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PART C



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EMPLOYMENT

STARTS : 19/10/89

ENDS : 31/03/90





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**PRESS NOTICE**

260/89

19 October 1989

**UNEMPLOYMENT RATE FALLS TO 6 PER CENT**

**STATEMENT BY THE SECRETARY OF STATE FOR EMPLOYMENT,  
NORMAN FOWLER**

Seasonally adjusted unemployment fell in September by 50,400 to 1.695 million, and is now lower than it has been at any time since October 1980.

The unemployment rate is now down to six per cent. On the agreed OECD international basis the rate of unemployment in the United Kingdom is now lower than the average for the European Community. The United Kingdom now has a lower unemployment rate than that in France, Italy, Canada, Belgium, the Netherlands, Spain, Ireland and Greece. The number of unemployed people aged 18 to 24 has gone down by 39% in the two years to July 1989 and their rate of unemployment is about half the EC average for this age group.

All regions of the country have shared in the fall in unemployment with the largest falls in unemployment rates in the West Midlands, the North and Wales.



Employment also remains at record levels. The number of people in jobs is estimated to have increased by 85,000 in the second quarter of 1989 and by 2,793,000 since March 1983 when the current upward trend began. There are now well over 26 million people in jobs - the highest number ever. The stock of vacancies at Jobcentres - 218,400 in September - remains high. Figures also released today show that the number of working days lost in August from industrial stoppages has reverted to the lower levels we have experienced over recent years.

The fall in unemployment is larger than in recent months but was affected by some special factors. It also coincides with a growth in manufacturing employment. However, these are figures for one month only.

Unit wage costs in manufacturing are now rising at 4.6% per annum which is higher than most of our major competitors, including Germany, Japan and the United States. Productivity increases have not been enough to offset wage increases. Firms will be selling in markets where wage costs cannot simply be passed on to the customer. The growth in earnings in August, at  $8\frac{3}{4}\%$ , although unchanged from July on the revised basis, is still too high. In such circumstances, excessive pay settlements will inevitably mean fewer jobs.





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## PRESS NOTICE

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### LABOUR MARKET STATISTICS SUMMARY STATISTICS

19 October 1989

		Level	Change on previous period	Thousands Change on previous year
<u>Unemployment (UK)</u>				
Total unadjusted	September 14	1,703	- 38	(-608)(a)
Seasonally adjusted (b),(e)	September 14	1,695	- 50	-497
<u>Workforce in (UK) (c),(d) June Q2 1989 employment</u>				
		26,357	+ 85	+493
<u>Employees in employment (UK) (c)</u>				
All industries and Services (UK) June Q2 1989		22,460	+ 26	+241
Services (UK) June Q2 1989		15,408	+ 51	+269
Manufacturing (UK) June Q2 1989		5,205	- 34	- 24
Manufacturing (GB) August 1989		5,111	+ 16	- 23
<u>Vacancies (UK)(jobcentres) (c) September 8</u>				
		218	+ 2	- 22
<u>Index of Average Earnings (GB) (c)(f)</u>				
			Percentage change on previous year (underlying increase)	
Whole Economy	August		8%	
Services	August		8%	
Manufacturing	August		8%	

#### Notes

- (a) The changes in the unadjusted unemployment figures compared with a year ago are affected by the 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.
- (e) See Note A9.
- (f) Based on restructured average earnings index.



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 50,400 in the month to September. Male unemployment decreased by 31,100 and female unemployment decreased by 19,300. Over the past six months there has been a fall of 37,000 on average compared with a fall of 45,900 per month over the previous six months to March 1989.

The total, unadjusted, decreased in September by 38,196 to 1,702,895.

The workforce in employment in the United Kingdom is estimated to have increased by 85,000 in the second quarter of 1989 contributing to an overall increase of 493,000 in the year to June 1989.

The number of employees employed in manufacturing industry in Great Britain is estimated to have risen by 16,000 in August 1989. However, month to month changes can be erratic and it is more appropriate to consider trends over a longer period. In the second quarter of 1989 there was a fall of 33,000 in manufacturing employment, while over the year to August 1989 there was a fall of 23,000.

The stock of Jobcentre vacancies (UK seasonally adjusted) increased by 1,700 in September to 218,400. Over the past six months there has been a decrease of 800 per month on average.

A restructured average earnings index has been introduced this month. The underlying increase in average earnings for the whole economy in the year to August was 8¾ per cent, the same as the rise in the year to July.

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.

A separate briefing note on the changes to the average earnings index is also available.



LABOUR MARKET STATISTICS

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## UNEMPLOYMENT

The seasonally adjusted level of unemployment in the United Kingdom decreased by 50,400 to 1.695 million in September, 6.0 per cent of the workforce\* \$.

Over the past six months on average unemployment has fallen by 37,000 per month.

The unadjusted total decreased by 38,196 between August and September to 1,702,895 giving an unemployment rate of 6.0 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 Sep++	1543.1	648.6	2191.7	-33.9	-43.7	-44.1	7.8
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	7.5
Dec	1439.4	598.0	2037.4	-67.8	-47.8	-51.4	7.2
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	6.9
Mar	1359.5	557.1	1916.6	-32.1	-45.9	-40.3	6.8
Apr	1321.5	536.5	1858.0	-58.6	-50.0	-43.3	6.6
May	1309.7	526.1	1835.8	-22.2	-44.9	-37.6	6.5
Jun	1296.1	514.2	1810.3	-25.5	-37.9	-35.4	6.4
Jul	1284.8	502.4	1787.2	-23.1	-33.4	-23.6	6.3
Aug(r)	1262.5	482.8	1745.3	-41.9	-33.9	-30.2	6.2
\$ Sep(p)	1231.4	463.5	1694.9	-50.4	-37.0	-38.5	6.0 **

++ September 1988'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 7.5 per cent, and for females 3.9 per cent.

\* The workforce estimates used to calculate these rates have been revised this month to incorporate the latest employees in employment estimates. See note A4.

(p) Provisional and subject to revision (see note A5)

(r) Revised

\$ See note A9.



TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED (P)\$ - REGIONS September 14 1989

	THOUSAND			Change since previous month	Unemployment rate	
	Male	Female	Total		percentage of workforce*	Change since previous month
South East (incl. Greater London)	247.3 (149.0)	97.5 (57.2)	344.8 (206.2)	-8.0 (-4.3)	3.7 (4.8)	-0.1 (-0.1)
East Anglia	23.3	9.9	33.2	-0.8	3.4	-0.1
South West	63.0	28.7	91.7	-3.6	4.3	-0.2
West Midlands	110.6	44.0	154.6	-5.5	6.0	-0.2
East Midlands	73.2	28.4	101.6	-4.4	5.3	-0.2
Yorks and Humberside	125.3	44.8	170.1	-4.7	7.2	-0.2
North West	182.4	65.3	247.7	-7.4	8.0	-0.2
North	99.6	33.0	132.6	-5.5	9.3	-0.4
Wales	66.8	23.4	90.2	-3.3	7.2	-0.3
Scotland	163.6	61.8	225.4	-5.6	9.1	-0.2
<b>GREAT BRITAIN</b>	<b>1,155.2</b>	<b>436.7</b>	<b>1,591.9</b>	<b>-48.7</b>	<b>5.8</b>	<b>-0.2</b>
Northern Ireland	76.2	26.8	103.0	-1.7	14.6	-0.2
<b>UNITED KINGDOM</b>	<b>1,231.4</b>	<b>463.5</b>	<b>1,694.9</b>	<b>-50.4</b>	<b>6.0</b>	<b>-0.2</b>

\* The workforce estimates used to calculate these rates have been revised this month to incorporate the latest employees in employment estimates. See note A4.

(P) Provisional see note A5

\$ See note A9.



TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

		Male	Female	Number	Unemployment rate: percentage of workforce*
1988	Sep++	1,594,403	716,570	2,310,973	8.2
	Oct++	1,484,236	634,626	2,118,862	7.5
	Nov	1,454,771	612,173	2,066,944	7.3
	Dec	1,451,478	595,060	2,046,538	7.3
1989	Jan	1,473,163	601,149	2,074,312	7.4
	Feb	1,434,871	583,308	2,018,179	7.2
	Mar	1,399,364	560,856	1,960,220	6.9
	Apr	1,350,793	532,788	1,883,581	6.7
	May	1,297,067	505,452	1,802,519	6.4
	Jun	1,256,572	486,569	1,743,141	6.2
	Jul	1,261,625	509,757	1,771,382	6.3
	Aug	1,238,399	502,692	1,741,091	6.2
	\$ Sep	1,218,795	484,100	1,702,895	6.0+

+ The separate rate for males was 7.4 per cent, and for females 4.1 per cent.

TABLE 4: UNEMPLOYMENT TOTAL UNADJUSTED \$ - REGIONS September 14 1989 THOUSAND

	Male	Female	Total	Change since previous month	Unemployment rate: percentage of workforce*
South East (incl. Greater London)	246.9 (150.8)	102.8 (60.4)	349.7 (211.2)	-7.1 (-3.8)	3.8 (4.9)
East Anglia	21.9	9.9	31.8	-0.9	3.3
South West	60.8	28.8	89.6	-1.6	4.2
West Midlands	112.5	47.4	159.9	-2.2	6.2
East Midlands	71.4	29.8	101.3	-4.3	5.3
Yorks and Humberside	124.0	46.9	171.0	-2.7	7.3
North West	182.0	68.6	250.6	-5.0	8.1
North	97.6	34.8	132.4	-3.0	9.2
Wales	66.0	24.6	90.6	-0.5	7.2
Scotland	158.7	61.3	219.9	-10.0	8.9
GREAT BRITAIN	1,141.7	455.1	1,596.8	-37.3	5.8
Northern Ireland	77.1	29.0	106.1	-0.9	15.0
UNITED KINGDOM	1,218.8	484.1	1,702.9	-38.2	6.0

++ See notes A7 and A8.

\* The workforce estimates used to calculate these rates have been revised this month to incorporate the latest employees in employment estimates. See note A4.

\$ See note A9.



TABLE 5: UNEMPLOYMENT FLOWS <sup>x</sup> - STANDARDISED, UNADJUSTED  
UNITED KINGDOM

Thousands				
Month ending	INFLOW		OUTFLOW	
	Total	Change since previous year	Total	Change since previous year
1988 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
Jul	293.8	-53.7	269.3	-90.4
Aug	276.8	-34.7	309.6	-40.4
\$ Sep	281.2	-46.2	314.3	8.4

<sup>x</sup> See note A6

\*\* See notes A7 and A8.

\$ See note A9.



## EMPLOYMENT IN THE UNITED KINGDOM

The new figures available this month cover the whole economy for June 1989 and employees in the production industries in Great Britain for August 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 85,000 in the second quarter of 1989, by 493,000 in the year to June 1989, and by 2,793,000 in the six years since March 1983. The increase of 85,000 in the second quarter of 1989 consists of an estimated increase of 26,000 employees in employment, a projected increase of 31,000 in the self employed, a rise of 31,000 in participants in work related Government training programmes (reflecting the continued rise in the number on Employment Training) and a fall of 4,000 in HM Forces.

In the year to June 1989 the number of employees in employment increased by 241,000, the net result of increases of 269,000 in the service industries and 15,000 in 'other' industries (agriculture and construction) offset by falls of 24,000 in manufacturing and 19,000 in energy and water supply industries.

Revised 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 August 1989 the estimated number of employees in employment in manufacturing industries in Great Britain increased by 16,000. Month to month changes can be erratic: the July and August figures are based on a small sample survey of employers and will be revised in the light of the larger September survey. It is therefore more appropriate to consider trends over a longer period. Over the year to August 1989 employment in manufacturing industries fell by 23,000 compared with a rise of 66,000 in previous 12 months.

Overtime working by operatives in manufacturing industries rose to 13.99 million hours per week in August, compared with 13.27 million hours per week in July and 13.46 million hours a week in August 1988.

Hours lost through short-time working in manufacturing industries remain very low, at 0.21 million hours per week in August.

A revised index of average weekly hours will be published in next months press notice taking account of the revised employment and hours figures.

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	9,048	21,026	1,704	504	2,209	306	15	321	6	3	9	13,993	9,571	23,564
	June	11,944	9,109	21,054	1,705	516	2,221	306	16	322	8	8	16	13,964	9,649	23,613
	Sept	11,927	9,179	21,107	1,755	535	2,290	309	16	325	79	67	146	14,070	9,797	23,867
	Dec	11,914	9,255	21,169	1,804	554	2,359	309	16	325	101	86	187	14,129	9,911	24,040
1984	March	11,899	9,305	21,204	1,854	574	2,428	310	16	326	96	80	176	14,159	9,975	24,134
	June	11,895	9,334	21,229	1,903	594	2,496	310	16	326	95	80	175	14,203	10,024	24,226
	Sept	11,907	9,374	21,281	1,921	604	2,525	312	16	328	118	98	216	14,258	10,092	24,350
	Dec	11,937	9,426	21,363	1,939	614	2,554	311	16	327	115	94	209	14,302	10,150	24,452
1985	March	11,926	9,471	21,397	1,958	624	2,582	310	16	326	107	83	190	14,301	10,194	24,495
	June	11,908	9,506	21,414	1,975	635	2,610	309	16	326	100	76	176	14,293	10,233	24,527
	Sept	11,879	9,548	21,427	1,979	636	2,615	309	16	326	126	103	229	14,293	10,303	24,596
	Dec	11,858	9,560	21,418	1,982	636	2,619	307	16	323	120	97	217	14,268	10,309	24,577
1986	March	11,799	9,596	21,395	1,986	637	2,623	306	16	323	108	83	191	14,199	10,332	24,531
	June	11,748	9,631	21,379	1,989	637	2,627	305	16	322	127	99	226	14,170	10,383	24,553
	Sept	11,709	9,671	21,380	2,030	655	2,685	306	16	323	157	128	285	14,202	10,470	24,672
	Dec	11,661	9,728	21,389	2,071	673	2,743	304	16	320	155	123	278	14,191	10,539	24,730
1987	March	11,643	9,773	21,416	2,111	690	2,802	304	16	320	143	111	255	14,201	10,591	24,792
	June	11,701	9,874	21,575	2,152	708	2,860	302	16	319	177	134	311	14,332	10,733	25,065
	Sept	11,774	9,966	21,740	2,178	713	2,891	303	16	319	223	161	383	14,477	10,856	25,333
	Dec	11,864	10,092	21,956	2,204	719	2,923	301	16	317	216	151	366	14,585	10,977	25,562
1988	March	11,942	10,183	22,125	2,231	724	2,954	301	16	317	205	138	343	14,678	11,061	25,739
	June	11,973	10,247	22,220	2,257	729	2,986	300	16	316	205	138	343	14,734	11,130	25,864
	Sept	11,994	10,327	22,322	2,277	739	3,017	299	16	315	220	149	369	14,790	11,232	26,022
	Dec	11,966R	10,366R	22,332R	2,297	750	3,048	297	16	313	252	156	408	14,812R	11,288R	26,100R
1989	March	11,987R	10,447R	22,434R	2,317	761	3,079	295	16	312	285	163	448	14,885R	11,388R	26,272R
	June	11,986	10,475	22,460	2,338	772	3,110	291	16	308	303	176	479	14,917	11,440	26,357

\* 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	-33	51	28	1	12	12	0	1	1	3	5	7	-29	78	49
	Sept	-17	70	53	50	19	69	3	0	3	71	59	130	106	148	254
	Dec	-13	76	62	49	20	69	0	0	0	22	19	41	59	114	172
1984	March	-15	50	35	50	19	69	1	0	1	-5	-6	-11	30	64	94
	June	-4	29	24	49	20	68	0	0	0	-1	0	-1	44	49	92
	Sept	12	40	53	18	10	29	2	0	2	22	18	40	55	69	124
	Dec	30	52	81	18	10	29	-1	0	-1	-3	-4	-7	44	58	102
1985	March	-10	45	35	18	10	29	-1	0	-1	-8	-11	-19	-1	44	43
	June	-18	35	17	18	11	28	-1	0	0	-7	-7	-14	-8	39	31
	Sept	-29	42	12	3	1	4	0	0	0	26	27	53	0	69	69
	Dec	-21	12	-9	3	1	4	-2	0	-2	-6	-6	-12	-25	6	-19
1986	March	-59	36	-23	3	1	4	-1	0	-1	-12	-14	-26	-69	23	-46
	June	-51	35	-17	4	0	4	-1	0	-1	19	16	35	-29	51	22
	Sept	-39	41	1	41	18	58	1	0	1	30	30	59	32	88	120
	Dec	-47	56	9	41	18	58	-2	0	-2	-2	-5	-8	-11	69	57
1987	March	-18	45	27	41	18	58	0	0	0	-11	-12	-23	11	51	62
	June	58	102	160	40	18	58	-1	0	-1	33	23	57	131	143	273
	Sept	73	92	164	26	5	31	1	0	0	46	26	72	145	123	268
	Dec	91	126	216	26	5	31	-2	0	-2	-7	-10	-17	108	121	229
1988	March	78	91	169	26	5	31	0	0	0	-11	-13	-24	93	84	177
	June	31	64	95	26	5	31	-1	0	-1	0	0	0	56	69	125
	Sept	21	81	102	20	11	31	-1	0	-1	16	11	26	56	102	158
	Dec	-28R	38R	10R	20	11	31	-2	0	-2	32	7	39	22R	57R	78R
1989	March	21R	81R	102R	20	11	31	-1	0	-1	33	7	40	73R	99R	172R
	June	-2	28	26	20	11	31	-4	0	-4	18	13	31	33	52	85

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

\*\* See notes B5 and B6.

+ See note B9

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	5,594	- 75	659	- 8	13,363	+ 26	1,410	- 19	21,026	- 76
	June	Q2	5,538	- -56	648	- -11	13,463	+ 100	1,405	- -5	21,054	+ 28
	September	Q3	5,485	- -53	643	- -6	13,570	+ 108	1,409	+ 4	21,107	+ 53
	December	Q4	5,455	- -30	634	- -8	13,673	+ 103	1,407	- -2	21,169	+ 62
1984	March	Q1	5,429	- -26	623	- -11	13,750	+ 77	1,402	- -5	21,204	+ 35
	June	Q2	5,424	- -5	616	- -7	13,800	+ 49	1,389	- -12	21,229	+ 24
	September	Q3	5,402	- -22	613	- -4	13,873	+ 73	1,394	+ 5	21,281	+ 53
	December	Q4	5,399	- -3	609	- -3	13,964	+ 91	1,391	- -3	21,363	+ 81
1985	March	Q1	5,387	- -11	603	- -6	14,021	+ 57	1,386	- -5	21,397	+ 35
	June	Q2	5,377	- -11	591	- -12	14,072	+ 51	1,375	- -12	21,414	+ 17
	September	Q3	5,371	- -6	581	- -11	14,117	+ 45	1,358	- -16	21,427	+ 12
	December	Q4	5,339	- -32	571	- -10	14,161	+ 44	1,347	- -12	21,418	- -9
1986	March	Q1	5,304	- -35	554	- -17	14,203	+ 42	1,334	- -13	21,395	- -23
	June	Q2	5,242	- -62	545	- -10	14,263	+ 60	1,329	- -6	21,379	- -17
	September	Q3	5,201	- -42	535	- -10	14,322	+ 59	1,322	- -6	21,380	+ 1
	December	Q4	5,173	- -28	525	- -10	14,366	+ 44	1,325	+ 3	21,389	+ 9
1987	March	Q1	5,144	- -29	511	- -14	14,430	+ 65	1,330	+ 5	21,416	+ 27
	June	Q2	5,167	+ 23	508	- -3	14,561	+ 131	1,339	+ 9	21,575	+ 160
	September	Q3	5,177	+ 10	508	0	14,703	+ 142	1,351	+ 12	21,740	+ 164
	December	Q4	5,200	+ 23	505	- -3	14,893	+ 190	1,358	+ 7	21,956	+ 216
1988	March	Q1	5,227	+ 27	495	- -10	15,038	+ 145	1,366	+ 8	22,125	+ 169
	June	Q2	5,230	+ 3	487	- -8	15,139	+ 101	1,365	- -1	22,220	+ 95
	September	Q3	5,238	+ 9	486	- 0	15,242	+ 103	1,355	- -9	22,322	+ 102
	December	Q4	5,244	+ 6	483	- -3	15,247R	+ 5	1,357	+ 2	22,332R	+ 10
1989	March	Q1	5,239	- -5	476R	- -8	15,357R	+ 110	1,363R	+ 6	22,434R	+ 102
	June	Q2	5,205	- -34	468	- -7	15,408	+ 51	1,379	+ 16	22,460	+ 26

R=Revised to incorporate late data now available



Table 9: Great Britain

## Employees in Employment in Production Industries

## Working Hours of operatives in Manufacturing Industries

Thousand: Seasonally adjusted

Seasonally adjusted

	Energy & Water Supply Industries				Manufacturing Industries				Hours of overtime worked (millions)	Hours lost through short-time working (stood off for whole or part of week) (millions)	
	Levels	Changes			Levels	Changes					
		Mon-thly	Quar-terly			Mon-thly	Three* monthly	Quar-terly			
1987 April	496	-	7		5,036	-	5	-	5	12.56	.40
May	496	+	1		5,048	+	11		0	12.50	.37
June Q2	499	+	3	- 3	5,064	+	16	+	8	12.96	.34
July	497	-	3		5,061	+	3	+	8	12.58	.35
August	496		0		5,068	+	7	+	7	12.82	.30
September Q3	499	+	3	0	5,074	+	5	+	3	13.10	.27
October	498	-	2		5,082	+	8	+	7	13.13	.25
November	497		0		5,092	+	10	+	8	13.19	.29
December Q4	497	+	1	- 3	5,096	+	4	+	7	13.17	.25
1988 January	495	-	1		5,110	+	14	+	10	13.37	.24
February	491	-	4		5,119	+	9	+	9	13.09	.26
March Q1	487	-	5	- 10	5,122	+	3	+	9	13.11	.22
April	480	-	7		5,124	+	2	+	5	12.96	.21
May	479		0		5,126	+	2	+	2	13.26	.23
June Q2	479	+	1	- 8	5,124	-	2	+	1	13.04	.26
July	478		0		5,134	+	9	+	3	13.57	.28
August	479	+	1		5,134		0	+	3	13.46	.26
September Q3	478	-	1	0	5,132	-	2	+	3	13.36	.23
October	476	-	2		5,129	-	3	-	1	13.92	.26
November	476		0		5,134	+	5		0	13.87	.23
December Q4	476	+	1	- 3	5,138	+	3	+	2	14.04	.25
1989 January	475	-	1		5,142	+	4	+	4	13.87	.23
February	473	-	2		5,139	-	3	+	1	13.75	.29
March Q1	468	-	5	- 8	5,134	-	5	-	1	13.43	.31
April	466R	-	2		5,118	-	15	-	8	13.64	.36
May	464R	-	2		5,106	-	12	-	11	13.35	.35
June Q2	460	-	3	- 7	5,101	-	5	-	11	13.31	.30
July	457	-	4		5,095	-	6	-	8	13.27	.27
August	456	-	1		5,111	+	16	+	2	13.99	.21

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

A revised index of average weekly hours will be published next month incorporating the revised employment and hours data now available.



## VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) increased by 1,700 in the month to September to 218,400. Over the past three months to September, seasonally adjusted vacancies have decreased on average by 2,700 per month.

Unadjusted, there was an increase of 21,023 unfilled vacancies in the month to 238,177.

The inflow of notified vacancies decreased on average by 200 per month in the three months ending September 1989, the outflow increased by 3,400 per month, and placings increased by 1,400 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	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
	Jul	219.9	-6.5	-0.7	228.2	34.3
	Aug	216.7	-3.2	-0.5	217.2	31.6
	Sep	218.4	1.7	-2.7	238.2	30.1

+ 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 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
Jul	226.6	1.9	228.8	2.3	157.4	0.9
Aug	226.0	1.5	227.5	1.7	157.5	1.0
Sep	231.1	-0.2	232.4	3.4	159.1	1.4

TABLE 12: UNFILLED VACANCIES\* - REGIONS - September 1989 THOUSAND

	VACANCIES AT JOBCENTRES			VACANCIES AT CAREERS OFFICES#
	UNADJUSTED	SEASONALLY ADJUSTED		
	TOTAL	Number	Change since previous month	
South East (incl. Greater London)	75.8 (24.2)	68.4 (21.5)	-1.7 (-2.1)	14.9 (7.4)
East Anglia	9.1	8.4	0.4	1.2
South West	19.4	17.8	-0.5	1.7
West Midlands	21.9	20.1	0.8	3.7
East Midlands	14.0	12.7	0.0	1.5
Yorks and Humberside	14.5	13.2	-0.1	1.5
North West	28.6	26.2	1.9	2.1
North	11.7	10.2	-0.1	0.6
Wales	15.6	14.6	0.0	0.5
Scotland	24.5	22.7	0.7	1.0
<b>GREAT BRITAIN</b>	<b>235.1</b>	<b>214.0</b>	<b>1.1</b>	<b>28.6</b>
Northern Ireland	3.1	4.4	0.7	1.5
<b>UNITED KINGDOM</b>	<b>238.2</b>	<b>218.4</b>	<b>1.7</b>	<b>30.1</b>

\* The proportion of total vacancies at Jobcentres varies by region. See note C3.  
# See note C2.



AVERAGE EARNINGS

THE INDICES OF AVERAGE WEEKLY EARNINGS HAVE BEEN REWEIGHTED IN LINE WITH RESULTS OF THE 1987 CENSUS OF EMPLOYMENT. AT THE SAME TIME THE NUMBER OF FIRMS SAMPLED HAS BEEN INCREASED AND THE SURVEY HAS BEEN EXTENDED TO SECTORS NOT FORMERLY COVERED. THE SERIES HAVE BEEN REBASED TO 1988=100 AND THE SERIES SHOWN BELOW ARE BASED ON THIS RESTRUCTURED SURVEY.

TABLE 13: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: WHOLE ECONOMY

		Seasonally adjusted			
		Index 1988 = 100	Index 1988 = 100	Percentage increase over previous 12 months	Underlying % increase over previous 12 months
1988	January	95.4	96.5		
	February	95.5	96.9		
	March	98.3	98.2		
	April	97.8	97.9		
	May	98.4	98.5		
	June	99.8	99.2		
	July	101.3	100.2		
	August	100.3	100.1		
	September	100.9	101.1		
	October	101.7	102.2		
	November	103.7	103.3		
	December	106.9	105.8		
1989	January	104.2	105.4	9.2	9
	February	104.6	106.1	9.5	9 1/4
	March	107.3	107.3	9.3	9 1/2
	April	107.3	107.4	9.7	9 1/4
	May	107.5	107.6	9.2	9
	June	109.1	108.4	9.3	8 3/4
	July	110.3	109.1	8.9	8 3/4
	August*	109.1	109.0	8.9	8 3/4

\* Provisional  
R Revised



AVERAGE EARNINGS

THE TABLE BELOW SHOWS THE FORMER INDEX OF AVERAGE WEEKLY EARNINGS WHICH HAS BEEN DISCONTINUED AND REPLACED BY THE RESTRUCTURED SERIES AT TABLE 13.

TABLE 13A: 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	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
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	135.9	136.1	9.6	9 1/4
	June	137.6	136.8	9.4	9
	July	139.5	138.1	8.8	9



THE INDICES OF AVERAGE WEEKLY EARNINGS HAVE BEEN REWEIGHTED IN LINE WITH RESULTS OF THE 1987 CENSUS OF EMPLOYMENT. AT THE SAME TIME THE NUMBER OF FIRMS SAMPLED HAS BEEN INCREASED AND THE SURVEY HAS BEEN EXTENDED TO SECTORS NOT FORMERLY COVERED. THE SERIES HAVE BEEN REBASED TO 1988=100 AND THE SERIES SHOWN BELOW ARE BASED ON THIS RESTRUCTURED SURVEY.

TABLE 14: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: MAIN SECTORS  
seasonally adjusted

		Production industries*			Manufacturing industries**			Service industries***		
		% increases over previous 12 months			% increases over previous 12 months			% increases over previous 12 months		
Index 1988=100		-----			-----			-----		
		seas adj	under-lying		seas adj	under-lying		seas adj	under-lying	
1988	Jan	96.1			96.2			96.6		
	Feb	95.9			96.3			97.1		
	Mar	97.6			97.9			98.6		
	Apr	99.0			99.1			97.6		
	May	99.9			99.2			98.3		
	Jun	99.2			99.3			99.8		
	Jul	100.2			100.0			100.0		
	Aug	100.6			100.4			99.7		
	Sep	101.4			101.2			100.5		
	Oct	102.6			102.2			101.7		
	Nov	103.1			103.1			103.7		
	Dec	104.6			104.6			106.3		
1989	Jan	104.6	8.8	8 3/4	104.7	8.8	8 3/4	105.5	9.2	9
	Feb	105.6	10.1	8 3/4	105.8	9.9	8 1/2	105.6	8.8	9 1/4
	Mar	105.8	8.4	8 3/4	105.6	7.9	8 3/4	107.8	9.3	9 1/2
	Apr	108.0	9.1	8 3/4	108.2	9.2	8 1/2	107.3	9.9	9 1/4
	May	108.5	8.6	8 3/4	107.9	8.8	8 3/4	107.5	9.4	9
	Jun	108.2	9.1	8 3/4	108.0	8.8	8 1/2	108.7	8.9	8 1/2
	Jul	109.5	9.3	9	109.2	9.2	8 3/4	108.4	8.4	8 1/4
	Aug(p)	110.2	9.5	9	109.5	9.1	8 3/4	107.9	8.2	8 1/4

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 and business services; Other services (including public administration, education, medical and other health services, etc).



THE TABLE BELOW SHOWS THE FORMER INDEX OF AVERAGE WEEKLY EARNINGS WHICH HAS BEEN DISCONTINUED AND REPLACED BY THE RESTRUCTURED SERIES AT TABLE 14.

TABLE 14A: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN. MAIN SECTORS  
seasonally adjusted

		Production industries*			Manufacturing industries**			Service industries***		
		% increases over previous 12 months			% increases over previous 12 months			% increases over previous 12 months		
Index 1985=100		seas adj	under-lying	Index 1985=100	seas adj	under-lying	Index 1985=100	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
	May	137.2	8.9	9 1/4	136.1	9.0	9	135.6	9.8	8 3/4
	Jun	136.4	8.9	9	135.7	8.6	9	137.1	9.2	8 3/4
	Jul	138.9	9.4	9 1/4	138.1	9.1	9	136.9	8.1	8 3/4

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 and business services; Other services (including public administration, education, medical and other health services, etc).



UNIT WAGE AND SALARY COSTS

In the three months ending August 1989, wages and salaries per unit of output in manufacturing industries were 4.6 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing as there was a rise of about 4 1/4 per cent in productivity over this period.

In the second quarter of 1989 wages and salaries per unit of output in the whole economy were 8.2 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 3/4 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
1987	Q1	105.8	1.1	107.4	3.6
	Q2	104.7	0.0	109.0	3.6
	Q3	105.7	1.0	110.0	3.8
	Q4	107.3	3.7	111.9	4.8
1988	Q1	108.2	2.3	113.6	5.8
	Q2	109.6	4.7	115.4	5.9
	Q3	108.1	2.3	116.6	6.0
	Q4	110.3	2.8	119.6	6.9
1989	Q1	110.8	2.4	121.9	7.3
	Q2	113.3	3.4	124.8	8.2
1989	Mar	111.2	2.2	..	..
	Apr	114.6	3.7	..	..
	May	112.4	2.6	..	..
	Jun	112.9	3.8	..	..
	Jul	113.6	5.3	..	..
	Aug	113.5	4.9	..	..
	3 months ending				
1989	Mar	110.8	2.4	..	..
	Apr	112.5	2.8	..	..
	May	112.7	2.8	..	..
	Jun	113.3	3.4	..	..
	Jul	113.0	3.9	..	..
	Aug	113.3	4.6	..	..

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 each of the first 2 quarters of 1989 and about 1/2 a percentage point in each of the two previous quarters.



PRODUCTIVITY

Manufacturing output per head in the three months to August was 1.0 per cent higher than in the three months ending May and 4.2 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the second quarter of 1989 was 0.6 per cent lower than in the previous quarter but 0.7 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	Q3	103.4	3.5	103.3	3.2
	Q4	107.2	8.3	104.2	3.7
1987	Q1	106.7	6.7	104.9	3.2
	Q2	109.8	7.6	105.7	3.2
	Q3	111.0	7.4	106.6	3.2
	Q4	112.0	4.5	107.0	2.7
1988	Q1	112.9	5.8	107.5	2.5
	Q2	114.2	4.0	107.4	1.6
	Q3	117.4	5.8	108.2	1.5
	Q4	118.1	5.4	108.5	1.4
1989	Q1	120.0	6.3	108.7	1.1
	Q2	120.4	5.4	108.1	0.7
1989	Mar	119.8	5.6	..	..
	Apr	119.2	5.3	..	..
	May	121.2	6.1	..	..
	Jun	120.8	5.0	..	..
	Jul	121.3	3.8	..	..
	Aug	121.8	4.0	..	..
3 months ending					
1989	Mar	120.0	6.3	..	..
	Apr	119.6	6.0	..	..
	May	120.1	5.7	..	..
	Jun	120.4	5.4	..	..
	Jul	121.1	4.9	..	..
	Aug	121.3	4.2	..	..

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 each of the first 2 quarters of 1989 and by about 1/2 a percentage point in each of the previous two quarters.



## Industrial stoppages

In August 1989, it is provisionally estimated that 109 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 2,374 thousand in July 1989, 431 thousand in August 1988 and an average of 775 thousand for August during the ten year period 1979 to 1988.

During the twelve months to August 1989 it is provisionally estimated that a total of 4,568 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 701 stoppages have been provisionally recorded as being in progress, involving a total of 921 thousand workers. The comparable figures for the twelve months to August 1988 were 2,631 thousand lost working days, 856 stoppages in progress and 583 thousand workers.

Table 17. Industrial stoppages in progress in the United Kingdom.

	<u>Working days lost (thousand)</u>	<u>Number of Stoppages</u>	<u>Workers involved (thousand)</u>
1988			
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	58	13
Feb(p)	61	86	27
Mar(p)	77	72	27
Apr(p)	96	70	43
May(p)	177	98	52
Jun(p)	243	77	103
Jul(p)	2,374	83	468
Aug(p)	109	52	25
<u>Cumulative totals</u>			
12 months to August 1988	2,631	856	583
12 months to August 1989(p)	4,568	701	921

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



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 14 September 1989 students numbered 91,347 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 14 September 1989 these numbered 2,814 in Great Britain and 3,550 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 workforce estimates, used in the denominators, have been revised to incorporate the effects of the 1987 Census of Employment results.

The UK narrower rates on 14 September 1989 were 9.0 per cent for males and 4.4 per cent for females, 6.9 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 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 1988. 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.

A9. The changes in the Redundant Mineworkers Payment Scheme from 23rd July mean that these mineworkers have the option to no longer sign on at Unemployment Benefit Offices (UBO's) as unemployed and available for work as a condition of this scheme. The change is being administered via claimant adviser interviews at UBO's where these mineworkers sign on. The option is only exercised after the details of the scheme changes have been explained. It is estimated that around 3,000 people have left the count in September as a result of this change, though it will take some time before the full effect becomes apparent. When the full effect is known apparent (probably not before Spring 1990) the necessary discontinuity adjustments will be made and a revised consistent back series produced.

#### EMPLOYMENT AND HOURS (Tables 6-9)

B1. Information on the number of employees in employment, for most industries is 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 census results to provide



current estimates. The results of the 1987 Census of Employment were incorporated in the press notice released on 14 September 1989 and the resulting revisions to the series are described in an article on page 560 of the October issue of Employment Gazette.

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.

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 censuses of employment carried out at the same time as those for Great Britain, 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. It requires revision in the light of the new employment and hours series following the incorporation of the 1987 Census of Employment results. A new index of average weekly hours will be published next month.

#### 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, and also due to a difference between the timing of the two counts, they 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. Indices of average earnings are presented in this press notice for the whole economy and the three main sectors manufacturing, production and services industries. The present series is based on 1988 = 100. Separate indices for 25 industry groups of Standard Industrial Classification (1980) are published in the Employment Gazette.

D2. The average earnings index has been updated from October 1989, incorporating improvements to the associated monthly sample and reweighting of the index to reflect the latest employment structure of the economy, based on the data from the 1987 Census of Employment. At the same time, the index has been rebased to 1988=100. A separate detailed article explaining the changes is issued with this press notice and will be published in the November 1989 issue of Employment Gazette.

D3. 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 9 million employees.

D4. 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 September 1989 issue.



D5. 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.

D6. 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.

E2. 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.

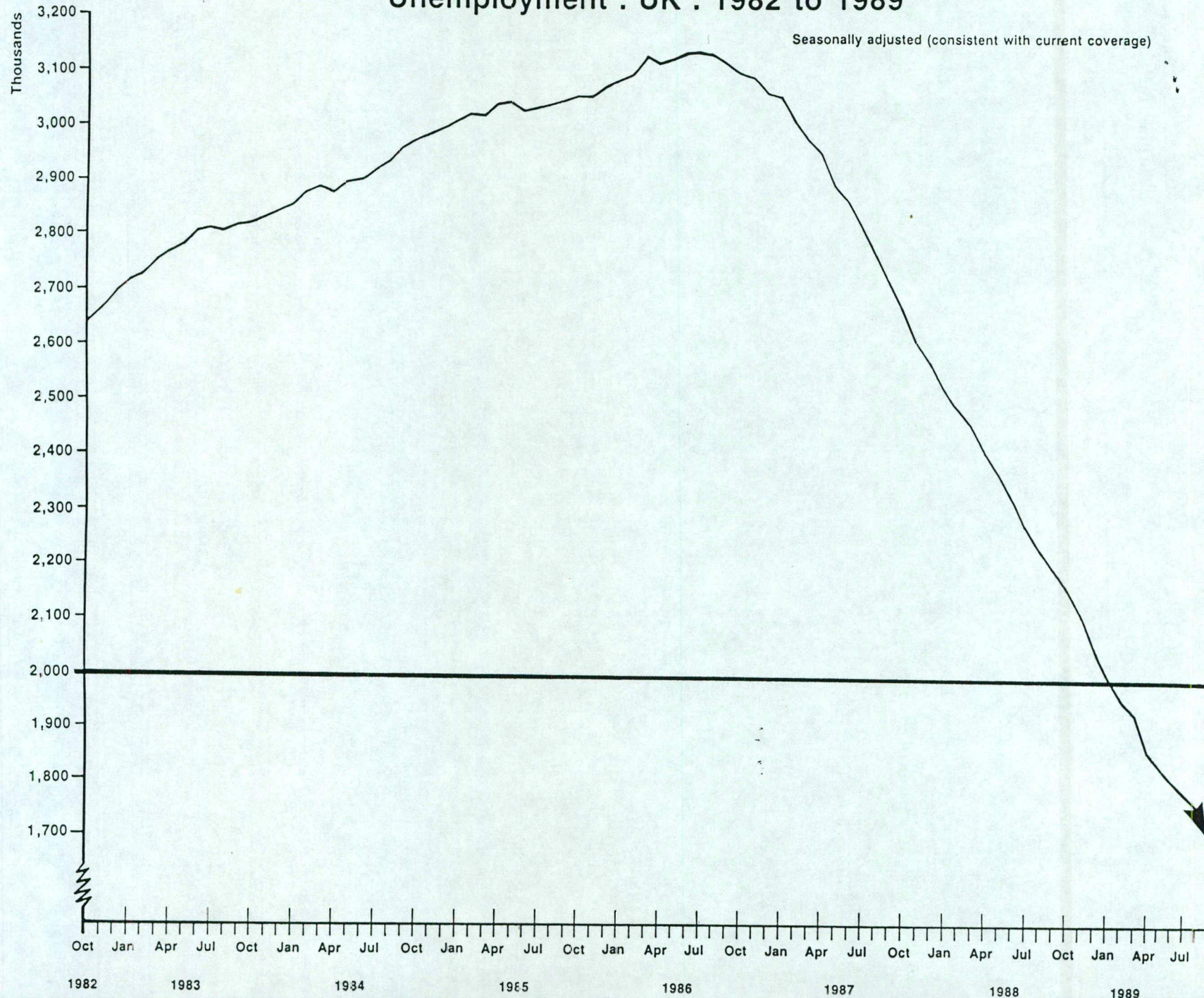
#### INDUSTRIAL STOPPAGES (Table 17)

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

Seasonally adjusted (consistent with current coverage)





mp

PERSONAL AND CONFIDENTIAL UNTIL 11.30 A.M. ON 19.10.89 THEREAFTER CONFIDENTIAL

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STATISTICS DIVISION  
DEPARTMENT OF EMPLOYMENT  
16 OCTOBER 1989  
ENQUIRES TEL:01-273-5522



LABOUR MARKET STATISTICS

Summary

The latest estimates of the workforce in employment in the UK in the second quarter of the year signal a slowdown in the rate of growth in employment. This is consistent with an easing in the downward trend of unemployment seen around the same period. The most recent labour market data - in August a rise in the number of employees in manufacturing and numbers of hours overtime worked and in September a fall in unemployment of 50,400 (seasonally adjusted) and an increase in the stock of vacancies - might suggest improved activity once more. However, given the general economic climate and some factors which suggest some erratic influences in these figures, there is no reason to expect that any improvement can be sustained.

The index of average earnings has been restructured this month. The estimated underlying annual increase in earnings for August on the new basis is 8 $\frac{3}{4}$  per cent, the same as the re-estimated rate for July.

The August figure of 109,000 working days lost shows a return to a more normal level of industrial action after the exceptionally high July figure of 2.37 million working days lost.

Unemployment

UK unemployment (seasonally adjusted) fell by 50,400 between August and September to 1.695 million, the lowest level since October 1980 on the consistent basis. The continuous fall since July 1986 has now reached 1.438 million, over 38 consecutive months.

