0	8 3/4	126.6	8.7	9 1/4
Oct	130.1	8.5	8 3/4	129.2	8.2	8 1/2	128.4	8.6	9
Nov	130.4	8.6	8 3/4	130.2	8.7	8 3/4	131.0	8.8	8 3/4
Dec	132.5	9.1	9	132.4	9.1	8 3/4 R	135.6	12.4	8 3/4
1989 Jan	133.2	9.4	9	133.2	9.4	9	132.7	9.3	9
Feb	133.4	10.5	9 1/4 R	133.2	10.0	9 R	133.0	8.9	9
Mar(p)	134.1	8.9	9 1/4	133.6	8.4	9	135.1	8.6	9

p provisional R revised

* DIVISIONS 1-4 of SIC 1980 covering Energy and water supply and manufacturing.

** DIVISIONS 2-4 of SIC 1980. Included in production industries.

*** DIVISIONS 6-9 of SIC 1980 covering Distribution, hotels and catering, repairs; Transport and communications;Banking,finance, insurance, business services and leasing; Other services (including public administration, education, medical and other health services, etc).

UNIT WAGE AND SALARY COSTS

In the three months ending March 1989, wages and salaries per unit of output in manufacturing industries were 3.1 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 10) as there was a rise of about 6 per cent in productivity over this period (see Table 13).

In the fourth quarter of 1988 wages and salaries per unit of output in the whole economy were 8.4 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 1/2 per cent in productivity over this period.

Recent figures are:

TABLE 15: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	104.7	8.3	104.0	6.2
	Q2	104.7	6.5	105.2	6.8
	Q3	104.8	3.7	106.0	4.7
	Q4	103.7	-0.2	106.8	4.3
1987	Q1	105.9	1.1	107.8	3.7
	Q2	104.9	0.2	109.4	4.0
	Q3	105.9	1.0	110.5	4.2
	Q4	107.6	3.8	112.9	5.7
1988	Q1	108.4	2.4	115.1	6.8
	Q2	109.7	4.6	117.0	6.9
	Q3	108.2	2.2	118.6	7.3
	Q4	110.0	2.2	122.4	8.4
1989	Q1	111.8	3.1		
1988	Oct	109.2	2.3	..	..
	Nov	109.6	2.0	..	..
	Dec	111.1	2.2	..	..
1989	Jan	111.8	3.9	..	..
	Feb	112.0	3.0	..	..
	Mar	111.5	2.2		
3 months ending					
1988	Oct	108.5	2.2	..	..
	Nov	109.0	1.8	..	..
	Dec	110.0	2.2	..	..
1989	Jan	110.8	2.7	..	..
	Feb	111.6	3.1	..	..
	Mar	111.8	3.1		

a

PRODUCTIVITY

Manufacturing output per head in the three months to March was 0.5 per cent higher than in the three months ending December and 6.0 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the fourth quarter of 1988 was 0.2 per cent lower than in the previous quarter but 0.5 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 16: OUTPUT PER HEAD — seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	100.0	-0.3	100.9	1.6
	Q2	101.9	0.9	101.9	1.4
	Q3	103.3	3.5	102.7	2.8
	Q4	107.0	8.2	103.7	3.4
1987	Q1	106.6	6.6	103.9	3.0
	Q2	109.6	7.6	104.5	2.6
	Q3	110.8	7.3	105.4	2.6
	Q4	111.7	4.4	105.8	2.0
1988	Q1	112.5	5.5	105.8	1.8
	Q2	114.0	4.0	105.7	1.1
	Q3	117.3	5.9	106.5	1.0
	Q4	118.7	6.3	106.3	0.5
1989	Q1	119.3	6.0	..	..
1988	Oct	118.2	5.6	..	..
	Nov	118.7	6.5	..	..
	Dec	119.1	6.7	..	..
1989	Jan	119.1	5.3	..	..
	Feb	118.9	6.7	..	..
	Mar	119.8	6.0		
3 months ending					
1988	Oct	117.7	5.8	..	..
	Nov	118.2	6.3	..	..
	Dec	118.7	6.3	..	..
1989	Jan	119.0	6.2		
	Feb	119.0	6.2	..	..
	Mar	119.3	6.0		

Industrial stoppages

In March 1989, it is provisionally estimated that 73 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 63 thousand in February 1989, 259 thousand in March 1988 and an average of 943 thousand for March during the ten year period 1979 to 1988.
During the twelve months to March 1989 it is provisionally estimated that a total of 2,857 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 681 stoppages have been provisionally recorded as being in progress, involving a total of 629 thousand workers. The comparable figures for the twelve months to March 1988 were 2,499 thousand lost working days,976 stoppages in progress and 687 thousand workers.

Table 17. Industrial stoppages in progress in the United Kingdom.

	Working days lost (thousand)	Number of Stoppages	Workers involved (thousand)
1988			
Mar(p)	259	99	49
Apr(p)	66	55	18
May(p)	140	78	41
Jun(p)	306	89	43
Jul(p)	349	71	37
Aug(p)	431	62	151
Sep(p)	1,115	63	163
Oct(p)	53	83	33
Nov(p)	183	85	152
Dec(p)	38	49	18
1989			
Jan(p)	39	45	12
Feb(p)	63	76	22
Mar(p)	73	69	26
Cumulative totals			
12 months to March 1988(p)	2,499	976	687
12 months to March 1989(p)	2,857	681	629

(p) Provisional and subject to revision, normally upwards, see note H1.

NOTES TO EDITORS

GENERAL SYMBOLS

The following symbols are used throughout: .. not available, - nil or negligible, p provisional, r revised. Occasionally, totals may differ from the sum of components because of rounding or separate seasonal adjustments of components.

UNEMPLOYMENT (Tables 1-5)

A1. The unemployment figures are based on records of those claiming benefits at Unemployment Benefit Offices. The figures therefore include those who claim Unemployment Benefit, Income Support (formerly Supplementary Benefit up to April 1988) or National Insurance credits. The figures include the severely disabled but exclude students seeking vacation work and the temporarily stopped (see below). A full description of the system of compiling the figures appeared in the September 1982 Employment Gazette.

A2. The unemployment figures exclude students who are claiming benefit during a vacation but who intend to return to full-time education when the new term begins. From November 1986 most students have only been eligible for benefits in the summer vacation. On 13 April 1989 students numbered 1153 in the United Kingdom.

A3. The figures exclude temporarily stopped workers, that is, those who had a job on the day of the count but were temporarily suspended from work on that day and were claiming benefits. On 13 April 1989 these numbered 6,075 in Great Britain and 7,951 in the United Kingdom.

A4. National and regional unemployment rates are calculated by expressing the number of unemployed as a percentage of the estimated total workforce (the sum of employees in employment, unemployed claimants, self-employed, HM Forces and participants on work-related government training programmes) at mid-1988.

Until July 1986, all rates were expressed as a percentage of the unemployed plus employees only. These narrower based rates continue to be used for local areas (travel-to-work areas and counties) because estimates for the self-employed needed to calculate the new rates are not made below regional level. The denominators for these narrow-based rates relate to mid-1987, but will be fully updated to mid-1988, and the rates revised, when the results of the 1987 Census of Employment, including revised employment estimates for travel-to-work-areas and counties, become available later this year. The UK narrower rates on 13 April 1989 were 9.7 per cent for males and 4.9 per cent for females, 7.6 per cent in total (unadjusted).

A5. The latest figures for national and regional seasonally adjusted unemployment are provisional and subject to revision, mainly in the following month. The seasonally adjusted series takes account of all past discontinuities to be consistent with the current coverage. (See the article "Unemployment adjusted for discontinuities and seasonality" in the July 1985 Employment Gazette and also page 422 of the October 1986 edition for the list of previous changes in coverage taken into account). The seasonally adjusted series now relates only to those aged 18 and over in order to maintain a consistent series, allowing for the change in benefit regulations for those aged under 18 from September 1988. See also notes A7 and A8.

For further details see the article 'Unemployment statistics : revisions to the seasonally adjusted series' in the December 1988 issue of Employment Gazette.

A6. The unemployment flows in Table 5 relate to people claiming and ceasing to claim benefit. A seasonally adjusted series cannot yet be estimated. The figures are standardised to a four and one third week month to allow for the varying periods between successive monthly count dates, and may therefore appear not to balance with the monthly changes in unemployment levels.

A7. The recent extension of the guaranteed offer of a YTS place to all those aged under 18 who have not found a job, and the associated change from 12 September 1988 in the entitlement of young people to claim unemployment-related benefits have inevitably affected the coverage of the claimant count mainly from October. In addition, last summer's school leavers were not eligible for benefits on the 8 September count date. There are now only a few under 18's remaining in the count. The effect of the new regulations is to remove about 90,000 on average from the total count with over 80,000 of this having taken place over the two months to October. Previously the seasonally adjusted unemployment series included those under 18's who had a job since leaving school(i.e. those not classed as school leavers); and without amendment there would be a discontinuity mainly from October 1988. To maintain consistency over time, the seasonally adjusted series has consequently been restricted to claimants aged 18 and over. On recent levels of unemployment the new series is about 40,000 lower than the former series. The new series are available back to January 1971 at national level (1974 for the regions). See also note A5.

A8. The seasonally adjusted unemployment figures for September 1988 allow for the estimated effect of temporary over-recording caused by the postal strike. The adjustments made at regional level are less precise than those at national level. September's unadjusted figures, however, remain distorted by this effect, estimated at around 55,000. This arose mainly through the special action taken to ensure that the unemployed received their benefits during the strike and delays in the post of information about when claimants ceased to be unemployed. The outflow from unemployment between the August and September counts was therefore understated, with a consequent upward effect on the September totals. This effect unwound between the September and October counts.

EMPLOYMENT AND HOURS (Tables 6-9)

B1. Information on the number of employees in employment is for most industries collected quarterly and monthly (for manufacturing in Great Britain only) from sample surveys addressed to individual establishments and for other industries from returns provided by major employers in the industry. These figures are used to calculate rates of change in employment since the last Census of Employment was held, and the rates of change are applied to comprehensive census results to provide current estimates.

B2. In Great Britain the surveys cover all large establishments and a proportion of small establishments (but none of the smallest employers). 30,000 establishments are surveyed each quarter month

(e.g. in March, June etc.), and of these 12,000 are in manufacturing industries. 6,000 of the manufacturing establishments are also surveyed in non-quarter months. Estimates for these months are less reliable than those for quarter months, and the first estimates are subject to revision when the following quarter's figures become available (e.g. January and February estimates are revised in the light of figures for March). As the estimates of employees in employment are derived from employers' reports of the numbers of people they employ, individuals holding two jobs with different employers will be counted twice. Participants in government employment and training schemes are included if they have a contract of employment. HM Forces, homeworkers and private domestic servants are excluded.

B3. The estimates of employees in employment in Great Britain presented in this press notice also take account of the results of the 1985, 1986, 1987 and 1988 sample Labour Force Surveys (LFS). The series include allowances for undercounting in the estimates of the number of employees in employment derived from the sample survey of employers. When the 1988 LFS results were incorporated in March 1989 there was a small change in methodology - see page 201 of the April 1989 issue of Employment Gazette for details. Estimates of employees in employment will be further revised when the 1987 Census of Employment results become available.

B4. Collection of employees in employment statistics for Northern Ireland are the responsibility of the Northern Ireland Department of Economic Development, they are also based on similar census of employment, but the sample surveys are a little different and the LFS is not used to supplement the data collected from employers.

B5. The self-employed are those who in their main employment work on their own account, whether or not they have any employees. Second occupations classified as self-employed are not included.

B6. Comprehensive estimates of the number of self-employed are taken from the Census of Population, the most recent of which was held in 1981. Estimates for the other years for Great Britain only are made by applying rates of change, derived from the sample Labour Force Survey results, to the census benchmark. In this way self employment is estimated to have increased by 12,800 a quarter between mid-1981 and mid-1983, by 68,800 a quarter between mid-1983 and mid-1984, by 28,800 a quarter between mid-1984 and mid-1985, by 4,100 a quarter between mid-1985 and mid-1986, by 58,500 a quarter between mid-1986 and mid-1987 and by 31,000 a quarter between mid-1987 and mid-1988. Pending the results of the 1989 Labour Force Survey it is assumed that the numbers of self employed are continuing to increase at the rate of 31,000 a quarter observed between 1981, the date of the latest Census of Population which provides a benchmark for the self employment series, and 1988, the date of the latest available Labour Force Survey data. The derivation of recent estimates is described in an article on page 201 of the April edition of the Employment Gazette.

B7. Figures for HM Forces are provided by the Ministry of Defence.

B8. Estimates of numbers on work-related government training programmes consist of those participants in programmes and schemes who in the course of their participation in the programmes receive training in the context of a workplace but are not employees, self-employed or HM Forces. For the period up to September 1988 in Great Britain only it covers most YTS participants without contracts of employment (the small proportion, about 2 per cent, whose training does not include work experience with an employer are excluded) and the participants on the new JTS. Participants in Employment Training (ET) are included in this series from December 1988. For Northern Ireland those on the following schemes are included: Youth Training Programme (excluding second year trainees in further education colleges); Job Training Programme; Attachment Training Scheme and other management training scheme participants training with an employer. The estimates are not seasonally adjusted.

B9. The workforce in employment which comprises employees in employment, the self-employed, HM Forces and participants on work-related government schemes was introduced in the July 1988 issue of this press notice. See page S6 of the August 1988 edition of Employment Gazette for further details.

B10 The hours of overtime and short-time worked by operatives in manufacturing industries are collected by the surveys of individual establishments which are used to collect numbers of employees in manufacturing industries in Great Britain. Figures are collected monthly; those for non-quarter months are based on a smaller sample, and are therefore subject to retrospective revisions in the same way as the employee estimates.

B11. The index of average weekly hours relates to average weekly hours worked by operatives in manufacturing industries. It is based on the normal weekly hours of full time operatives as in national agreements plus average net overtime. The calculation of this index is described on page 240 of Employment Gazette, June 1983.

VACANCIES (Tables 10-12)

C1. The statistics do not include any vacancies on government programmes (except for vacancies on Enterprise Ulster and Action for Community Employment (ACE) included in the seasonally adjusted figures for Northern Ireland). Previously up to August 1988, unadjusted vacancy figures have additionally been provided including Community Programme vacancies. With the introduction of Employment Training (ET) from September 1988 there are no longer any CP vacancies. ET places are training opportunities determined according to the individual needs of unemployed people and therefore cannot be considered as vacancies or counted as such.
CP vacancies handled by jobcentres have been excluded from the seasonally adjusted series since the coverage was revised in September 1985. The seasonally adjusted series are therefore not affected by the cessation of CP vacancies. Figures on the current basis are available back to 1980. (See Employment Gazette October 1985 page 413 for further details).

C2. Vacancies at Jobcentres are mainly for adults aged 18 or over, but include some vacancies for persons under 18. Vacancies at Careers offices are mainly for young persons under 18 years of age, but include some vacancies suitable for adults. Where the vacancy is notified to both services by an employer, it will be included in both counts; for this reason, the two counts should not be added together to give a figure for total vacancies.

C3. The vacancy figures do not represent the total number of vacancies in the economy. Latest estimates suggest that nationally about one third of all vacancies are notified to Jobcentres; and about one quarter of all engagements are made through Jobcentres. Inflow, outflow, and placings figures are collected for four or five week periods between count dates; the figures in this press notice are converted to a standard four and one third week month.

EARNINGS (Tables 13 and 14)

D1. The whole economy index of average earnings was introduced from January 1976. It was described in the April 1976 issue of Employment Gazette. The present series is based on 1985 = 100. Separate indices for 26 industry groups of Standard Industrial Classification (1980) are published in the Employment Gazette.

D2. All the series are based on information obtained from the Department's monthly survey of a representative sample of firms in Great Britain, combined with information supplied by the Ministry of Agriculture Fisheries and Food about agricultural earnings in England *and Wales. The survey obtains details of the gross wages and salaries paid to employees, in respect of the last pay week of the month for the weekly paid, and for the calendar month for the monthly paid. The earnings of the latter are converted into a weekly basis. The average earnings are obtained by dividing the total paid by the total number of employees paid, including those employees on strike. The sample of returns contains information relating to some 8 million employees.

D3. The rationale for the measurement of underlying changes in earnings was described in Employment Gazette, April 1981, page 193. In brief, the underlying measure adjusts actual earnings for temporary influences such as arrears of pay, variations in the timing of settlements, and industrial disputes. A short description and analysis of the differences between the seasonally adjusted earnings index and the underlying index appears quarterly in the Employment Gazette, the most recent being in the March 1989 issue.

D4. The average earnings index measures the monthly level of EARNINGS. Earnings include payments to employees for hours of overtime worked, bonus payments and shift premia, grading increments and other productivity or incentive payments. Increases in earnings will therefore include increases in these elements of pay and not just increases in basic pay rates. For this reason earnings increases usually exceed SETTLEMENT increases and WAGE CLAIMS. The Employment Department does not produce a settlements index but figures for settlements are produced by other bodies such as the CBI.

D5. Average earnings will also be affected by factors that are not temporary in nature such as changes in the composition of the workforce such as may arise through employing more or fewer part time employees, changes in hours worked, and irregular variations in bonuses, sickness etc on which no information is available.

UNIT WAGE AND SALARY COSTS (Table 15)

E1. Wages and Salaries per unit of output in manufacturing in the United Kingdom is compiled using monthly series of average earnings, employment and output; it is described in Employment Gazette, June 1982, page 261. The estimates in the table are consistent with the output of Production Industries released on 17 May 1989.

E2. See note F1.

PRODUCTIVITY (Table 16)

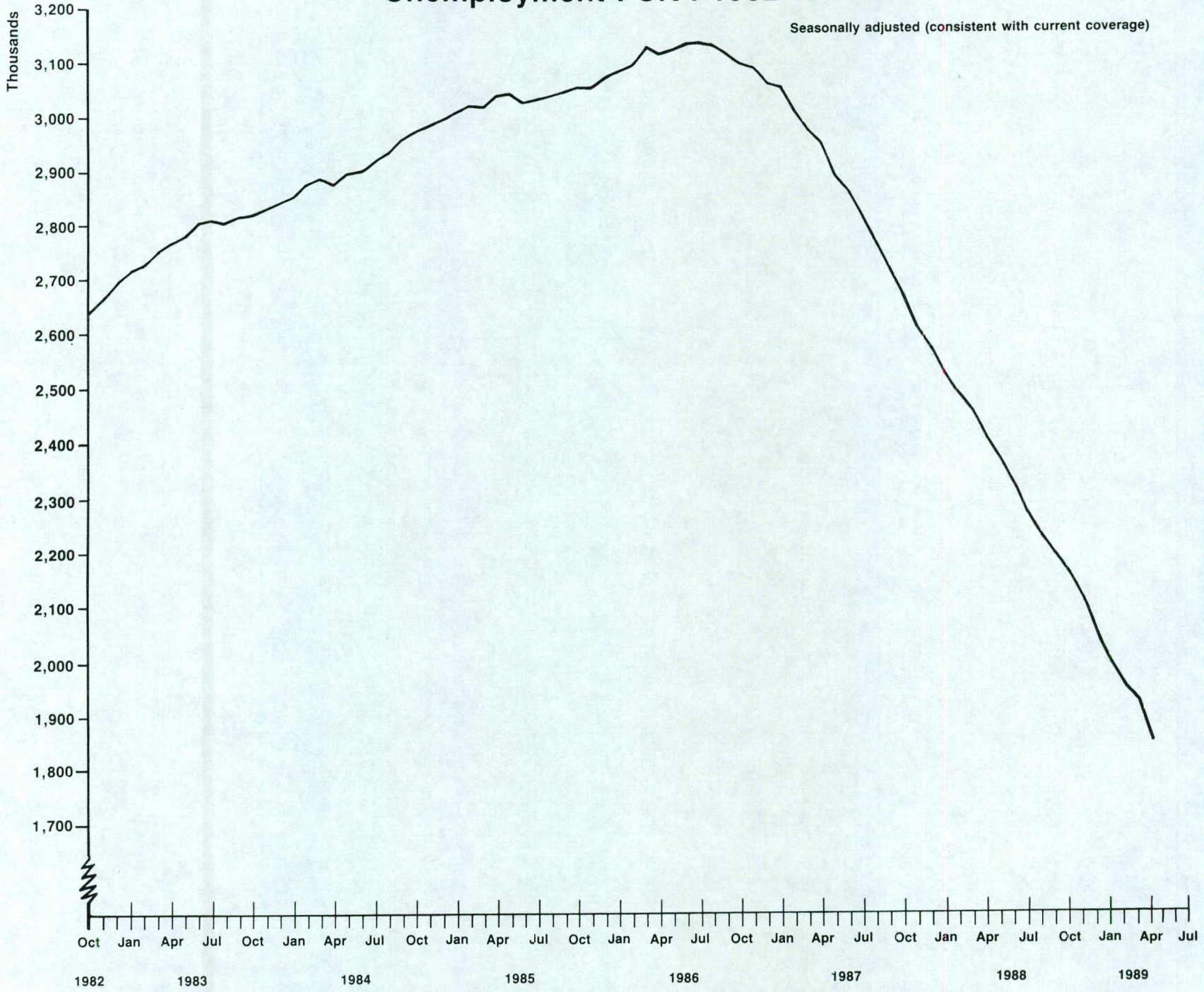
F1. Index numbers of output per person employed in the United Kingdom are calculated by dividing an index of output by an index of the numbers employed.

