

PO-CH/NL/736

PART A

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Part. A

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Part A

EMPLOYMENT

STARTS: 28/02/89

ENDS: 14/09/89

PT ABC

reference

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NL 736



H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-270 3000
Direct Dialling 01-270 5203

cc: PS/Chancellor
Sir P Middleton
Mr Riley
Mr Sedgwick
Mr Gieve
Mr Hibberd
Mr Pickford
Mr Darlington ✓

Sir Terence Burns
Second Permanent Secretary
Chief Economic Adviser

28 February 1989

Mr P D Dworkin
Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

Dear Paul,

INCORPORATION OF 1988 LABOUR FORCE SURVEY RESULTS INTO SHORT-TERM EMPLOYMENT ESTIMATES

Thank you for your letter of 22 February.

2. The preliminary assessment of the 1987 Census results is a new development since your letter to me of 31 January. Unlike the last Census in 1984, when the figures were in line with the LFS, there is a considerable disparity between the preliminary Census estimates of employment levels and the levels implied by splicing on the LFS changes to the March 1987 level. This poses some problems for you.
3. Nevertheless I am surprised that you propose to publish employment estimates on March 13 which just splice the LFS changes to the March 1987 levels. It seems very odd to do that when we already have a fairly strong belief that it implies wrong levels for the data since 1987. I am not persuaded that it is just the changes in employment that matter. Moreover, the Census results imply a slightly better productivity and manufacturing unit labour cost performance over 1985-88 than the LFS results, though both are less favourable than your current published estimates. I would prefer to minimise the adverse publicity of downward revisions to productivity growth if they are to be partially reversed later.
4. It would seem to me much better to publish at the same time as the LFS results your preliminary assessment of the Census, ie the penultimate column of figures in the first table attached to your letter.
5. I am aware that you would not simultaneously be able to produce all the consistent disaggregated employment data. But surely we could devise a form of words to alert Gazette readers to a short-term inconsistency between the aggregate and disaggregated numbers.

6. We need a fairly quick response to this proposal because it will affect the employment table we usually publish in the FSBR.

7. I think all this also points to the need to process and publish the detailed Census results at the earliest possible opportunity.