September's level of unemployment represents 6.0 per cent of the workforce. The basis of the rate has now been revised to incorporate in the denominator the effects of the 1987 census of employment results, which reduced the estimated size of the workforce. On the new figures, this month's rate represents a fall of 0.2 percentage points from the revised rate of 6.2 per cent for August (previously published last month as 6.1 per cent).



Although this month's fall of 50,400 is larger than the seasonally adjusted fall for August (itself larger than the three previous months), it is too early to suggest that it represents anything other than a respite from the slowdown in the fall in unemployment seen a few months earlier.

September figures are usually difficult to interpret - being affected in particular by school leavers entering the labour market - and comparisons with last year are complicated by the effects of the postal strike a year ago. However, there are two administrative factors which account for a small element of this month's fall in unemployment. Firstly, about 3,000 mineworkers stopped claiming benefits in September as a result of recent changes to the conditions governing the Redundant Mineworkers Payments Scheme (effective from July 23) whereby miners covered by the scheme now no longer have to sign on to receive payments. Claimant Advisers will be interviewing all mineworkers about exercising this option and the administration is likely to be spread over a few months. When the full effect of the change is known (and potentially it could lead to more than 20,000 mineworkers coming off the count) the seasonally adjusted consistent unemployment series will be revised to bring it into line with the current coverage. Until then comparisons over time using the seasonally adjusted figures will be affected by this change.

The second effect this month is a reduced number of married women flowing onto the count after a period out of the labour market through the summer. There is a tendency for women to stop claiming benefit whilst, for example, looking after children over the school holidays, and following a tightening up of the entitlement conditions for unemployment benefit last October, fewer than usual will have returned to the count.

Also this month's fall relates to a five week period.

#### Regional comparisons

Unemployment fell in all regions between August and September. The falls were consistently more marked than in previous months, with the exception of Greater London, the West Midlands and the North West, where the August falls were concentrated.

#### 'Headline' total

The UK unadjusted unemployment total fell between August and September by 38,200 to 1.703 million.



Thereafter confidential.

October 'headline' total

Seasonal influences tend to decrease the unadjusted total between September and October by around 50,000 and so with a continued downward trend there is likely to be a fall in the October headline total in excess of 70,000. The recent changes in Social Security legislation whereby claimants must demonstrate that they are "actively seeking work" came into effect on 9 October.

Employment

Figures are newly available this month for the UK workforce in employment in June 1989 and for employees in manufacturing and production industries in August 1989 in Great Britain.

The workforce in employment in the United Kingdom (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) is estimated to have increased by 85,000 in the second quarter of 1989. This follows an increase of 533,000 in the year to March 1989 and although it continues the generally upward trend observed since March 1983, there are signs that the stronger growth, seen particularly in 1987 and early 1988, has now moderated.

This second quarter increase of 85,000 in the workforce in employment is made up of:

an estimated increase of 26,000 employees in employment;

a projected increase in the self-employed of 31,000;

a rise of 31,000 in work-related government training programmes;

a fall of 4,000 in the HM Forces.

The increase in employees in employment comprised increases in the service sector, of 51,000, and in other industries (agriculture and construction) of 16,000, offset by falls in manufacturing industry of 34,000, and energy and water supply of 7,000.



The quarterly increase in employment in the service sector is the smallest increase seen for more than two years, with the exception of Q4 1988 when the run down of CP had a large impact. The fall in manufacturing employment in the second quarter, taken with this smaller increase in the service sector means that the overall growth in employees in employment in the quarter is rather lower than recent periods.

The 31,000 increase in the number of participants in work related government training programmes largely reflects the increased numbers of participants on Employment Training ET.

The workforce in employment increased by 493,000 in the year to June 1989, of which the number of employees in employment accounted for 241,000. This latter figure was the net result of increases of 269,000 in the service industries and 15,000 in 'other' industries (agriculture and construction) offset by falls of 24,000 in manufacturing and 19,000 in energy and water supply industries. The increases in the year to June 1989 compare with a growth in the year to June 1988 of 799,000 in the workforce in employment and 645,000 in employees in employment.

The workforce in employment has increased by 2,793,000 between March 1983 , when employment first began to increase, and June 1989. The growth is made up of increases of:

1,435,000 employees in employment;  
901,000 self-employed;  
and 471,000 participants in work related government training programmes offset by a reduction of 13,000 HM Forces.

Of the increase of 2,793,000 in the workforce in employment in the United Kingdom 924,000 were men and 1,869,000 were women.

In the month to August the estimated number of employees employed in manufacturing in Great Britain rose by 16,000 compared with a fall of 6,000 in July and a fall of 33,000 in the second quarter of 1989. Month to month changes can be very variable and it is thought that the August change is largely erratic. The July and August figures are based on a small sample survey of employers and will be revised in the light of the results from the larger September survey. It is therefore more appropriate to consider trends over a longer period. Over the year to August 1989 employment in



Thereafter confidential.

● manufacturing industries fell by 23,000 compared with a rise of 66,000 in the previous 12 months, and a fall of 33,000 in the 12 months to August 1987.

In Great Britain during the year to June 1989 full-time employment is estimated to have increased by 226,000 while part-time employment increased by 264,000 (these figures include 135,000 work related government training programme participants).

Overtime working by operatives in manufacturing industry rose from 13.3 million hours per week in July to 14.0 million hours in August. This is considerably higher than in August 1988 and is comparable with the very high levels seen towards the end of 1988 and beginning of 1989.

Hours lost through short-time working in manufacturing industries remain low; 0.21 million hours were lost in August.

#### Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) rose by 1,700 between August and September, to 218,400. Placings were also higher. Vacancies last rose in June, when the increase was amongst temporary summer jobs. The picture seems consistent with the large fall in unemployment, but again is unlikely to be sustainable.

#### Average Earnings (G.B. only)

A restructured average earnings series has been introduced from August reflecting improvements to the monthly survey and reweighting of the index (outlined in Section D.10).

The estimate of the underlying increase in earnings for the whole economy for August on the new basis is  $8\frac{3}{4}$  per cent, unchanged from the equivalent (revised) figure for July, and the third successive month at this rate. The new index is producing estimates of earnings growth for the whole economy in recent months at  $\frac{1}{4}$  per cent below the previous series, largely due to the effects of reweighting. The underlying increases to August for manufacturing, production and services are all unchanged from the July figures at  $8\frac{3}{4}$  per cent, 9 per cent and  $8\frac{1}{4}$  per cent respectively.



Thereafter confidential.

The rate of earnings growth has not risen in August, mainly because settlements are taking longer than anticipated to appear in pay. The effects of increased settlements for over a million employees are likely to appear in the September index but because of smoothing the underlying rate of increase may not rise until October.

### Industrial Stoppages

Working days lost from industrial stoppages in August are provisionally estimated as 109,000. NALGO action involving 'key workers' in local authorities caused the loss of 52,000 working days, whilst a stoppage in the electrical engineering industry resulted in 11,000 working days lost. The August figure of 109,000 working days lost shows a return to a more normal level of industrial action after the exceptionally high July figure of 2.37 million working days lost, of which 1.95 million resulted from NALGO action involving local authority non-manual employees.

The 109,000 working days lost in August compares favourably with the August 1988 figure of 431,000, when a one day postal workers strike occurred, and the average for August during the ten years 1979 to 1988 of 775,000. In the twelve months to August 1989, 4.6 million days were lost, which although above recent annual figures (1.9 million in 1986 3.5 million in 1987 and 3.7 million in 1988), is well below the average for the previous ten years, 10.1 million, and the average for the 1970's, 12.9 million.

The number of stoppages provisionally recorded as in progress in the twelve months to August is 701. Even after subsequent upward revision, this total will be at its lowest level for over 50 years. The highly provisional figure for the number of stoppages in August, 52, is the lowest for any August since 1940.

Working days lost in September are expected to have remained at a relatively low level. Figures will be available in the next labour market briefing.



Personal and Confidential until ... 11:30 AM 19-10-89  
Thereafter confidential.

A1 (VII)

● **Next Labour Market figures**

The next labour market briefing will be issued on Monday 13 November in advance of the press release on 16 November.

Statistics Division  
Department of Employment  
October 1989



PERSONAL AND CONFIDENTIAL UNTIL 11.30 AM 19 OCTOBER 1989

LABOUR MARKET STATISTICS  
SUMMARY STATISTICS

19 October 1989

		Level	Change on previous period	<u>Thousands</u> Change on previous year
<u>Unemployment (UK)</u>				
Total unadjusted	September 14	1,703	- 38	(-608)(a)
Seasonally adjusted (b)(e)	September 14	1,695	- 50	-497
<u>Workforce in (UK) (c),(d) (e)</u>	June Q2 1989	26,357	+ 85	+493
<u>employment</u>				
<u>Employees in employment (UK) (c)</u>				
All industries and Services (UK)	June Q2 1989	22,460	+ 26	+241
Services (UK)	June Q2 1989	15,408	+ 51	+269
Manufacturing (UK)	June Q2 1989	5,205	- 34	- 24
Manufacturing (GB)	August 1989	5,111	+ 16	- 23
<u>Vacancies (UK)(jobcentres) (c)</u>	September 8	218	+ 2	- 22
<u>Index of Average Earnings (GB) (c)</u>				
			Percentage change on previous year (underlying increase)	
Whole Economy	August		8%	
Services	August		8%	
Manufacturing	August		8%	

Notes

- (a) The changes in the unadjusted unemployment figures compared with a year ago are affected by the 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.
- (e) See note A 9



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

Summary

Unemployment (UK seasonally adjusted) fell by 50,400 in the month to September. Male unemployment decreased by 31,100 and female unemployment decreased by 19,300. Over the past six months there has been a fall of 37,000 on average compared with a fall of 45,900 per month over the previous six months to March 1989.

The total, unadjusted, decreased in September by 38,196 to 1,702,895.

The workforce in employment in the United Kingdom is estimated to have increased by 85,000 in the second quarter of 1989 contributing to an overall increase of 493,000 in the year to June 1989.

The number of employees employed in manufacturing industry in Great Britain is estimated to have risen by 16,000 in August 1989. However, month to month changes can be erratic and it is more appropriate to consider trends over a longer period. In the second quarter of 1989 there was a fall of 33,000 in manufacturing employment, while over the year to August 1989 there was a fall of 23,000.

The stock of Jobcentre vacancies (UK seasonally adjusted) increased by 1,700 in September to 218,400. Over the past six months there has been a decrease of 800 per month on average.

The underlying increase in average earnings for the whole economy in the year to August was 8% per cent, the same as the rise in the year to June.

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 50,400 to 1.695 million in September, 6.0 per cent of the workforce\* \$.

Over the past six months on average unemployment has fallen by 37,000 per month.

The unadjusted total decreased by 38,196 between August and September to 1,702,895 giving an unemployment rate of 6.0 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 Sep++	1543.1	648.6	2191.7	-33.9	-43.7	-44.1	7.8
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	7.5
Dec	1439.4	598.0	2037.4	-67.8	-47.8	-51.4	7.2
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	6.9
Mar	1359.5	557.1	1916.6	-32.1	-45.9	-40.3	6.8
Apr	1321.5	536.5	1858.0	-58.6	-50.0	-43.3	6.6
May	1309.7	526.1	1835.8	-22.2	-44.9	-37.6	6.5
Jun	1296.1	514.2	1810.3	-25.5	-37.9	-35.4	6.4
Jul	1284.8	502.4	1787.2	-23.1	-33.4	-23.6	6.3
Aug(r)	1262.5	482.8	1745.3	-41.9	-33.9	-30.2	6.2
\$ Sep(p)	1231.4	463.5	1694.9	-50.4	-37.0	-38.5	6.0 **

++ September 1988'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 7.5 per cent, and for females 3.9 per cent.

\* The workforce estimates used to calculate these rates have been revised this month to incorporate the latest employees in employment estimates. See note A4.

(p) Provisional and subject to revision (see note A5)

(r) Revised

\$ See note A9.



TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED (P)\$ - REGIONS September 14 1989

	THOUSAND			Change since previous month	Unemployment rate	
	Male	Female	Total		percentage of workforce*	Change since previous month
South East (incl. Greater London)	247.3 (149.0)	97.5 (57.2)	344.8 (206.2)	-8.0 (-4.3)	3.7 (4.8)	-0.1 (-0.1)
East Anglia	23.3	9.9	33.2	-0.8	3.4	-0.1
South West	63.0	28.7	91.7	-3.6	4.3	-0.2
West Midlands	110.6	44.0	154.6	-5.5	6.0	-0.2
East Midlands	73.2	28.4	101.6	-4.4	5.3	-0.2
Yorks and Humberside	125.3	44.8	170.1	-4.7	7.2	-0.2
North West	182.4	65.3	247.7	-7.4	8.0	-0.2
North	99.6	33.0	132.6	-5.5	9.3	-0.4
Wales	66.8	23.4	90.2	-3.3	7.2	-0.3
Scotland	163.6	61.8	225.4	-5.6	9.1	-0.2
<b>GREAT BRITAIN</b>	<b>1,155.2</b>	<b>436.7</b>	<b>1,591.9</b>	<b>-48.7</b>	<b>5.8</b>	<b>-0.2</b>
Northern Ireland	76.2	26.8	103.0	-1.7	14.6	-0.2
<b>UNITED KINGDOM</b>	<b>1,231.4</b>	<b>463.5</b>	<b>1,694.9</b>	<b>-50.4</b>	<b>6.0</b>	<b>-0.2</b>

\* The workforce estimates used to calculate these rates have been revised this month to incorporate the latest employees in employment estimates. See note A4.

(P) Provisional see note A5

\$ See note A9.



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TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

		Male	Female	Number	Unemployment rate: percentage of workforce*
1988	Sep++	1,594,403	716,570	2,310,973	8.2
	Oct++	1,484,236	634,626	2,118,862	7.5
	Nov	1,454,771	612,173	2,066,944	7.3
	Dec	1,451,478	595,060	2,046,538	7.3
1989	Jan	1,473,163	601,149	2,074,312	7.4
	Feb	1,434,871	583,308	2,018,179	7.2
	Mar	1,399,364	560,856	1,960,220	6.9
	Apr	1,350,793	532,788	1,883,581	6.7
	May	1,297,067	505,452	1,802,519	6.4
	Jun	1,256,572	486,569	1,743,141	6.2
	Jul	1,261,625	509,757	1,771,382	6.3
	Aug	1,238,399	502,692	1,741,091	6.2
	\$ Sep	1,218,795	484,100	1,702,895	6.0 <sup>+</sup>

+ The separate rate for males was 7.4 per cent, and for females 4.1 per cent.

TABLE 4: UNEMPLOYMENT TOTAL UNADJUSTED \$ - REGIONS September 14 1989 THOUSAND

	Male	Female	Total	Change since previous month	Unemployment rate: percentage of workforce*
South East (incl. Greater London)	246.9 (150.8)	102.8 (60.4)	349.7 (211.2)	-7.1 (-3.8)	3.8 (4.9)
East Anglia	21.9	9.9	31.8	-0.9	3.3
South West	60.8	28.8	89.6	-1.6	4.2
West Midlands	112.5	47.4	159.9	-2.2	6.2
East Midlands	71.4	29.8	101.3	-4.3	5.3
Yorks and Humberside	124.0	46.9	171.0	-2.7	7.3
North West	182.0	68.6	250.6	-5.0	8.1
North	97.6	34.8	132.4	-3.0	9.2
Wales	66.0	24.6	90.6	-0.5	7.2
Scotland	158.7	61.3	219.9	-10.0	8.9
<b>GREAT BRITAIN</b>	<b>1,141.7</b>	<b>455.1</b>	<b>1,596.8</b>	<b>-37.3</b>	<b>5.8</b>
Northern Ireland	77.1	29.0	106.1	-0.9	15.0
<b>UNITED KINGDOM</b>	<b>1,218.8</b>	<b>484.1</b>	<b>1,702.9</b>	<b>-38.2</b>	<b>6.0</b>

++ See notes A7 and A8.

\* The workforce estimates used to calculate these rates have been revised this month to incorporate the latest employees in employment estimates. See note A4.

\$ See note A9.



TABLE 5: UNEMPLOYMENT FLOWS <sup>x</sup> - STANDARDISED, UNADJUSTED  
UNITED KINGDOM

Thousands				
Month ending	INFLOW		OUTFLOW	
	Total	Change since previous year	Total	Change since previous year
1988 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
Jul	293.8	-53.7	269.3	-90.4
Aug	276.8	-34.7	309.6	-40.4
\$ Sep	281.2	-46.2	314.3	8.4

<sup>x</sup> See note A6

\*\* See notes A7 and A8.

\$ See note A9.



## EMPLOYMENT IN THE UNITED KINGDOM

The new figures available this month cover the whole economy for June 1989 and employees in the production industries in Great Britain for August 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 85,000 in the second quarter of 1989, by 493,000 in the year to June 1989, and by 2,793,000 in the six years since March 1983. The increase of 85,000 in the second quarter of 1989 consists of an estimated increase of 26,000 employees in employment, a projected increase of 31,000 in the self employed, a rise of 31,000 in participants in work related Government training programmes (reflecting the continued rise in the number on Employment Training) and a fall of 4,000 in HM Forces.

In the year to June 1989 the number of employees in employment increased by 241,000, the net result of increases of 269,000 in the service industries and 15,000 in 'other' industries (agriculture and construction) offset by falls of 24,000 in manufacturing and 19,000 in energy and water supply industries.

Revised 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 August 1989 the estimated number of employees in employment in manufacturing industries in Great Britain increased by 16,000. Month to month changes can be erratic: the July and August figures are based on a small sample survey of employers and will be revised in the light of the larger September survey. It is therefore more appropriate to consider trends over a longer period. Over the year to August 1989 employment in manufacturing industries fell by 23,000 compared with a rise of 66,000 in previous 12 months.

Overtime working by operatives in manufacturing industries rose to 13.99 million hours per week in August, compared with 13.27 million hours per week in July and 13.46 million hours a week in August 1988.

Hours lost through short-time working in manufacturing industries remain very low, at 0.21 million hours per week in August.

A revised index of average weekly hours will be published in next months press notice taking account of the revised employment and hours figures.

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	9,048	21,026	1,704	504	2,209	306	15	321	6	3	9	13,993	9,571	23,564
	June	11,944	9,109	21,054	1,705	516	2,221	306	16	322	8	8	16	13,964	9,649	23,613
	Sept	11,927	9,179	21,107	1,755	535	2,290	309	16	325	79	67	146	14,070	9,797	23,867
	Dec	11,914	9,255	21,169	1,804	554	2,359	309	16	325	101	86	187	14,129	9,911	24,040
1984	March	11,899	9,305	21,204	1,854	574	2,428	310	16	326	96	80	176	14,159	9,975	24,134
	June	11,895	9,334	21,229	1,903	594	2,496	310	16	326	95	80	175	14,203	10,024	24,226
	Sept	11,907	9,374	21,281	1,921	604	2,525	312	16	328	118	98	216	14,258	10,092	24,350
	Dec	11,937	9,426	21,363	1,939	614	2,554	311	16	327	115	94	209	14,302	10,150	24,452
1985	March	11,926	9,471	21,397	1,958	624	2,582	310	16	326	107	83	190	14,301	10,194	24,495
	June	11,908	9,506	21,414	1,975	635	2,610	309	16	326	100	76	176	14,293	10,233	24,527
	Sept	11,879	9,548	21,427	1,979	636	2,615	309	16	326	126	103	229	14,293	10,303	24,596
	Dec	11,858	9,560	21,418	1,982	636	2,619	307	16	323	120	97	217	14,268	10,309	24,577
1986	March	11,799	9,596	21,395	1,986	637	2,623	306	16	323	108	83	191	14,199	10,332	24,531
	June	11,748	9,631	21,379	1,989	637	2,627	305	16	322	127	99	226	14,170	10,383	24,553
	Sept	11,709	9,671	21,380	2,030	655	2,685	306	16	323	157	128	285	14,202	10,470	24,672
	Dec	11,661	9,728	21,389	2,071	673	2,743	304	16	320	155	123	278	14,191	10,539	24,730
1987	March	11,643	9,773	21,416	2,111	690	2,802	304	16	320	143	111	255	14,201	10,591	24,792
	June	11,701	9,874	21,575	2,152	708	2,860	302	16	319	177	134	311	14,332	10,733	25,065
	Sept	11,774	9,966	21,740	2,178	713	2,891	303	16	319	223	161	383	14,477	10,856	25,333
	Dec	11,864	10,092	21,956	2,204	719	2,923	301	16	317	216	151	366	14,585	10,977	25,562
1988	March	11,942	10,183	22,125	2,231	724	2,954	301	16	317	205	138	343	14,678	11,061	25,739
	June	11,973	10,247	22,220	2,257	729	2,986	300	16	316	205	138	343	14,734	11,130	25,864
	Sept	11,994	10,327	22,322	2,277	739	3,017	299	16	315	220	149	369	14,790	11,232	26,022
	Dec	11,966R	10,366R	22,332R	2,297	750	3,048	297	16	313	252	156	408	14,812R	11,288R	26,100R
1989	March	11,987R	10,447R	22,434R	2,317	761	3,079	295	16	312	285	163	448	14,885R	11,388R	26,272R
	June	11,986	10,475	22,460	2,338	772	3,110	291	16	308	303	176	479	14,917	11,440	26,357

\* 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 E8

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	-33	61	28	1	12	12	0	1	1	3	5	7	-29	78	49
	Sept	-17	70	53	50	19	69	3	0	3	71	59	130	106	148	254
	Dec	-13	76	62	49	20	69	0	0	0	22	19	41	59	114	172
1984	March	-15	50	35	50	19	69	1	0	1	-5	-6	-11	30	64	94
	June	-4	29	24	49	20	68	0	0	0	-1	0	-1	44	49	92
	Sept	12	40	53	18	10	29	2	0	2	22	18	40	55	69	124
	Dec	30	52	81	18	10	29	-1	0	-1	-3	-4	-7	44	58	102
1985	March	-10	45	35	18	10	29	-1	0	-1	-8	-11	-19	-1	44	43
	June	-18	35	17	18	11	28	-1	0	0	-7	-7	-14	-8	39	31
	Sept	-29	42	12	3	1	4	0	0	0	26	27	53	0	69	69
	Dec	-21	12	-9	3	1	4	-2	0	-2	-6	-6	-12	-25	6	-19
1986	March	-59	36	-23	3	1	4	-1	0	-1	-12	-14	-26	-69	23	-46
	June	-51	35	-17	4	0	4	-1	0	-1	19	16	35	-29	51	22
	Sept	-39	41	1	41	18	58	1	0	1	30	30	59	32	88	120
	Dec	-47	56	9	41	18	58	-2	0	-2	-2	-5	-8	-11	69	57
1987	March	-18	45	27	41	18	58	0	0	0	-11	-12	-23	11	51	62
	June	58	102	160	40	18	58	-1	0	-1	33	23	57	131	143	273
	Sept	73	92	164	26	5	31	1	0	0	46	26	72	145	123	268
	Dec	91	126	216	26	5	31	-2	0	-2	-7	-10	-17	108	121	229
1988	March	78	91	169	26	5	31	0	0	0	-11	-13	-24	93	84	177
	June	31	64	95	26	5	31	-1	0	-1	0	0	0	56	69	125
	Sept	21	81	102	20	11	31	-1	0	-1	16	11	26	56	102	158
	Dec	-28R	38R	10R	20	11	31	-2	0	-2	32	7	39	22R	57R	78R
1989	March	21R	81R	102R	20	11	31	-1	0	-1	33	7	40	73R	99R	172R
	June	-2	28	26	20	11	31	-4	0	-4	18	13	31	33	52	85

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

\*\* See notes B5 and B6.