F2. The calculation of the productivity (and hence the unit wage cost) series is not affected by the changes to the employment series. The present calculation, using a denominator which excludes participants on work related training schemes, provides a better indicator of productivity (and wage cost) trends than would the revised employment series. This is because of the smallness of the scheme participants' contribution to output, the fact that some of the contribution will be excluded from the national accounts measure of output, and practical difficulties in the way of producing an analysis of participants.

INDUSTRIAL STOPPAGES (Table 17)

G1. Statistics of stoppages of work due to industrial disputes in the United Kingdom relate only to disputes connected with terms and conditions of employment. Stoppage involving fewer than 10 workers or lasting less than one day are excluded except where the aggregate of working days lost exceeded 100. However, there are difficulties recording stoppages near the margin of this threshold and consequently greater emphasis should be placed on the figure for working days lost rather than on the number of stoppages. The monthly figures are provisional and subject to revision, normally upwards, to take account of additional or revised information received after going to press.

Unemployment : UK : 1982 to 1989



chex.ps/ds2/20 **UNCLASSIFIED**

FROM: D I SPARKES
DATE: 18 May 1989

MR R LIND (EB) cc Mr Bush

COMBINED RELEASE OF LABOUR MARKET STATISTICS ON 18 MAY

The Chancellor was grateful for your minute of 17 May concerning the labour market statistics to be published later this morninq. He had no comments on your line to take.

D.I.S.

DUNCAN SPARKES

PERSONAL AND CONFIDENTIAL UNTIL 11.30AM ON 18 MAY 1989

LABOUR MARKET STATISTICS - KEY FACTS A2(i)

UNEMPLOYMENT IN APRIL
Seasonally adjusted (UK) (Consistent)
Now 1.856 million, lowest for over 8 years (since December 1980).
Down 60,200 in April.
Rate 6.5%, lowest since November 1980.
Down 33 months running, longest and largest continuous fall since the war.
Down 1.277 million since July 1986.

Fall of 1,001,000 (consistent) since election June 1987.

Fall in last 12 months 547,000
Record average fall of 50,300 per month over last six months.

TOTAL (unadjusted) (UK)
Now 1.884 million (6.7%)
Down 77,000 since March.

Regional unemployment (Seasonally adjusted)
Fall in all regions of UK over last year: rates fallen most in West Midlands and Wales followed by Yorkshire and Humberside, North West and North.

Long term unemployment. (UK, unadjusted
January: Claimants unemployed for one year or more) NB. April data availible shortly
821,000 in January, lowest for more than 6 years. Record fall of half a million in past two years. Fallen faster than total unemployed. Long term unemployed aged 18-24 now more than halved in 2 years, down by a third among over 25s.
Over 5 year unemployed falling since Oct 1987, down by 40,000 (14 %) altogether.

Young Unemployed (UK)
18 - 24's down by 39% in two years to January 1989.
Latest EC unemployment comparison for under 25's (January 89) showed UK 9.8% compared with EC average 19.0% (lower than all other EC countries except Germany, Denmark and Luxembourg).

Fiddling the figures
Only 2 changes to compilation of the count since 1979; 7 changes altogether including 5 administrative changes.
Seasonally adjusted unemployment is consistent and allows comparisons of trend over time: nothing to hide.

Effect of measures on unemployment count
- Participants in employment and training measures reduced slightly during past 2 years when unemployment fallen rapidly.
- Those on schemes are not unemployed, they are at work or training.

Labour force survey (GB Spring 1988)
(Gives international - ILO/OECD - measure of unemployment: without work, available and seeking work during past 4 weeks)

Confirms unemployment fallen sharply, Spring 1987 to 1988. Similar falls of half a million in ILO/OECD measure (505,000) and monthly count (540,000). (Difference within margins of survey error)
ILO/OECD measure in spring 1988; 2.37 million, marginally lower than (headline) count of 2.41 million. The international measure peaked in 1984 while the claimant count started to fall two years later.

International Comparisons
UK rate fallen faster **in past 2 years** than any other major industrialised country (also over the past year except for Spain). UK unemployment lower than EC average (9.4%). Latest international rates show unemployment higher in France (10.2%), Italy (10.5%), Canada (7.6%), Belgium (9.5%), Netherlands (9.4%), Spain (18.1%) and Ireland (17.3%). (Comparable UK 7.0% - OECD standardised rate for February.)

Flows out of unemployment
-Around 1/3 million per month leave the count. Over a quarter of those becoming unemployed leave within the first month; 55% leave within the first 3 months.
-Job starts: 7.5 million per year (1987) includes employed and unemployed, equivalent to about 30,000 every working day.

VACANCIES (Seasonally Adjusted, UK)
Unfilled vacancies at Jobcentres **222,100** in April, **down 800** since March.
Only about a third of vacancies reported to Jobcentres.

AVERAGE EARNINGS (GB)
Underlying increase in average earnings in year to March **9 1/4%**, same as year to February.

INDUSTRIAL STOPPAGES(UK)
Working days lost 73,000 in March, lowest March figure since 1949. 2.9 million in latest 12 months, compared with 2.5 million over previous 12 months and with 3.7 million in 1988, 3.5 million in 1987, 1.9 million in 1986 and an average 12.9 per year million for 1970's.
Number of stoppages 69 in March, lowest for March since 1942. Total for 1988 lowest since 1935.

Personal and Confidential until 11.30 am 18.5.89

KEY FACTS

EMPLOYMENT (UK seasonally adjusted)

WORKFORCE IN EMPLOYMENT
Workforce in employment in Q4 1988
- now stands at 26,513,000 (highest ever)
- on a rising trend for more than 5 years since March 1983
- Increase since March 1983 by 2,951,000, of which:
  1,717,000 employees
  839,000 self employed
  403,000 trainees
  -8,000 HM Forces
- Even excluding trainees on work-related programmes, employment is now at the highest level ever.
- Increase in year to December 1988 of 641,000, of which:
  291,000 male
  350,000 female
- Change in definition:
  New workforce definition introduced in July 88. Workforce in employment includes participants on work-related government training programmes. The change is in line with international guidelines.

TREND - LATEST QUARTER
- Employment growth of 143,000 in Q4 1988.

EMPLOYMENT IN MANUFACTURING
- at 5,256,000 in December 1988
- up by 39,000 in year to December
- up 2,000 in quarter 4.

EMPLOYMENT IN SERVICES
- at 15,661,000 in December 1988
- up by 466,000 over the year
- service sector (incl. self employment) accounts for almost two-thirds of employment
- the increase in the third and fourth quarters have been affected by the run-down in CP over the summer, in preparation for ET. (Effect = decreases of about 20,000 in September and about 130,000 in December).

SELF-EMPLOYMENT
- at an estimated 3,048,000 in Dec 88
- up by 125,000 over year to December
- up by more than 1.1 million since June 1979 (following little change in the seventies).

EMPLOYMENT (GB seasonally adjusted)

EMPLOYMENT IN MANUFACTURING (GB)
- at 5,147,000 in March 1989
- down 3,000 in year to March
- down 5,000 in Q1 1989.

OVERTIME AND SHORT TIME (GB)
- overtime of 13.8 million hours a week worked in March
- short time of 0.30 million hours a week lost in March.

PART-TIME EMPLOYMENT (GB)
- at 6,253,000 (24% of workforce in employment) in December 1988
- up by 123,000 over year to December
- up by 1,408,000 since March 1983
- part-time jobs account for 19% of employment growth since Dec 1987
- continuing rise is a sign of increased labour market flexibility good for the economy
- according to 1988 LFS less than 8% of those working part-time did so because they could not find a full-time job (ie. majority preferred part-time work)
- NB. a part-time job can be anything up to 30 hours a week: ie. more than half a full-time job.

WORK-RELATED GOVERNMENT TRAINING PROGRAMMES
- Participants in programmes and schemes who receive training in the context of a workplace and are not employees or self-employed
- Inclusion of these people in total employment is consistent with ILO guidelines. Includes most YTS, NJTS and ET participants.

DOUBLE JOBBING
- increase includes second jobs as employees (but excludes second jobs as self-employed)
- second jobs are still extra jobs, even if held by people already employed.

INTERNATIONAL COMPARISONS
- Increase 83-87 (latest comparable) UK equals rest of EC combined (this will not be true for 83-88)
- UK proportion of population of working age in employment (66%) much higher than EC average.

COVERING PERSONAL AND CONFIDENTIAL

Department of Employment
Caxton House, Tothill Street, London SW1H 9NF
5803
Telephone 01-273 . . . . . .
Telex 915564 Fax 01-273 5821

Secretary of State

PWP

Paul Gray Esq
10 Downing Street
LONDON
SW1A 2AA

16 May 1989

Dear Paul

LABOUR MARKET STATISTICS

... I am enclosing our standard brief on the labour market statistics which are to be issued on Thursday. The brief is of course personal and confidential until 11.30 on 18 May and confidential thereafter.

I am copying this to Allex Allan (Treasury), Sir Peter Middleton (Treasury), Mr Hibbert (CSO), John Footman (Bank of England), Trevor Woolley (Cabinet Office), Neil Thornton (DTI), Sir Brian Hayes (DTI), David Crawley (Scottish Office), Russell Hillhouse (Scottish Office), Stephen Williams (Welsh Office), David Watkins (Northern Ireland Office) David Fell (Department of Economic Development, Northern Ireland Office), and Andrew Dunlop (No 10 Policy Unit).

Yours ever

Bmary

pp **ANNE-MARIE LAWLOR**
Private Secretary

COVERING PERSONAL AND CONFIDENTIAL

COVERING PERSONAL AND CONFIDENTIAL UNTIL 11:30AM ON 18 MAY 1989 THEREAFTER CONFIDENTIAL

LABOUR MARKET STATISTCS: NOTES FOR THE PRIME MINISTER

2/14

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B. DRAFT PRESS NOTICE

C. DETAILED ANALYSIS AND BACKGROUND INFORMATION

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1b. UNEMPLOYMENT RATES - CHANGE OVER YEAR BY REGION

GRAPHS: 1c. UNEMPLOYMENT RATES BY REGION

1d. UNEMPLOYMENT - UK

2. UNEMPLOYMENT: REGIONAL FIGURES

3. LONG TERM UNEMPLOYMENT AND UNEMPLOYMENT BY AGE

4. UNEMPLOYMENT: INTERNATIONAL COMPARISONS

D. ADDITIONAL INFORMATION

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4. LABOUR MARKET: JOB CHANGES AND FLOWS

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8. EMPLOYMENT: INTERNATIONAL COMPARISONS

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10. EARNINGS

11. INDUSTRIAL STOPPAGES

12. EMPLOYMENT AND TRAINING MEASURES

STATISTICS DIVISION
DEPARTMENT OF EMPLOYMENT
15 MAY 1989
ENQUIRIES TEL: 01-273-5522

PERSONAL AND CONFIDENTIAL UNTIL 11.30AM ON 18 MAY THEREAFTER CONFIDENTIAL

LABOUR MARKET STATISTICS

Summary

UK unemployment fell very sharply in April, by over 60,000 seasonally adjusted, but the magnitude of the fall is probably erratic. In March there was a further fall, of 8,000 in employees in manufacturing in Great Britain; and overtime working in manufacturing has fallen back further to the levels of the third quarter of 1988, following the exceptionally high levels during the winter. Short-time working remained low in March, and recorded vacancies changed little between March and April. The underlying increase in average earnings stayed at 9¼ per cent over the 12 months to March, and working days lost through industrial stoppages in March remained low.

Unemployment

UK unemployment, seasonally adjusted fell very sharply, by a further 60,200 between March and April to 1.856 million, 6.5 per cent of the workforce. The continuous fall in the series, since the peak in July 1986, has now reached 1.277 million over 33 consecutive months, on the consistent basis. Other key figures are enclosed separately.

The fall of 60,200 in the seasonally adjusted total was one of the sharpest monthly falls on record. However, the figures tend to fluctuate and there was a similar fall in December 1988. In April there was a large fall in all regions, but a particularly sharp drop in the rate of unemployment for men in the more northerly regions of Great Britain (all regions except the South East, East Anglia and the South West). It is difficult to pin-point specific influences, but the fall in April seems likely to be erratic, partly due to the relatively late count date in April and consequently the period of comparison being five rather than four weeks. It cannot be taken to indicate any significant departure from the recent downward trend of around 40,000 per month.

Unadjusted 'headline' total

There was a fall of 77,000 in the unadjusted claimant total between March and April, to 1.884 million, 6.6 per cent of the workforce.

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Thereafter confidential.

May 'headline' total

Even without a continuing downward trend, a substantial fall in the unadjusted total can be expected between April and May due to the usual seasonal influences. The unadjusted total is therefore likely to fall very sharply.

Long-term unemployment

The full quarterly analysis of unemployment by duration for April (due for release on 23 May) is not yet available, but a preliminary estimate of the number of claimants unemployed for more than a year suggests a further very sharp fall of over 70,000 in the quarter since January, possibly bringing the total below 750,000.

Employment*

In the month to March the estimated number of employees employed in manufacturing in G.B. fell by 8,000, contributing to a net fall of 5,000 in the first quarter of 1989. Over the year to March 1989 employment in manufacturing industries fell by 3,000 compared with a rise of 97,000 in the previous 12 months, and a fall of 151,000 in the 12 months to March 1987.

United Kingdom figures for employees in the rest of the economy and for the workforce in employment (employees in employment, the self employed, HM Forces and participants on work related government training programmes) remain essentially as reported last month except for small revisions in respect of employment in the service sector (reflecting some late data now to hand) and recent changes in the seasonal pattern. The estimated growth in the workforce in employment was 143,000 in the fourth quarter of 1988 and 2,951,000 between March 1983, when the upward trend first began, and December 1988.

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* From this month the presentation of employment statistics in the labour market statistics press notice, and in this and other briefing will be on a UK basis where possible. The G.B. data presented previously will be available on request. The new figures available for the first time this month, which relate to employment in manufacturing and production industries in March 1989, cover G.B. only.

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Thereafter confidential.

The employment estimates will be revised when the 1987 Census of Employment results are incorporated later this year.

Overtime working by operatives in manufacturing industry fell a little to 13.8 million hours in March and estimates for January and February were revised down a little in the light of the March result, which is based on a larger sample. It now appears that overtime hours worked have fallen back to the levels seen in the third quarter of 1988 following the exceptionally high levels during the winter months.

Hours lost through short-time working in manufacturing industries remain low; 0.30 million hours per week were lost in March.

Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) was little changed between March and April. There was a small fall of 800 to 222,100. The trend in the series has generally been downward since the peak of 265,100 vacancies in November 1987, with the fall mainly concentrated in the South East. This may partly reflect, for example, variations in the share of vacancies handled by Jobcentres, rather than a significant change in the level of economic activity. Even so, recorded vacancies remain fairly high relative to recent years and, at this level, some reduction in vacancies is not necessarily inconsistent with continuing sharp falls in unemployment.

Average Earnings (G.B. only)

The estimate of the underlying increase in average earnings for the whole economy for March 1989 is 9¼ per cent and is unchanged from the rate of increase for the year to February. All of the component rates (for production, manufacturing, and service industries) are also unchanged from their February levels although for manufacturing and production the figures for February have each been revised downwards by ¼ per cent.

Increased settlements, particularly in service industries, will bring further upward pressure to earnings growth in April. In the opposite direction the return of overtime to a level no higher than a year ago may help counter this upward movement. Prompt payment of the nurses' 1989 pay award will displace most of the effects of the higher 1988 settlement from the index and leave the April earnings growth rate finely balanced between 9¼ and 9½ per cent.

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Then not confidential.

Industrial Stoppages

For March, working days lost are provisionally estimated at 73,000. This is the lowest March figure since 1949, when 70,000 working days were lost; it compares with a March average for the last ten years of 943,000. The three largest stoppages in March 1989, each resulting in about 8,000 working days lost, occurred in aerospace manufacturing, construction and in an education authority.

There was no contribution in the March figure from any of the well publicised disputes relating to the docks, railways, underground, BBC, electricity industry and engineering. To date these disputes have largely consisted of threats of industrial action apart from some limited stoppages starting in April by BBC employees, and some tube workers (the current work to rule on the railways doesn't count as a stoppage). The effect on the April figure of the above disputes is unlikely to be more than about 15,000 working days lost (a relatively small figure).

The highly provisional single month figure of 69 for the number of stoppages in March is the lowest for March since 1942. The number of stoppages recorded in 1988 was 781 and is the lowest figure for a calendar year since 1935. Small stoppages are excluded from these figures by definition.

Next Labour Market figures

The next labour market briefing will be issued on Monday 12 June in advance of the press release on 15 June.

Statistics Division
Department of Employment
15 May 1989

Personal and Confidential until 11.30 am 18.5.89
Then not confidential.

SECRET

COPY NO 4 of 15

SOLICITOR GENERAL

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

01-936 6269

CMO UNTIL 01 AUGUST 1989

PWP

PRIME MINISTER

E(A)(89)10 : EMPLOYMENT SERVICE

In his minute to you of 1 March 1989, which addressed certain legal issues arising from the proposed privatisation of the Job Centres, Patrick Mayhew indicated that he would advise further on our international obligations, once Instructions had been received. Instructions have now come in; Patrick has been away and in view of the desirability of finalising the legal advice on this matter, I am writing in his stead. The Lord Advocate has indicated that he is in agreement with the views expressed in this minute.

There are three international agreements to which the United Kingdom is a party and which are relevant to the proposed privatisation of Job Centres. They are ILO Convention No 2, concerning Unemployment; ILO Convention No 142 concerning Vocational Guidance and Vocational Training in the Development of Human Resources; and the European Social Charter. There are also two aspects of EC law which are important.

ILO Convention No 2

Article 2 of this Convention provides that each party "shall establish a system of free public employment agencies under the control of a central authority". The implementation of the privatisation proposals would conflict with the United Kingdom's obligations under this Convention. It will therefore be necessary to denounce the Convention. This can be done, in accordance with the provisions of the Convention, and the denunciation will take effect one year after the date on which it is registered. It would be desirable to consult Dependent Territories in advance of denunciation as to whether they wished to continue to be bound by the Convention.

SECRET

ILO Convention No 142

Article 1(1) of the Convention provides that each party "shall adopt and develop comprehensive and coordinated policies and programmes of vocational guidance and vocational training, closely linked with employment, in particular through public employment services". There is an argument that the Convention imposes an obligation to provide public employment services, rather than merely assuming their existence. I am of the view however that the Convention does not impose such an obligation. As is apparent from its title and its provisions, employment services are not the subject of this Convention, but of Convention No 2. Denunciation of the Convention is not therefore necessary.