Yours ever,

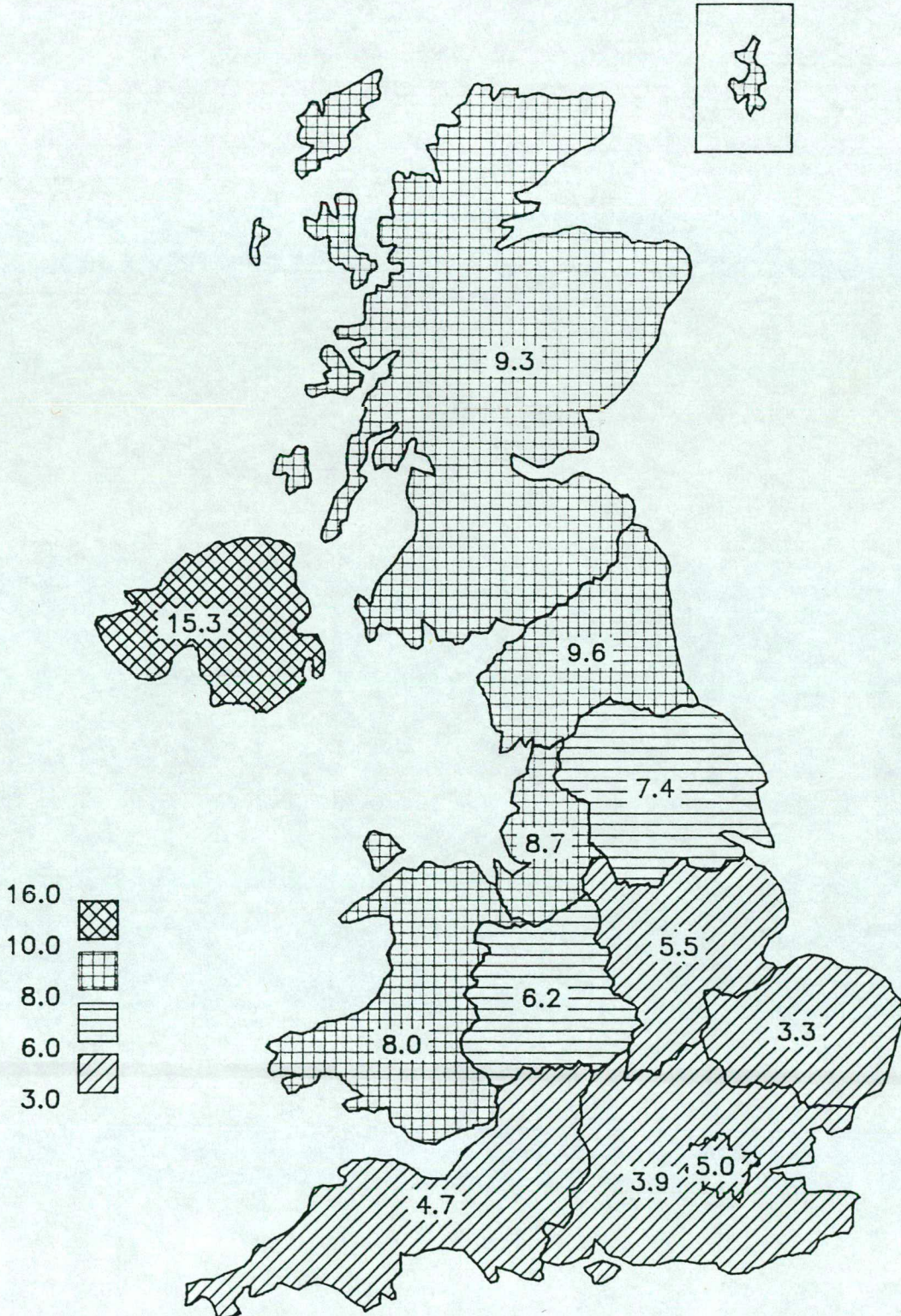
Terry

T Burns

Seasonally Adjusted Unemployment Rate

13 July 1989