+ See note B9.

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	5,594	- 75	659	- 8	13,363	+ 26	1,410	- 19	21,026	- 76
	June	Q2	5,538	- -56	648	- -11	13,463	+ 100	1,405	- -5	21,054	+ 28
	September	Q3	5,485	- -53	643	- -6	13,570	+ 108	1,409	+ 4	21,107	+ 53
	December	Q4	5,455	- -30	634	- -8	13,673	+ 103	1,407	- -2	21,169	+ 62
1984	March	Q1	5,429	- -26	623	- -11	13,750	+ 77	1,402	- -5	21,204	+ 35
	June	Q2	5,424	- -5	616	- -7	13,800	+ 49	1,389	- -12	21,229	+ 24
	September	Q3	5,402	- -22	613	- -4	13,873	+ 73	1,394	+ 5	21,281	+ 53
	December	Q4	5,399	- -3	609	- -3	13,964	+ 91	1,391	- -3	21,363	+ 81
1985	March	Q1	5,387	- -11	603	- -6	14,021	+ 57	1,386	- -5	21,397	+ 35
	June	Q2	5,377	- -11	591	- -12	14,072	+ 51	1,375	- -12	21,414	+ 17
	September	Q3	5,371	- -6	581	- -11	14,117	+ 45	1,358	- -16	21,427	+ 12
	December	Q4	5,339	- -32	571	- -10	14,161	+ 44	1,347	- -12	21,418	- -9
1986	March	Q1	5,304	- -35	554	- -17	14,203	+ 42	1,334	- -13	21,395	- -23
	June	Q2	5,242	- -62	545	- -10	14,263	+ 60	1,329	- -6	21,379	- -17
	September	Q3	5,201	- -42	535	- -10	14,322	+ 59	1,322	- -6	21,380	+ 1
	December	Q4	5,173	- -28	525	- -10	14,366	+ 44	1,325	+ 3	21,389	+ 9
1987	March	Q1	5,144	- -29	511	- -14	14,430	+ 65	1,330	+ 5	21,416	+ 27
	June	Q2	5,167	+ 23	508	- -3	14,561	+ 131	1,339	+ 9	21,575	+ 160
	September	Q3	5,177	+ 10	508	0	14,703	+ 142	1,351	+ 12	21,740	+ 164
	December	Q4	5,200	+ 23	505	- -3	14,893	+ 190	1,358	+ 7	21,956	+ 216
1988	March	Q1	5,227	+ 27	495	- -10	15,038	+ 145	1,366	+ 8	22,125	+ 169
	June	Q2	5,230	+ 3	487	- -8	15,139	+ 101	1,365	- -1	22,220	+ 95
	September	Q3	5,238	+ 9	486	- 0	15,242	+ 103	1,355	- -9	22,322	+ 102
	December	Q4	5,244	+ 6	483	- -3	15,247R	+ 5	1,357	+ 2	22,332R	+ 10
1989	March	Q1	5,239	- -5	476R	- -8	15,357R	+ 110	1,363R	+ 6	22,434R	+ 102
	June	Q2	5,205	- -34	468	- -7	15,408	+ 51	1,379	+ 16	22,460	+ 26

R=Revised to incorporate late data now available



Table 9: Great Britain

## Employees in Employment in Production Industries

Thousand: Seasonally adjusted

## Working Hours of operatives in Manufacturing Industries

Seasonally adjusted

	Energy & Water Supply Industries				Manufacturing Industries				Hours of overtime worked (millions)	Hours lost through short-time working (stood off for whole or part of week) (millions)				
	Levels	Changes		Levels	Changes									
		Mon- thly	Quar- terly		Mon- thly	Three* monthly	Quar- terly							
1987 April	496	-	7	5,036	-	5	-	5	12.56	.40				
May	496	+	1	5,048	+	11		0	12.50	.37				
June Q2	499	+	3	-	3	5,064	+	16	+	8	+	23	12.96	.34
July	497	-	3	5,061	+	3	+	8	12.58	.35				
August	496		0	5,068	+	7	+	7	12.82	.30				
September Q3	499	+	3		0	5,074	+	5	+	3	+	10	13.10	.27
October	498	-	2	5,082	+	8	+	7	13.13	.25				
November	497		0	5,092	+	10	+	8	13.19	.29				
December Q4	497	+	1	-	3	5,096	+	4	+	7	+	22	13.17	.25
1988 January	495	-	1	5,110	+	14	+	10	13.37	.24				
February	491	-	4	5,119	+	9	+	9	13.09	.26				
March Q1	487	-	5	-	10	5,122	+	3	+	9	+	26	13.11	.22
April	480	-	7	5,124	+	2	+	5	12.96	.21				
May	479		0	5,126	+	2	+	2	13.26	.23				
June Q2	479	+	1	-	8	5,124	-	2	+	1	+	3	13.04	.26
July	478		0	5,134	+	9	+	3	13.57	.28				
August	479	+	1	5,134		0	+	3	13.46	.26				
September Q3	478	-	1		0	5,132	-	2	+	3	+	8	13.36	.23
October	476	-	2	5,129	-	3	-	1	13.92	.26				
November	476		0	5,134	+	5		0	13.87	.23				
December Q4	476	+	1	-	3	5,138	+	3	+	2	+	5	14.04	.25
1989 January	475	-	1	5,142	+	4	+	4	13.87	.23				
February	473	-	2	5,139	-	3	+	1	13.75	.29				
March Q1	468	-	5	-	8	5,134	-	5	-	1	-	4	13.43	.31
April	466R	-	2	5,118	-	15	-	8	13.64	.36				
May	464R	-	2	5,106	-	12	-	11	13.35	.35				
June Q2	460	-	3	-	7	5,101	-	5	-	11	-	33	13.31	.30
July	457	-	4	5,095	-	6	-	8	13.27	.27				
August	456	-	1	5,111	+	16	+	2	13.99	.21				

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

A revised index of average weekly hours will be published next month incorporating the revised employment and hours data now available.



VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) increased by 1,700 in the month to September to 218,400. Over the past three months to September, seasonally adjusted vacancies have decreased on average by 2,700 per month.

Unadjusted, there was an increase of 21,023 unfilled vacancies in the month to 238,177.

The inflow of notified vacancies decreased on average by 200 per month in the three months ending September 1989, the outflow increased by 3,400 per month, and placings increased by 1,400 per month.

Recent figures are shown in tables 10, 11 and 12.

TABLE 10: UNFILLED VACANCIES - UNITED KINGDOM

THOUSAND

		<u>VACANCIES AT JOBCENTRES+</u>			<u>VACANCIES AT CAREERS OFFICES</u>	
		<u>SEASONALLY ADJUSTED</u>		<u>UNADJUSTED</u>		
		Number	Change since previous month	Average change over past 3 months	Number	Unadjusted
1988	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
	Jul	219.9	-6.5	-0.7	228.2	34.3
	Aug	216.7	-3.2	-0.5	217.2	31.6
	Sep	218.4	1.7	-2.7	238.2	30.1

+ 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 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
Jul	226.6	1.9	228.8	2.3	157.4	0.9
Aug	226.0	1.5	227.5	1.7	157.5	1.0
Sep	231.1	-0.2	232.4	3.4	159.1	1.4

TABLE 12: UNFILLED VACANCIES\* - REGIONS - September 1989 THOUSAND

	VACANCIES AT JOBCENTRES			VACANCIES AT CAREERS OFFICES#
	UNADJUSTED	SEASONALLY ADJUSTED		
	TOTAL	Number	Change since previous month	
South East (incl. Greater London)	75.8 (24.2)	68.4 (21.5)	-1.7 (-2.1)	14.9 (7.4)
East Anglia	9.1	8.4	0.4	1.2
South West	19.4	17.8	-0.5	1.7
West Midlands	21.9	20.1	0.8	3.7
East Midlands	14.0	12.7	0.0	1.5
Yorks and Humberside	14.5	13.2	-0.1	1.5
North West	28.6	26.2	1.9	2.1
North	11.7	10.2	-0.1	0.6
Wales	15.6	14.6	0.0	0.5
Scotland	24.5	22.7	0.7	1.0
GREAT BRITAIN	235.1	214.0	1.1	28.6
Northern Ireland	3.1	4.4	0.7	1.5
UNITED KINGDOM	238.2	218.4	1.7	30.1

\* The proportion of total vacancies at Jobcentres varies by region. See note C3.  
 # See note C2.



AVERAGE EARNINGS

THE INDICES OF AVERAGE WEEKLY EARNINGS HAVE BEEN REWEIGHTED IN LINE WITH RESULTS OF THE 1987 CENSUS OF EMPLOYMENT. AT THE SAME TIME THE NUMBER OF FIRMS SAMPLED HAS BEEN INCREASED AND THE SURVEY HAS BEEN EXTENDED TO SECTORS NOT FORMERLY COVERED. THE SERIES HAVE BEEN REBASED TO 1988=100 AND THE SERIES SHOWN BELOW ARE BASED ON THIS RESTRUCTURED SURVEY.

TABLE 13: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: WHOLE ECONOMY

		Seasonally adjusted			
		Index	Index	Percentage	Underlying
		1988	1988	increase over	% increase
		= 100	= 100	previous 12	over previous
				months	12 months
1988	January	95.4	96.5		
	February	95.5	96.9		
	March	98.3	98.2		
	April	97.8	97.9		
	May	98.4	98.5		
	June	99.8	99.2		
	July	101.3	100.2		
	August	100.3	100.1		
	September	100.9	101.1		
	October	101.7	102.2		
	November	103.7	103.3		
	December	106.9	105.8		
1989	January	104.2	105.4	9.2	9
	February	104.6	106.1	9.5	9 1/4
	March	107.3	107.3	9.3	9 1/2
	April	107.3	107.4	9.7	9 1/4
	May	107.5	107.6	9.2	9
	June	109.1	108.4	9.3	8 3/4
	July	110.3	109.1	8.9	8 3/4
	August*	109.1	109.0	8.9	8 3/4

\* Provisional  
R Revised



AVERAGE EARNINGS

THE TABLE BELOW SHOWS THE FORMER INDEX OF AVERAGE WEEKLY EARNINGS WHICH HAS BEEN DISCONTINUED AND REPLACED BY THE RESTRUCTURED SERIES AT TABLE 13.

TABLE 13A: 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	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	135.9	136.1	9.6	9 1/4	
	June	137.6	136.8	9.4	9	
	July	139.5	138.1	8.8	9 1/4	



THE INDICES OF AVERAGE WEEKLY EARNINGS HAVE BEEN REWEIGHTED IN LINE WITH RESULTS OF THE 1987 CENSUS OF EMPLOYMENT. AT THE SAME TIME THE NUMBER OF FIRMS SAMPLED HAS BEEN INCREASED AND THE SURVEY HAS BEEN EXTENDED TO SECTORS NOT FORMERLY COVERED. THE SERIES HAVE BEEN REBASED TO 1988=100 AND THE SERIES SHOWN BELOW ARE BASED ON THIS RESTRUCTURED SURVEY.

TABLE 14: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN; MAIN SECTORS  
seasonally adjusted

		Production industries*			Manufacturing industries**			Service industries***		
		% increases over previous 12 months			% increases over previous 12 months			% increases over previous 12 months		
		Index 1988=100	seas adj	under-lying	Index 1988=100	seas adj	under-lying	Index 1988=100	seas adj	under-lying
1988	Jan	96.1			96.2			96.6		
	Feb	95.9			96.3			97.1		
	Mar	97.6			97.9			98.6		
	Apr	99.0			99.1			97.6		
	May	99.9			99.2			98.3		
	Jun	99.2			99.3			99.8		
	Jul	100.2			100.0			100.0		
	Aug	100.6			100.4			99.7		
	Sep	101.4			101.2			100.5		
	Oct	102.6			102.2			101.7		
	Nov	103.1			103.1			103.7		
	Dec	104.6			104.6			106.3		
1989	Jan	104.6	8.8	8 3/4	104.7	8.8	8 3/4	105.5	9.2	9
	Feb	105.6	10.1	8 3/4	105.8	9.9	8 1/2	105.6	8.8	9 1/4
	Mar	105.8	8.4	8 3/4	105.6	7.9	8 3/4	107.8	9.3	9 1/2
	Apr	108.0	9.1	8 3/4	108.2	9.2	8 1/2	107.3	9.9	9 1/4
	May	108.5	8.6	8 3/4	107.9	8.8	8 3/4	107.5	9.4	9
	Jun	108.2	9.1	8 3/4	108.0	8.8	8 1/2	108.7	8.9	8 1/2
	Jul	109.5	9.3	9	109.2	9.2	8 3/4	108.4	8.4	8 1/4
	Aug(p)	110.2	9.5	9	109.5	9.1	8 3/4	107.9	8.2	8 1/4

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 and business services; Other services (including public administration, education, medical and other health services, etc).



THE TABLE BELOW SHOWS THE FORMER INDEX OF AVERAGE WEEKLY EARNINGS WHICH HAS BEEN DISCONTINUED AND REPLACED BY THE RESTRUCTURED SERIES AT TABLE 14.

TABLE 14A: INDEX OF AVERAGE EARNINGS OF EMPLOYEES IN GREAT BRITAIN: MAIN SECTORS  
seasonally adjusted

		Production industries*			Manufacturing industries**			Service industries***		
		% increases over previous 12 months			% increases over previous 12 months			% increases over previous 12 months		
		Index 1985=100	seas adj	under-lying	Index 1985=100	seas adj	under-lying	Index 1985=100	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
	May	137.2	8.9	9 1/4	136.1	9.0	9	135.6	9.8	8 3/4
	Jun	136.4	8.9	9 1/4	135.7	8.6	9	137.1	9.2	8 3/4
	Jul	138.9	9.4	9 1/4	138.1	9.1	9	136.9	8.1	8 3/4

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 and business services; Other services (including public administration, education, medical and other health services, etc).



UNIT WAGE AND SALARY COSTS

THIS PAGE WILL BE REVISED PRIOR TO PUBLICATION TO TAKE ACCOUNT OF REVISED AND UPDATED ESTIMATES OF WAGES AND SALARIES PER OUTPUT PER HEAD THAT WILL THEN BE AVAILABLE.

In the three months ending July 1989, wages and salaries per unit of output in manufacturing industries were 3.9 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing as there was a rise of about 4 3/4 per cent in productivity over this period.

In the first quarter of 1989 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 1/4 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
1987	Q1	105.8	1.1	107.4	3.6
	Q2	104.7	0.0	109.0	3.6
	Q3	105.7	1.0	110.0	3.8
	Q4	107.3	3.7	111.9	4.8
1988	Q1	108.2	2.3	113.6	5.8
	Q2	109.4	4.5	115.4	5.9
	Q3	108.1	2.3	116.6	6.0
	Q4	110.1	2.6	119.6	6.9
1989	Q1	111.3	2.9	121.9	7.3
	Q2	113.3	3.6	..	..
1989	Feb	111.4	2.8	..	..
	Mar	111.6	2.7	..	..
	Apr	114.8	3.9	..	..
	May	112.5	3.1	..	..
	Jun	112.5	3.6	..	..
	Jul	113.5	4.9	..	..
	3 months ending				
1989	Feb	111.2	2.9	..	..
	Mar	111.3	2.9	..	..
	Apr	112.6	3.1	..	..
	May	113.0	3.2	..	..
	Jun	113.3	3.6	..	..
	Jul	112.8	3.9	..	..

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

THIS PAGE WILL BE REVISED PRIOR TO PUBLICATION TO TAKE ACCOUNT OF REVISED AND UPDATED ESTIMATES OF OUTPUT PER HEAD THAT WILL THEN BE AVAILABLE.

Manufacturing output per head in the three months to July was 1.5 per cent higher than in the three months ending April and 4.8 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 0.2 per cent higher than in the previous quarter and 1.2 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	Q3	103.4	3.5	103.3	3.2
	Q4	107.2	8.3	104.2	3.7
1987	Q1	106.7	6.7	104.9	3.2
	Q2	109.8	7.6	105.7	3.2
	Q3	111.0	7.4	106.6	3.2
	Q4	112.0	4.5	107.0	2.7
1988	Q1	112.8	5.7	107.5	2.5
	Q2	114.3	4.1	107.4	1.6
	Q3	117.5	5.9	108.2	1.5
	Q4	118.6	5.9	108.5	1.4
1989	Q1	119.7	6.1	108.7	1.2
	Q2	120.1	5.1	..	..
1989	Feb	119.5	7.1	..	..
	Mar	119.5	5.4	..	..
	Apr	118.9	4.9	..	..
	May	120.9	5.6	..	..
	Jun	120.5	4.7	..	..
	Jul	121.8	4.1	..	..
	<b>3 months ending</b>				
1989	Feb	119.5	6.4	..	..
	Mar	119.7	6.1	..	..
	Apr	119.3	5.8	..	..
	May	119.8	5.3	..	..
	Jun	120.1	5.1	..	..
	Jul	121.1	4.8	..	..

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 August 1989, it is provisionally estimated that 109 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 2,374 thousand in July 1989, 431 thousand in August 1988 and an average of 775 thousand for August during the ten year period 1979 to 1988.

During the twelve months to August 1989 it is provisionally estimated that a total of 4,568 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 701 stoppages have been provisionally recorded as being in progress, involving a total of 921 thousand workers. The comparable figures for the twelve months to August 1988 were 2,631 thousand lost working days, 856 stoppages in progress and 583 thousand workers.

Table 17. Industrial stoppages in progress in the United Kingdom.

	<u>Working days lost (thousand)</u>	<u>Number of Stoppages</u>	<u>Workers involved (thousand)</u>
1988			
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	58	13
Feb(p)	61	86	27
Mar(p)	77	72	27
Apr(p)	96	70	43
May(p)	177	98	52
Jun(p)	243	77	103
Jul(p)	2,374	83	468
Aug(p)	109	52	25
<u>Cumulative totals</u>			
12 months to August 1988	2,631	856	583
12 months to August 1989(p)	4,568	701	921

(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 14 September 1989 students numbered 91,347 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 14 September 1989 these numbered 2,814 in Great Britain and 3,550 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 workforce estimates, used in the denominators, have been revised to incorporate the effects of the 1987 Census of Employment results.

The UK narrower rates on 14 September 1989 were 9.0 per cent for males and 4.4 per cent for females, 6.9 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 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 1988. 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.

A9. The changes in the Redundant Mineworkers Payment Scheme from 23rd July mean that these mineworkers have the option to no longer sign on at Unemployment Benefit Offices (UBO's) as unemployed and available for work as a condition of this scheme. The change is being administered via claimant adviser interviews at UBO's where these Mineworkers sign on. The option is only exercised after the details of the scheme changes have been explained. It is estimated that around 3,000 people have left the count in September as a result of this change, though it will take some time before the full effect becomes apparent. When the effect is known (probably not before Spring 1990) the necessary discontinuity adjustments will be made and a revised consistent back series produced.