European Social Charter

Implementation of the privatisation proposals would also conflict with Article 1 of the Charter. The Charter is so structured as to allow Contracting Parties a certain freedom of choice as to which Articles they wish to accept. Article 1 is one of the provisions which currently applies to the United Kingdom, under the terms of our ratification. It is not possible to denounce Article 1 alone, and denunciation of the whole Charter, the second arm of the Council of Europe's system of human rights, may well have wide-ranging political disadvantages. It may however be possible to denounce the Charter and immediately to re-ratify it in respect of Articles excluding Article 1. I see no formal legal objection to such a course but I am not aware of a precedent and it would be wise for our officials, in consultation with our representation in Strasbourg, to consider what, if any, objection might be raised within the Council of Europe. If this course is followed, denunciation will have to take place prior to 26 August 1989 or two years thereafter.

EC Obligations

The two aspects of EC law which are important are:

(a) Articles 13 to 18 of Council Regulation 1612/68 on Freedom of Movement for Workers concern the "clearing" of employment vacancies and applications for employment as between Member

States, in the light of skill shortages and worker availability in different parts of the EC. Department of Employment officials will need to look carefully at these provisions to ensure that the privatisation proposals are so framed as to allow effective implementation of the Regulation, particularly if the Commission comes to attach more importance to these Articles of the Regulation than it is inclined to do at present.

(b) Proposals for the so-called "European Charter of Social Rights" are at present under consideration in the Community. If a proposal requiring the provision of free public employment services were to be adopted, the Charter would render the proposed privatisation unlawful. Such a provision would be subject to a qualified majority vote, and urgent consideration therefore needs to be given to ensuring sufficient support among other Member States to defeat any such provision.

I am copying this minute to the members of E(A), the Lord Advocate and Sir Robin Butler.

M.

3 April 1989

PMP

A1(i)

PERSONAL AND CONFIDENTIAL UNTIL 11.30AM ON 13 JULY THEREAFTER CONFIDENTIAL

LABOUR MARKET STATISTICS

Summary

UK unemployment fell by 26,500 in June to the lowest level for 8½ years on the consistent basis. Female unemployment fell in all regions but male unemployment remained the same in the South East excluding Greater London and rose slightly in East Anglia. The downward trend in unemployment is now estimated to be less than in recent months. Although the stock of vacancies rose sharply over the month these appear to related mainly to seasonal work. The workforce in employment in the United Kingdom increased by 177,000 in the first quarter of 1989 and has now been on a rising trend for six years. Between April and May, the number of employees in manufacturing industry fell by 15,000 following falls of 18,000 in April and 8,000 in March. Although month to month changes can be erratic it is possible that these falls are the beginning of a slowdown in manufacturing employment. The underlying rate of increase in average earnings was unchanged at 9¼ per cent for May. The latest industrial stoppages figures also relate to May and show an increase in the number of working days lost for the fifth successive month (to 171,000): the June and July figures will be higher reflecting recent transport and local authority strikes.

Unemployment

UK unemployment (seasonally adjusted) fell by 26,500 between May and June to 1.809 million, the lowest level for 8½ years on the consistent basis. The unemployment rate fell to 6.3 per cent of the workforce. The continuous fall since July 1986 has now reached 1.324 million over 35 consecutive months. Other key figures are attached.

Total unemployment fell in all regions except East Anglia. However in the South East excluding Greater London male unemployment remained the same between May and June, and in East Anglia it rose slightly. The South also experienced a greater slowdown in the number of outflows than would be normally associated with a declining stock. This could be seen as some early indication of a decline in the rate of fall in unemployment.

77 The downward trend in the UK series is now estimated to be in the region of 35,000 to 40,000 per month. Over the past six months there has been an average fall of 38,000 per month, while over the past three months the average monthly fall was 35,800.

Over the past year the unemployment rate has fallen in all regions with the largest falls in Wales and the West Midlands followed by the North, Yorkshire and Humberside and the North West.

Unadjusted 'headline' total

The UK unadjusted total fell below 1¾ million this month to 1.743 million. The figure in June was 59,000 lower than in May.

July 'headline' total

With a downward trend of between 35,000 and 40,000 per month, there is likely to be a small rise in the headline total in July. Seasonal influences tend to increase the unadjusted total considerably between June and July by some 45,000.

Employment

New figures are available this month for the UK workforce in employment in March and for employees in manufacturing and production industries in May for Great Britain.

The workforce in employment in United Kingdom (employees in employment, the self employed, HM Forces and participants in work related government training programmes) is estimated to have increased by 177,000 in the first quarter of 1989. This follows an increase of 635,000 in calendar year 1988 and continues the upward trend observed since March 1983. (The employment estimates will be revised when the 1987 Census of Employment results are incorporated, later this year.)

This first quarter increase of 177,000 in the workforce in employment is made up of:

- an estimated increase of 109,000 employees in employment
- a projected increase in the self-employed of 31,000

- a fall of 3,000 in the HM Forces

- a rise of 40,000 in participants in work-related government training programmes

The increase in employees in employment comprised increases in the service sector of 114,000 and other industries (agriculture and construction) of 11,000, offset by falls in manufacturing industry of 6,000, and energy and water supply of 10,000.

The employment growth in the first quarter has been affected by the run down of CP; CP participants were included in the workforce in employment as employees. This has been partially offset by the increase in the number of ET participants who are also included in the workforce in employment but as work related government training programme participants.

The workforce in employment increased by 596,000 in the year to March 1989, of which the number of employees in employment accounted for 373,000. This was the net result of an increase of 406,000 in the service industries, offset by falls of 2,000 in manufacturing and 27,000 in energy and water supply industries, and 3,000 in other industries.

The workforce in employment has increased by 3,122,000 between March 1983, when the upward trend began and March 1989. This estimate will be revised when Census of Employment results are published later in the year. The growth is made up of increases of:

1,824,000 employees in employment (to be revised when the census of of employment results are published).
870,000 self employed
and 439,000 participants in work related government training schemes
offset by a reduction of 11,000 HM Forces.

In the month to May the estimated number of employees employed in manufacturing in GB fell by 15,000 compared with a fall of 5,000 in the first quarter of 1989 and a fall of 18,000 in April. Month to month changes can be erractic; the April and May figures are based on a small sample survey of employers and will be revised in the light of the results from the larger June survey. It is therefore more appropriate to consider trends over a longer period. Over the year to May 1989 employment in

manufacturing industries fell by 37,000 compared with a rise of 89,000 in the previous 12 months, and a fall of 102,000 in the 12 months to May 1987.

In GB during the year to March 1989 full-time employment is estimated to have increased by 372,000 while part-time employment increased by 221,000 (the latter includes 105,000 work related government training programme participants).

Overtime working by operatives in manufacturing industry fell slightly to 13.6 million hours in April which is very little different from the level seen twelve months ago, before the exceptionally high levels seen during the winter months.

Hours lost through short-time working in manufacturing industries remain low; 0.43 million hours per week were lost in April.

Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) rose sharply by 8,200 between May and June to 226,400, showing some recovery from recent falls. The rise mainly reflected an increase in the number of vacancies notified of 10,200 to 231,600 in June. This increased activity at Jobcentres appears to be mainly due to increased seasonal work arising from the recent good weather. Recorded placings by Jobcentres continue to remain high.

Average Earnings (G.B. only)

The estimate of the underlying increase in earnings for the whole economy for May 1989 is 9¼ per cent, unchanged from the rate of increase for the year to April, and the fourth successive month at this level. The component rates for production and services are also unchanged from their April levels of 9¼ per cent, but the figure for manufacturing industries is up ¼ per cent to 9¼ per cent.

In April and May the downward influence of the 1989 nurses' settlement has been enough to prevent the underlying rate of growth of earnings from rising above 9¼ per cent. With little sign of upward pressure from bonus payments or overtime working, it now looks increasingly likely that the underlying rate for the whole economy will not move up to 9½ per cent for a month or two.

Personal and Confidential until 11.30 am 13.7.89 A1 (P)
Thereafter confidential.

Industrial Stoppages

Working days lost, provisionally estimated at 171,000 in May, have now risen for five successive months. However a longer term comparison is more favourable; the May 1989 figure is the lowest for any May since 1957 apart from the May 1983 and May 1988 figures (139,000 and 140,000 respectively).

The largest stoppage in May 1989 was in broadcasting (31,000 working days lost), with two stoppages in engineering resulting in the loss of 42,000 working days. Also included are the well publicised transport stoppages in the London area; in May a one day stoppage by London Bus employees and two one day stoppages on the London Underground resulted in about 18,000 working days lost by these employees. (Note the working days lost figures do not include the secondary effects of strike action eg the days lost by non-transport employees in transport strikes).

The number of stoppages provisionally recorded as in progress in the twelve months to May is 700. Subsequent revisions will raise this total. The highly provisional single month figure for May is 71, which is slightly above the number recorded in April (68), but it is the lowest figure for any May since 1936.

It is expected that the working days lost figure for June to be published next month will show a further rise to about ¼ million days, about half of which is due to two one-day British Rail strikes. The July figure may be higher still because of the continuing British Rail one day strikes and the NALGO action affecting local authorities.

Next Labour Market figures

The next labour market briefing will be issued on Monday 14 August in advance of the press release on 17 August.

Statistics Division
Department of Employment
July 1989

EMPLOYMENT
DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

178/89

13 JULY 1989

UNEMPLOYMENT CONTINUES TO FALL

STATEMENT BY THE SECRETARY OF STATE FOR EMPLOYMENT NORMAN FOWLER MP

"The figures published today show another welcome fall in unemployment. In June seasonally adjusted unemployment fell by 26,500 to a total of 1.809 million or 6.3 per cent. This means that unemployment has fallen for 35 consecutive months and by a total of 1.324 million since July 1986 - the longest and largest sustained fall on record. Unemployment is now lower than it has been at any time since December 1980.

"Over the past 12 months unemployment has fallen by 22 per cent and all regions have shared in this improvement with the West Midlands, Wales, the North and Yorkshire and Humberside experiencing the biggest reductions in unemployment rates. All age groups have benefited but particularly young people. Unemployment among 18 to 24 year olds is nearly half the level it was three years ago. The rate of unemployment among the under 25's is now about half the average in the European Community.

"Over the past year the United Kingdom unemployment rate has fallen faster than in any other major industrialised country. On the agreed OECD international basis, the United Kingdom now has a lower rate of unemployment than France, Italy, Belgium, the Netherlands, Spain, Ireland, Denmark, Canada and Greece.

"The trend in unemployment continues downward and the new employment figures show that the workforce in employment in the United Kingdom increased by a further 177,000 in the first quarter of 1989 and has now been rising for 6 years. The stock of vacancies at Jobcentres - 226,000 in June - remains high. But the creation of additional jobs is not automatic. Moderation in pay is essential for future job prospects. The annual increase in average earnings over the whole economy in May 1989 remained unchanged at $9\frac{1}{4}$ per cent, the same figure reported for the three previous months. But our unit wage costs are continuing to rise faster than a number of our major competitors and that inevitably puts jobs at risk."

EMPLOYMENT DEPARTMENT

Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Press Office (24 hrs) **01-273 6950**
Public enquiries **01-273 6969**
Exchange **01-273 3000**

PRESS NOTICE

177/89

LABOUR MARKET STATISTICS
SUMMARY STATISTICS

13 July 1989

		Level	Change on previous period	Thousands Change on previous year
Unemployment (UK)				
Total unadjusted	June 8	1,743	- 59	(-598)(a)
Seasonally adjusted (b)	June 8	1,809	- 27	-515
Workforce in employment (UK) (c),(d) (e)	Mar Q1 1989	26,685	+ 177	+596
Employees in employment (UK) (c)				
All industries and Services (UK)	Mar Q1 1989	22,848	+ 109	+373
Services (UK)	Mar Q1 1989	15,777	+ 114	+405
Manufacturing (UK)	Mar Q1 1989	5,250	- 6	- 2
Manufacturing (GB)	May 1989	5,115	- 15	- 37
Vacancies (UK)(jobcentres) (c)	June 2	226	+ 8	- 29

Index of Average Earnings (GB) (c)

		Percentage change on previous year (underlying increase)
Whole Economy	May	9¼
Services	May	9
Manufacturing	May	9¼

Notes

(a) The changes in the unadjusted unemployment figures compared with a year ago are affected by the new regulations for claimaints aged under 18 introduced in September 1988.
(b) To maintain a consistent assessment, the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors A7)
(c) All figures seasonally adjusted
(d) The workforce in employment comprises employees, the self-employed, participants on work related government training schemes and HM Forces.
(e) The employment statistics are now presented on a UK basis, wherever possible.

prepared by the
Government Statistical Service

The latest figures available on developments in the labour market are summarised below.

Summary

Unemployment (UK seasonally adjusted) fell by 26,500 in the month to June. Male unemployment decreased by 14,300 and female unemployment decreased by 12,200. Over the past six months there has been a fall of 38,000 on average compared with a fall of 47,800 per month over the previous six months to December 1988.

The total, unadjusted, decreased in June by 59,378 to 1,743,141.

The workforce in employment in the United Kingdom is estimated to have increased by 177,000 in the first quarter of 1989 contributing to an overall increase of 596,000 in the year to March 1989. The workforce in employment has now been on a rising trend for six years.

The number of employees employed in manufacturing industry in Great Britain is estimated to have decreased by 15,000 in May 1989. In the first quarter of 1989 there was a fall of 5,000 in manufacturing employment, while over the year to May 1989 there was a fall of 37,000.

The stock of Jobcentre vacancies (UK seasonally adjusted) increased by 8,200 in June to 226,400. Over the past six months there has been a decrease of 2,000 per month on average.

The underlying increase in average earnings for the whole economy in the year to May was 9¼ per cent, the same level as in the year to April.

Additional and more detailed information on unemployment, employment, vacancies, average earnings, unit wage costs, hours of work, productivity and industrial disputes is to be found in subsequent sections of the press notice.

LABOUR MARKET STATISTICS

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UNEMPLOYMENT

The **seasonally adjusted level of unemployment**+ in the United Kingdom decreased by 26,500 to 1.809 million in June, 6.3 per cent of the workforce*.

Over the past six months on average unemployment has fallen by 38,000 per month.

The unadjusted total decreased by 59,378 between May and June to 1,743,141 giving an unemployment rate of 6.1 per cent of the workforce*.

Recent figures are shown in tables 1, 2 and 3.

THOUSAND

TABLE 1:UNEMPLOYMENT - SEASONALLY ADJUSTED+ - UNITED KINGDOM

	Male	Female	Total	Change since previous month	Average change over past 6 months	Average change over past 3 months	Unemployment rate: Percentage of workforce*
1988 Jun	1624.0	700.1	2324.1	-39.7	-40.8	-43.3	8.1
Jul	1586.7	680.6	2267.3	-56.8	-42.0	-45.2	7.9
Aug	1562.7	662.9	2225.6	-41.7	-43.2	-46.1	7.8
Sep++	1543.1	648.6	2191.7	-33.9	-43.7	-44.1	7.7
Oct	1522.4	635.5	2157.9	-33.8	-40.8	-36.5	7.6
Nov	1484.6	620.6	2105.2	-52.7	-43.1	-40.1	7.4
Dec	1439.4	598.0	2037.4	-67.8	-47.8	-51.4	7.1
1989 Jan	1405.4	582.4	1987.8	-49.6	-46.6	-56.7	7.0
Feb	1377.9	570.8	1948.7	-39.1	-46.2	-52.2	6.8
Mar	1359.5	557.1	1916.6	-32.1	-45.9	-40.3	6.7
Apr	1321.5	536.5	1858.0	-58.6	-50.0	-43.3	6.5
May(r)	1309.7	526.1	1835.8	-22.2	-44.9	-37.6	6.4
Jun(p)	1295.4	513.9	1809.3	-26.5	-38.0	-35.8	6.3 **

\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).
++ September's seasonally adjusted figures have also been adjusted to allow for the estimated distortion caused by the postal strike (See note A8).
** The separate rate for males was 7.8 per cent, and for females 4.3 per cent.
* See note A4
(p) Provisional and subject to revision (see note A5)
(r) Revised

TABLE 2: **UNEMPLOYMENT SEASONALLY ADJUSTED+ (P) - REGIONS** June 8 1989

	Male	Female	Total	Change since previous month	Unemployment rate	
			THOUSAND		percentage of workforce*	Change since previous month
South East	260.5	109.6	370.1	-3.5	3.9	0.0
(incl. Greater London)	(156.6)	(61.9)	(218.5)	(-2.7)	(5.0)	(-0.1)
East Anglia	23.7	11.4	35.1	0.0	3.3	0.0
South West	66.9	33.2	100.1	-0.8	4.7	0.0
West Midlands	118.7	50.1	168.8	-3.1	6.3	-0.1
East Midlands	78.2	32.0	110.2	-1.3	5.5	-0.1
Yorks and Humberside	129.1	49.2	178.3	-3.0	7.5	-0.1
North West	192.7	71.5	264.2	-4.5	8.8	-0.1
North	106.5	37.1	143.6	-2.7	9.8	-0.2
Wales	71.5	27.0	98.5	-1.4	8.2	-0.1
Scotland	169.9	65.0	234.9	-4.6	9.4	-0.2
GREAT BRITAIN	**1,217.6**	**485.9**	**1,703.5**	-25.3	6.1	-0.1
Northern Ireland	77.8	28.0	105.8	-1.2	15.3	-0.2
UNITED KINGDOM	**1,295.4**	**513.9**	**1,809.3**	-26.5	6.3	-0.1

* See note A4
(P) Provisional see note A5
\+ To maintain a consistent assessment ,the seasonally adjusted series relates only to claimants aged 18 and over (see notes to editors, A7).

TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

		Male	Female	Number	Unemployment rate percentage of workforce*
1988	Jun	1,632,041	708,748	2,340,789	8.2
	Jul	1,606,313	720,390	2,326,703	8.1
	Aug	1,576,548	714,627	2,291,175	8.0
	Sep++	1,594,403	716,570	2,310,973	8.1
	Oct++	1,484,236	634,626	2,118,862	7.4
	Nov	1,454,771	612,173	2,066,944	7.2
	Dec	1,451,478	595,060	2,046,538	7.2
1989	Jan	1,473,163	601,149	2,074,312	7.3
	Feb	1,434,871	583,308	2,018,179	7.1
	Mar	1,399,364	560,856	1,960,220	6.9
	Apr	1,350,793	532,788	1,883,581	6.6
	May	1,297,067	505,452	1,802,519	6.3
	Jun	1,256,572	486,569	1,743,141	6.1+

+ The separate rate for males was 7.6 per cent, and for females 4.1 per cent.

TABLE 4: UNEMPLOYMENT TOTAL UNADJUSTED - REGIONS June 8 1989 THOUSAND

	Male	Female	Total	Change since previous month	Unemployment rate percentage of workforce*
South East	251.9	103.3	355.2	-10.3	3.8
incl. (Greater London)	(154.5)	(59.7)	(214.2)	(-4.1)	(4.9)
East Anglia	22.4	10.5	32.9	-2.2	3.1
South West	61.3	29.2	90.5	-6.0	4.3
West Midlands	115.5	47.8	163.4	-4.5	6.1
East Midlands	75.7	30.6	106.3	-3.8	5.3
Yorks and Humberside	125.7	47.2	172.9	-6.2	7.2
North West	188.4	68.3	256.8	-8.4	8.5
North	104.6	35.5	140.0	-5.0	9.5
Wales	68.0	24.8	92.8	-5.0	7.7
Scotland	166.1	62.1	228.2	-7.0	9.1
GREAT BRITAIN	1,179.7	459.2	1,638.9	-58.2	5.9
Northern Ireland	76.9	27.3	104.2	-1.2	15.1
UNITED KINGDOM	1,256.6	486.6	1,743.1	-59.4	6.1

++ Changes in the unadjusted unemployment figures are affected by the new regulations for claimants aged under 18, introduced in September 1988, as well as seasonal influences. The figures for September 1988 were also affected by over-recording caused by the postal strike (see notes to editors).

* See note A4.