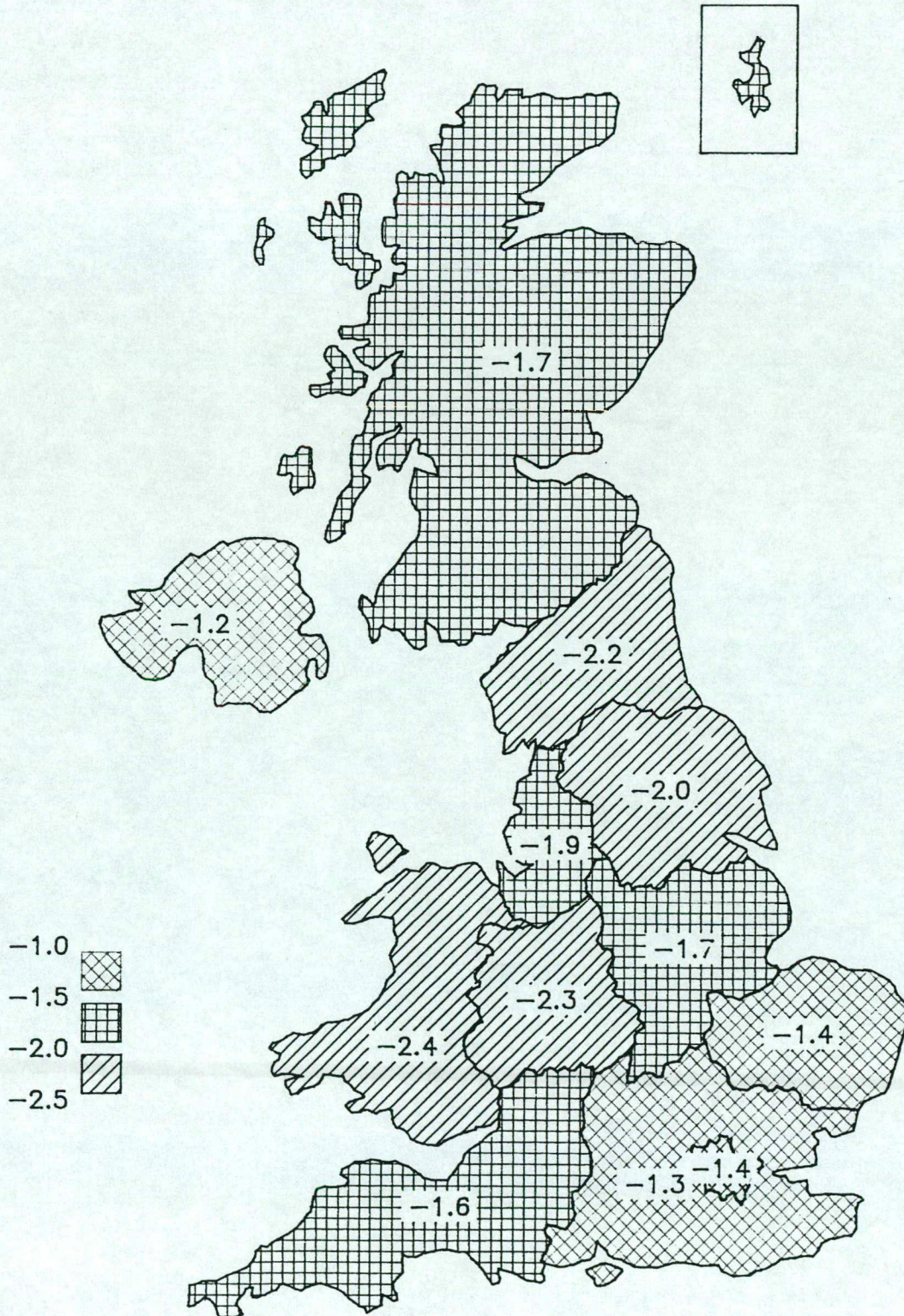
United Kingdom: Regions



NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