#### EMPLOYMENT AND HOURS (Tables 6-9)

B1. Information on the number of employees in employment, for most industries is 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 census results to provide



current estimates. The results of the 1987 Census of Employment were incorporated in the press notice released on 14 September 1989 and the resulting revisions to the series are described in an article on page 560 of the October issue of Employment Gazette.

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.

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 censuses of employment carried out at the same time as those for Great Britain, 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. It requires revision in the light of the new employment and hours series following the incorporation of the 1987 Census of Employment results. A new index of average weekly hours will be published next month.

#### 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, and also due to a difference between the timing of the two counts, they 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 1988 = 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 9 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 September 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.

E2. 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



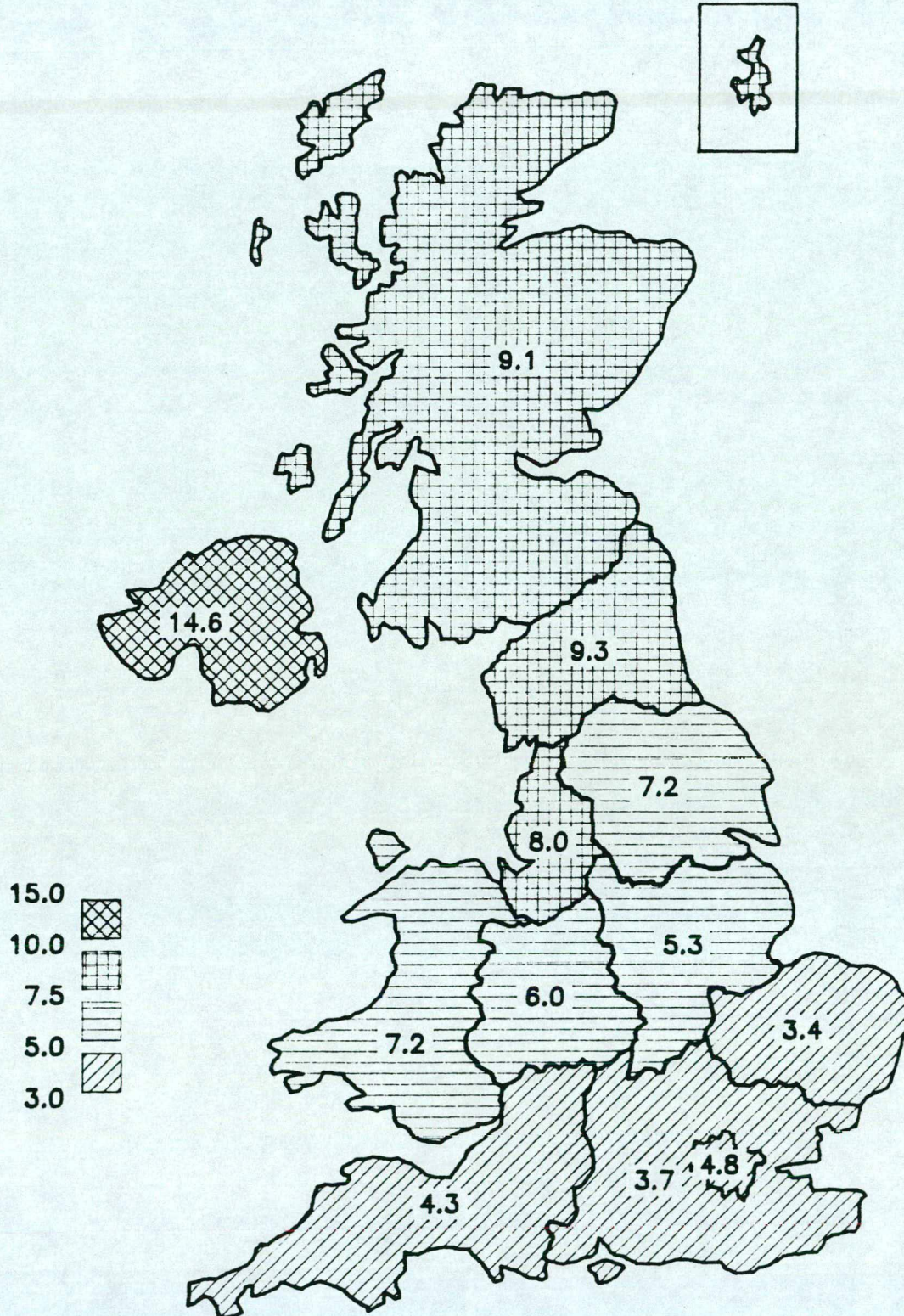
monthly figures are provisional and subject to revision, normally upwards, to take account of additional or revised information received after going to press.



# Seasonally Adjusted Unemployment Rates

## 14 September 1989

### United Kingdom: Regions



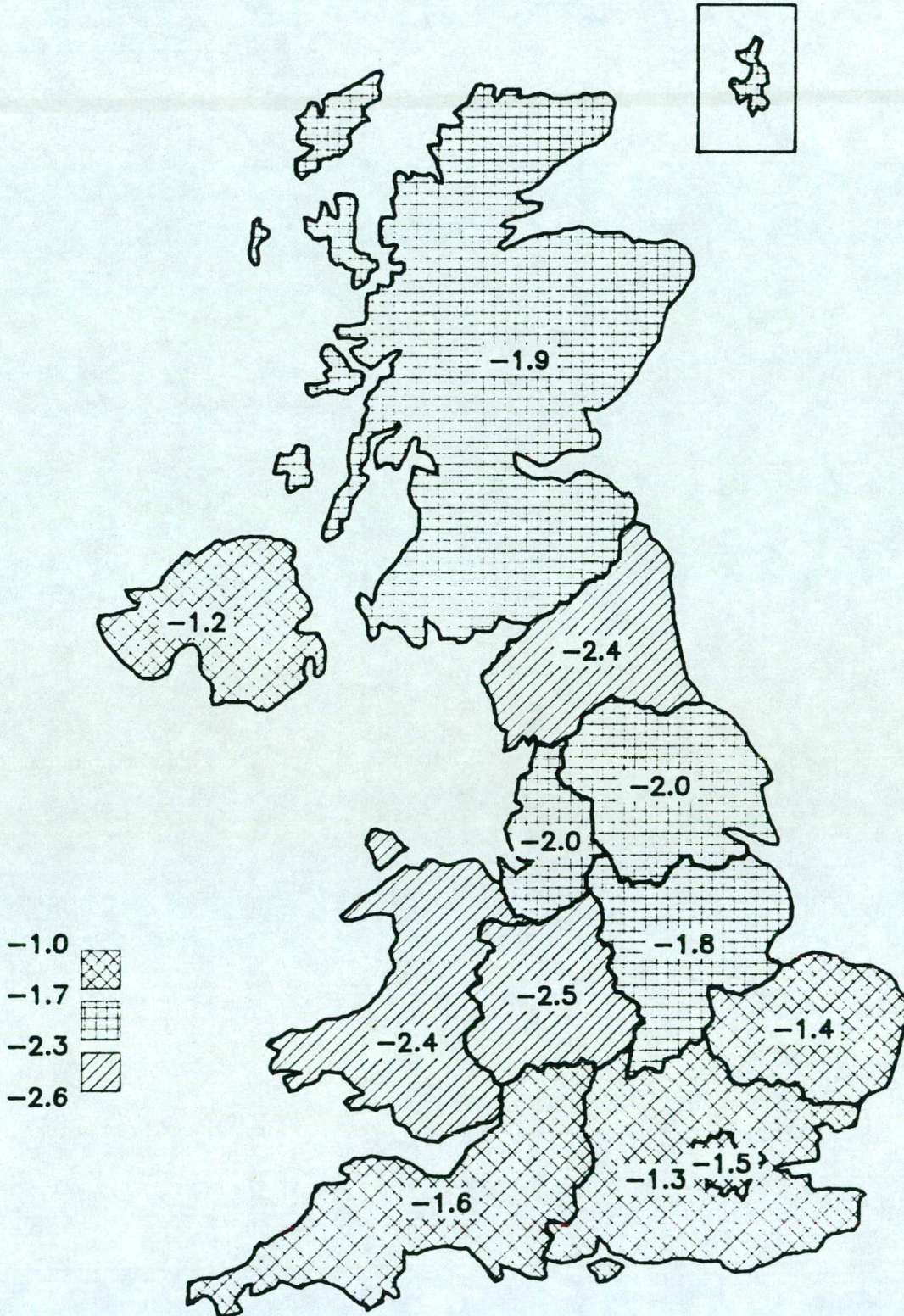
NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS



# Seasonally Adjusted Unemployment Rate Change September 1988 – September 1989

*United Kingdom: Regions*

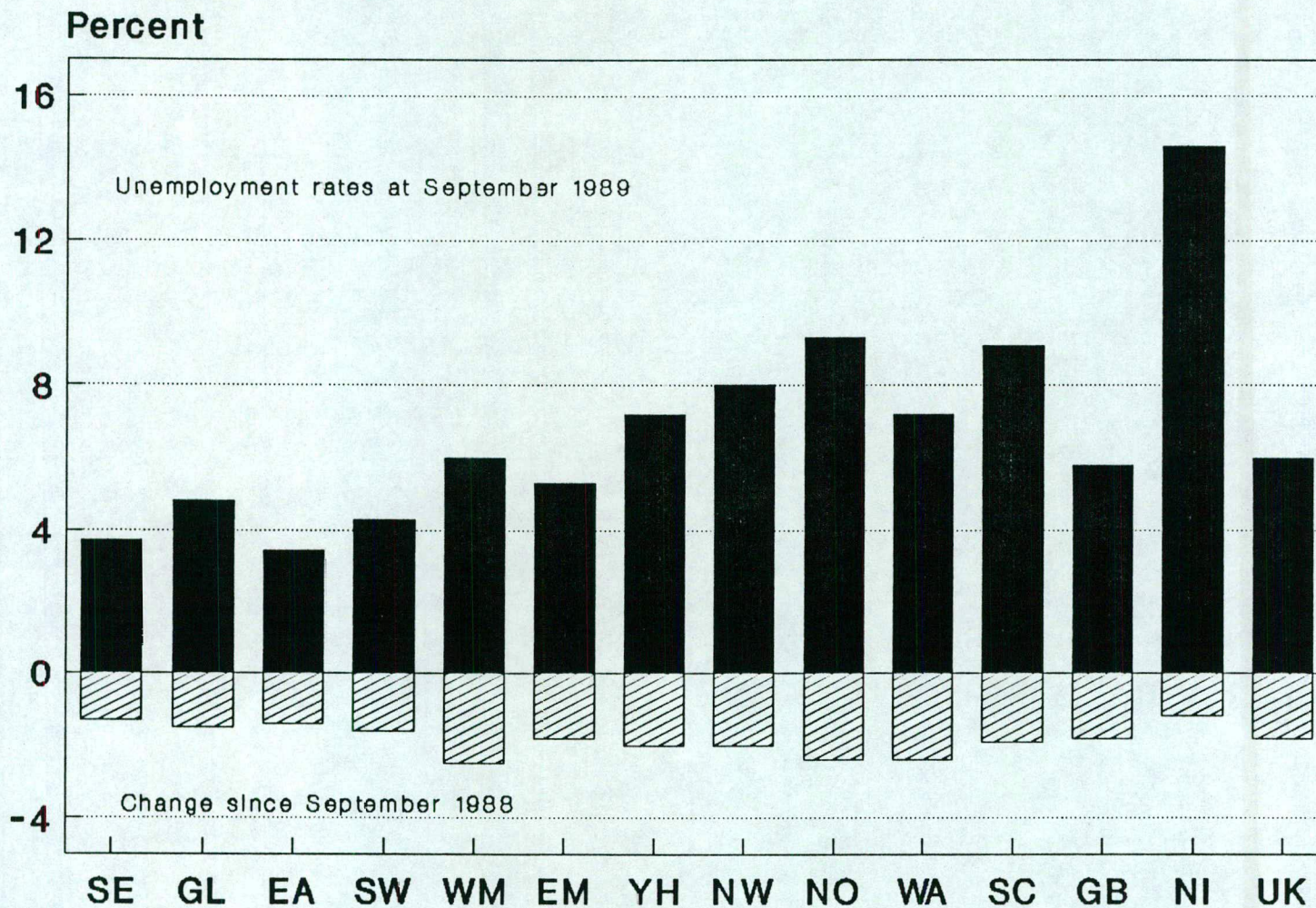


NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

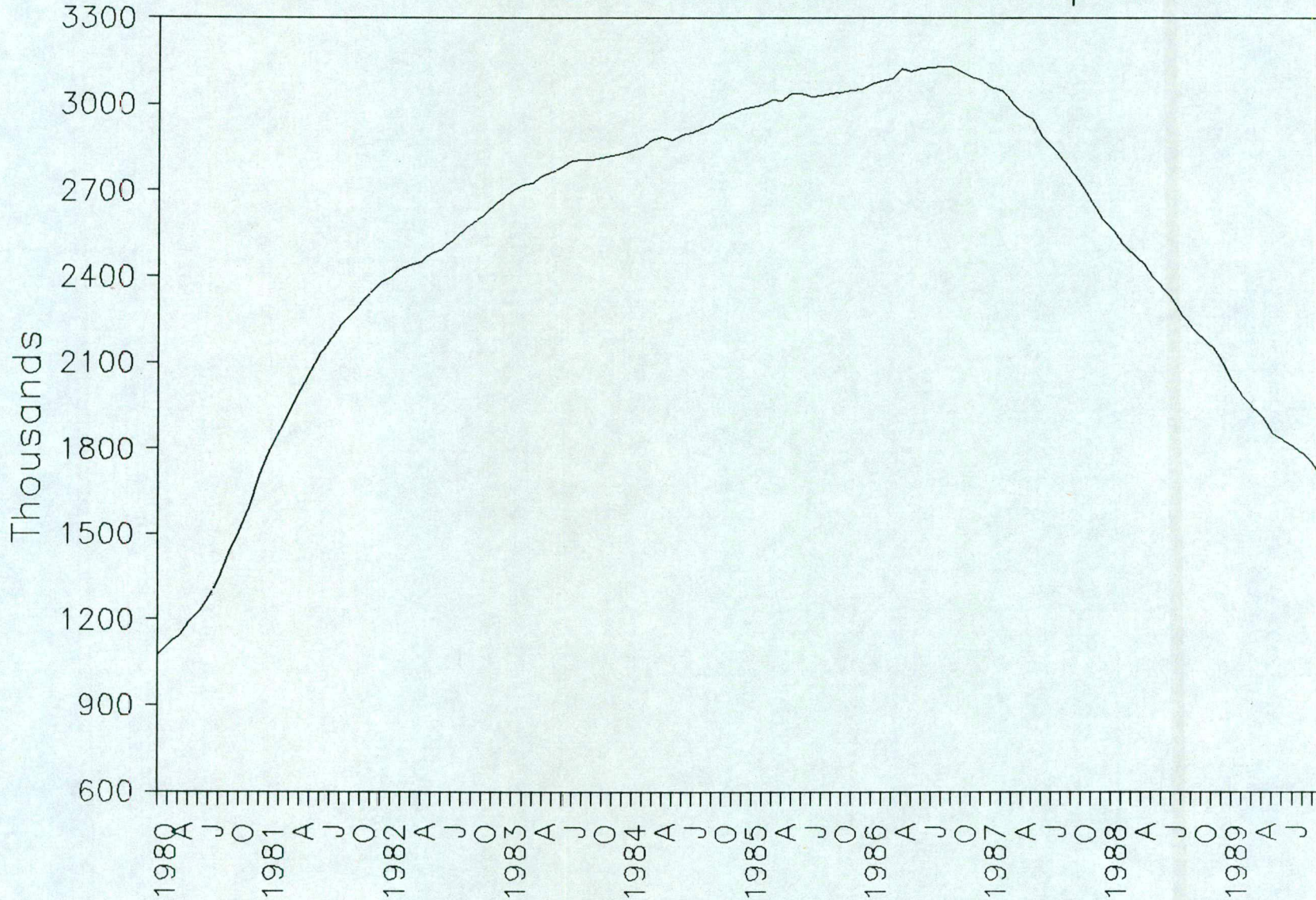


# REGIONAL UNEMPLOYMENT RATES SEASONALLY ADJUSTED September 1989





# SEASONALLY ADJUSTED UNEMPLOYMENT CONSISTENT WITH CURRENT COVERAGE U.K. September 1989



P12



REGIONAL UNEMPLOYMENT, SEASONALLY ADJUSTED

REGIONS	September 1989	Change in month since August 1989	RATE (% of WORKFORCE)		
			September 1989	Change in month since August 1989	Change in year since September 1988
	Thousands				
South East (Greater London)	344.8 (206.2)	-8.0 (-4.3)	3.7 4.8	-0.1 -0.1	-1.3 -1.5
East Anglia	33.2	-.8	3.4	-0.1	-1.4
South West	91.7	-3.6	4.3	-0.2	-1.6
West Midlands	154.6	-5.5	6.0	-0.2	-2.5
East Midlands	101.6	-4.4	5.3	-0.2	-1.8
Yorks & Humber	170.1	-4.7	7.2	-0.2	-2.0
North West	247.7	-7.4	8.0	-0.2	-2.0
North	132.6	-5.5	9.3	-0.4	-2.4
Wales	90.2	-3.3	7.2	-0.3	-2.4
Scotland	225.4	-5.6	9.1	-0.2	-1.9
<b>GREAT BRITAIN</b>	<b>1591.9</b>	<b>-48.7</b>	<b>5.8</b>	<b>-0.2</b>	<b>-1.8</b>
Northern I.	103.0	-1.7	14.6	-0.2	-1.2
<b>UNITED KINGDOM</b>					
Total	1694.9	-50.4	6.0	-0.2	-1.8
Male	1231.4	-31.1	7.5	-0.2	-1.9
Female	463.5	-19.3	3.9	-0.2	-1.6



## UNITED KINGDOM, claimants July 1989

C3a  
ThousandsUnemployment by duration

<u>Duration</u>	<u>Number at July 1989</u>	<u>Change since July 1988*</u>	
All durations	1771	(-555)	-469
Over 6 months	994	(-387)	-341
Over 1 year	675	(-274)	-257
Over 2 years	445	(-192)	-190
Over 3 years	335	-131	
Over 4 years	257	-94	
Over 5 years	199	-64	

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Up to 6 months	777	(-168)	-128
6 to 12 months	320	(-114)	-85
1 to 2 years	230	(-81)	-66
2 to 3 years	110	(-61)	-59
3 to 4 years	78	-37	
4 to 5 years	58	-30	
Over 5 years	199	-64	

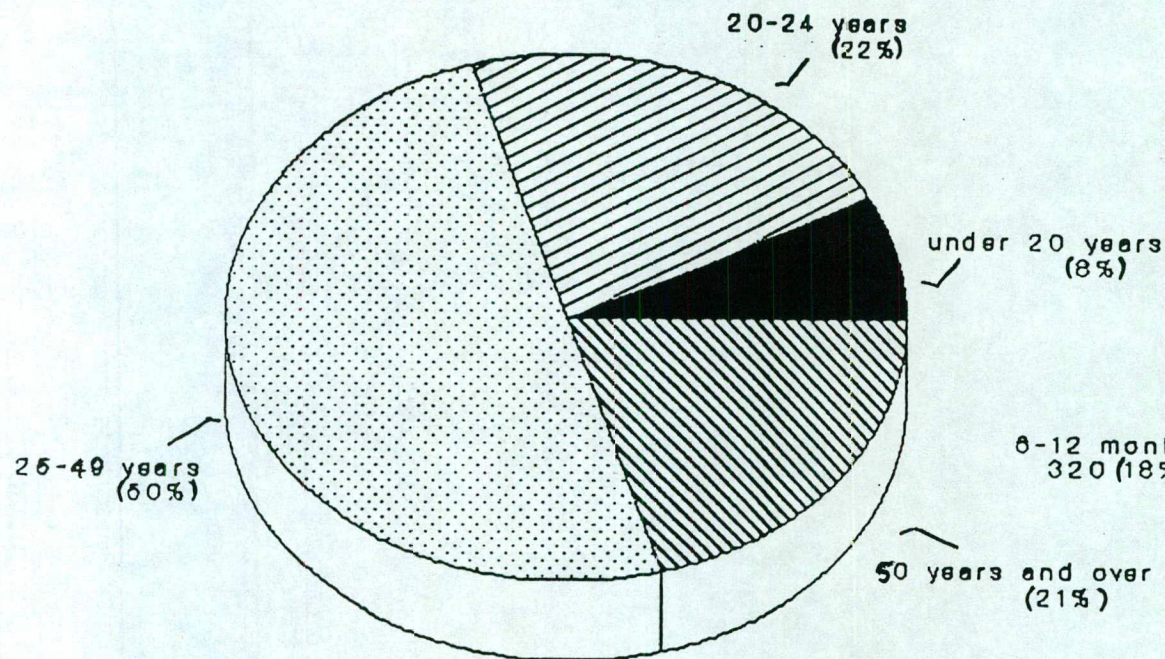
Unemployment by age

	<u>Number at July 1989</u>	<u>Change since July 1988*</u>
18-19 years	138	-46
20-24 years	383	-98
25-49 years	884	-221
50 and over	365	-111
All ages <sup>+</sup>	1771	(-555) <sup>+</sup>

\* Changes given in brackets are affected by the September 1988 change in benefit regulations for the under 18 year olds. Estimates of changes allowing for these effects are given alongside.