TABLE 5: UNEMPLOYMENT FLOWS [x] - STANDARDISED, UNADJUSTED
UNITED KINGDOM

Thousands

Month ending	INFLOW Total	INFLOW Change since previous year	OUTFLOW Total	OUTFLOW Change since previous year
1988 Jun	273.8	-41.7	367.1	-36.3
Jul	347.5	-81.6	359.7	-68.2
Aug	311.6	-72.8	350.1	-69.5
Sep**	327.4	-129.2	305.9	-145.9
Oct**	319.6	-100.6	486.1	-62.9
Nov	297.8	-77.5	354.0	-78.3
Dec	269.9	-58.7	292.0	-25.5
1989 Jan	269.4	-74.9	245.4	-76.2
Feb	290.0	-55.2	350.8	-55.8
Mar	264.0	-49.0	326.8	-65.7
Apr	247.5	-76.4	313.9	-58.6
May	230.8	-45.9	318.6	-76.3
Jun	225.0	-48.8	289.3	-77.7

x See note A6
** See notes A7 and A8.

EMPLOYMENT IN THE UNITED KINGDOM

The presentation of employment statistics in the monthly press notice are on a United Kingdom basis where possible. The new figures available this month cover the whole economy for March 1989 and employees in production industries (in Great Britain only) for May 1989. Some of the estimates for earlier periods have been revised to take account of newly available information.

The workforce in employment (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) in the United Kingdom is estimated to have increased by 177,000 in the first quarter of 1989 and by 596,000 in the year to March 1989. The increase of 177,000 in the first quarter of 1989 consists of an estimated increase of 109,000 in employees in employment, a projected increase of 31,000 in the self-employed, a rise of 40,000 in work related government training programmes (this reflects the continued rise in the number of Employment Training participants) and a fall of 3,000 in HM Forces.

In the year to March 1989 the number of employees in employment increased by 373,000, the net result of a rise of 405,000 in services offset by falls of 2,000 in manufacturing, 27,000 in the energy and water supply industries and 3,000 in other industries (agriculture and construction).

Recent United Kingdom employment figures are set out in Tables 6 to 8.

EMPLOYMENT AND HOURS WORKED IN MANUFACTURING INDUSTRIES IN GREAT BRITAIN

In the month of May the estimated number of employees in employment in manufacturing industries in Great Britain decreased by 15,000, compared with falls of 18,000 in April and 5,000 in the first quarter of 1989. Month to month changes can be erratic and it is therefore more appropriate to consider trends over a longer period; over the year to May 1989 the number of employees in manufacturing industries fell by 37,000.

Overtime working by operatives in manufacturing industries fell a little to 13.6 million hours per week in May, compared with 14.1 million hours per week in April and 13.7 million hours a week in May 1988.

Hours lost through short-time working in manufacturing industries remained low, at 0.43 million hours per week in April.

The index of average weekly hours worked by operatives in manufacturing industries (which takes account of hours of overtime and short-time as well as normal basic hours) was estimated at 100.6 in May compared with 101.0 in April and an average of 101.2 over the three month period ending March.

Recent manufacturing employment and hours figures are set out in Table 9.

Table 6: The Workforce in Employment in the United Kingdom *

Thousands, seasonally adjusted

		Employees in Employment			Self Employed **			HM Forces			Work related government training programmes +			Workforce in employment **		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
1983	March	11,977	9,047	21,024	1,704	504	2,209	306	15	321	6	3	9	13,993	9,569	23,562
	June	11,945	9,109	21,053	1,705	516	2,221	306	16	322	8	8	16	13,964	9,648	23,613
	Sept	11,928	9,180	21,108	1,755	535	2,290	309	16	325	79	67	146	14,071	9,798	23,869
	Dec	11,914	9,253	21,168	1,804	554	2,359	309	16	325	101	86	187	14,129	9,909	24,038
1984	March	11,899	9,303	21,202	1,854	574	2,428	310	16	326	96	80	176	14,159	9,972	24,132
	June	11,895	9,332	21,227	1,903	594	2,496	310	16	326	95	80	175	14,203	10,022	24,224
	Sept	11,909	9,376	21,285	1,921	604	2,525	312	16	328	118	98	216	14,260	10,094	24,353
	Dec	11,958	9,431	21,389	1,939	614	2,554	311	16	327	115	94	209	14,323	10,155	24,478
1985	March	11,969	9,481	21,450	1,958	624	2,582	310	16	326	107	83	190	14,344	10,204	24,548
	June	11,972	9,524	21,496	1,975	635	2,610	309	16	326	100	76	176	14,357	10,251	24,608
	Sept	11,962	9,571	21,533	1,979	636	2,615	309	16	326	126	103	229	14,377	10,326	24,703
	Dec	11,963	9,592	21,556	1,982	636	2,619	307	16	323	120	97	217	14,373	10,342	24,715
1986	March	11,927	9,633	21,560	1,986	637	2,623	306	16	323	108	83	191	14,327	10,368	24,696
	June	11,895	9,675	21,570	1,989	637	2,627	305	16	322	127	99	226	14,317	10,427	24,744
	Sept	11,874	9,724	21,598	2,030	655	2,685	306	16	323	157	128	285	14,368	10,523	24,891
	Dec	11,850	9,786	21,637	2,071	673	2,743	304	16	320	155	123	278	14,380	10,598	24,978
1987	March	11,860	9,838	21,698	2,111	690	2,802	304	16	320	143	111	255	14,418	10,656	25,074
	June	11,933	9,945	21,878	2,152	708	2,860	302	16	319	177	134	311	14,564	10,804	25,368
	Sept	12,019	10,038	22,057	2,178	713	2,891	303	16	319	223	161	383	14,723	10,928	25,651
	Dec	12,111	10,154	22,266	2,204	719	2,923	301	16	317	216	151	366	14,833	11,040	25,872
1988	March	12,210R	10,265R	22,475R	2,231	724	2,954	301	16	317	205	138	343	14,946R	11,142R	26,089R
	June	12,237R	10,323R	22,560R	2,257	729	2,986	300	16	316	205	138	343	14,998R	11,205R	26,203R
	Sept	12,262R	10,408	22,671R	2,277	739	3,017	299	16	315	220	149	369	15,059R	11,313	26,371R
	Dec	12,272	10,467R	22,739R	2,297	750	3,048	297	16	313	252R	156R	408R	15,118R	11,389R	26,507R
1989	March	12,298	10,550	22,848	2,317	761	3,079	293	16	310	285	164	448	15,193	11,491	26,685

* The workforce in employment comprises employees in employment, the self-employed, HM Forces, and participants in work related government training programmes.

** See notes B4 and B5.

\+ See note B8
Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

Table 7: Quarterly changes in the Workforce in Employment in the United Kingdom *

Thousands, seasonally adjusted

		Employees in Employment			Self Employed **			HM Forces			Work related government training programmes +			Workforce in employment **		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
1983	June	-32	62	30	1	12	12	0	1	1	3	[illegible]	7	-29	79	50
	Sept	-16	71	55	50	19	69	3	0	3	71	5[illegible]	130	107	150	257
	Dec	-14	73	59	49	20	69	0	0	0	22	19	41	58	112	169
1984	March	-15	49	34	50	19	69	1	0	1	-5	-6	-11	30	63	93
	June	-5	29	25	49	20	68	0	0	0	-1	0	-1	43	49	93
	Sept	14	44	58	18	10	29	2	0	2	22	18	40	57	72	129
	Dec	49	55	104	18	10	29	-1	0	-1	-3	-4	-7	64	61	125
1985	March	11	50	61	18	10	29	-1	0	-1	-8	-11	-19	20	49	69
	June	4	43	46	18	11	28	-1	0	0	-7	-7	-14	14	47	61
	Sept	-10	47	37	3	1	4	0	0	0	26	27	53	19	75	94
	Dec	1	22	22	3	1	4	-2	0	-2	-6	-6	-12	-4	16	12
1986	March	-36	41	4	3	1	4	-1	0	-1	-12	-14	-26	-46	27	-19
	June	-32	42	10	4	0	4	-1	0	-1	19	16	35	-10	58	49
	Sept	-21	49	28	41	18	58	1	0	1	30	30	59	50	96	146
	Dec	-24	63	39	41	18	58	-2	0	-2	-2	-5	-8	12	75	87
1987	March	10	52	61	41	18	58	0	0	0	-11	-12	-23	38	58	96
	June	73	107	180	40	18	58	-1	0	-1	33	23	57	145	148	294
	Sept	86	93	179	26	5	31	1	0	0	46	26	72	159	124	283
	Dec	92	116	208	26	5	31	-2	0	-2	-7	-10	-17	110	111	221
1988	March	99R	110R	209R	26	5	31	0	0	0	-11	-13	-24	114R	103R	216R
	June	27R	58R	85R	26	5	31	-1	0	-1	0	0	0	52R	63R	115R
	Sept	25R	86R	111R	20	11	31	-1	0	-1	16	11	26	60R	107R	168
	Dec	10	59R	68	20	11	31	-2	0	-2	32R	7R	39R	60R	77	136R
1989	March	26	83	109	20	11	31	-3	0	-3	32	8	40	75	102	177

* The workforce in employment comprises employees in employment, the self-employed, HM Forces, and participants in work related government training programmes.

** See notes B4 and B5.

\+ See note B8
Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

Table 8: Employees in Employment in the United Kingdom

Thousand: Seasonally adjusted

		Manufacturing Industries		Energy & Water Supply Industries		Service Industries		Other Industries		All Industries and Services	
		Levels	Changes	Levels	Changes	Levels	Changes	Levels	Changes	Levels	Changes
1983 March	Q1	5,593		659		13,362		1,410		21,024	
June	Q2	5,537	- 55	648	- 11	13,463	+ 101	1,405	- 5	21,053	+ 30
September	Q3	5,485	- 52	643	- 6	13,572	+ 110	1,409	+ 4	21,108	+ 55
December	Q4	5,456	- 29	634	- 8	13,671	+ 99	1,406	- 3	21,168	+ 59
1984 March	Q1	5,428	- 28	623	- 11	13,749	+ 78	1,402	- 4	21,202	+ 34
June	Q2	5,423	- 5	616	- 7	13,799	+ 49	1,389	- 12	21,227	+ 25
September	Q3	5,401	- 22	613	- 4	13,877	+ 78	1,394	+ 5	21,285	+ 58
December	Q4	5,401	0	608	- 4	13,989	+ 112	1,391	- 3	21,389	+ 104
1985 March	Q1	5,388	- 13	601	- 7	14,073	+ 84	1,387	- 4	21,450	+ 61
June	Q2	5,379	- 9	589	- 13	14,152	+ 79	1,376	- 11	21,496	+ 46
September	Q3	5,373	- 6	577	- 11	14,223	+ 71	1,359	- 17	21,533	+ 37
December	Q4	5,346	- 27	567	- 10	14,295	+ 72	1,347	- 12	21,556	+ 22
1986 March	Q1	5,309	- 37	549	- 17	14,365	+ 70	1,336	- 11	21,560	+ 4
June	Q2	5,249	- 60	539	- 11	14,451	+ 86	1,331	- 5	21,570	+ 10
September	Q3	5,210	- 39	528	- 11	14,535	+ 84	1,325	- 6	21,598	+ 28
December	Q4	5,185	- 25	518	- 11	14,607	+ 72	1,327	+ 3	21,637	+ 39
1987 March	Q1	5,154	- 31	503	- 15	14,707	+ 100	1,334	+ 7	21,698	+ 61
June	Q2	5,180	+ 27	499	- 4	14,856	+ 149	1,343	+ 9	21,878	+ 180
September	Q3	5,191	+ 11	498	- 1	15,014	+ 158	1,355	+ 12	22,057	+ 179
December	Q4	5,217	+ 26	493	- 5	15,195	+ 181	1,360	+ 5	22,266	+ 208
1988 March	Q1	5,252	+ 35	481	- 12	15,372R	+ 177R	1,370	+ 10	22,475R	+ 209R
June	Q2	5,253	0	471	- 10	15,469R	+ 98R	1,367	- 3	22,560R	+ 85R
September	Q3	5,253	+ 1	468	- 2	15,593R	+ 124	1,356	- 11	22,671R	+ 111R
December	Q4	5,256	+ 2	464	- 4	15,663R	+ 70	1,356	+ 1R	22,739R	+ 68
1989 March	Q1	5,250	- 6	454	- 10	15,777	+ 114	1,367	+ 11	22,848	+ 109

* = Average monthly change over last three months

R = Revised to incorporate late data now available

Table 9: Great Britain

Employees in Employment in Production Industries

Thousand: Seasonally adjusted

		Energy & Water Supply Industries			Manufacturing Industries			
		Levels	Changes		Levels	Changes		
			Monthly	Quarterly		Monthly	Three* monthly	Quarterly
1987 April		487	- 7		5,048	- 4	- 5	
May		487	0		5,063	+ 14	+ 1	
June	Q2	490	+ 3	- 4	5,079	+ 17	+ 9	+ 27
July		487	- 3		5,081	+ 1	+ 11	
August		487	- 1		5,087	+ 6	+ 8	
September	Q3	489	+ 3	- 1	5,090	+ 3	+ 3	+ 10
October		485	- 5		5,101	+ 11	+ 7	
November		484	- 1		5,112	+ 11	+ 8	
December	Q4	485	+ 1	- 5	5,116	+ 4	+ 9	+ 26
1988 January		480	- 4		5,133	+ 17	+ 11	
February		476	- 4		5,144	+ 11	+ 11	
March	Q1	472	- 4	- 12	5,150	+ 6	+ 11	+ 34
April		463	- 10		5,151	+ 1	+ 6	
May		461	- 1		5,152	+ 1	+ 3	
June	Q2	462	+ 1	- 10	5,150	- 2	0	0
July		459	- 3		5,153	+ 3	+ 1	
August		459	0		5,155	+ 2	+ 1	
September	Q3	460	+ 1	- 2	5,150	- 5	0	0
October		456	- 4		5,141	- 10	- 4	
November		455	- 1		5,144	+ 3	- 4	
December	Q4	456	+ 1	- 4	5,152	+ 8	+ 1	+ 2
1989 January		453	- 3		5,162	+ 10	+ 7	
February		450R	- 2		5,155	- 7	+ 4	
March	Q1	446R	- 4R	- 10R	5,147	- 8	- 2	- 5
April		441R	- 5		5,130	- 18	- 11	
May		439	- 3		5,115	- 15	- 14	

Working Hours of operatives in Manufacturing Industries

Seasonally adjusted

	Hours of overtime worked	Hours lost through short-time working (stood off for whole or part of week)	Index of average weekly hours (average 1985=100)
	(millions)	(millions)	
1987 April	12.53	.40	100.3
May	12.46	.38	100.3
June	12.88	.32	100.6
July	12.56	.34	100.4
August	12.81	.29	100.6
September	13.13	.25	100.8
October	13.37	.27	101.0
November	13.33	.40	100.9
December	13.48	.26	100.9
1988 January	14.13	.24	101.6
February	13.48	.27	101.0
March	13.47	.23	101.0
April	13.43	.22	100.9
May	13.67	.23	100.9
June	13.44	.26	100.7
July	13.97	.31	101.0
August	13.94	.29	101.0
September	13.92	.24	100.9
October	14.51	.25	101.4
November	14.66	.22	101.5
December	14.81	.22	101.5
1989 January	14.80	.18	101.7R
February	14.06	.27	101.1R
March	13.80	.30	100.8R
April	14.09	.37	101.0
May	13.59	.43	100.6

● = Average monthly change over last three months
R = Revised to incorporate late data now available

VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) increased by 8,200 in the month to June to 226,400. Over the past three months to June, seasonally adjusted vacancies have increased on average by 1,200 per month.

Unadjusted, there was an increase of 15,138 unfilled vacancies in the month to 240,587.

The inflow of notified vacancies increased on average by 800 per month in the three months ending June 1989, the outflow decreased by 4,200 per month,and placings decreased by 3,000 per month.

Recent figures are shown in tables 10,11 and 12.

TABLE 10: UNFILLED VACANCIES - UNITED KINGDOM — THOUSAND

		VACANCIES AT JOBCENTRES+				VACANCIES AT CAREERS OFFICES
		SEASONALLY ADJUSTED			UNADJUSTED	
		Number	Change since previous month	Average change over past 3 months	Number	Unadjusted
1988	Jun	255.1	0.6	1.9	269.5	30.7
	Jul	249.7	-5.4	-2.1	258.2	32.3
	Aug	242.8	-6.9	-3.9	244.0	31.6
	Sep	240.3	-2.5	-4.9	260.1	31.9
	Oct	251.2	10.9	0.5	271.8	30.6
	Nov	245.2	-6.0	0.8	252.3	26.5
	Dec	238.3	-6.9	-0.7	223.3	23.4
1989	Jan	229.2	-9.1	-7.3	203.3	21.9
	Feb	228.1	-1.1	-5.7	202.0	21.8
	Mar	222.9	-5.2	-5.1	204.8	23.1
	Apr	222.1	-0.8	-2.4	216.8	25.1
	May	218.2	-3.9	-3.3	225.4	27.4
	Jun	226.4	8.2	1.2	240.6	35.2

+ Vacancies at jobcentres are only about a third of all vacancies in the economy. See note C3.

TABLE 11: VACANCY FLOWS AT JOBCENTRES-SEASONALLY ADJUSTED UNITED KINGDOM

THOUSAND

	INFLOW		OUTFLOW		of which: PLACINGS	
	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending	Level	Average change over 3 Months ending
1988 Jun	230.8	-1.8	229.7	-2.1	156.3	-2.2
Jul	230.3	-0.1	231.8	1.5	156.4	-0.6
Aug	227.0	-1.4	232.6	1.5	156.8	-0.4
Sep	227.7	-1.0	229.0	-0.2	155.4	-0.3
Oct	232.8	0.8	229.3	-0.9	153.4	-1.0
Nov	234.0	2.3	242.5	3.3	162.3	1.8
Dec	230.8	1.0	233.4	1.5	157.6	0.7
1989 Jan	220.4	-4.1	231.0	0.6	160.5	2.4
Feb	234.8	0.3	239.4	-1.0	167.2	1.6
Mar	229.3	-0.5	234.8	0.5	164.0	2.1
Apr	220.8	0.1	221.9	-3.0	154.8	-1.9
May	221.4	-4.5	222.5	-5.6	154.5	-4.2
Jun	231.6	0.8	222.4	-4.2	155.1	-3.0

TABLE 12: UNFILLED VACANCIES* - REGIONS - 2 June 1989 THOUSAND

	VACANCIES AT JOBCENTRES			VACANCIES AT CAREERS OFFICES
	UNADJUSTED	SEASONALLY ADJUSTED		
	TOTAL	Number	Change since previous month	UNADJUSTED
South East	79.5	74.3	2.3	19.6
(incl. Greater London)	(25.2)	(23.8)	(-0.2)	(10.8)
East Anglia	9.3	8.7	0.5	1.5
South West	23.0	20.0	0.8	2.0
West Midlands	20.8	20.5	-0.4	3.5
East Midlands	13.6	12.8	-0.2	2.2
Yorks and Humberside	14.5	13.7	0.8	1.3
North West	26.4	24.7	1.4	1.8
North	11.9	11.7	0.7	0.6
Wales	15.7	14.7	0.7	0.5
Scotland	23.3	21.9	1.7	1.0
GREAT BRITAIN	**238.0**	**222.9**	8.2	33.9
Northern Ireland	2.6	3.6	0.1	1.3
UNITED KINGDOM	**240.6**	**226.4**	8.2	35.2

* The proportion of total vacancies at Jobcentres varies by region. See note C3.

AVERAGE EARNINGS

The underlying increase in average weekly earnings in the year to May was about 9 1/4 per cent, the same as the increase in the year to April. The actual increase in the year to May, at 9.4 per cent (9.5 per cent seasonally adjusted), was above the underlying increase as arrears in 1988 were lower than in May 1989 and some groups of workers have had more than one pay increases in the past 12 months.