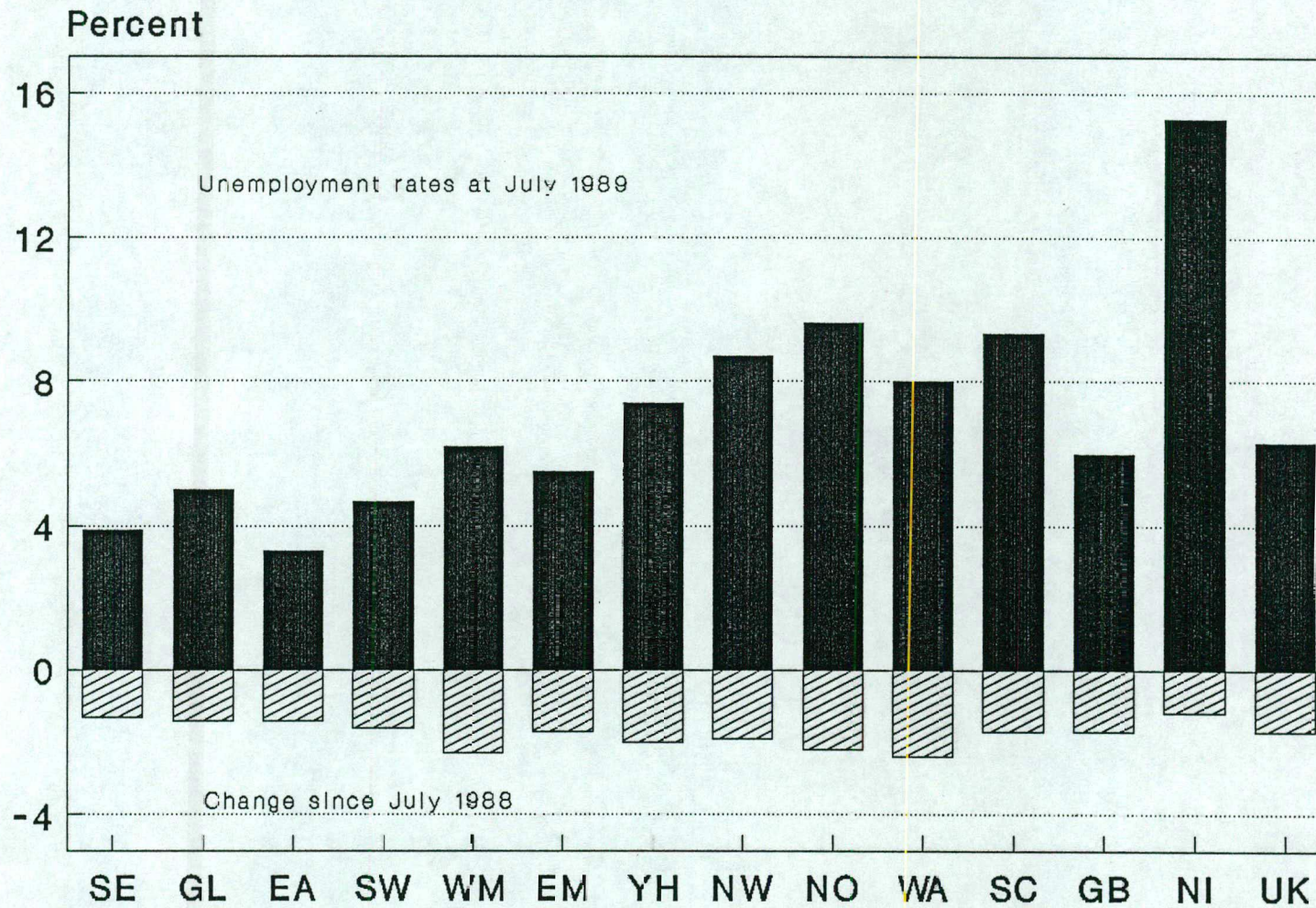
Seasonally Adjusted Unemployment Rate Change July 1988 – July 1989 *United Kingdom: Regions*