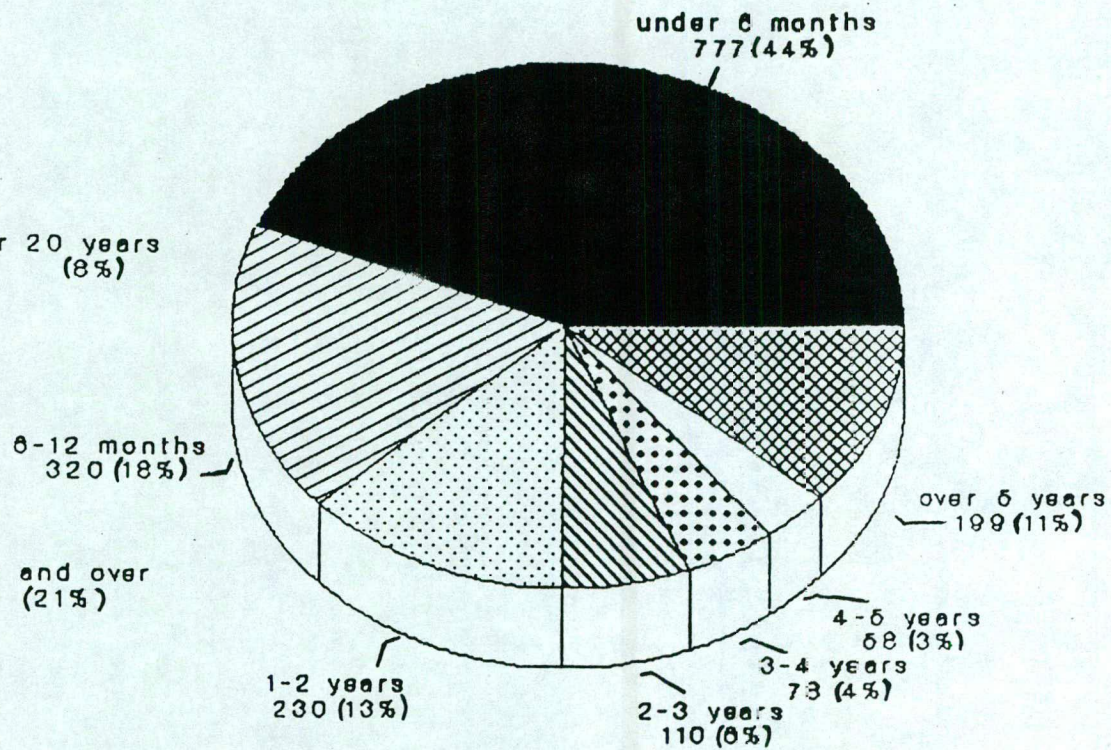
<sup>+</sup> Includes those aged under 18.





U.K. UNEMPLOYMENT BY AGE

JULY 1989



U.K. UNEMPLOYMENT BY DURATION

JULY 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
Ireland	(17.1)*	AUG
Spain	17.0	MAY
Italy	(11.0)*	AUG
France	10.1	JUL
Netherlands	9.4	JAN
Belgium	9.0	JUL
Greece	(7.4)*	APR 87
Canada	7.4	JUL
Denmark	(7.2)*	AUG
United Kingdom	6.4	JUL
Australia	6.1	JUL
Germany	5.6	JUN
Portugal	5.2	FEB
United States	5.2	JUL
Austria	[5.1]a	JUL
Norway	5.0	MAY
Finland	3.3	JUN
Japan	2.3	JUL
Luxembourg	(2.0)*	AUG
Sweden	1.3	JUL
Switzerland	[0.6]a	JUL
OECD Total	6.2	JUN (estimated)
MAJOR 7**	5.7	JUN (estimated)
EC Average	(9.2)*	AUG

\* 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 6.6% in August compared with the EC average of 9.2%.

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

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RECOMMENDED  
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	Change in % rate	% Change in total	Change (000s)	Latest month
Norway	+ 2.0	+ 89	+ 40	JUL
Denmark	+ 1.0	+ 13	+ 29	JUN
Italy	+ 0.6	+ 3	+ 100	JUL
Greece	+ 0.2	+ 13	+ 14	APR
USA	+ 0.1	+ 3	+ 216	SEP
Portugal	+ 0.1	+ 1	+ 4	JUL
Austria	NC	- 4	- 5	JUL
Sweden	- 0.1	- 4	- 3	APR
Netherlands	- 0.1	- 1	- 7	DEC
Luxembourg	- 0.2	- 13	NC	MAY
Switzerland	- 0.2	- 25	- 5	JUL
France	- 0.3	- 1	- 25	JUN
Japan	- 0.3	- 11	- 160	JUL
Canada	- 0.5	- 6	- 59	SEP
Australia	- 0.7	- 7	- 35	JUL
Ireland	- 0.8	- 5	- 11	AUG
Germany	- 0.8	- 10	- 219	SEP
Belgium	- 1.3	- 10	- 37	JUN
Finland	- 1.4	- 29	- 34	JUN
United Kingdom*	- 1.8	- 23	- 497	SEP
Spain	- 2.1	- 11	- 301	JUL

NC No Change

\* Seasonally adjusted series consistent with current coverage.

Sources:- OECD "Main Economic Indicators" supplemented by Labour Attache reports etc.



When assessing 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 definitions  
RECOMMENDED

	Change in Percentage rate	Percentage Changes	Change Number (000s)	Latest month
Norway	+ 1.0	+ 22	+ 17	JUL
Austria	+ 0.4	+ 9	+ 11	JUL
Denmark	+ 0.2	+ 3	+ 8	JUN
Italy	+ 0.2	+ 1	+ 54	JUL
Luxembourg	+ 0.1	+ 5	NC	MAY
France	NC	NC	+ 2	JUL
Canada	NC	- 2	- 16	JUL
Switzerland	NC	- 3	- 1	JUL
Netherlands	- 0.1	NC	- 3	DEC
United States	- 0.1	- 2	- 85	SEP
Sweden	- 0.1	- 5	- 4	DEC
Japan	- 0.1	- 7	- 10	JUL
Ireland	- 0.2	- 1	- 3	AUG
Australia	- 0.2	- 3	- 13	JUL
Finland	- 0.2	- 11	- 11	JUN
Belgium	- 0.3	- 2	- 8	MAY
Spain	- 0.3	- 2	- 44	JUL
United Kingdom	- 0.3	- 5	- 92	SEP
Germany	- 0.4	- 6	- 124	SEP

Note Seasonally adjusted figures not available for Greece.

NC = No change

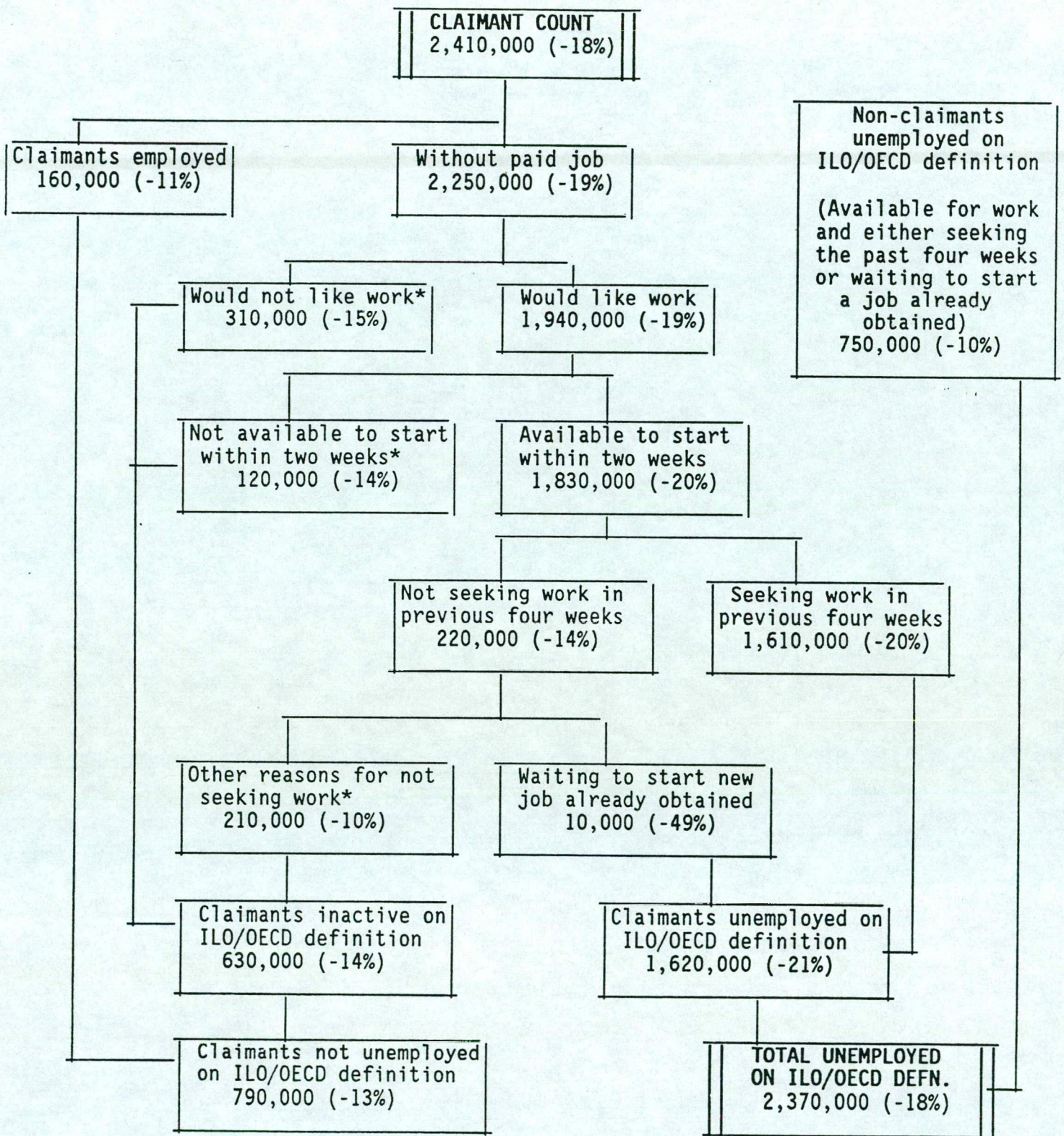
Sources:- OECD "Main Economic Indicators" supplemented by Labour Attache reports etc



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

G.B. Spring 1988(p)

(Percentage changes since Spring 1987 are shown in brackets)





UNEMPLOYMENT COUNTCOMPARISON 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.



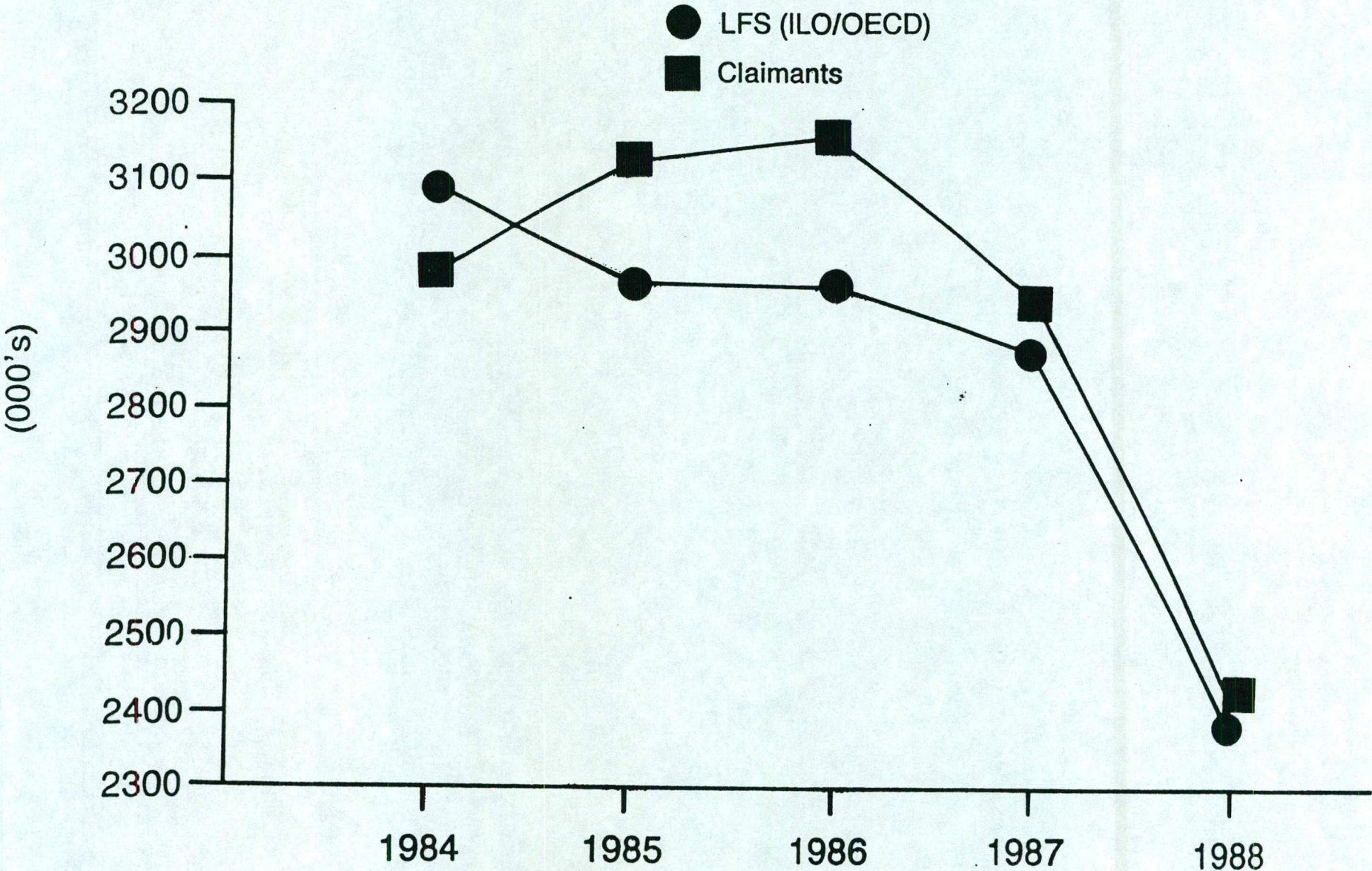
MAIN POINTS

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)





## 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 inaccuracies. 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<sup>1</sup> 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?<sup>2</sup>

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.<sup>3</sup> 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 6.4% in July 1989, similar to our 6.3% 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.)



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 September 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 September averaged about 159,000 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 323,000 per month in the year to September 1989. This represents an annual outflow of 3.9 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.)

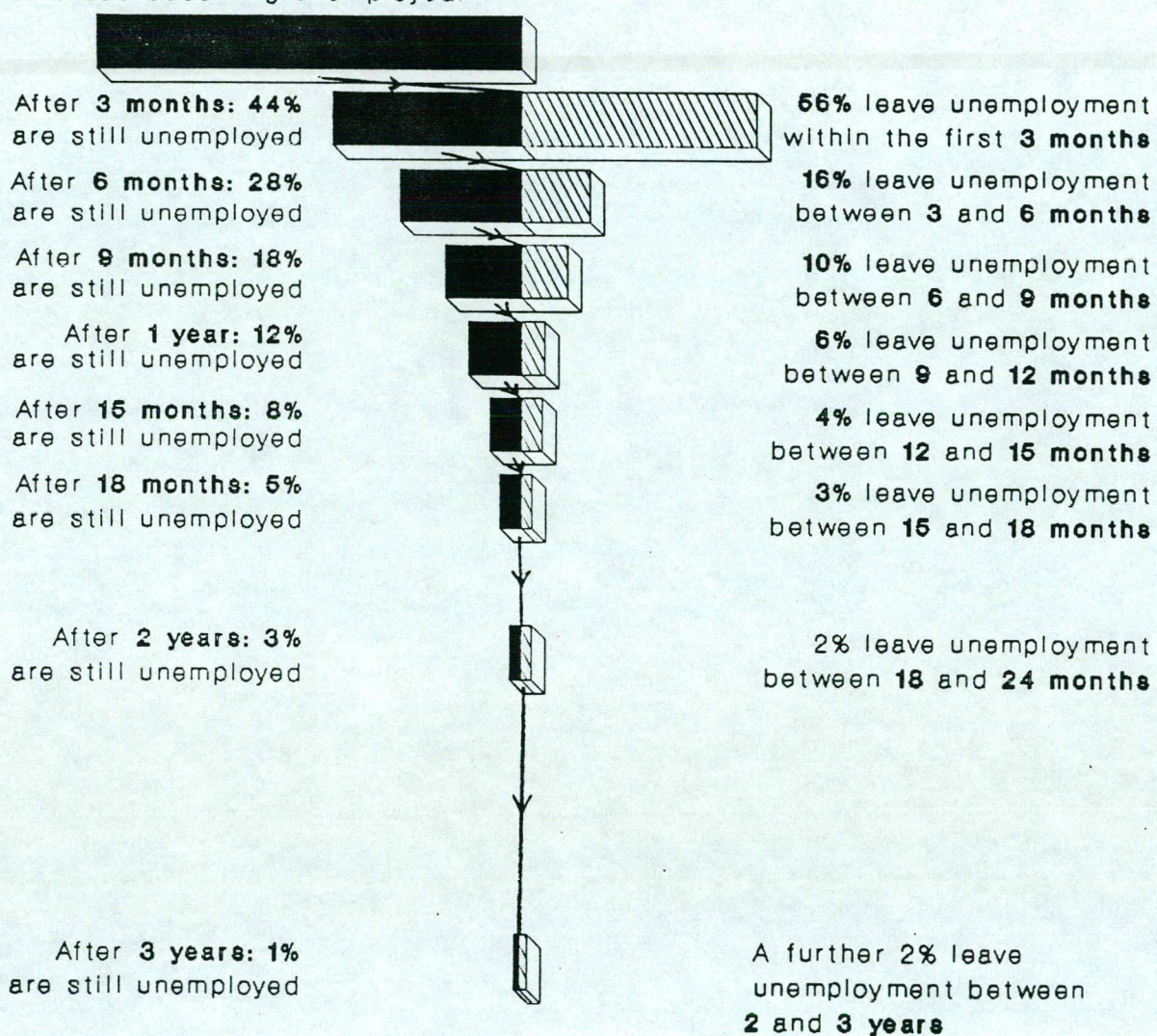


# LIKELIHOOD OF REMAINING IN OR LEAVING UNEMPLOYMENT\* (AGED 18 AND OVER).

Great Britain. Based on claimant data for the period **July 1988 - July 1989**

On average, 266,000 people become unemployed\* each month.

Of those becoming unemployed:



■ Remaining unemployed      ▨ Ceasing unemployment

\* Percentages are based on outflows between July 1988 and July 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
<b>ESTIMATES</b>							
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
<b>PROJECTIONS</b>							
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	+71
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").



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## EMPLOYMENT STATISTICS - TECHNICAL NOTE

### Workforce in employment (UK)

The workforce in employment comprises employees in employment, the self-employed, HM Force 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. The estimate of numbers in HM Forces and of those participating in work related government training programmes are based on administrative sources.

### Employees in Employment(GB)

I. Estimates of employees in employment are based on the following sources:

- a. the census of employment conducted triennially from 1978 to 1987; a 1989 census is currently underway,
- b. monthly and quarterly surveys of employers (ie the L2 and L5 panel enquiries and the L42 to all local authorities),
- c. enquiries conducted biennially by the Ministry of Agriculture Fisheries and Food (MAFF) for employment in agriculture and quarterly by the Department of the Environment for employment in the construction industry,
- d. "centralised returns" covering employment in some nationalised industries, government departments and other large organisations such as British Coal, and the London and Scottish Clearing Banks Association,
- e. the Labour Force Survey (LFS)

II. For census of employment dates, the estimates given by the census are used without adaptation. Between censuses, sources b, c, and d are used to estimate monthly and quarterly trends in employees in employment. However, in recent years employment estimates calculated in this way have also been supplemented for known underestimation of employment growth as measured by these panel surveys. These supplements are based on aggregate whole economy trends from the annual LFS (e.above) and include an assumed continuance of the quarterly rate of cumulation of the bias observed between the two most recent surveys. The supplements are spread across industries and regions in a way which reflects the industry mix of the biases which build up between censuses.

III. As explained when the 1988 LFS results were incorporated (see April issue of Employment Gazette) the methodology for extrapolating the latest LFS results for quarters after March 1988 has been modified slightly. Previously, the degree of underestimation was assumed to continue accumulating at the rate observed in the previous year, but for the period since spring 1988 an average of the degree of underestimation over the previous three years 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.

IV. Estimates for Great Britain are published at industry class (SIC 80) level and regional estimates at division level with some finer detail where estimates are considered reliable. Reliability is judged on the basis of the revisions to the detailed figures which are necessary when census results are produced.