TABLE 13: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: WHOLE ECONOMY

			Seasonally adjusted		
		Index 1985 = 100	Index 1985 = 100	Percentage increase over previous 12 months	Underlying % increase over previous 12 months
1987	April	114.0	114.2	6.3	7 3/4
	May	115.3	115.4	8.7	7 3/4
	June	116.4	115.7	7.7	7 3/4
	July	118.2	117.0	8.0	7 3/4
	August	117.3	117.1	7.6	7 3/4
	September	117.2	117.4	7.9	7 3/4
	October	118.4	118.8	8.1	8
	November	120.6	120.2	8.4	8 1/4
	December	122.4	121.0	8.8	8 1/2
1988	January	120.4	121.8	8.7	8 1/2
	February	120.3	122.0	8.2	8 1/2
	March	124.0	124.0	9.5	8 1/2
	April	124.3	124.4	8.9	8 1/2
	May	124.1	124.2	7.6	8 1/2
	June	125.9	125.1	8.1	8 3/4
	July	128.3	126.9	8.5	9
	August	126.8	126.6	8.1	9 1/4
	September	127.3	127.6	8.7	9 1/4
	October	128.9	129.5	9.0	9
	November	131.2	130.7	8.7	8 3/4
	December	135.7	134.3	11.0	8 3/4
1989	January	131.8	133.3	9.4	9
	February	132.0	133.8	9.7	9 1/4
	March	134.9	134.9	8.8	9 1/4
	April	135.6	135.7	9.1	9 1/4
	May*	135.8	136.0	9.5	9 1/4

* Provisional

In production industries, the underlying increase in average weekly earnings in the year to May was about 9 1/4 per cent, the same as the increase in the year to April. Within this sector, in manufacturing industries, the underlying increase in the year to May was about 9 1/4 per cent, a rise of 1/4 per cent on the increase in the year to April. The actual increases for production industries and manufacturing industries in the year to May were 9.0 per cent and 9.1 per cent respectively.

In service industries, the underlying increase in average weekly earnings in the year to May was about 9 per cent, the same as the increase in the year to April, which has been revised down from 9 1/4 per cent. The actual increase in the year to May was 9.6 per cent.

TABLE 14: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: MAIN SECTORS

seasonally adjusted

	Production industries*			Manufacturing industries**			Service industries***		
	Index 1985=100	% increases over previous 12 months		Index 1985=100	% increases over previous 12 months		Index 1985=100	% increases over previous 12 months	
		seas adj	under-lying		seas adj	under-lying		seas adj	under-lying
1988 Jan	121.7	8.0	8 1/2	121.7	8.5	8 1/2	121.4	9.2	8 1/2
Feb	120.7	6.3	8 1/2	121.1	7.1	8 1/2	122.1	9.4	8 1/2
Mar	123.1	8.6	8 1/4	123.2	8.8	8 1/2	124.4	10.2	8 1/2
Apr	125.6	9.6	8 1/2	125.2	9.4	8 3/4	123.8	8.6	8 1/2
May	126.0	9.4	8 1/2	124.9	8.9	8 3/4	123.5	6.2	8 1/2
Jun	125.3	8.3	9	125.0	8.0	9	125.5	8.2	8 3/4
Jul	127.0	8.6	9	126.6	8.3	9	126.6	8.4	9
Aug	127.2	8.1	9	126.7	8.3	8 3/4	126.0	7.9	9 1/4
Sep	128.3	8.2	8 3/4	127.6	8.0	8 3/4	126.6	8.7	9 1/4
Oct	130.1	8.5	8 3/4	129.2	8.2	8 1/2	128.4	8.6	9
Nov	130.4	8.6	8 3/4	130.2	8.7	8 3/4	131.0	8.8	8 3/4
Dec	132.5	9.1	9	132.4	9.1	8 3/4	135.6	12.4	8 3/4
1989 Jan	133.2	9.4	9	133.2	9.4	9	132.7	9.3	9
Feb	133.4	10.5	9 1/4	133.2	10.0	9	133.0	8.9	9
Mar	133.9	8.8	9 1/4	133.4	8.3	9	135.1	8.6	9
Apr	136.7	8.8	9 1/4	136.5	9.0	9	135.2	9.2	9 R
May(p)	137.3	9.0	9 1/4	136.2	9.0	9 1/4	135.4	9.6	9

p provisional R revised

* DIVISIONS 1-4 of SIC 1980 covering Energy and water supply and manufacturing.

** DIVISIONS 2-4 of SIC 1980. Included in production industries.

*** DIVISIONS 6-9 of SIC 1980 covering Distribution, hotels and catering, repairs; Transport and communications;Banking,finance, insurance, business services and leasing; Other services (including public administration, education, medical and other health services, etc).

UNIT WAGE AND SALARY COSTS

WAGES AND SALARIES PER UNIT OF OUTPUT IN MANUCTURING WILL BE THE SUBJECT OF A SEPARATE PRESS RELEASE ON FRIDAY 14 JULY.

In the three months ending April 1989, wages and salaries per unit of output in manufacturing industries were 2.8 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 14) as there was a rise of about 6 per cent in productivity over this period (see Table 16).

In the first quarter of 1989 wages and salaries per unit of output in the whole economy were 8.3 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 1/2 per cent in productivity over this period.

TABLE 15: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	104.7	8.3	104.0	6.2
	Q2	104.7	6.5	105.1	6.7
	Q3	104.8	3.7	106.0	4.7
	Q4	103.7	-0.2	106.8	4.3
1987	Q1	105.9	1.1	107.6	3.5
	Q2	104.9	0.2	109.3	4.0
	Q3	105.9	1.0	110.6	4.3
	Q4	107.6	3.8	113.1	5.9
1988	Q1	108.4	2.4	114.9	6.8
	Q2	109.7	4.6	116.9	7.0
	Q3	108.1	2.1	118.3	7.0
	Q4	110.2	2.4	121.9	7.7
1989	Q1	111.7	3.0	124.4	8.3
1988	Nov	109.7	2.1	..	..
	Dec	111.5	2.6	..	..
1989	Jan	111.5	3.6	..	..
	Feb	112.0	3.0	..	..
	Mar	111.7	2.5	..	..
	Apr	114.1	3.0	..	..
3 months ending					
1988	Nov	109.0	1.8	..	..
	Dec	110.2	2.4	..	..
1989	Jan	110.9	2.8	..	..
	Feb	111.7	3.1	..	..
	Mar	111.7	3.0	..	..
	Apr	112.6	2.8	..	..

Note: The effects of the Piper Alpha disaster and other oil industry interruptions are estimated to have added about 1 percentage point to the increase in unit wage costs for the whole economy in 1989 Q1 and about 1/2 a percentage point in each of the two previous quarters.

PRODUCTIVITY

OUTPUT PER HEAD IN MANUFACTURING WILL BE THE SUBJECT OF A SEPARATE PRESS RELEASE ON FRIDAY 14 JULY 1989.

Manufacturing output per head in the three months to April was 0.3 per cent higher than in the three months ending January and 6.1 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the first quarter of 1989 was 0.3 per cent lower than in the previous quarter but 0.4 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 16: OUTPUT PER HEAD — seasonally adjusted

		Manufacturing		Whole Economy	
		Index 1985 = 100	Percentage increase on a year earlier	Index 1985 = 100	Percentage increase on a year earlier
1986	Q1	100.0	-0.3	101.0	1.7
	Q2	101.9	0.9	101.9	1.4
	Q3	103.3	3.5	102.7	2.8
	Q4	107.0	8.2	103.7	3.4
1987	Q1	106.6	6.6	104.0	3.0
	Q2	109.6	7.6	104.6	2.6
	Q3	110.8	7.3	105.4	2.6
	Q4	111.7	4.4	105.7	1.9
1988	Q1	112.5	5.5	106.0	1.9
	Q2	114.0	4.0	105.8	1.1
	Q3	117.4	6.0	106.6	1.1
	Q4	118.5	6.1	106.8	1.1
1989	Q1	119.3	6.0	106.4	0.4
1988	Nov	118.6	6.4	..	..
	Dec	118.7	6.4	..	..
1989	Jan	119.5	5.7	..	..
	Feb	118.9	6.7	..	..
	Mar	119.4	5.7	..	..
	Apr	119.7	5.9	..	..
3 months ending					
1988	Nov	118.3	6.3	..	..
	Dec	118.5	6.1	..	..
1989	Jan	118.9	6.1	..	..
	Feb	119.0	6.2	..	..
	Mar	119.3	6.0	..	..
	Apr	119.3	6.1	..	..

Note: The effects of the Piper Alpha disaster and other oil industry interruptions are estimated to have reduced the increase in whole economy output per head by about 1 percentage point in 1989 Q1 and by about 1/2 a percentage point in each of the previous two quarters.

Industrial stoppages

In May 1989, it is provisionally estimated that 171 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 89 thousand in April 1989, 140 thousand in May 1988 and and an average of 564 thousand for May during the ten year period 1979 to 1988.
During the twelve months to May 1989 it is provisionally estimated that a total of 2,911 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 700 stoppages have been provisionally recorded as being in progress, involving a total of 649 thousand workers. The comparable figures for the twelve months to May 1988 were 2,147 thousand lost working days, 894 stoppages in progress and 607 thousand workers.

Table 17. Industrial stoppages in progress in the United Kingdom.

	Working days lost (thousand)	Number of Stoppages	Workers involved (thousand)
1988			
May	140	78	41
Jun	306	89	43
Jul	349	71	37
Aug	431	62	151
Sep	1,115	63	163
Oct	53	83	33
Nov	183	85	152
Dec	38	49	18
1989			
Jan(p)	42	57	13
Feb(p)	59	82	20
Mar(p)	74	68	23
Apr(p)	89	68	45
May(p)	171	71	53
Cumulative totals			
12 months to May 1988	2,147	894	607
12 months to May 1989(p)	2,911	700	649

(p) Provisional and subject to revision, normally upwards, see note H1.

NOTES TO EDITORS

GENERAL SYMBOLS

The following symbols are used throughout: .. not available, - nil or negligible, p provisional, r revised. Occasionally, totals may differ from the sum of components because of rounding or separate seasonal adjustments of components.

UNEMPLOYMENT (Tables 1-5)

A1. The unemployment figures are based on records of those claiming benefits at Unemployment Benefit Offices. The figures therefore include those who claim Unemployment Benefit, Income Support (formerly Supplementary Benefit up to April 1988) or National Insurance credits. The figures include the severely disabled but exclude students seeking vacation work and the temporarily stopped (see below). A full description of the system of compiling the figures appeared in the September 1982 Employment Gazette.

A2. The unemployment figures exclude students who are claiming benefit during a vacation but who intend to return to full-time education when the new term begins. From November 1986 most students have only been eligible for benefits in the summer vacation. On 8 June 1989 students numbered 5642 in the United Kingdom.

A3. The figures exclude temporarily stopped workers, that is, those who had a job on the day of the count but were temporarily suspended from work on that day and were claiming benefits. On 8 June 1989 these numbered 2,973 in Great Britain and 4,563 in the United Kingdom.

A4. National and regional unemployment rates are calculated by expressing the number of unemployed as a percentage of the estimated total workforce (the sum of employees in employment, unemployed claimants, self-employed, HM Forces and participants on work-related government training programmes) at mid-1988.

Until July 1986, all rates were expressed as a percentage of the unemployed plus employees only. These narrower based rates continue to be used for local areas (travel-to-work areas and counties) because estimates for the self-employed needed to calculate the new rates are not made below regional level. The denominators for these narrow-based rates relate to mid-1987, but will be fully updated to mid-1988, and the rates revised, when the results of the 1987 Census of Employment, including revised employment estimates for travel-to-work-areas and counties, become available later this year. The UK narrower rates on 8 June 1989 were 9.0 per cent for males and 4.5 per cent for females, 7.1 per cent in total (unadjusted).

A5. The latest figures for national and regional seasonally adjusted unemployment are provisional and subject to revision, mainly in the following month. The seasonally adjusted series takes account of all past discontinuities to be consistent with the current coverage. (See the article "Unemployment adjusted for discontinuities and seasonality" in the July 1985 Employment Gazette and also page 422 of the October 1986 edition for the list of previous changes in coverage taken into account). The seasonally adjusted series now relates only to those aged 18 and over in order to maintain a consistent series, allowing for the change in benefit regulations for those aged under 18 from September 1988. See also notes A7 and A8.

For further details see the article 'Unemployment statistics : revisions to the seasonally adjusted series' in the December 1988 issue of Employment Gazette.

A6. The unemployment flows in Table 5 relate to people claiming and ceasing to claim benefit. A seasonally adjusted series cannot yet be estimated. The figures are standardised to a four and one third week month to allow for the varying periods between successive monthly count dates, and may therefore appear not to balance with the monthly changes in unemployment levels.

A7. The extension of the guaranteed offer of a YTS place to all those aged under 18 who have not found a job, and the associated change in September 1988 in the entitlement of young people to claim unemployment-related benefits have inevitably affected the coverage of the claimant count mainly from October 1988. There are now only a few under 18's remaining in the count. The effect of the new regulations is to remove about 90,000 on average from the total count with over 80,000 of this having taken place over the two months to October. Previously the seasonally adjusted unemployment series included those under 18's who had a job since leaving school(i.e. those not classed as school leavers); and without amendment there would be a discontinuity mainly from October 1988. To maintain consistency over time, the seasonally adjusted series has consequently been restricted to claimants aged 18 and over. On recent levels of unemployment the new series is about 40,000 lower than the former series. The new series are available back to January 1971 at national level (1974 for the regions). See also note A5.

A8. The seasonally adjusted unemployment figures for September 1988 allow for the estimated effect of temporary over-recording caused by the postal strike. The adjustments made at regional level are less precise than those at national level. September's unadjusted figures, however, remain distorted by this effect, estimated at around 55,000. This arose mainly through the special action taken to ensure that the unemployed received their benefits during the strike and delays in the post of information about when claimants ceased to be unemployed. The outflow from unemployment between the August and September counts was therefore understated, with a consequent upward effect on the September totals. This effect unwound between the September and October counts.

EMPLOYMENT AND HOURS (Tables 6-9)

B1. Information on the number of employees in employment is for most industries collected quarterly and monthly (for manufacturing in Great Britain only) from sample surveys addressed to individual establishments and for other industries from returns provided by major employers in the industry. These figures are used to calculate rates of change in employment since the last Census of Employment was held, and the rates of change are applied to comprehensive census results to provide current estimates.

B2. In Great Britain the surveys cover all large establishments and a proportion of small establishments (but none of the smallest employers). 30,000 establishments are surveyed each quarter month (e.g. in March, June etc.), and of these 12,000 are in manufacturing

industries. 6,000 of the manufacturing establishments are also surveyed in non-quarter months. Estimates for these months are less reliable than those for quarter months, and the first estimates are subject to revision when the following quarter's figures become available (e.g. January and February estimates are revised in the light of figures for March). As the estimates of employees in employment are derived from employers' reports of the numbers of people they employ, individuals holding two jobs with different employers will be counted twice. Participants in government employment and training schemes are included if they have a contract of employment. HM Forces, homeworkers and private domestic servants are excluded.

B3. The estimates of employees in employment in Great Britain presented in this press notice also take account of the results of the 1985, 1986, 1987 and 1988 sample Labour Force Surveys (LFS). The series include allowances for undercounting in the estimates of the number of employees in employment derived from the sample survey of employers. When the 1988 LFS results were incorporated in March 1989 there was a small change in methodology - see page 201 of the April 1989 issue of Employment Gazette for details. Estimates of employees in employment will be further revised when the 1987 Census of Employment results become available.

B4. Collection of employees in employment statistics for Northern Ireland are the responsibility of the Northern Ireland Department of Economic Development, they are also based on similar census of employment, but the sample surveys are a little different and the LFS is not used to supplement the data collected from employers.

B5. The self-employed are those who in their main employment work on their own account, whether or not they have any employees. Second occupations classified as self-employed are not included.

B6. Comprehensive estimates of the number of self-employed are taken from the Census of Population, the most recent of which was held in 1981. Estimates for the other years for Great Britain only are made by applying rates of change, derived from the sample Labour Force Survey results, to the census benchmark. In this way self employment is estimated to have increased by 12,800 a quarter between mid-1981 and mid-1983, by 68,800 a quarter between mid-1983 and mid-1984, by 28,800 a quarter between mid-1984 and mid-1985, by 4,100 a quarter between mid-1985 and mid-1986, by 58,500 a quarter between mid-1986 and mid-1987 and by 31,000 a quarter between mid-1987 and mid-1988. Pending the results of the 1989 Labour Force Survey it is assumed that the numbers of self employed are continuing to increase at the rate of 31,000 a quarter observed between 1981, the date of the latest Census of Population which provides a benchmark for the self employment series, and 1988, the date of the latest available Labour Force Survey data. The derivation of recent estimates is described in an article on page 201 of the April edition of the Employment Gazette.

B7. Figures for HM Forces are provided by the Ministry of Defence.

B8. Estimates of numbers on work-related government training programmes consist of those participants in programmes and schemes who in the course of their participation in the programmes receive

training in the context of a workplace but are not employees, self-employed or HM Forces. For the period up to September 1988 in Great Britain only it covers most YTS participants without contracts of employment (the small proportion, about 2 per cent, whose training does not include work experience with an employer are excluded) and the participants on the new JTS. Participants in Employment Training (ET) are included in this series from December 1988. For Northern Ireland those on the following schemes are included: Youth Training Programme (excluding second year trainees in further education colleges); Job Training Programme; Attachment Training Scheme and other management training scheme participants training with an employer. The estimates are not seasonally adjusted.

B9. The workforce in employment which comprises employees in employment, the self-employed, HM Forces and participants on work-related government schemes was introduced in the July 1988 issue of this press notice. See page S6 of the August 1988 edition of Employment Gazette for further details.

B10 The hours of overtime and short-time worked by operatives in manufacturing industries are collected by the surveys of individual establishments which are used to collect numbers of employees in manufacturing industries in Great Britain. Figures are collected monthly; those for non-quarter months are based on a smaller sample, and are therefore subject to retrospective revisions in the same way as the employee estimates.

B11. The index of average weekly hours relates to average weekly hours worked by operatives in manufacturing industries. It is based on the normal weekly hours of full time operatives as in national agreements plus average net overtime. The calculation of this index is described on page 240 of Employment Gazette, June 1983.

VACANCIES (Tables 10-12)

C1. The statistics do not include any vacancies on government programmes (except for vacancies on Enterprise Ulster and Action for Community Employment (ACE) included in the seasonally adjusted figures for Northern Ireland). Previously up to August 1988, unadjusted vacancy figures have additionally been provided including Community Programme vacancies. With the introduction of Employment Training (ET) from September 1988 there are no longer any CP vacancies. ET places are training opportunities determined according to the individual needs of unemployed people and therefore cannot be considered as vacancies or counted as such.
CP vacancies handled by jobcentres have been excluded from the seasonally adjusted series since the coverage was revised in September 1985. The seasonally adjusted series are therefore not affected by the cessation of CP vacancies. Figures on the current basis are available back to 1980. (See Employment Gazette October 1985 page 413 for further details).

C2. Vacancies at Jobcentres are mainly for adults aged 18 or over, but include some vacancies for persons under 18. Vacancies at Careers offices are mainly for young persons under 18 years of age, but include some vacancies suitable for adults. Where the

vacancy is notified to both services by an employer, it will be included in both counts; for this reason, the two counts should not be added together to give a figure for total vacancies.

C3. The vacancy figures do not represent the total number of vacancies in the economy. Latest estimates suggest that nationally about one third of all vacancies are notified to Jobcentres; and about one quarter of all engagements are made through Jobcentres. Inflow, outflow, and placings figures are collected for four or five week periods between count dates; the figures in this press notice are converted to a standard four and one third week month.

EARNINGS (Tables 13 and 14)

D1. The whole economy index of average earnings was introduced from January 1976. It was described in the April 1976 issue of Employment Gazette. The present series is based on 1985 = 100. Separate indices for 26 industry groups of Standard Industrial Classification (1980) are published in the Employment Gazette.

D2. All the series are based on information obtained from the Department's monthly survey of a representative sample of firms in Great Britain, combined with information supplied by the Ministry of Agriculture Fisheries and Food about agricultural earnings in England *and Wales. The survey obtains details of the gross wages and salaries paid to employees, in respect of the last pay week of the month for the weekly paid, and for the calendar month for the monthly paid. The earnings of the latter are converted into a weekly basis. The average earnings are obtained by dividing the total paid by the total number of employees paid, including those employees on strike. The sample of returns contains information relating to some 8 million employees.