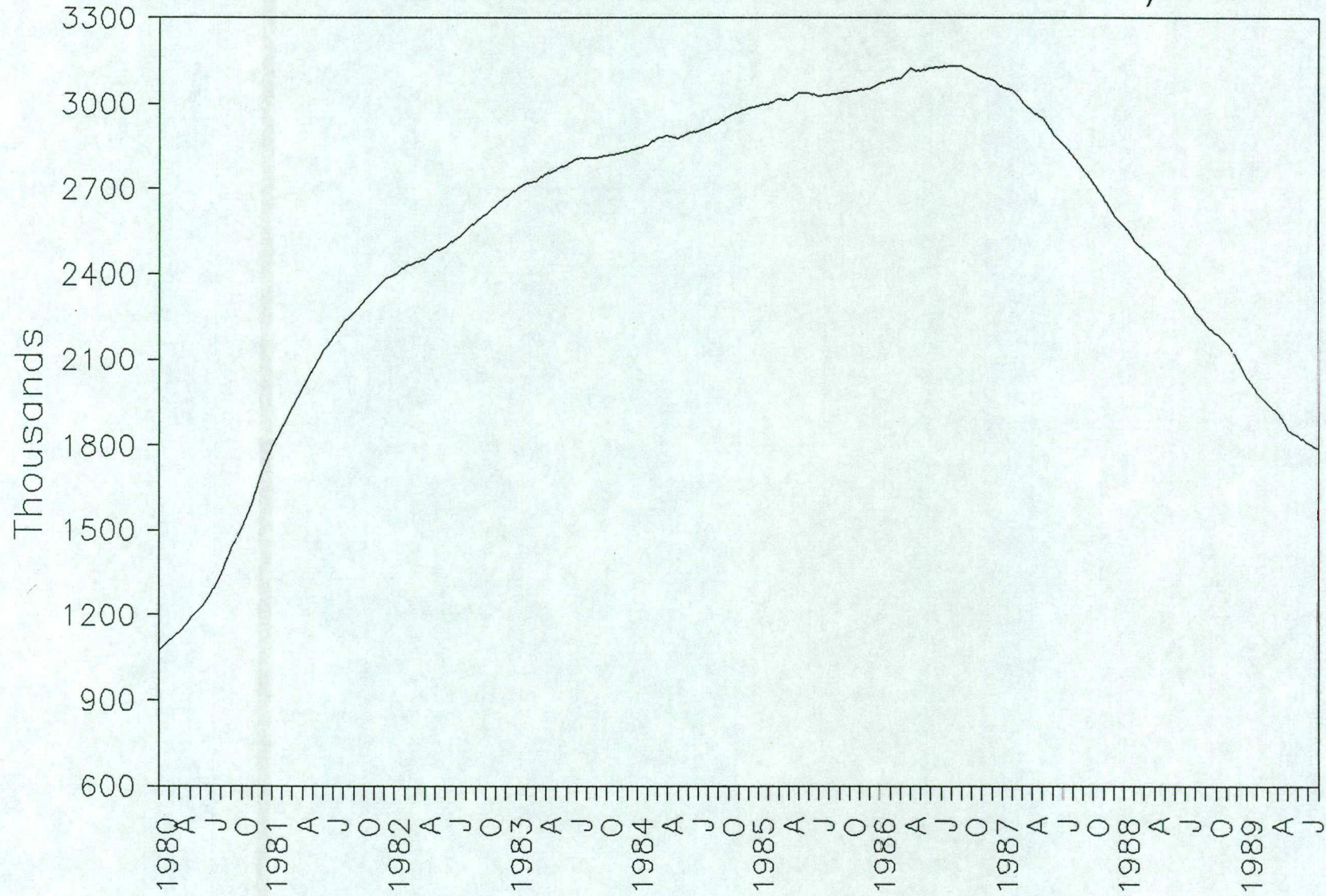
NOTE: South East Region
includes Greater London

Source : DE Statistics / NOMIS

REGIONAL UNEMPLOYMENT RATES SEASONALLY ADJUSTED July 1989



SEASONALLY ADJUSTED UNEMPLOYMENT CONSISTENT WITH CURRENT COVERAGE U.K. July 1989



REGIONAL UNEMPLOYMENT, SEASONALLY ADJUSTED

| | July 1989 | Change in month since June 1989 | RATE (% of WORKFORCE) | | |
|-----------------------|---------------|---------------------------------------|-----------------------|---------------------------------------|--------------------------------------|
| | | | July 1989 | Change in month since June 1989 | Change in year since July 1988 |
| | Thousands | | | | |
| <u>REGIONS</u> | | | | | |
| South East | 366.1 | -4.1 | 3.9 | -0.0 | -1.3 |
| (Greater London) | (217.9) | (-1.0) | 5.0 | 0.0 | -1.4 |
| East Anglia | 34.8 | -.2 | 3.3 | -0.0 | -1.4 |
| South West | 98.4 | -1.7 | 4.7 | -0.1 | -1.6 |
| West Midlands | 166.4 | -2.5 | 6.2 | -0.1 | -2.3 |
| East Midlands | 108.6 | -1.7 | 5.5 | -0.1 | -1.7 |
| Yorks & Humber | 177.7 | -.9 | 7.4 | -0.0 | -2.0 |
| North West | 262.0 | -2.4 | 8.7 | -0.1 | -1.9 |
| North | 140.9 | -2.7 | 9.6 | -0.2 | -2.2 |
| Wales | 96.4 | -2.1 | 8.0 | -0.2 | -2.4 |
| Scotland | 232.5 | -2.5 | 9.3 | -0.1 | -1.7 |
| GREAT BRITAIN | 1683.4 | -21.1 | 6.0 | -0.1 | -1.7 |
| Northern I. | 105.6 | -.2 | 15.3 | 0.0 | -1.2 |
| <u>UNITED KINGDOM</u> | | | | | |
| Total | 1789.0 | -21.3 | 6.3 | -0.1 | -1.7 |
| Male | 1285.4 | -10.7 | 7.7 | -0.1 | -1.8 |
| Female | 503.6 | -10.6 | 4.2 | -0.1 | -1.5 |