V. The employees in employment series may be revised at a number of stages.

i) the "supplements" are revised annually on receipt of the LFS results, usually in the spring following the LFS date,

ii) there are revisions to and delays in the provision of centralised return data (d above),

iii) on receipt of the results of a census of employment, all the estimates are rebenchmarked and estimates for inter censal periods are revised.

#### Employees in Employment (Northern Ireland).

I 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.

II 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)

Estimates of self employment up to mid 1981 are based on the 1981 census of population and the results of the Labour Force Surveys carried out between 1981 and 1988. The provisional estimates from September 1988 are based on the assumption that the average rate of increase between 1981 and 1988.

#### Self Employment.(Northern Ireland).

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.



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. It is estimated that without the change from CP to ET there would have been a further 20,000 employees in employment in the service sector in September 1988, a further 110,000 in December 1988 and a further 220,000 in March and June 1989. ET participants are 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, are 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.



C-O-N-F-I-D-E-N-T-I-A-L until 11.30am on October 19th 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 1989 Q1

	Thousands	Per Cent
USA	17757	17.9%
CANADA	1872	17.7%
UK	2718	11.7%
GERMANY	2144	8.6%
JAPAN	3615	6.3%
ITALY ~	430	2.1%
FRANCE *	-24	-.1%

Source : OECD Quarterly Labour Force Statistics (except UK)

Notes : ~ 1983 Q1 to 1988 Q4.

\* 1982 Q4 to 1988 Q4.

2. The increase in total UK civilian employment over the period 1983 to 1987 was greater than in any other Community country. The rate of growth in total civilian employment in the UK between 1983 and 1987 was more than 3 times the rate of growth of the rest of the Community. 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 in the UK whilst it rose in the rest of the Community as a whole.



TABLE 2 : CIVILIAN EMPLOYMENT IN THE EUROPEAN COMMUNITY

	1983 - 1987		1979 - 1987	
	Thousand	Per Cent	Thousand	Per Cent
BELGIUM	79	2.2	-86	-2.3
DENMARK	181	7.2	180	7.2
GERMANY	647	2.6	-76	-.3
GREECE	58	1.6	286	8.6
SPAIN	395	3.6	-462	-3.9
FRANCE	-158	-.7	-295	-1.4
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	35	.8	322	8.4
EC12 - UK	1726	1.8	777	.8
UK	1452	6.2	-323	-1.3
EC12	3178	2.6	454	.4

Source: "Employment and unemployment 1988" and "Eurostatistics 8/9 1989" (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 : 1987

	Per Cent
SWEDEN	80
DENMARK	77
UNITED STATES	71
JAPAN	70
CANADA	69
UNITED KINGDOM	68
GERMANY	61
FRANCE	59
BELGIUM	57
NETHERLANDS	53
OECD TOTAL	65
EC12	58

Source: OECD Labour Force Statistics 1967-1987



## 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)

In the year to June 1989 the workforce in employment is estimated to have increased by 490,000. This increase comprises 226,000 (46%) full-time jobs and 264,000 (54%) part-time jobs. (a part-time job is one of 30 hours per week or less.)

Great Britain		THE WORKFORCE IN EMPLOYMENT * - TOTAL								
		Thousands, seasonally adjusted								
		Males			Females			Persons		
		All	of which:		All	of which:		All	of which:	
			full time	part time*		full time	part time*		full time	part time*
1983	March	13,664	12,796	868	9,335	5,358	3,977	22,999	18,154	4,845
	June	13,635	12,740	895	9,411	5,379	4,032	23,047	18,119	4,928
	Sept	13,743	12,761	982	9,559	5,416	4,143	23,302	18,177	5,125
	Dec	13,801	12,762	1,039	9,672	5,458	4,214	23,472	18,220	5,253
1984	March	13,832	12,802	1,030	9,736	5,496	4,240	23,568	18,298	5,270
	June	13,875	12,831	1,045	9,785	5,524	4,261	23,660	18,355	5,305
	Sept	13,928	12,880	1,048	9,853	5,556	4,297	23,781	18,436	5,345
	Dec	13,972	12,895	1,077	9,908	5,573	4,335	23,881	18,468	5,413
1985	March	13,972	12,910	1,062	9,951	5,609	4,342	23,923	18,519	5,404
	June	13,963	12,878	1,085	9,990	5,628	4,363	23,954	18,506	5,448
	Sept	13,963	12,868	1,096	10,059	5,640	4,419	24,022	18,507	5,515
	Dec	13,938	12,826	1,112	10,064	5,650	4,413	24,002	18,477	5,525
1986	March	13,872	12,786	1,086	10,087	5,658	4,429	23,959	18,444	5,515
	June	13,845	12,707	1,137	10,137	5,658	4,479	23,982	18,366	5,616
	Sept	13,876	12,709	1,167	10,225	5,683	4,543	24,101	18,392	5,709
	Dec	13,865	12,667	1,198	10,293	5,720	4,573	24,158	18,386	5,771
1987	March	13,876	12,676	1,200	10,344	5,740	4,604	24,219	18,416	5,804
	June	14,006	12,744	1,262	10,486	5,833	4,652	24,492	18,577	5,915
	Sept	14,150	12,853	1,297	10,606	5,916	4,690	24,757	18,769	5,987
	Dec	14,259	12,929	1,330	10,726	6,015	4,711	24,985	18,943	6,041
1988	March	14,351	13,043	1,308	10,809	6,109	4,699	25,159	19,152	6,007
	June	14,406	13,089	1,317	10,877	6,166	4,710	25,283	19,256	6,027
	Sept	14,462	13,157	1,305	10,977	6,223	4,754	25,439	19,380	6,059
	Dec	14,483	13,128	1,355	11,032	6,250	4,781	25,514	19,378	6,136
1989	March	14,556	13,167	1,389	11,131	6,289	4,842	25,687	19,456	6,231
	June	14,590	13,162	1,428	11,183	6,319	4,864	25,773	19,482	6,292
Change										
Jun 83-Jun 89		955	422	533	1,772	941	831	2,727	1,363	1,364
Jun 88-Jun 89		184	73	111	307	153	153	490	226	264

\* 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.



## THE WORKFORCE IN EMPLOYMENT

Great Britain

Thousands, seasonally adjusted

		Employees in Employment						Workforce in Employment					
		Males		Females		Persons	Males		Females		Persons		
		All	of which part time*	All	of which full time	of which part time	All	of which part time*	All	of which full time	of which part time	All	
1983	March	11,707	745	8,824	5,110	3,714	20,531	13,664	868	9,335	5,358	3,977	22,999
	June	11,674	766	8,882	5,122	3,761	20,557	13,635	895	9,411	5,379	4,032	23,047
	Sept	11,658	772	8,952	5,150	3,301	20,609	13,743	982	9,559	5,416	4,143	23,302
	Dec	11,645	798	9,027	5,184	3,343	20,671	13,801	1,039	9,672	5,458	4,214	23,472
1984	March	11,630	784	9,077	5,213	3,363	20,707	13,832	1,030	9,736	5,496	4,240	23,568
	June	11,625	790	9,106	5,233	3,373	20,731	13,875	1,045	9,785	5,524	4,261	23,660
	Sept	11,636	771	9,145	5,259	3,386	20,781	13,928	1,048	9,853	5,556	4,297	23,781
	Dec	11,666	801	9,195	5,271	3,324	20,861	13,972	1,077	9,908	5,573	4,335	23,881
1985	March	11,655	792	9,238	5,301	3,337	20,894	13,972	1,062	9,951	5,609	4,342	23,923
	June	11,637	822	9,273	5,314	3,358	20,910	13,963	1,086	9,990	5,628	4,363	23,954
	Sept	11,607	808	9,314	5,323	3,391	20,922	13,963	1,096	10,059	5,640	4,419	24,022
	Dec	11,587	832	9,325	5,330	3,395	20,912	13,938	1,112	10,064	5,650	4,413	24,002
1986	March	11,530	819	9,361	5,334	4,027	20,891	13,872	1,086	10,087	5,658	4,429	23,959
	June	11,481	853	9,395	5,331	4,064	20,876	13,845	1,138	10,137	5,658	4,479	23,982
	Sept	11,442	843	9,437	5,350	4,087	20,878	13,876	1,167	10,225	5,683	4,543	24,101
	Dec	11,394	866	9,492	5,381	4,111	20,886	13,865	1,198	10,293	5,720	4,573	24,158
1987	March	11,376	869	9,536	5,396	4,141	20,912	13,876	1,200	10,344	5,740	4,604	24,219
	June	11,433	888	9,637	5,483	4,153	21,070	14,006	1,263	10,486	5,833	4,652	24,492
	Sept	11,506	879	9,726	5,562	4,164	21,232	14,150	1,297	10,606	5,916	4,690	24,757
	Dec	11,597	919	9,851	5,655	4,196	21,448	14,259	1,330	10,726	6,015	4,711	24,985
1988	March	11,672	909	9,941	5,745	4,196	21,614	14,351	1,308	10,809	6,109	4,699	25,159
	June	11,703	919	10,004	5,798	4,207	21,707	14,406	1,317	10,877	6,166	4,710	25,283
	Sept	11,724	889	10,083	5,848	4,235	21,807	14,462	1,305	10,977	6,223	4,754	25,439
	Dec	11,696	903	10,120	5,869	4,252	21,816	14,483	1,355	11,032	6,250	4,781	25,514
1989	March	11,717	901	10,201	5,901	4,301	21,919	14,556	1,389	11,131	6,289	4,842	25,687
	June	11,717	917	10,229	5,924	4,305	21,946	14,590	1,428	11,183	6,319	4,864	25,773
Change													
Jun 83-Jun 89		43	151	1,347	803	544	1,389	955	533	1,772	941	831	2,727
Jun 88-Jun 89		14	-1	225	127	98	239	184	111	307	153	153	490

\*Estimates of part-time male employees are not seasonally adjusted.

Table relates to Great Britain only as part-time data is not available for Northern Ireland for non census dates.



## CHANGES IN EMPLOYEES IN EMPLOYMENT

United Kingdom

Thousands, not seasonally adjusted

Industry	Year ending Jun 1989 Change		Region	Year ending Jun 1989 Change	
	Absolute	Percent		Absolute	Percent
Agriculture forestry and fishing	-10.0	-3.2	South East	116.3	1.5
Energy and water supply	-18.6	-3.8	(Greater London)	21.9	.6
Other mineral and ore extraction etc	-14.1	-2.1	East Anglia	8.2	1.1
Metal goods, engineering and vehicles	2.8	.1	South West	49.1	2.9
Other manufacturing industries	-12.5	-.6	West Midlands	3.7	.2
Construction	24.4	2.3	East Midlands	22.3	1.5
Distribution, hotels, catering, repairs	89.8	2.0	Yorks & Humberside	-14.2	-.8
Transport & Communication	18.1	1.4	North West	27.0	1.1
Banking, finance insurance	153.9	6.2	North	-5.7	-.5
Other Services	6.5	.1	Wales	17.1	1.8
			Scotland	12.8	.7
All Industries	240.2	1.1	Great Britain	238.1	1.1
			Northern Ireland	2.1	.4
			United Kingdom	240.2	1.1



## RESTRUCTURED AVERAGE EARNINGS INDEX

1 The results of a restructured average earnings index (AEI) have been introduced with the Labour Market Statistics data for August 1989.

### **Restructuring**

2 The restructuring involves:

- reweighting of industry groups within the index using the 1987 Census of Employment data to reflect the changed employment structure of the economy.
- restoration of the size of the supporting monthly sample survey from 7000 to 8000 firms and widening the coverage to include areas of the Services Sector not previously included.
- in deriving the index, reallocation of survey firms to more appropriate industrial categories (where primary activity has changed over time) and to different size bands (where firms have expanded or contracted over time).
- rebasing of the index from 1985 = 100 to 1988 = 100.

### **Why Restructure?**

3 Technical changes of this nature are necessary periodically to ensure that the index remains representative eg the last time the weights were changed was in 1983. The exercise has been in train since late 1987 but completion of the work has depended on the availability of the 1987 Census of Employment results (which were published last month).

4 There has been some recent Press and City criticism that the AEI has not kept up to date with the changing employment structure of the economy. These criticisms have suggested that earnings growth was being understated by ED whereas in fact the effect of restructuring has been marginally in the opposite direction.



### Effect of Restructuring

5 For the period in which it has been calculated, the restructured index is not markedly different from the old index when they are placed on comparable scales. The overall effect has been to raise the **actual annual rate of increase** for the whole economy over the first seven months of 1989 by less than 0.1 of a percentage point, although figures for individual months vary.

6 The new estimates of the **underlying increase** for the whole economy in recent months are  $\frac{1}{4}$  per cent lower than the estimates produced previously and show the same pattern of change. The equivalent figures for the component industry groups show slightly wider variation but are no greater than  $\frac{1}{2}$  per cent different. Summary figures on the new and old bases are shown in the attached table.

7 The difference in estimates from the new and old series are mainly attributable to the change of weights where greater emphasis is now given to industries where earnings have been rising less rapidly eg in banking. Broadly, reweighting alone has lowered the whole economy rate of increase by 0.4 of a percentage point. However the restructuring process has involved more than just reweighting and the effects of any one of the changes in isolation can be determined only in very general terms.

### Dissemination

8 A detailed article explaining the basis of restructuring of the AEI will appear in the November issue of Employment Gazette. This will indicate, inter alia, how data from the old and new series can be linked.



AVERAGE EARNINGS INDEX FOR GREAT BRITAIN  
COMPARISON OF OLD AND NEW SERIES

	----- Whole Economy -----				----- Manufacturing -----				----- Services -----			
	% Change on 12 months earlier				% Change on 12 months earlier				% Change on 12 months earlier			
	.....Actual.....	NEW	Seas. Adjusted	OLD	.....Actual.....	NEW	Seas. Adjusted	OLD	.....Actual.....	NEW	Seas. Adjusted	OLD
	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW
JAN 89	9.5	9.2	9.4	9.2	9.5	8.8	9.4	8.8	9.3	9.2	9.3	9.2
FEB	9.7	9.5	9.7	9.5	9.9	9.9	10.0	9.9	8.9	8.8	8.9	8.8
MAR	8.8	9.2	8.8	9.3	8.2	7.9	8.3	7.9	8.6	9.3	8.6	9.3
APR	9.1	9.7	9.1	9.7	9.1	9.1	9.0	9.2	9.1	10.1	9.2	9.9
MAY	9.5	9.2	9.6	9.2	9.0	8.7	9.0	8.8	9.7	9.4	9.8	9.4
JUN	9.3	9.3	9.4	9.3	8.6	8.7	8.6	8.8	9.3	8.9	9.2	8.9
JUL	8.7	8.9	8.7	8.9	9.2	9.2	9.2	9.2	8.0	8.3	8.1	8.4
AUG		8.8		8.9		9.0		9.1		8.2		8.2
JAN-JULY	9.2	9.3	9.2	9.3	9.1	8.9	9.1	8.9	9.0	9.1	9.0	9.1

	----- Whole Economy -----		----- Manufacturing -----		----- Services -----	
	Underlying Rate*		Underlying Rate*		Underlying Rate*	
	OLD	NEW	OLD	NEW	OLD	NEW
	% pa	% pa	% pa	% pa	% pa	% pa
	Change	Change	Change	Change	Change	Change
JAN 89	9	9	9	8 3/4	9	9
FEB	9 1/2	9 1/2	9	8 1/2	9	9 1/2
MAR	9 1/2	9 1/2	9	8 3/4	9	9 1/2
APR	9 1/2	9 1/2	9	8 1/2	9	9 1/2
MAY	9 1/2	9	9	8 3/4	8 3/4	9
JUN	9	8 3/4	9	8 1/2	8 3/4	8 1/2
JUL	9	8 3/4	9	8 3/4	8 3/4	8 1/2
AUG		8 3/4		8 3/4		8 1/2

\* underlying rates are published to the nearest 1/2 per cent to emphasise their approximate nature.



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.



## INDUSTRY BREAKDOWN

## INDEX OF AVERAGE EARNINGS (Unadjusted)\*

B

## RESAMPLED AND REWEIGHTED SERIES

Classes SIC 1980	Weights	Index (1988 = 100)						Percentage increase over previous 12 months					
		1989						1989					
		MAR	APR	MAY	JUNE	JULY	AUG**	MAR	APR	MAY	JUNE	JULY	AUG**
Metal Processing and manufacturing	8	99.6	116.3	102.6	102.2	121.7	101.4	8.7	8.6	9.4	4.6	9.4	0.1
Mineral extraction and manufacturing	11	105.5	107.3	110.6	111.2	109.9	109.0	7.8	9.3	10.8	10.5	9.4	10.1
Chemical and man-made fibres	16	103.7	107.0	108.1	108.8	107.3	110.3	8.8	9.0	9.5	7.8	9.0	11.2
Mechanical engineering	39	107.1	108.4	108.9	110.6	110.6	109.6	9.0	9.8	9.7	11.4	9.6	10.4
Electrical, electronic and instrument engineering	39	107.2	108.3	107.8	109.7	110.5	110.0	7.7	10.2	8.9	9.5	10.3	10.6
Motor vehicle and parts	13	109.3	106.8	109.4	110.8	111.8	109.1	7.5	8.3	9.0	5.3	7.5	8.3
Other transport and equipment	13	112.2	111.7	111.5	116.1	114.4	111.0	11.9	12.9	12.6	22.3	17.9	16.4
Metal goods n.e.s.	17	103.9	106.5	107.4	107.7	110.1	107.6	7.2	8.0	7.6	7.5	8.3	8.4
Food, drink and tobacco	29	104.9	111.6	109.6	108.7	110.6	108.5	9.7	12.4	9.1	7.3	10.5	9.8
Textiles	12	102.0	104.7	107.2	110.6	109.6	107.6	3.3	6.2	8.4	8.8	6.8	7.8
Leather, footwear and clothing	16	106.6	105.3	107.1	108.4	108.8	106.4	6.6	4.7	7.0	6.7	7.7	5.8
Paper products, printing and publishing	24	103.5	104.9	105.8	107.7	107.2	107.3	5.6	7.4	6.1	5.4	5.8	5.9
Rubber, plastics, timber and other manufacturing	27	105.0	104.9	106.7	109.5	109.1	106.6	6.6	8.5	7.0	7.9	6.4	6.4
*Manufacturing Industries	265	105.7	107.8	108.0	109.4	110.3	108.5	7.9	9.2	8.8	8.8	9.2	9.1
Coal and coke	7	111.0	112.3	109.5	110.6	112.5	115.6	14.3	7.6	11.2	13.1	8.8	13.6
Mineral oil and natural gas	3	104.0	105.9	110.4	107.3	114.7	111.8	8.3	9.2	9.9	11.5	13.5	11.8
Electricity, gas and other energy and water supply	16	106.6	105.4	107.3	109.8	114.7	118.2	12.3	7.1	6.0	9.5	11.6	14.0
*Production industries <sup>†</sup>	291	106.0	107.9	108.1	109.6	110.8	109.5	8.4	9.1	8.6	9.1	9.3	9.5
Construction	55	111.2	108.3	108.6	112.8	112.3	109.4	12.7	12.0	12.1	12.4	10.4	10.5
Agriculture and Forestry <sup>‡</sup>	17	98.5	102.1	103.6	103.2	110.5	ϕ	7.3	6.9	8.8	5.4	9.6	ϕ
Distribution and repairs	167	109.5	109.4	107.6	109.2	108.1	107.2	9.4	11.4	8.5	8.7	8.4	7.3
Hotels and catering	54	106.5	104.6	106.2	106.8	106.6	107.0	9.8	7.2	7.2	7.0	6.4	7.3
Transport and communication (except sea transport)	65	103.8	106.7	106.0	105.8	109.1	107.1	6.1	7.5	7.2	7.2	8.7	6.9
Banking, finance, insurance and business services	93	114.7	108.3	107.3	108.5	111.5	108.2	14.7	9.7	8.6	8.2	10.5	8.6
Public administration	91	106.2	106.0	106.6	106.9	106.8	106.4	8.0	9.7	8.9	8.4	5.1	6.2
Education and health services	119	103.2	104.4	107.8	110.3	111.7	113.9	6.3	10.9	14.1	11.4	7.8	10.8
Other services	48	106.8	107.7	107.6	112.2	114.2	111.6	10.9	11.3	8.7	11.5	11.7	11.4
*Service industries	638	107.8	107.1	107.2	108.5	109.7	108.7	9.3	9.9	9.4	8.9	8.4	8.2
*Whole economy	1,000	107.3	107.3	107.5	109.1	110.3	109.1	9.3	9.7	9.2	9.3	8.9	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.

ϕNot available.