D3. The rationale for the measurement of underlying changes in earnings was described in Employment Gazette, April 1981, page 193. In brief, the underlying measure adjusts actual earnings for temporary influences such as arrears of pay, variations in the timing of settlements, and industrial disputes. A short description and analysis of the differences between the seasonally adjusted earnings index and the underlying index appears quarterly in the Employment Gazette, the most recent being in the March 1989 issue.

D4. The average earnings index measures the monthly level of EARNINGS. Earnings include payments to employees for hours of overtime worked, bonus payments and shift premia, grading increments and other productivity or incentive payments. Increases in earnings will therefore include increases in these elements of pay and not just increases in basic pay rates. For this reason earnings increases usually exceed SETTLEMENT increases and WAGE CLAIMS. The Employment Department does not produce a settlements index but figures for settlements are produced by other bodies such as the CBI.

D5. Average earnings will also be affected by factors that are not temporary in nature such as changes in the composition of the workforce such as may arise through employing more or fewer part time employees, changes in hours worked, and irregular variations in bonuses, sickness etc on which no information is available.

UNIT WAGE AND SALARY COSTS (Table 15)

E1. New and revised estimates for the manufacturing industry will be available from the Department of Employment, Caxton House, Tothill Street from 11.30 am on Friday 14 July to coincide with the release by the CSO of Output of Production Industries figures.

E2. Wages and Salaries per unit of output in manufacturing in the United Kingdom is compiled using monthly series of average earnings, employment and output; it is described in Employment Gazette, June 1982, page 261.

E3. See note F2.

PRODUCTIVITY (Table 16)

F1. See note E1.

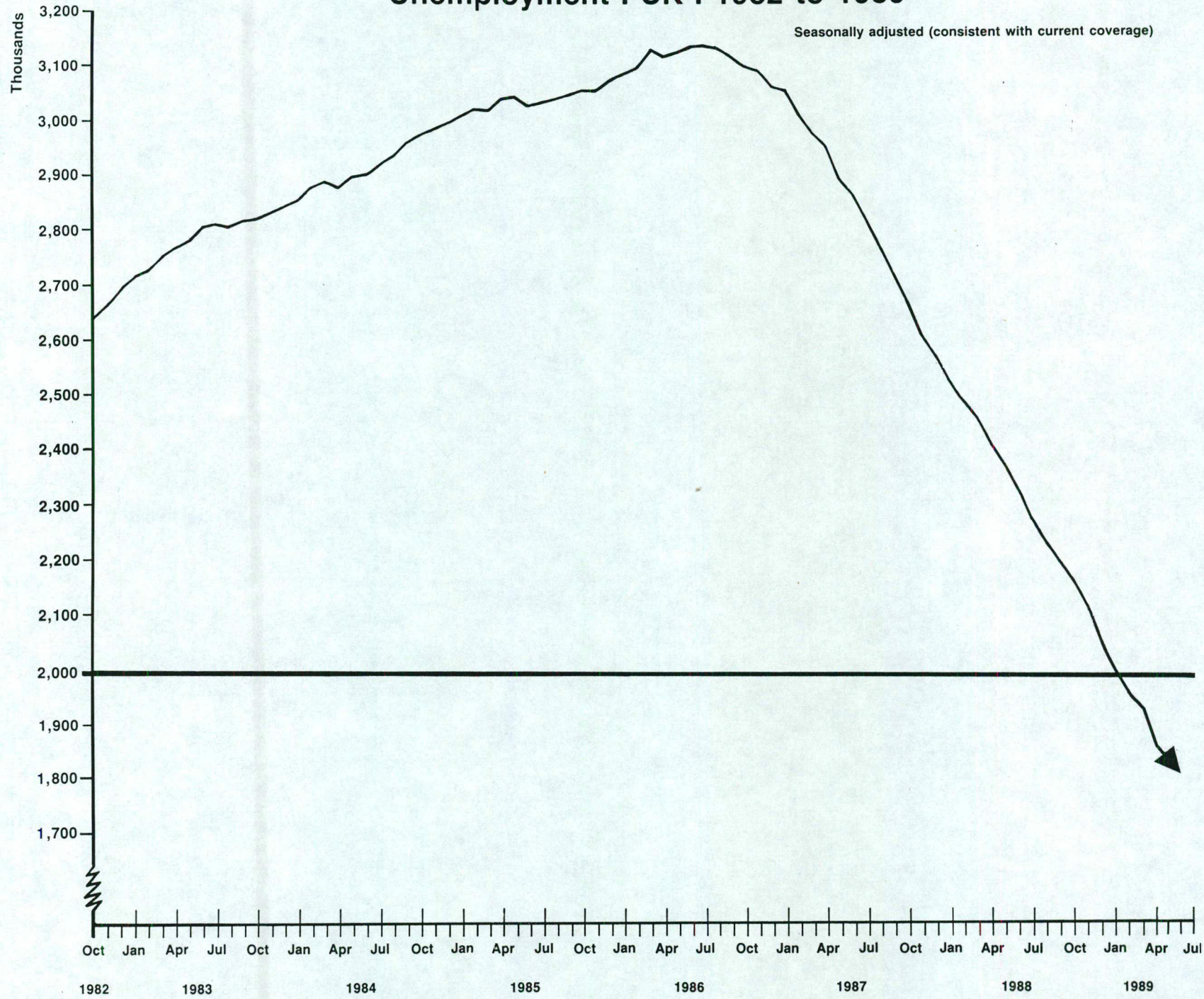
F2. Index numbers of output per person employed in the United Kingdom are calculated by dividing an index of output by an index of the numbers employed.

F3. The calculation of the productivity (and hence the unit wage cost) series is not affected by the changes to the employment series. The present calculation, using a denominator which excludes participants on work related training schemes, provides a better indicator of productivity (and wage cost) trends than would the revised employment series. This is because of the smallness of the scheme participants' contribution to output, the fact that some of the contribution will be excluded from the national accounts measure of output, and practical difficulties in the way of producing an analysis of participants.

INDUSTRIAL STOPPAGES (Table 17)

G1. Statistics of stoppages of work due to industrial disputes in the United Kingdom relate only to disputes connected with terms and conditions of employment. Stoppage involving fewer than 10 workers or lasting less than one day are excluded except where the aggregate of working days lost exceeded 100. However, there are difficulties recording stoppages near the margin of this threshold and consequently greater emphasis should be placed on the figure for working days lost rather than on the number of stoppages. The monthly figures are provisional and subject to revision, normally upwards, to take account of additional or revised information received after going to press.

Unemployment : UK : 1982 to 1989



eurostat

Theme 3
Population and social conditions
Series B
Short-term trends

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Unemployment

7 ☐ 1989 Monthly

26 July 1989

UNEMPLOYMENT IN THE COMMUNITY

June 1989

After compensating for differences in national recording methods, the seasonally adjusted **unemployment rate in the European Community is estimated to have been 9.3% in June 1989**, the same level as the previous two months.

In the twelve months since June 1988 the unemployment rate for the Community as a whole has dropped by 0.8%, with Spain (-2.6%), the United Kingdom (-2.1%) and Belgium (-1.2%) experiencing the largest falls. In the same period the rates in all other Member States fell by less than one percent, except in Denmark and Italy where there were slight increases. The downward trend has been greater in the under 25 age group (-2.3%), than for those aged 25 and over (-0.4%), who currently make up around 65% of the total number of unemployed in the Community.

The number of registered unemployed in the 12 Member States in May 1989 was 14.3 millions. Due to the new method of counting unemployed in the Netherlands, the figure for June 1989 will be available only in next month's bulletin.

eurostat

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DE EUROPÆISKE FÆLLESSKABERS STATISTISKE KONTOR
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BUREAU VOOR DE STATISTIEK DER EUROPESE GEMEENSCHAPPEN
SERVIÇO DE ESTATÍSTICA DAS COMUNIDADES EUROPEIAS

L-2920 Luxembourg – Tél. 43011 – Télex : Comeur Lu 3423
B-1049 Bruxelles, bâtiment Berlaymont, rue de la Loi 200 (bureau de liaison) – Tél. 235 1111

This monthly bulletin is prepared by the division 'Employment and unemployment'.

Information: **A. Persenaire tel. 4301-2005**
P. Hope tel. 4301-2491

Symbols and abbreviations:

T	Total	Ø	Average
M	Males	:	Not available
F	Females	*	Estimated by Eurostat

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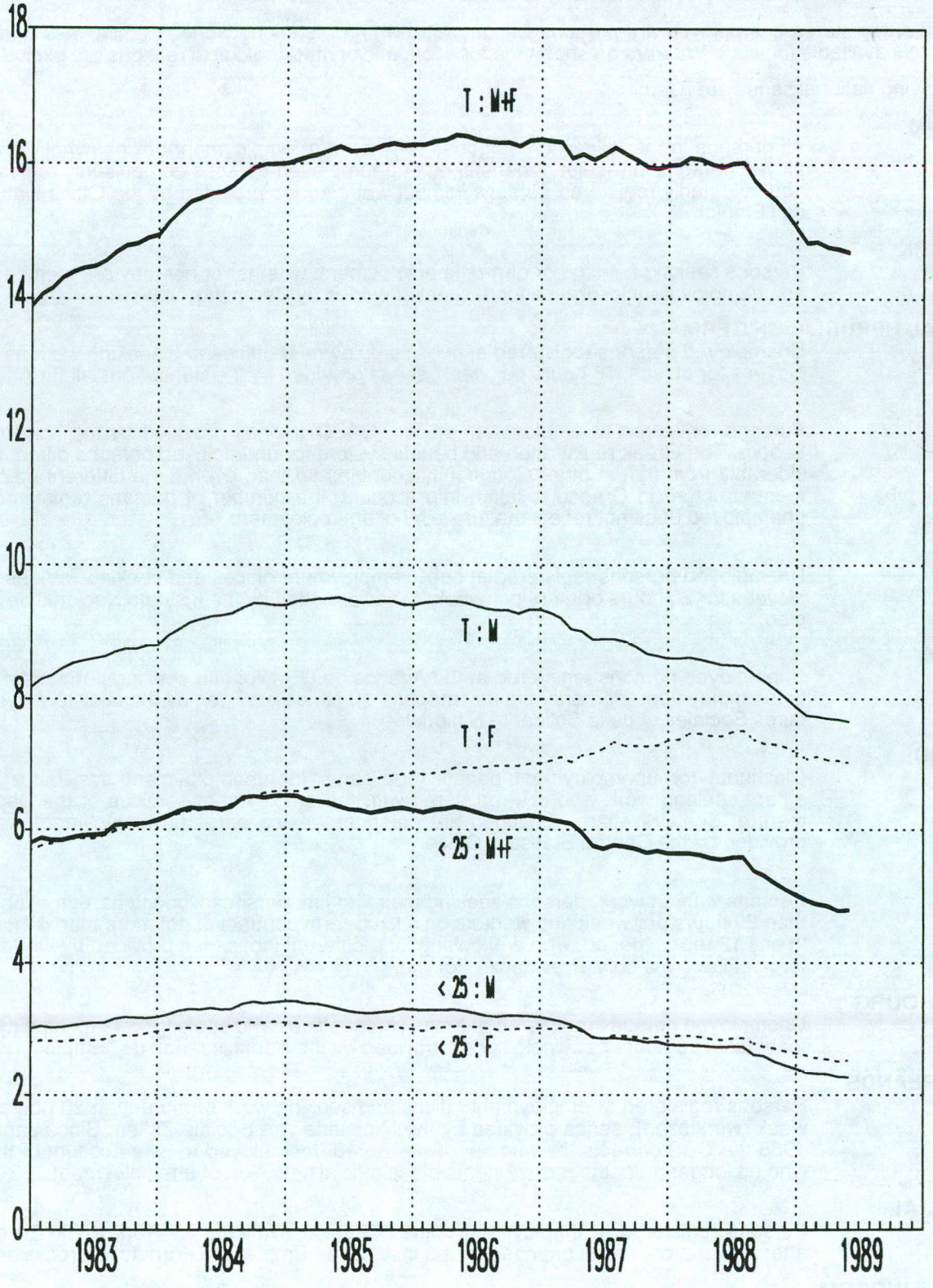
Printed in Luxembourg

Number of registered unemployed in accordance with national legislation

Seasonally adjusted

EUR 12 - Millions



Registered unemployed in accordance with national legislation

Explanatory notes

This part of the bulletin is based on national data of numbers of **persons registered as unemployed at public employment offices**. The data given are standardized to the greatest extent possible at the present time and may differ in some cases from those normally used by the individual countries. Differing national legislation and administrative procedures in the Member States prevent the establishment of fully comparable unemployment figures. The data should therefore be used only for analysis and the identification of trends and are not suitable for inter-country comparisons of absolute levels of unemployment.

In principle, registered unemployed are persons without a job who are seeking work as employees and are immediately available for work. Workers on short time for economic or meteorological reasons are excluded.

The following national series are used:

BELGIUM

All persons in the following categories registered at employment offices: wholly unemployed persons in receipt of benefit, other unemployed persons compulsorily registered and voluntarily registered persons without work; series provided by the Office National de l'Emploi.

DENMARK

Persons seeking full-time or part-time employment, whether or not they are members of an unemployment insurance fund; series provided by Danmarks Statistik.

FEDERAL REPUBLIC OF GERMANY

Unemployed persons registered at public employment offices and seeking work as employees for at least 18 hours per week; series provided by the Bundesanstalt für Arbeit.

GREECE

Persons registered at employment offices (OAED); series provided by the Ministry of Labour. The Greek registration and benefit system for unemployed persons differs considerably from that in other Community countries so that, even if the different employment structure in Greece is taken into account, the number of persons registered as unemployed does not reflect the true level of unemployment.

SPAIN

Unemployed persons registered at public employment offices and seeking work as employees for 20 hours or more per week; series provided by the Instituto Nacional de Empleo.

FRANCE

Unemployed persons registered at the Agence de l'Emploi and seeking permanent full-time employment (demandeurs de catégorie 1); series provided by the Ministère des Affaires Sociales et de la Solidarité Nationale.

IRELAND

Claimants for unemployment benefit, applicants for unemployment assistance and others seeking work who are registered with the employment services of the Department of Social Welfare. Excluded are persons seeking part-time employment; series provided by the Central Statistics Office.

ITALY

Persons without work, persons seeking their first job, persons working part-time for less than 20 hours per week and workers on a fixed-term contract of not more than 4 months in any 12-month period, who are looking for a different job; series provided by the Ministero del Lavoro e della Previdenza Sociale.

LUXEMBOURG

Unemployed persons registered at employment offices and seeking work as employees for at least 20 hours per week; series provided by the Administration de l'Emploi.

NETHERLANDS

Persons registered at employment offices and seeking work of more than 20 hours per week (werklozen); series provided by the Ministerie van Sociale Zaken. Since January 1988 the CBS corrects the number of registered unemployed to take account of those who no longer meet the requirements of the official definition of unemployment.

PORTUGAL

Persons registered at employment offices who are available for work within 30 days after registration; series provided by the Instituto de Emprego e Formaçàо Profissional.

UNITED KINGDOM

Persons seeking full-time work and claiming unemployment benefit because they are out of work; series provided by the Department of Employment.

Detailed explanatory notes are published by EUROSTAT in "Definitions of registered unemployed".

Number of registered unemployed in accordance with national legislation

Not seasonally adjusted

	EUR 12	Belgique/ België	Danmark	B. R. Deutschland	Ellas	Espana	France	Ireland	Italia	Luxembourg	Nederland	Portugal	United Kingdom
All age groups (1000)													
Males and females													
1989.01	15579	445.0	286.4	2334.6	144.8	2772.7	2661.2	245.4	3851.0	2.5	428.0	333.1	2074.3
02	15375	428.8	292.2	2304.8	149.6	2740.4	2596.7	241.5	3837.0	2.4	426.0	337.4	2018.2
03	15157	421.0	283.4	2178.2	134.0	2697.5	2546.9	240.7	3952.0	2.4	409.0	331.7	1960.2
04	14723	399.8	261.9	2035.1	124.5	2652.5	2485.9	233.1	3945.0	2.2	387.0	312.7	1883.6
05	14279	389.0	248.7	1947.5	105.5	2580.4	2412.5	228.6	3878.0	2.0	376.0	308.9	1802.5
06	:	384.0	244.0	1915.2	97.4	2532.8	2375.2	230.3	3860.0	2.1	:	302.1	1743.1
Males													
1989.01	8148	180.9	136.0	1299.0	75.3	1261.3	1273.5	171.7	1888.0	1.5	277.0	111.6	1473.2
02	8009	173.5	138.4	1283.6	78.1	1226.4	1235.4	168.9	1883.0	1.5	274.0	112.0	1434.9
03	7850	169.6	133.2	1190.9	68.4	1198.5	1211.2	168.0	1940.0	1.5	260.0	109.3	1399.4
04	7536	158.9	119.0	1071.4	61.7	1153.9	1173.7	162.6	1936.0	1.4	244.0	103.0	1350.8
05	7259	154.0	108.6	1015.4	51.3	1109.7	1125.9	158.9	1903.0	1.3	232.0	102.6	1297.1
06	:	149.4	105.0	985.4	46.6	1070.8	1091.8	157.6	1897.0	1.3	:	98.8	1256.6
Females													
1989.01	7430	264.1	150.4	1035.7	69.4	1511.4	1387.8	73.7	1963.0	1.0	151.0	221.5	601.1
02	7365	255.4	153.9	1021.2	71.5	1514.0	1361.3	72.6	1954.0	0.9	152.0	225.4	583.3
03	7307	251.4	150.2	987.3	65.6	1499.0	1335.7	72.7	2012.0	0.9	149.0	222.4	560.9
04	7186	240.9	142.9	963.7	62.8	1498.6	1312.2	70.5	2009.0	0.8	143.0	209.7	532.8
05	7019	235.0	140.1	932.1	54.2	1470.7	1286.6	69.7	1975.0	0.8	144.0	206.2	505.5
06	:	234.6	139.0	929.8	50.8	1462.0	1283.5	72.7	1963.0	0.8	:	203.3	486.6
Changes in relation to the previous month (%)													
Males and females													
1989.03	-1.4	-1.8	-3.0	-5.5	-10.4	-1.6	-1.9	-0.3	3.0	0.0	-4.0	-1.7	-2.9
04	-2.9	-5.0	-7.6	-6.6	-7.1	-1.7	-2.4	-3.2	-0.2	-9.8	-5.4	-5.7	-3.9
05	-3.0	-2.7	-5.1	-4.3	-15.3	-2.7	-3.0	-1.9	-1.7	-5.5	-2.8	-1.2	-4.3
06	:	-1.3	-1.9	-1.7	-7.7	-1.8	-1.5	0.7	-0.5	1.3	:	-2.2	-3.3
Males													
1989.03	-2.0	-2.2	-3.7	-7.2	-12.4	-2.3	-2.0	-0.6	3.0	3.2	-5.1	-2.4	-2.5
04	-4.0	-6.3	-10.6	-10.0	-9.8	-3.7	-3.1	-3.2	-0.2	-8.9	-6.2	-5.8	-3.5
05	-3.7	-3.1	-8.8	-5.2	-16.9	-3.8	-4.1	-2.3	-1.7	-6.5	-4.9	-0.4	-4.0
06	:	-3.0	-3.3	-3.0	-9.1	-3.5	-3.0	-0.8	-0.3	0.9	:	-3.7	-3.1
Females													
1989.03	-0.8	-1.5	-2.4	-3.3	-8.3	-1.0	-1.9	0.2	3.0	-4.9	-2.0	-1.3	-3.8
04	-1.6	-4.2	-4.8	-2.4	-4.3	-0.0	-1.8	-3.1	-0.1	-11.3	-4.0	-5.7	-5.0
05	-2.3	-2.5	-2.0	-3.3	-13.7	-1.9	-1.9	-1.1	-1.7	-3.7	0.7	-1.6	-5.1
06	:	-0.1	-0.8	-0.2	-6.3	-0.6	-0.2	4.3	-0.6	2.1	:	-1.4	-3.7
Changes in relation to the corresponding month of the previous year (%)													
Males and females													
1989.03	-7.7	-8.2	10.7	-10.7	0.8	-10.0	-0.0	-2.6	-0.5	-12.6	-11.1	3.3	-24.4
04	-7.7	-9.8	10.7	-10.0	12.6	-9.8	0.3	-3.6	-0.5	-14.5	-7.9	-0.2	-25.7
05	-7.3	-9.4	13.0	-9.4	14.1	-10.3	-0.8	-3.1	1.6	-11.9	-8.1	1.1	-25.7
06	:	-9.5	13.9	-10.1	7.8	-10.3	-1.1	-3.1	3.0	-5.5	:	1.7	-25.5
Males													
1989.03	-11.4	-11.5	8.0	-13.8	-7.1	-19.2	-3.6	-4.6	0.3	-9.2	-15.0	-12.4	-22.4
04	-10.8	-13.1	10.3	-12.1	3.9	-19.7	-2.7	-5.3	1.3	-10.1	-10.3	-13.6	-23.5
05	-10.3	-11.9	15.6	-10.3	6.0	-20.4	-3.8	-4.6	3.3	-10.9	-11.1	-11.2	-23.3
06	:	-12.0	16.4	-11.3	3.2	-20.2	-3.6	-5.1	5.4	-2.4	:	-9.5	-23.0
Females													
1989.03	-3.5	-5.7	13.2	-6.7	10.6	-0.9	3.4	2.2	-1.2	-17.9	-3.2	13.4	-28.9
04	-4.1	-7.5	11.0	-7.6	22.7	-0.3	3.2	0.8	-2.2	-21.2	-3.4	8.1	-30.8
05	-3.9	-7.7	11.0	-8.4	22.9	-0.9	2.0	0.7	0.0	-13.5	-2.7	8.5	-31.2
06	:	-7.9	12.0	-8.9	12.4	-1.4	1.2	1.4	0.7	-10.3	:	8.2	-31.3