UNITED KINGDOM, claimants April 1989

C3a
Thousands

Unemployment by duration

| <u>Duration</u> | <u>Number at April 1989</u> | <u>Change since April 1988*</u> | |
|-----------------|-----------------------------|---------------------------------|------|
| All durations | 1884 | (-652) | -566 |
| Over 6 months | 1090 | (-423) | -377 |
| Over 1 year | 744 | (-285) | -271 |
| Over 2 years | 492 | (-196) | -195 |
| Over 3 years | 370 | -124 | |
| Over 4 years | 280 | -89 | |
| Over 5 years | 217 | -55 | |

| | | | |
|----------------|-----|--------|------|
| Up to 6 months | 794 | (-229) | -188 |
| 6 to 12 months | 345 | (-138) | -106 |
| 1 to 2 years | 252 | (-90) | -77 |
| 2 to 3 years | 121 | (-72) | -71 |
| 3 to 4 years | 90 | -35 | |
| 4 to 5 years | 64 | -34 | |
| Over 5 years | 217 | -55 | |

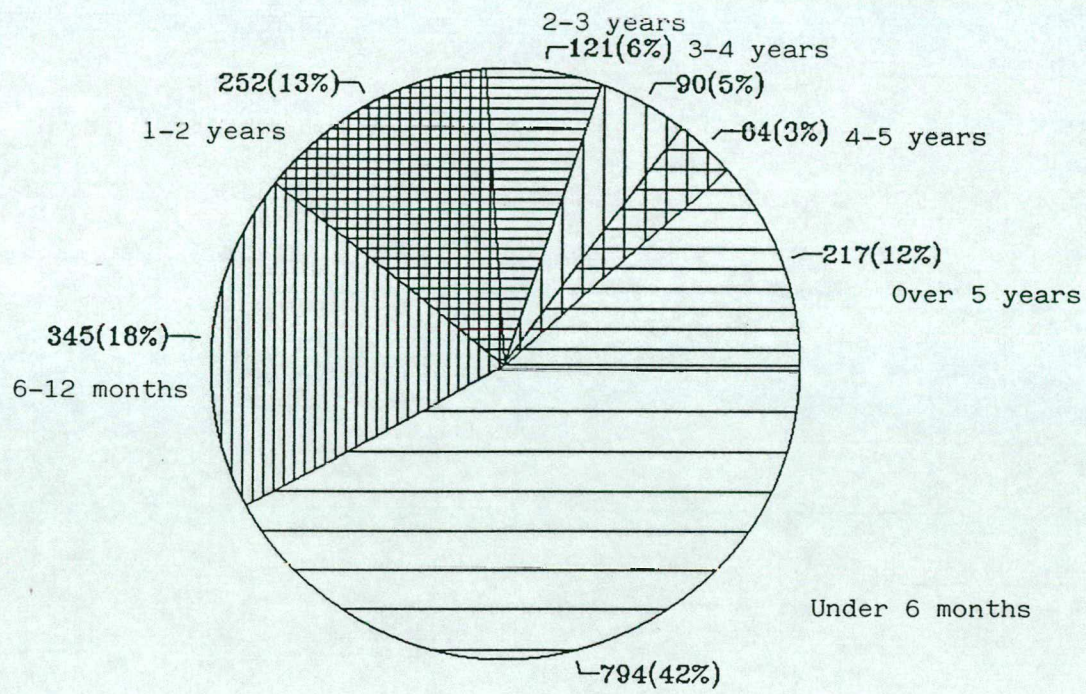
Unemployment by age

| | <u>Number at April 1989</u> | <u>Change since April 1988*</u> | |
|-----------------------|-----------------------------|---------------------------------|--|
| 18-19 years | 147 | -55 | |
| 20-24 years | 384 | -112 | |
| 25-49 years | 946 | -272 | |
| 50 and over | 405 | -109 | |
| All ages [†] | 1884 | (-652) [†] | |

* Changes given in brackets are affected by September's change in benefit regulations for the under 18 year olds. Estimates of changes allowing for these effects are given alongside (see note on discontinuities).

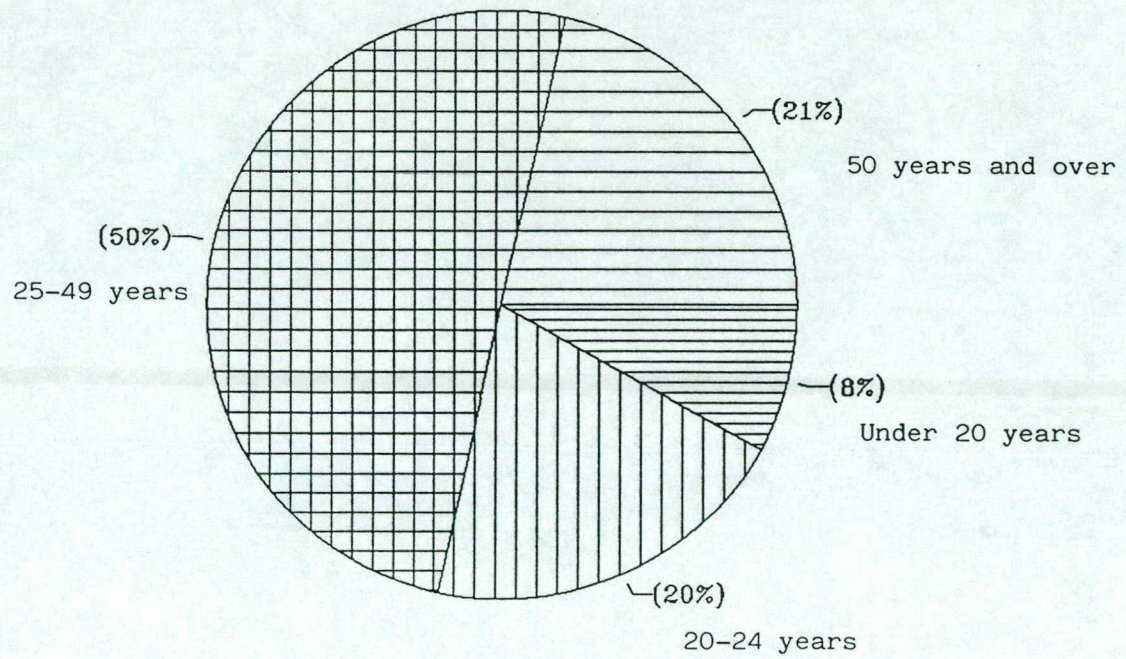
[†] Includes those aged under 18.