CONFIDENTIAL UNTIL 11.30 AM ON THURSDAY 19 OCTOBER 1989

## INTERNATIONAL COMPARISONS

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

		Latest period available
Greece	22.6	Q4 1988
Portugal (h)	14.2	Q4 1988
Finland	9.6	Q4 1988
Norway (d)	8.9	Q2 1989
Great Britain (c)	8 3/4	JULY
Spain (e)	7.5	Q1 1989
Sweden (g)	6.9	JUNE
Australia (b)	6.3	JUNE
Japan (a)(f)	6.1	JULY
Italy (b)	5.9	JUNE
Belgium (j)	5.4	Q1 1989
New Zealand (i)	4.9	Q1 1989
Canada	4.7	JUNE
Denmark (g)	4.6	MAY
Austria (a)(g)	4.0	MARCH
France (b)	4.0	Q1 1989
Germany	3.9	Q2 1989
United States	3.0	JULY
Ireland	2.7	Q4 1988
Netherlands (b)	1.0	JULY
-----		
OECD	4.8	MARCH
EEC	5.7	MARCH

Source: OECD Main Economic Indicators: SEPTEMBER 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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Industrial Disputes - Summary FactsWORKING DAYS LOST

Working days lost in August are provisionally estimated at 109,000.

The NALGO action affecting local authorities caused the loss of 52,000 working days and 11,000 working days were lost in a stoppage in the electrical engineering industry.

Working days lost in August returned to a more normal level after the exceptionally high July figure of 2.4 million. In August, the NALGO action was restricted to 'key workers' whilst in July the action had affected all groups of employees. The August working days lost figure 109,000 is below the corresponding figure last year, 431,000, which included the one day postal workers' dispute and is well below the August average for the ten years to 1988 of 775,000 working days lost.

The total of working days lost for the twelve months ended August is provisionally estimated as 4.6 million. The largest elements in this total are 2.0 million working days lost by NALGO workers and 1.0 million working days lost from postal workers' disputes. The 4.6 million days total compares with 2.6 million days lost in the corresponding period a year ago and an average over the previous ten years of 10.1 million days lost.

NUMBER OF STOPPAGES

The number of stoppages provisionally recorded as in progress in the twelve months to August is 701. Subsequent revisions will raise this total. The highly provisional single month figure for August is 52, which is the lowest monthly figure this year and the lowest figure for any August since 1940 (also 52).



KEY FACTS - INDUSTRIAL STOPPAGES

(a) TWELVE MONTH PERIODS

	WORKING DAYS LOST (MILLION)	STOPPAGES (NUMBER)
Year to August 1989(p)	4.6	701
Year to August 1988	2.6	856
1985	6.4	903
1986 (best year for working days lost)	1.9	1,074
1987	3.5	1,016
1988 (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)
July 1989(p)	2,374	83
August 1989(p)	109	52
August - Average of 1979 to 1988	775	117

(p) = provisional

BULL POINTS

1. 4.6 million working days lost in year to August (provisional estimate) compares with an average of 12.9 million for the 1970's, and an average of 10.1 million in the ten years to August 1988.
2. Number of stoppages recorded in 1988 is lower than in any other year since 1935.



## EMPLOYMENT AND TRAINING MEASURES: SCHEME PARTICIPANTS IN GB

MONTH ENDING

THOUSANDS

Quarter	EAS	CI	NWS*	JRS	JOBSTART+ JOBSHARE	CP	ET OF WHICH:		JTS	YTS++
							ET**	CP ALLOWANCES WAGES		
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
<u>Monthly</u>										
Jun 87	90	8	24	22	7	232			13	247
Jul 87	93	8	18	21	7	231			17	376
Aug 87	94	8	18	21	7	229			20	389
Sep 87	96	8	18	21	6	229			22	424
Oct 87	97	8	19	20	5	224			24	413
Nov 87	96	8	20	20	5	222			25	410
Dec 87	96	8	19	19	4	221			24	402
Jan 88	95	7	19	19	4	221			26	393
Feb 88	95	7	18	19	4	224			28	386
Mar 88	95	7	16	18	4	223			30	376
Apr 88	94	7	14	16	3	223			30	367
May 88	94	7	13	15	3	220			31	355
Jun 88	94	7	12	14	3	213			31	381
Jul 88	94	7	11	13	3	208			30	395
Aug 88	93	7	10	12	3	202			30	403
Sep 88	93	7	9	11	3	10	48	128	-	417
Oct 88	92	7	5	10	3	10	67	100	-	411
Nov 88	91	7	3	9	4	10	92	78	-	407
Dec 88	92	7	2	8	4	1	108	60	-	397
Jan 89	90	7	-	8	4	-	131	38	-	397
Feb 89	90	7	-	7	4	-	158	14	-	391
Mar 89	89	8	-	7	5	-	176	1	-	383
Apr 89	88	7	-	6	-	-	185	-	-	386
May 89	86	7	-	6	-	-	189	-	-	369
Jun 89	84	7	-	6	-	-	194	-	-	391
Jul 89	82	7	-	5	-	-	203	-	-	414
Aug 89	81	8	-	5	-	-	204	-	-	408
Sep 89	79	-	-	5	-	-	208	-	-	-

\* 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/Negligible



LABOUR MARKET STATISTICS-KEY FACTS

A2(i)

UNEMPLOYMENT IN SEPTEMBER

Seasonally adjusted (UK) (Consistent)

Now 1.695 million, lowest for nearly nine years (since October 1980).

Down 50,400 in September.

Rate 6.0%, lowest since October 1980.

Down 38 months running, longest and largest continuous fall since the war.

Down 1.438 million since July 1986.

Fall of 1,162,300 (consistent) since election June 1987. (1,259,000 since campaign, April 1987 figure)

Fall in last 12 months 496,800

Average fall of 37,000 per month over last six months.

TOTAL (unadjusted) (UK)

Now 1.703 million (6.0%)

Down 38,000 since August

Regional unemployment (Seasonally adjusted)

Fall in all regions of UK over last year: rates fallen most in West Midlands followed by North and Wales.

Long term unemployment. (UK, unadjusted)

July: Claimants unemployed for one year or more) 675,000 in July, lowest for nearly 7 years. Now down by some 682,000 since April 1986 including record fall of over a half-million in past two years. Fallen faster than total unemployed. Long term unemployed aged 18-24 down 58% in 2 years, down by 42% among over 25s.

Over 5 year unemployed now falling sharply, down by 24% over the past year.

Young unemployed (UK)

18 - 24's down by 39% in two years to July 1989; 48% lower than 3 years ago.

Latest EC unemployment comparison for under 25's (March 89) showed UK 9.6% compared with EC average 18.1% (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 (9.2%). Latest international rates show unemployment higher in France (10.1%), Italy (11.0%), Canada (7.4%), Belgium (9.0%), Netherlands (9.4%), Spain (17.0%) and Ireland (17.1%). (Comparable UK 6.4% - OECD standardised rate for July.)

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 218,400 in September, up 1,700 since August, but down 9% on a year earlier.

Only about a third of vacancies reported to Jobcentres.

AVERAGE EARNINGS (GB)

Underlying increase in average earnings in year to August 8 3/4%, the same as the rise in the year to June

INDUSTRIAL STOPPAGES (UK)

Working days lost 109,000 in August, well below August average for the previous ten years of 775,000.

In twelve months ending August, 4.6 million days lost compared with 2.6 million over the previous 12 months and an average 12.9 million for 1970's.

Number Of Stoppages 52 in August, lowest monthly figure since 1940 (also 52). Total for 1988 lowest since 1935.



**KEY FACTS****EMPLOYMENT (UK seasonally adjusted)****WORKFORCE IN EMPLOYMENT**

Workforce in employment in Q2 1989

- now stands at 26,357,000 (highest ever)
- Increase since March 1983 by 2,793,000
- Increase in year to June 1989 of 493,000, of which:

183,000 male  
310,000 female

241,000 employees  
124,000 self employed  
137,000 trainees  
-8,000 HM Forces

**TREND - LATEST QUARTER**

- Employment growth of 85,000 in Q2 1989.

**EMPLOYMENT IN MANUFACTURING**

- at 5,205,000 in June 1989
- down by 24,000 in year to June
- down 34,000 in Q2.

**EMPLOYMENT IN SERVICES**

- at 15,408,000 June 1989
- up by 269,000 over the year
- service sector accounts for almost two-thirds of employment (incl. self employment)
- the estimates in the third and fourth quarters of 1988 and the first and second quarters of 1989 have been affected by the run-down in CP and the build up of ET.

**SELF-EMPLOYMENT**

- at an estimated 3,109,000 in June 1989
- up by 124,000 over year to June
- up by 1.2 million since June 1979 (following little change in the seventies).

**EMPLOYMENT (GB seasonally adjusted)****EMPLOYMENT IN MANUFACTURING (GB)**

- at 5,111,000 in August 1989
- down 33,000 in Q2 1989.
- up 16,000 in August
- down 6,000 in July
- down 23,000 in year to August

**OVERTIME AND SHORT TIME (GB)**

- overtime of 14.0 million hours a week worked in August
- short time of 0.21 million hours a week lost in August

**PART-TIME EMPLOYMENT (GB)**

- at 6,292,000 (24% of workforce in employment) in June 1989
- up by 264,000 over year to June
- up by 1,447,000 since March 1983
- part-time jobs account for 54% of employment growth in year since June 1988
- 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
- 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 greater than any other EC country
- UK proportion of population of working age in employment (68%) much higher than EC average.



## LABOUR MARKET STATISTICS released this morning

### Employment

The workforce in employment (employees in employment, self-employed, HM Forces and government training schemes) increased by 85,000 between March and June to a new record level. This is a slowdown from the rapid rates of growth seen in 1987 and 1988. Employment has increased by 497,000 in the year to June, and by 2,793,000 since March 1983.

Line to take - slowdown of employment growth is consistent with slowdown in growth.

### Unemployment

Seasonally adjusted unemployment fell by 50,400 between August and September. Unemployment fell in all regions. Unemployment is now 6.0 per cent of the workforce - the lowest since October 1980 - and well below the European average.

Line to take - monthly figures erratic.

### Earnings

DE have introduced a revised series for underlying earnings growth this month. The new series has been reweighted to more accurately reflect the present structure of the economy. The series was last updated in 1983. The new series shows some slowdown in earnings growth over the last few months (particularly in the service sector).

Underlying earnings growth in the whole economy was 8½ per cent in August. In manufacturing underlying earnings growth was 8½ per cent, in the service sector it was 8½ per cent. All of these figures are unchanged from July.

Line to take - underlying earnings growth in August unchanged from July, at 8½ per cent.





FROM: D I SPARKES  
DATE: 23 OCTOBER 1989

MR FARTHING (HE2)

cc PS/Chief Secretary  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mrs Case  
Mr Perfect  
Mr Tyrie

**CITY TECHNOLOGY COLLEGES**

... The Chancellor would be grateful for a note on the allegation that appeared in a letter in last week's Spectator (copy attached) that the Brighton CTC is to be run on Steiner principles. He found this alarming.

*D.I.*

DUNCAN SPARKES



movement virtues: Gardiner has made rather a point of big-band Bach, in which his large (but 'authentic') choir and orchestra are made to sound as much like modern forces as possible. The suspicion that that is why Dr Holloway enjoyed their performance is confirmed by his purple trip down memory lane to the Romantically inflated and hugely impressive Bach of his boyhood: never before has been writ so large 'that curious Pavlovian process which leaves some musicians unable to dissociate the emotional impact of music from the particular style in which they first heard it performed'.

**Richard Abram**  
Literary Editor, EMI Records,  
20 Manchester Square,  
London W1

### Vulgar commoners

Sir: Mr Haycraft (Letters, 19 August) appears to prefer 'vulgar' to 'common' as a term of disapproval. The 27th Lord Crawford called Marquess Curzon 'inexpressibly common'; I doubt whether 'vulgar' would do there. An acquaintance of mine once described a friend's father as 'rather a common General', invoking red tabs worn in the service of the Pay Corps or the RASC, rather than a Murat or Macarthur. Let us keep both adjectives, though a House of Vulgarians might often be no misnomer for what goes on in the Palace of Westminster.

**Freddy Hurdis-Jones**  
Giudecca 681/A,  
Venice, Italy

### Finger games

Sir: I read with particular interest Brien Masters's denial of Angeia Huth's criticisms of the Rudolf Steiner system of education in view of the recent announcement that a City Technology College is to be set up in Brighton under the aegis — or at least with the approval — of the Steiner Foundation. Now I may have got the wrong end of the stick, but I did not have the impression that the ethos of CTCs was that the pupils were to spend 'about half their time' on a 'broad-based holistic curriculum', or that 'clapping and finger games' (except perhaps for manipulating computer keyboards) was to figure in their nine-hour working day. Indeed, I understood the object was to 'stretch' and 'pressurise' the children in exactly the way Mr Masters says is not part of the Steiner philosophy.

The proposed Brighton CTC is to be known as the Michael Faraday College, after a respected exponent of Steiner methods. It is apparently to receive £7.2 million from the Government, the £1.8 million balance to be provided by a company registered in Essex called Greenleaf

Planters. The company, which is not trading, has a capital of £100,000, and its two directors, apparently husband and wife, live in Forest Row and are said to be connected with the Steiner Schools Fellowship (also based in Forest Row) of which Mr Masters is the Chairman. Some mistake, surely?

**Ann Moore**  
Hancox,  
Whatlington,  
Battle, East Sussex

### Swamped

Sir: Andrew Kenny should ask himself why unrestricted mass immigration did little for the indigenous population of the USA, Australia and New Zealand.

**Hugh Joseph**  
Highbury,  
London N5

### Salisbury reviewed

Sir: In response to Noel Malcolm's 'Europe's unholy godfathers' (23 September) I would like to point to a brief passage in a speech by Lord Salisbury made during his premiership at the end of the last century. I think it explains what really lies at the root of the difference between the British and the Continental attitudes towards Europe — and it is one that Voltaire would have understood with sympathy towards the English. His argument was:

... that people in the localities should govern themselves — and that attempting to imitate Continental plans by drawing all authority from central power, though it

might produce a more scientific, a more exact and furthermore a more effective administration, yet it was destitute of these two essentials of all good government. It did not produce a government that was suited to the facts and idiosyncrasies of the particular community for whom it was designed, and it did not teach people to take an interest in their own government.

Surely the lure of the more efficient system was never more poignantly understood nor the advantages of the less efficient more clearly stated. It seems to me vital that the 'new Europe', whatever that may turn out to be, must not cast overboard 'the two essentials of all good government'. That is what as 'good Europeans' we should be striving for even if, like the prophets of ancient Israel, we have stones cast at us for our message and we are labelled as 'bad Europeans' in the process. We certainly won't find many of Europe's unholy godfathers on our side.

**John Coleman**  
Editor, *New European*,  
14-16 Carrown Road,  
London SW8

### Pickwickian history

Sir: John Harris (Letters, 23 September) is a very good architectural historian and as such can call black white at will. Other observers find it hard to embrace the Euston Arch — an ill-proportioned slice incised with annotated vulgarity and no arch — together with the cheap Firestone Building — Firestone at the front, brimstone at the back — amongst 'our greatest buildings'. I am delighted that they were both dropped.

Wit, rare amongst historians, is here, presumably, being exercised by Harris in its Pickwickian sense.

**Cedric Price**  
Architect, 38 Alfred Place,  
London WC1

### Lexicon

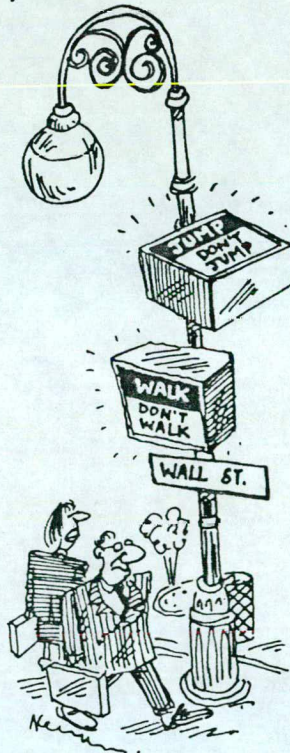
Sir: Mr Wray's suggestion (Letters, 7 October) seems admirable. You could offer him the following explanations:  
a) Cricket: baseball played by under-achievers.  
b) Wallace Arnold: the Walter Winchell of the English class system.

**Horace Badger**  
28 Weymouth Street,  
London W1

### In a nutshell

Sir: There is junk mail and crank mail, and mail from Mr Dineley (Letters, 14 October). His is of such bewildering virtuosity that anyone with a serious 'Nut-file', far from returning it, only hopes for more.

**St Germans**  
Port Eliot, Cornwall





*ppp*

FROM: WARWICK LIGHTFOOT  
DATE: 24 OCTOBER 1989  
EXT: 5106

**CHANCELLOR**

From the attached figures it can be seen:

that over the last three years unemployment has fallen

- by almost two-thirds in Dagenham
- by almost forty per cent in Dunfermline *East*
- by over forty per cent in Monklands East

that over the last year unemployment has fallen

- by over a third in Dagenham
- by over twenty per cent in Dunfermline East
- by over a quarter in Monklands East.

Over the last three years long term unemployment has fallen \*

- by over three quarters in Dagenham
- by a third in Dunfermline East
- by over 40 per cent in Monklands East.

Over the last year long term unemployment has fallen \*

- by over a half in Dagenham
- by over a quarter in Dunfermline East
- by over a quarter in Monklands East.

*Warwick Lightfoot*

WARWICK LIGHTFOOT

\*Long term unemployment: over 52 weeks

*This could serve as an introduction*

*"I was surprised that the RHC did not mention this  
a fact that might be of interest to his constituents. Instead he concentrated  
on inflation."*



# All Unemployed

	SEP 1986	SEP 1989	Change	%Change	Constituency Name
1	4,256	1,511	-2,745	-64.50	Dagenham
2	5,093	3,096	-1,997	-39.21	Dunfermline East
3	6,296	3,598	-2,698	-42.85	Monklands East
	15,645	8,205	-7,440	-47.56	Column Totals

*Bryan Gould*  
*Gordon Brown*  
*John Smith*

	SEP 1987	SEP 1989	Change	%Change	Constituency Name
1	3,280	1,511	-1,769	-53.93	Dagenham
2	4,684	3,096	-1,588	-33.90	Dunfermline East
3	5,746	3,598	-2,148	-37.38	Monklands East
	13,710	8,205	-5,505	-40.15	Column Totals

	SEP 1988	SEP 1989	Change	%Change	Constituency Name
1	2,341	1,511	-830	-35.45	Dagenham
2	3,981	3,096	-885	-22.23	Dunfermline East
3	4,837	3,598	-1,239	-25.62	Monklands East
	11,159	8,205	-2,954	-26.47	Column Totals

Title : ltu long term u/e it over 52 weeks  
Change in Total Unemployed

	JUL 1986	JUL 1989	Change	%Change	Constituency Name
1	1,686	401	-1,285	-76.22	Dagenham
2	1,895	1,278	-617	-32.56	Dunfermline East
3	2,956	1,644	-1,312	-44.38	Monklands East
	6,537	3,323	-3,214	-49.17	Column Totals

Title : ltu

	JUL 1987	JUL 1989	Change	%Change	Constituency Name
1	1,298	401	-897	-69.11	Dagenham
2	1,986	1,278	-708	-35.65	Dunfermline East
3	2,793	1,644	-1,149	-41.14	Monklands East
	6,077	3,323	-2,754	-45.32	Column Totals

Title : ltu

	JUL 1988	JUL 1989	Change	%Change	Constituency Name
1	806	401	-405	-50.25	Dagenham
2	1,728	1,278	-450	-26.04	Dunfermline East
3	2,206	1,644	-562	-25.48	Monklands East
	4,740	3,323	-1,417	-29.89	Column Totals





*imp*

CH/EXCHEQUER	
REC.	25 OCT 1989
ACTION	
COPIES TO	

PRIME MINISTER

#### FUTURE OF THE EMPLOYMENT SERVICE

Norman Fowler copied to me his minute to you of 15 October with proposals for Jobcentres and improving the Employment Service.

While I appreciate Norman's reasons for wishing to rationalise the ES network of offices we have to be aware that they will attract criticism. Jobcentres are, by their nature, easy places to use. They are in convenient locations and, as Norman says in his minute, they cater for a variety of clients. Benefit Offices are often less accessible and are seen more as the province of the long-term unemployed. These factors, together with the net reduction in offices which would result from Norman's proposals, are likely to lead to accusations that we are making it harder for people to find jobs and are isolating the long-term unemployed.

In addition, I am not convinced that the distinction between job changers and the frictionally unemployed, as against the long-term unemployed, is as clear cut as is suggested. If we withdraw from helping those who are temporarily out of work, or from those who wish to change up to a better job, we run the risk of some of them simply becoming part of the long-term unemployed in due course.

I appreciate that the rapid fall in unemployment means that we can capitalise on the opportunity to make substantial savings from a merger as well as secure the other benefits which it would bring. But levels of unemployment are not uniform across the country - some parts of Wales still have relatively high levels - and it is in these areas that criticism would come; and these, it seems to me, would be the areas in which property values and rentals are low and thus the potential savings would be least.

/I suggest....





I suggest therefore that the rationalisation should be phased in - as it would have to be in any case - but that it should be implemented first in areas of low unemployment. As unemployment falls in other areas then the policy can be extended there too. If this was made plain in the announcement then it would do much to defuse criticism.

/ I am copying this minute to members of E(A) and to Sir Robin Butler.

A handwritten signature in black ink, appearing to read 'R Butler', written in a cursive style.

24 October 1989

PW

Approved by the Secretary  
of State and signed in his absence