Number of registered unemployed in accordance with national legislation

Not seasonally adjusted

	EUR 12	Belgique/ België	Danmark	B. R. Deutschland	Ellas	Espana	France	Ireland	Italia	Luxembourg	Nederland	Portugal	United Kingdom
Under 25 years (1000)													
Males and females													
1989.01	4941	128.6	65.2	415.0	37.1	1079.6	705.5	64.8	1604.0	0.7	121.0	120.9	599.6
02	4846	116.2	65.1	402.0	40.8	1057.4	674.4	62.8	1602.0	0.6	117.0	122.7	585.6
03	4762	109.4	63.0	375.6	36.6	1022.8	652.1	61.9	1645.0	0.6	109.0	122.6	563.4
04	4608	97.1	58.2	342.5	32.3	1006.2	629.3	59.5	1638.0	0.5	97.0	115.4	532.4
05	4429	90.1	54.2	324.9	29.6	954.5	602.9	57.6	1604.0	0.5	101.0	107.0	503.0
06	:	89.4	53.0	312.6	28.6	935.5	597.5	61.5	1596.0	0.5	:	109.7	480.9
Males													
1989.01	2362	50.6	29.8	225.0	16.1	447.9	310.3	38.9	752.0	0.3	:	36.3	390.9
02	2303	44.7	29.9	218.2	19.2	433.1	292.0	37.8	747.0	0.3	:	36.3	382.6
03	2252	41.6	28.5	200.7	16.1	416.1	282.4	37.0	766.0	0.4	:	35.8	370.7
04	2178	35.8	26.0	176.8	12.6	408.3	266.5	35.5	780.0	0.3	:	33.8	353.0
05	2074	32.8	23.6	165.5	11.6	375.1	249.5	34.2	765.0	0.3	:	30.9	335.3
06	:	31.6	23.0	152.0	10.6	364.7	239.4	35.8	759.0	0.2	:	32.8	321.2
Females													
1989.01	2579	78.0	35.3	190.0	21.0	631.7	395.2	25.9	852.0	0.3	:	84.5	208.7
02	2543	71.4	35.2	183.8	21.6	624.3	382.3	24.9	855.0	0.3	:	86.4	203.0
03	2509	67.8	34.5	174.9	20.5	606.7	369.7	24.9	879.0	0.3	:	86.8	192.7
04	2429	61.3	32.2	165.7	19.6	598.0	362.8	24.0	858.0	0.2	:	81.7	179.4
05	2355	57.3	30.6	159.4	18.0	579.4	353.3	23.4	839.0	0.2	:	76.1	167.7
06	:	57.8	30.0	160.6	18.0	570.8	358.1	25.7	837.0	0.2	:	77.0	159.7
Changes in relation to the previous month (%)													
Males and females													
1989.03	-1.7	-5.8	-3.3	-6.6	-10.2	-3.3	-3.3	-1.4	2.7	-1.3	-6.8	-0.1	-3.8
04	-3.2	-11.3	-7.5	-8.8	-12.0	-1.6	-3.5	-3.9	-0.4	-15.4	-11.0	-5.8	-5.5
05	-3.9	-7.2	-6.9	-5.1	-8.3	-5.1	-4.2	-3.2	-2.1	-11.5	4.1	-7.3	-5.5
06	:	-0.8	-2.3	-3.8	-3.2	-2.0	-0.9	6.8	-0.5	-3.4	:	2.6	-4.4
Males													
1989.03	-2.2	-7.0	-4.6	-8.0	-15.9	-3.9	-3.3	-2.2	2.5	6.3	:	-1.3	-3.1
04	-3.3	-14.1	-8.6	-11.9	-21.7	-1.9	-5.6	-4.0	1.8	-15.5	:	-5.6	-4.8
05	-4.8	-8.2	-9.3	-6.4	-8.5	-8.1	-6.4	-3.9	-1.9	-13.0	:	-8.5	-5.0
06	:	-3.8	-2.6	-8.2	-8.2	-2.8	-4.1	4.8	-0.8	-5.8	:	6.0	-4.2
Females													
1989.03	-1.3	-5.1	-2.1	-4.8	-5.2	-2.8	-3.3	-0.1	2.8	-9.7	:	0.4	-5.1
04	-3.2	-9.6	-6.6	-5.3	-4.3	-1.4	-1.9	-3.8	-2.4	-15.1	:	-5.9	-6.9
05	-3.1	-6.5	-4.9	-3.8	-8.2	-3.1	-2.6	-2.2	-2.2	-9.6	:	-6.8	-6.5
06	:	0.9	-2.0	0.7	-0.0	-1.5	1.3	9.7	-0.2	-0.5	:	1.2	-4.8
Changes in relation to the corresponding month of the previous year (%)													
Males and females													
1989.03	-13.2	-13.8	5.5	-23.0	-9.9	-16.1	-8.5	-10.9	-1.4	-33.7	-18.0	-0.8	-33.1
04	-13.2	-17.4	6.7	-23.4	8.9	-16.5	-8.1	-11.4	-1.5	-36.0	-19.2	-3.5	-33.8
05	-13.7	-17.3	8.8	-22.5	17.3	-18.4	-9.7	-10.9	-0.8	-32.2	-21.1	-7.8	-34.1
06	:	-17.7	10.8	-22.9	12.8	-19.2	-9.9	-9.0	3.1	-28.7	:	-0.8	-34.2
Males													
1989.03	-16.1	-16.2	3.3	-25.5	-11.5	-23.0	-11.1	-13.5	-1.2	-30.9	:	-19.7	-29.4
04	-15.5	-20.5	7.0	-24.8	-1.5	-23.3	-10.3	-13.1	0.0	-34.6	:	-19.5	-29.9
05	-16.0	-19.8	12.2	-23.0	1.0	-26.2	-12.8	-12.8	0.9	-29.7	:	-24.2	-30.1
06	:	-20.8	15.1	-25.1	9.0	-26.9	-11.9	-10.6	3.5	-25.3	:	-8.9	-30.1
Females													
1989.03	-10.3	-12.2	7.3	-20.1	-8.7	-10.7	-6.4	-6.7	-1.6	-37.1	:	9.8	-39.1
04	-11.1	-15.4	6.4	-21.8	16.7	-11.0	-6.4	-8.8	-2.9	-37.8	:	5.1	-40.2
05	-11.5	-15.9	6.3	-21.9	30.8	-12.5	-7.4	-7.8	-2.3	-35.0	:	1.1	-40.8
06	:	-16.0	7.7	-20.7	15.3	-13.5	-8.6	-6.5	2.8	-32.4	:	3.2	-41.2

Registered unemployed in accordance with national legislation

Annual averages

	EUR 12	Belgique/ België	Danmark	B. R. Deutschland	Ellas	Espana	France	Ireland	Italia	Luxembourg	Nederland	Portugal	United Kingdom
All age groups (1000)													
Males and females													
1987	16130	500.8	216.0	2232.5	110.2	2924.2	2621.7	247.3	3317.0	2.7	685.5	319.1	2953.4
1988	15652	459.4	240.0	2236.7	108.6	2858.3	2562.9	241.4	3833.3	2.5	432.3	306.2	2370.4
Males													
1987	8847	208.9	93.7	1209.5	59.6	1525.3	1297.7	176.2	1662.5	1.5	428.7	138.2	2045.8
1988	8201	187.8	106.1	1195.6	55.7	1359.6	1224.8	169.7	1861.1	1.5	277.3	112.3	1650.5
Females													
1987	7282	292.0	122.3	1023.0	50.7	1398.9	1324.0	71.1	1654.5	1.1	256.8	180.9	907.6
1988	7450	271.6	133.9	1041.0	52.9	1498.7	1338.1	71.7	1972.2	1.0	155.0	193.9	719.9
Under 25 years (1000)													
Males and females													
1987	5677	160.1	50.3	481.3	31.4	1239.3	830.5	74.1	1480.2	1.0	225.9	116.2	987.2
1988	5241	135.7	55.6	441.1	30.2	1162.1	755.1	66.9	1609.0	0.8	131.3	115.7	738.4
Males													
1987	2811	64.2	20.7	246.1	13.9	572.4	368.8	45.3	707.9	0.5	114.0	45.0	612.7
1988	2512	53.1	24.0	227.1	12.9	500.8	323.1	40.3	758.6	0.4	:	38.7	463.2
Females													
1987	2866	95.9	29.6	235.2	17.6	666.9	461.7	28.8	772.2	0.5	111.9	71.3	374.4
1988	2729	82.6	31.6	214.0	17.3	661.3	432.0	26.7	850.4	0.4	:	77.0	275.1

Unemployment rates in accordance with national legislation

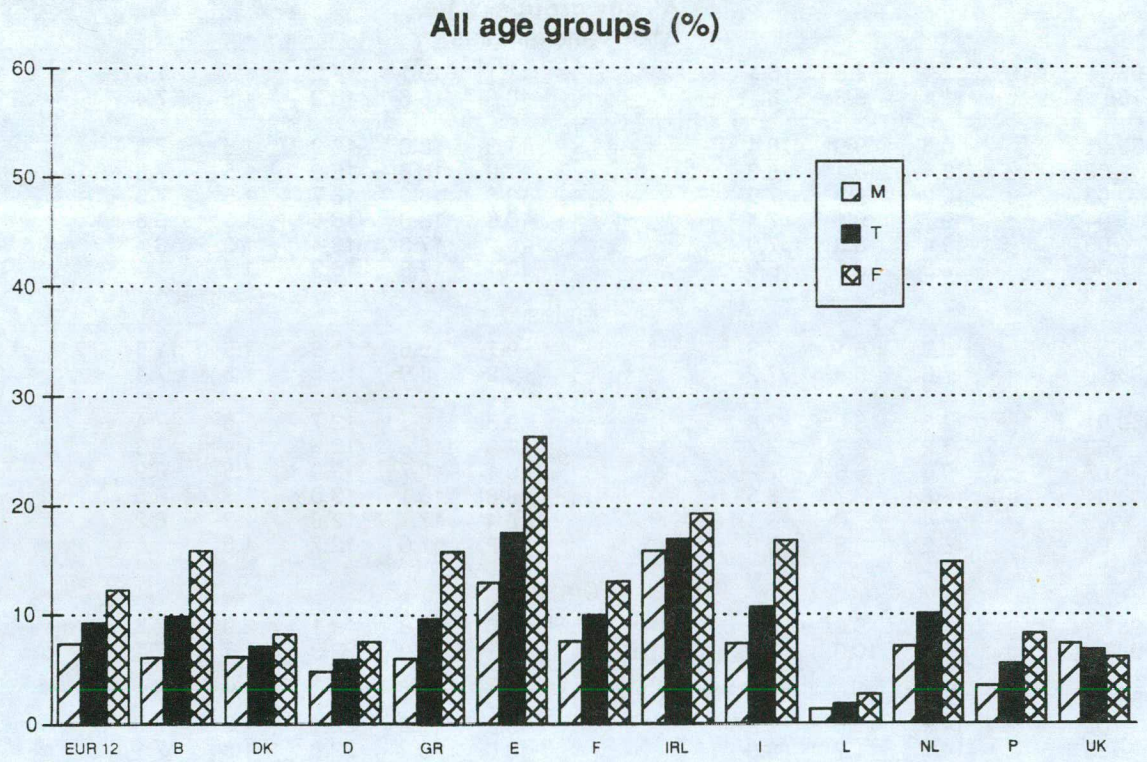
Annual averages and not seasonally adjusted data

	EUR 12	Belgique/ België	Danmark	B. R. Deutschland	Ellas	Espana	France	Ireland	Italia	Luxembourg	Nederland	Portugal	United Kingdom
All age groups (%)													
Males and females													
1987	:	12.1	7.5	8.1	:	:	11.1	19.1	14.2	1.7	11.8	:	10.6
1988	:	11.1	8.3	8.1	:	:	10.9	18.6	16.2	1.5	7.4	:	8.4
1989.01	:	10.8	9.9	8.4	:	:	11.3	18.9	16.2	1.5	7.3	:	7.3
02	:	10.4	10.1	8.3	:	:	11.0	18.6	16.2	1.5	7.3	:	7.1
03	:	10.2	9.8	7.9	:	:	10.8	18.6	16.7	1.5	7.0	:	6.9
04	:	9.7	9.1	7.4	:	:	10.5	18.0	16.6	1.3	6.6	:	6.7
05	:	9.4	8.6	7.0	:	:	10.2	17.6	16.4	1.3	6.4	:	6.4
06	:	9.3	8.5	6.9	:	:	10.1	17.8	16.3	1.3	:	:	6.2
Males													
1987	:	8.7	6.1	7.3	:	:	9.7	19.6	11.3	1.5	11.5	:	12.6
1988	:	7.8	6.9	7.2	:	:	9.2	18.9	12.5	1.5	7.4	:	10.1
1989.01	:	7.5	8.8	7.8	:	:	9.5	19.1	12.7	1.5	7.4	:	9.0
02	:	7.2	8.9	7.7	:	:	9.3	18.8	12.6	1.4	7.3	:	8.8
03	:	7.0	8.6	7.2	:	:	9.1	18.7	13.0	1.5	6.9	:	8.6
04	:	6.6	7.7	6.5	:	:	8.8	18.1	13.0	1.3	6.5	:	8.3
05	:	6.4	7.0	6.1	:	:	8.4	17.7	12.8	1.3	6.2	:	7.9
06	:	6.2	6.8	5.9	:	:	8.2	17.6	12.7	1.3	:	:	7.7
Females													
1987	:	17.0	9.2	9.2	:	:	13.0	17.8	19.1	2.0	12.3	:	7.8
1988	:	15.9	10.0	9.4	:	:	13.1	17.9	22.3	1.7	7.4	:	6.0
1989.01	:	15.4	11.2	9.4	:	:	13.5	18.4	22.2	1.7	7.2	:	5.0
02	:	14.9	11.5	9.2	:	:	13.3	18.2	22.1	1.6	7.3	:	4.9
03	:	14.7	11.2	8.9	:	:	13.0	18.2	22.8	1.5	7.1	:	4.7
04	:	14.1	10.7	8.7	:	:	12.8	17.6	22.7	1.3	6.8	:	4.5
05	:	13.7	10.5	8.4	:	:	12.6	17.4	22.4	1.3	6.9	:	4.2
06	:	13.7	10.4	8.4	:	:	12.5	18.2	22.2	1.3	:	:	4.1

Unemployment rates for comparison between Member States

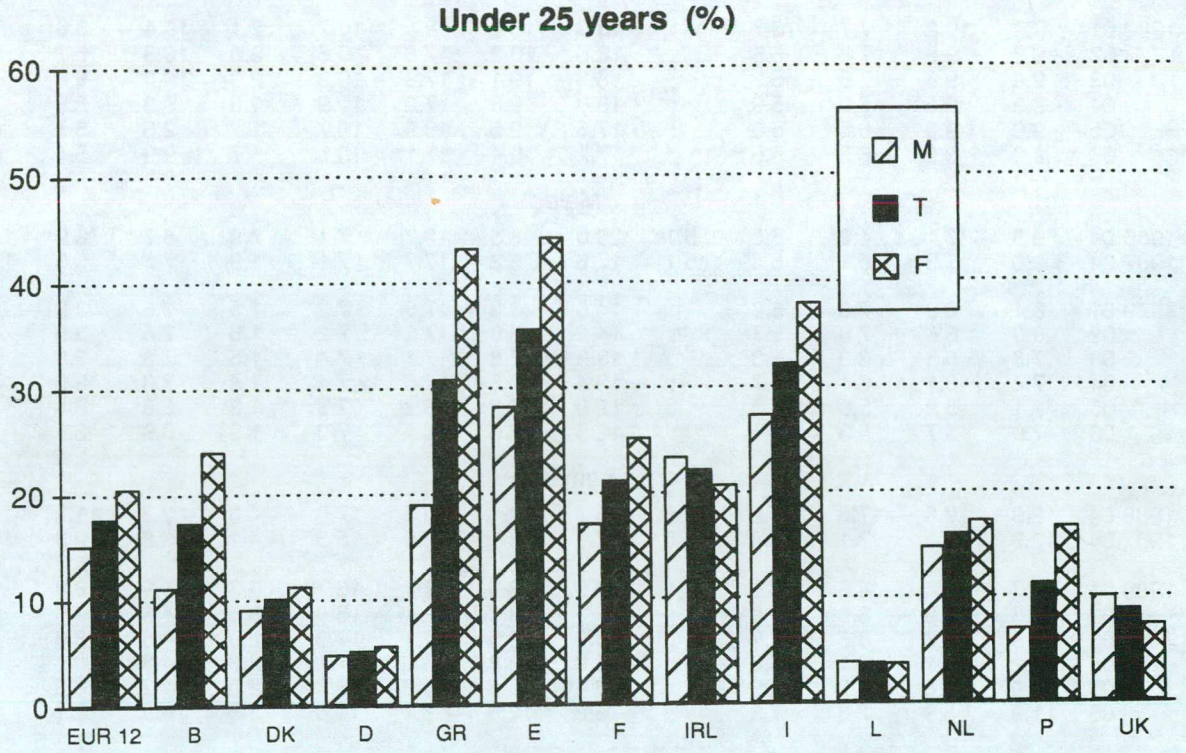
In contrast with the unemployment data derived from registrations at unemployment offices, the following estimates of comparable rates allow comparisons of the level of unemployment in the Member States. The comparable rates are based on the results of the Community labour force survey, and the effects of differences in national registration systems are thereby largely removed.

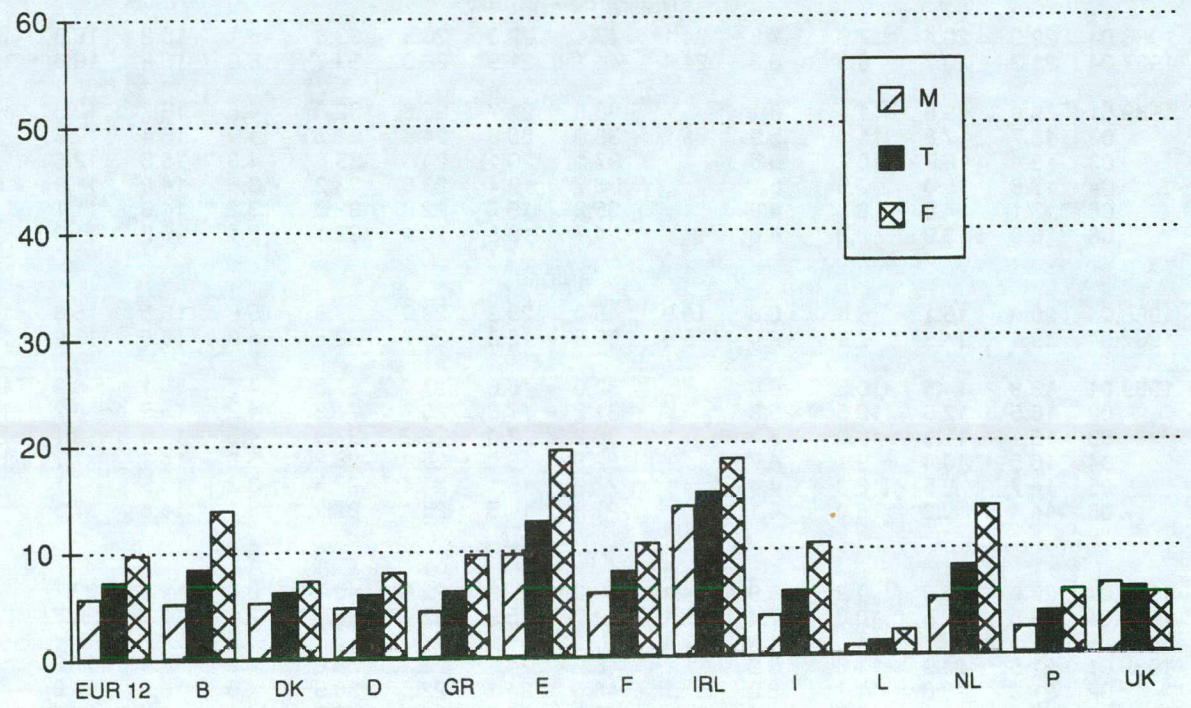
June 1989 (seasonally adjusted)



Unemployment rates for comparison between Member States

June 1989 (seasonally adjusted)





Unemployment rates for comparison between Member States

Not seasonally adjusted

	EUR 12	Belgique/ België	Danmark	B. R. Deutschland	Ellas	Espana	France	Ireland	Italia	Luxembourg	Nederland	Portugal	United Kingdom
All age groups(%)													
Males and females													
1986.04	10.8	11.2	5.8	6.6	7.4	21.6	10.0	18.2	10.6	2.6	10.0	8.7	11.6
1987.04	10.5	11.2	6.0	6.3	7.4	20.9	10.4	18.1	10.1	2.7	9.9	7.1	11.1
1989.01	9.9	10.2	7.7	6.7	:	18.8	10.5	18.1	10.7	2.1	10.4	6.0	7.7
02	9.8	9.8	7.8	6.6	:	18.6	10.3	17.8	10.6	2.0	10.3	6.1	7.5
03	9.6	9.6	7.6	6.3	:	18.3	10.1	17.8	10.9	2.0	10.0	6.0	7.3
04	9.3	9.2	7.0	5.9	:	18.0	9.8	17.2	10.9	1.8	9.8	5.6	7.0
05	9.0	9.0	6.6	5.6	:	17.6	9.5	16.9	10.7	1.7	9.6	5.5	6.7
06	8.9	8.9	6.5	5.5	:	17.2	9.4	17.1	10.6	1.7	9.9	5.4	6.5
Males													
1986.04	9.5	7.1	4.2	5.5	5.1	20.0	8.5	17.7	7.1	1.9	8.7	6.9	12.0
1987.04	9.0	7.3	5.1	5.4	5.1	17.6	8.3	17.7	7.1	1.9	7.5	5.5	11.6
1989.01	8.1	6.9	7.0	5.8	:	14.5	8.2	17.5	7.2	1.5	7.6	3.9	8.2
02	8.0	6.6	7.0	5.7	:	14.2	8.0	17.2	7.2	1.5	7.6	3.9	8.0
03	7.8	6.5	6.8	5.3	:	13.9	7.8	17.1	7.4	1.5	7.3	3.8	7.8
04	7.4	6.1	6.1	4.7	:	13.4	7.5	16.6	7.4	1.4	7.0	3.6	7.5
05	7.1	5.9	5.6	4.5	:	12.9	7.2	16.2	7.3	1.3	6.8	3.5	7.2
06	7.0	5.7	5.3	4.4	:	12.5	7.0	16.1	7.3	1.3	6.9	3.5	7.0
Females													
1986.04	12.9	17.8	7.6	8.2	11.6	25.3	12.1	19.5	17.0	4.0	12.3	11.2	11.0
1987.04	12.9	17.4	7.1	7.8	11.5	27.7	13.1	19.0	15.5	4.1	13.8	9.3	10.5
1989.01	12.7	15.4	8.6	8.1	:	27.0	13.5	19.4	16.7	3.3	14.9	8.8	7.0
02	12.6	14.9	8.6	8.0	:	27.1	13.3	19.1	16.8	3.1	14.8	9.0	6.8
03	12.5	14.7	8.5	7.7	:	26.9	13.0	19.1	17.2	2.9	14.5	8.9	6.6
04	12.2	14.1	8.1	7.6	:	26.9	12.8	18.6	17.1	2.6	14.3	8.4	6.3
05	11.9	13.8	7.9	7.3	:	26.4	12.5	18.3	16.7	2.5	14.2	8.2	6.0
06	11.9	13.8	7.8	7.3	:	26.3	12.5	19.1	16.6	2.5	14.9	8.1	5.8
Under 25 years(%)													
Males and females													
1986.04	22.3	20.4	7.8	7.8	24.1	47.1	22.8	26.5	33.8	6.1	15.2	19.8	18.6
1987.04	21.3	20.7	8.9	6.9	24.4	44.1	21.9	26.0	33.7	6.0	16.3	16.6	16.2
1989.01	19.0	19.6	11.1	6.1	:	38.5	21.7	25.6	32.6	4.6	16.7	12.5	10.2
02	18.7	17.8	11.1	5.9	:	38.0	20.8	24.8	32.7	4.4	16.4	12.6	9.9
03	18.4	16.7	10.7	5.5	:	37.1	20.1	24.5	33.6	4.3	15.6	12.6	9.6
04	17.8	15.0	9.9	5.1	:	36.7	19.4	23.6	33.2	3.6	14.9	11.9	9.1
05	17.1	14.0	9.3	4.8	:	35.2	18.7	22.9	32.5	3.2	14.6	11.1	8.6
06	16.9	13.9	8.9	4.6	:	34.7	18.5	24.4	32.1	3.1	16.3	11.3	8.2
Males													
1986.04	20.8	15.1	6.5	6.8	18.9	45.0	20.3	29.6	27.8	5.6	15.5	16.8	19.8
1987.04	19.4	14.3	7.9	6.4	15.5	39.5	18.3	28.7	28.8	4.8	15.6	13.2	17.2
1989.01	16.8	14.5	10.5	6.0	:	32.0	18.6	27.4	27.3	4.3	16.1	8.2	11.3
02	16.5	12.8	10.5	5.8	:	31.2	17.6	26.7	27.3	4.2	15.9	8.2	11.1
03	16.1	11.9	10.0	5.4	:	30.2	17.0	26.2	27.9	4.5	15.0	8.1	10.8
04	15.5	10.4	9.1	4.7	:	29.8	16.0	25.3	28.2	3.8	14.1	7.7	10.3
05	14.7	9.5	8.3	4.4	:	27.9	15.1	24.4	27.5	3.3	13.5	7.1	9.8
06	14.4	9.2	8.0	4.1	:	27.3	14.5	25.4	27.2	3.1	14.6	7.5	9.4
Females													
1986.04	23.9	25.9	9.2	8.9	34.1	50.0	25.3	22.6	40.7	6.6	14.8	23.7	17.1
1987.04	23.5	27.5	10.0	7.4	35.1	49.7	25.5	22.7	39.7	7.3	17.2	20.8	15.0
1989.01	21.5	24.9	11.8	6.2	:	46.2	24.9	23.3	38.6	4.9	17.4	17.8	8.8
02	21.3	23.0	11.7	6.0	:	46.0	24.1	22.5	38.9	4.5	16.9	18.2	8.6
03	20.9	21.8	11.5	5.7	:	45.3	23.3	22.4	40.2	4.1	16.2	18.2	8.1
04	20.3	19.9	10.7	5.5	:	44.9	22.9	21.6	39.2	3.5	15.7	17.1	7.6
05	19.7	18.8	10.3	5.3	:	43.9	22.3	21.2	38.3	3.1	15.7	16.0	7.1
06	19.7	18.9	9.9	5.3	:	43.4	22.7	23.2	37.8	3.1	18.0	16.2	6.8

Unemployment rates for comparison between Member States

Seasonally adjusted

	EUR 12	Belgique/ België	Danmark	B. R. Deutschland	Ellas	Espana	France	Ireland	Italia	Luxembourg	Nederland	Portugal	United Kingdom
All age groups (%)													
Males and females													
1986.04	10.8	11.8	5.7	6.7	7.4	21.5	10.4	18.3	10.4	2.7	10.3	8.5	11.6
1987.04	10.5	11.8	5.9	6.4	7.4	20.7	10.7	18.2	9.8	2.8	10.3	7.0	11.0
1989.01	9.5	9.9	6.7	6.0	:	18.5	10.1	17.5	10.5	1.9	10.2	5.8	7.5
02	9.4	9.8	6.7	5.9	:	18.3	10.0	17.4	10.3	1.8	10.2	5.7	7.3
03	9.4	9.9	6.8	5.8	:	18.1	10.1	17.5	10.5	1.9	10.1	5.7	7.2
04	9.3	9.6	6.8	5.9	:	17.9	10.0	17.3	10.6	1.8	10.1	5.6	6.9
05	9.3	9.5	7.2	5.9	:	17.6	10.0	17.2	10.7	1.8	10.1	5.5	6.8
06	9.3	9.5	7.3	5.9	:	17.4	10.0	17.3	10.8	1.9	10.2	5.6	6.7
Males													
1986.04	9.4	7.5	4.0	5.5	5.1	19.8	8.7	17.6	7.0	2.0	8.9	6.7	11.9
1987.04	8.9	7.6	4.8	5.4	5.1	17.5	8.4	17.6	6.9	1.9	7.7	5.3	11.4
1989.01	7.6	6.6	5.6	4.8	:	14.0	7.7	16.8	7.1	1.3	7.3	3.7	7.9
02	7.5	6.5	5.6	4.7	:	13.8	7.6	16.7	6.9	1.2	7.2	3.7	7.8
03	7.4	6.5	5.5	4.6	:	13.6	7.7	16.7	7.1	1.4	7.2	3.7	7.7
04	7.4	6.4	5.8	4.7	:	13.3	7.6	16.5	7.2	1.4	7.2	3.4	7.4
05	7.3	6.3	6.3	4.8	:	13.0	7.5	16.4	7.3	1.4	7.1	3.5	7.3
06	7.3	6.2	6.4	4.8	:	12.8	7.6	16.5	7.4	1.5	7.2	3.5	7.2
Females													
1986.04	13.1	18.7	7.7	8.3	11.6	25.2	12.6	19.8	16.8	4.2	12.9	11.1	11.0
1987.04	13.0	18.4	7.1	7.9	11.5	27.5	13.6	19.3	15.2	4.3	14.5	9.3	10.5
1989.01	12.5	15.1	8.0	7.8	:	27.2	13.2	19.0	16.6	2.9	15.0	8.6	6.9
02	12.3	15.1	8.0	7.8	:	27.0	13.1	19.0	16.2	2.8	15.0	8.4	6.7
03	12.3	15.1	8.2	7.7	:	26.7	13.1	19.2	16.6	2.8	15.0	8.5	6.6
04	12.3	14.8	8.1	7.6	:	26.6	13.1	18.9	16.6	2.7	14.9	8.4	6.3
05	12.2	14.6	8.2	7.5	:	26.4	13.1	18.9	16.8	2.7	14.9	8.3	6.1
06	12.2	14.6	8.4	7.5	:	26.3	13.2	19.1	16.8	2.8	15.1	8.4	6.0
Under 25 years (%)													
Males and females													
1986.04	22.8	23.6	7.7	8.1	24.1	47.1	25.3	27.0	33.1	6.6	16.5	19.9	19.0
1987.04	21.7	24.0	8.7	7.1	24.4	43.9	24.3	26.5	32.8	6.4	17.9	16.5	16.5
1989.01	18.5	18.8	9.6	5.5	:	38.0	21.7	24.7	32.2	4.2	16.7	12.0	9.9
02	18.3	18.4	9.6	5.3	:	37.5	21.5	24.5	31.9	3.8	16.6	11.9	9.8
03	18.1	18.4	9.5	5.3	:	36.8	21.5	24.5	31.9	4.1	16.4	12.1	9.6
04	18.0	17.6	9.7	5.2	:	36.5	21.5	24.1	32.1	3.8	16.3	11.8	9.2
05	17.8	17.1	10.2	5.2	:	35.6	21.2	24.0	32.3	3.8	16.1	11.3	8.8
06	17.8	17.0	10.4	5.1	:	35.3	21.1	24.3	32.8	3.8	16.5	11.7	8.6
Males													
1986.04	21.2	17.8	6.2	6.9	18.9	44.8	22.4	29.8	27.0	5.8	16.7	16.7	20.1
1987.04	19.6	17.0	7.4	6.5	15.5	39.3	20.2	28.8	27.8	4.9	16.7	13.1	17.3
1989.01	16.0	13.6	8.5	5.0	:	31.1	18.0	26.2	26.8	4.0	15.6	8.0	11.0
02	15.8	13.2	8.4	4.8	:	30.5	17.6	26.0	26.4	3.6	15.5	8.1	10.9
03	15.7	13.2	8.2	4.7	:	29.9	17.7	25.7	26.7	4.1	15.2	8.0	10.7
04	15.6	12.4	8.6	4.8	:	29.6	17.7	25.4	27.1	3.8	15.1	7.5	10.3
05	15.3	12.1	9.5	4.8	:	28.3	17.2	25.2	27.4	3.9	14.8	7.0	10.0
06	15.3	11.9	9.7	4.7	:	27.9	17.2	25.7	27.8	3.8	15.2	7.5	9.8
Females													
1986.04	24.8	29.7	9.4	9.4	34.1	50.2	28.3	23.6	40.2	7.4	16.4	24.1	17.7
1987.04	24.2	31.5	10.2	7.7	35.1	49.7	28.5	23.7	38.9	8.1	19.1	21.0	15.4
1989.01	21.3	24.2	10.9	6.0	:	46.2	25.6	22.9	38.5	4.4	17.9	17.0	8.6
02	21.1	23.9	10.9	5.9	:	45.8	25.5	22.7	38.2	4.1	17.8	16.8	8.5
03	20.9	23.9	11.0	5.9	:	45.0	25.4	23.0	38.0	4.1	17.6	17.2	8.3
04	20.8	23.0	10.9	5.7	:	44.8	25.5	22.6	38.1	3.8	17.5	17.2	7.8
05	20.7	22.5	11.1	5.6	:	44.3	25.3	22.5	38.0	3.7	17.4	16.7	7.4
06	20.7	22.5	11.2	5.7	:	44.1	25.2	22.6	38.7	3.7	17.9	17.0	7.2

Unemployment rates for comparison between Member States

Method of estimation

1. The comparable unemployment rates are calculated as the ratio of the estimated number unemployed to the labour force (armed forces excluded).

A person is regarded as being unemployed if he/she is aged 14 or over, without work, actively seeking work and immediately available for work.

The labour force comprises persons in employment and unemployed persons.

2. The comparable unemployment rates are based on the results of the Community Labour Force Survey (LFS), carried out in Spring of each year (1) .

The definitions of this survey conform to the recommendations of the 13th International Conference of Labour Statisticians.

The LFS unemployment data are updated using the trend in the monthly numbers of registered unemployed. In Spain and Portugal, the figures are updated using data from the quarterly national LFS in conjunction with the number of registered unemployed. No updating is done for Greece.

The estimated number of persons employed is kept constant at the level of the most recent survey. The number of unemployed is updated monthly.

3. The updating of the number of unemployed is carried out for the following four categories :

- persons aged less than 25 years - males/females
- persons aged 25 years and over - males/females

The totals are obtained by additions of these categories.

4. Unadjusted and seasonally adjusted rates are shown. Seasonal adjustment is performed using the X-11 Variant of the US Bureau of the Census Method.

5. The OECD uses similar methods to calculate its "Standardised Unemployment Rates", which for the 7 Community countries included are based on the results of the EC Labour Force Survey. Differences between Eurostat and OECD in the level of the rates are due to minor conceptual differences and variations in the method of seasonal adjustment.

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(1) The most recent results are based on the 1988 surveys except for Denmark, F.R.Germany, the Netherlands, and the United Kingdom (1987).

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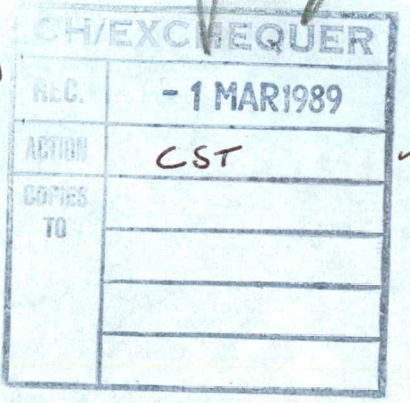

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CMO UNTIL 01 AUGUST 1989

PRIME MINISTER

E(A)(89)10: EMPLOYMENT SERVICE PROGRESS REPORT

1. Before receiving E(A)(89)10 I had considered the legal issues arising in any privatisation of the Jobcentres. E(A)(89)10 now invites colleagues to agree to the Secretary of State reporting further to the Committee after Easter, with proposals on staffing and legislation, and with further clarification of our international obligations. You and other colleagues may nevertheless find it helpful to know now in outline of my views concerning legislation.

2. Section 2(1) of the Employment and Training Act 1973, as amended, provides that: -

> "The Secretary of State shall make such arrangements as he considers appropriate for the purpose of assisting persons to select, train for, obtain and retain employment suitable for their ages and capacities or of assisting persons to obtain suitable employees (including partners and other business associates)."

3. I consider that if, without legislation, the Secretary of State by privatisation divested himself to so substantial an extent of the function of providing jobcentres there would be a real risk of a successful challenge to the privatisation, on the ground that the substantial reduction of those arrangements for job procurement made under the direct control of the Secretary

SECRET

of State would place him thereafter in breach of the requirements of Section 2(1). It seems to me that this is certainly not a case where it would be prudent to take any significant risk of an adverse finding in the courts.

4. Any privatisation of the Jobcentres would in any event require legislation to ensure that our obligations under the Acquired Rights Directive were met. The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) are an imperfect implementation of the Directive, as former Law Officers have pointed out already. We would need legislation to declare that TUPE applied to the transfer of the jobcentres to the purchasers. This will mean that those who transfer to the new employers will do so on identical employment terms (with the exception of benefits arising under the Principal Civil Service Pension Scheme (PCSPS)).

5. Legislation would also have to close the "technical redundancy" loophole, by disapplying the redundancy provisions of the PCSPS so that the transfer did not trigger a civil servant`s right to redundancy payments under that Scheme.

6. The precise details of the legislation would depend on the arrangements made with the purchasers, and should be reviewed once the options for privatisation are clearer.

7. Any arrangements for the privatisation of Jobcentres will have to take account of the effect of the Model Redundancy Agreement concluded with the staff side on resulting redundancies. That Agreement broadly endorses the principle of "last in, first out". Any arrangements with

purchasers which cut across this principle may need legislative cover, if we are not to be confronted with unfair dismissal claims. Again, we will need to assess the situation once the proposals for privatisation are clearer.

8. Paragraph 12 of E(A)(89)10 reports that the Law Officers` advice is being sought on the requirements of various ILO Conventions. I shall advise,with the Lord Advocate,when instructions have been received.

9. The Lord Advocate has indicated that he is in agreement with the views expressed in this minute.

10. I am copying this minute to the Members of E(A), the Lord Advocate and to Sir Robin Butler.

P. M.

1 March 1989