U.K. UNEMPLOYMENT BY DURATION THOUSANDS



APRIL 1989

U.K. UNEMPLOYMENT BY AGE THOUSANDS



APRIL 1989

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

| STANDARDISED UNEMPLOYMENT RATES* SEASONALLY ADJUSTED | | |
|--|-----------|-----------------|
| | % rate | Latest month |
| Spain | 17.7 | FEB |
| Ireland | (17.3)* | JUN |
| Italy | (10.8)* | JUN |
| France | 10.0 | MAY |
| Netherlands | 9.4 | JAN |
| Belgium | 9.2 | MAY |
| Canada | 7.6 | MAY |
| Greece | (7.4)* | APR 87 |
| Denmark | (7.3)* | JUN |
| United Kingdom | 6.6 | MAY |
| Australia | 6.3 | MAY |
| Germany | 5.6 | APR |
| Portugal | 5.3 | FEB |
| United States | 5.1 | MAY |
| Austria | [5.1]a | MAY |
| Norway | 4.8 | FEB |
| Finland | 3.8 | APR |
| Japan | 2.4 | MAY |
| Luxembourg | (1.9)* | JUN |
| Sweden | 1.3 | MAY |
| Switzerland | [0.6]a | MAY |
| OECD Total | 6.3 | APR (estimated) |
| MAJOR 7** | 5.8 | APR (estimated) |
| EC Average | (9.3)* | JUN |

* 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 6.7% in June compared with the EC average of 9.3%.

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

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

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

UNEMPLOYMENT, LATEST MONTH COMPARED WITH A YEAR EARLIER

Unadjusted unemployment, national definitions

RECOMMENDED

| | Change in % rate | % Change in total | Change (000s) | Latest month |
|-----------------|---------------------|----------------------|------------------|-----------------|
| Norway | + 1.8 | + 99 | + 38 | MAY |
| Denmark | + 0.9 | + 10 | + 25 | APR |
| Greece | + 0.2 | + 13 | + 14 | APR |
| Italy | NC | + 2 | 62 | MAY |
| Portugal | NC | NC | - 1 | APR |
| Austria | NC | - 6 | - 8 | MAY |
| Netherlands | - 0.1 | - 1 | - 7 | DEC |
| Sweden | - 0.1 | - 4 | - 3 | APR |
| Japan | - 0.1 | - 6 | - 100 | APR |
| Switzerland | - 0.1 | - 25 | - 5 | MAY |
| USA | - 0.2 | - 1 | - 87 | JUL |
| Luxembourg | - 0.2 | - 13 | NC | MAY |
| France | - 0.3 | - 1 | - 25 | JUN |
| Canada | - 0.3 | - 3 | - 29 | JUN |
| Germany | - 0.8 | - 10 | - 227 | JUL |
| Ireland | - 0.9 | - 5 | - 12 | JUL |
| Finland | - 1.0 | - 21 | - 25 | APR |
| Belgium | - 1.3 | - 10 | - 37 | JUN |
| Australia | - 1.8 | - 20 | - 129 | APR |
| United Kingdom* | - 1.9 | - 24 | - 555 | JUL |
| Spain | - 2.1 | - 10 | - 298 | MAY |

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 | + 0.5 | + 13 | + 9 | MAY |
| Italy | + 0.3 | + 2 | + 67 | MAY |
| Portugal | + 0.2 | + 3 | + 8 | APR |
| Luxembourg | + 0.1 | + 5 | NC | MAY |
| United States | + 0.1 | + 2 | + 150 | JUL |
| Germany | NC | NC | 3 | JUL |
| France | NC | NC | - 7 | JUN |
| Denmark | NC | - 1 | - 1 | APR |
| Canada | NC | - 1 | - 7 | JUN |
| Japan | NC | - 1 | - 13 | APR |
| Switzerland | NC | - 4 | - 1 | MAY |
| Netherlands | - 0.1 | NC | - 3 | DEC |
| Sweden | - 0.1 | - 5 | - 4 | DEC |
| Ireland | - 0.2 | - 1 | - 3 | JUL |
| Belgium | - 0.3 | - 2 | - 8 | MAY |
| United Kingdom | - 0.3 | - 4 | - 96 | JUL |
| Austria | - 0.3 | - 5 | - 8 | MAY |
| Australia | - 0.5 | - 7 | - 36 | APR |
| Spain | - 0.6 | - 3 | - 84 | APR |
| Finland | - 0.6 | - 8 | - 8 | APR |

Note Seasonally adjusted figures not available for Greece.

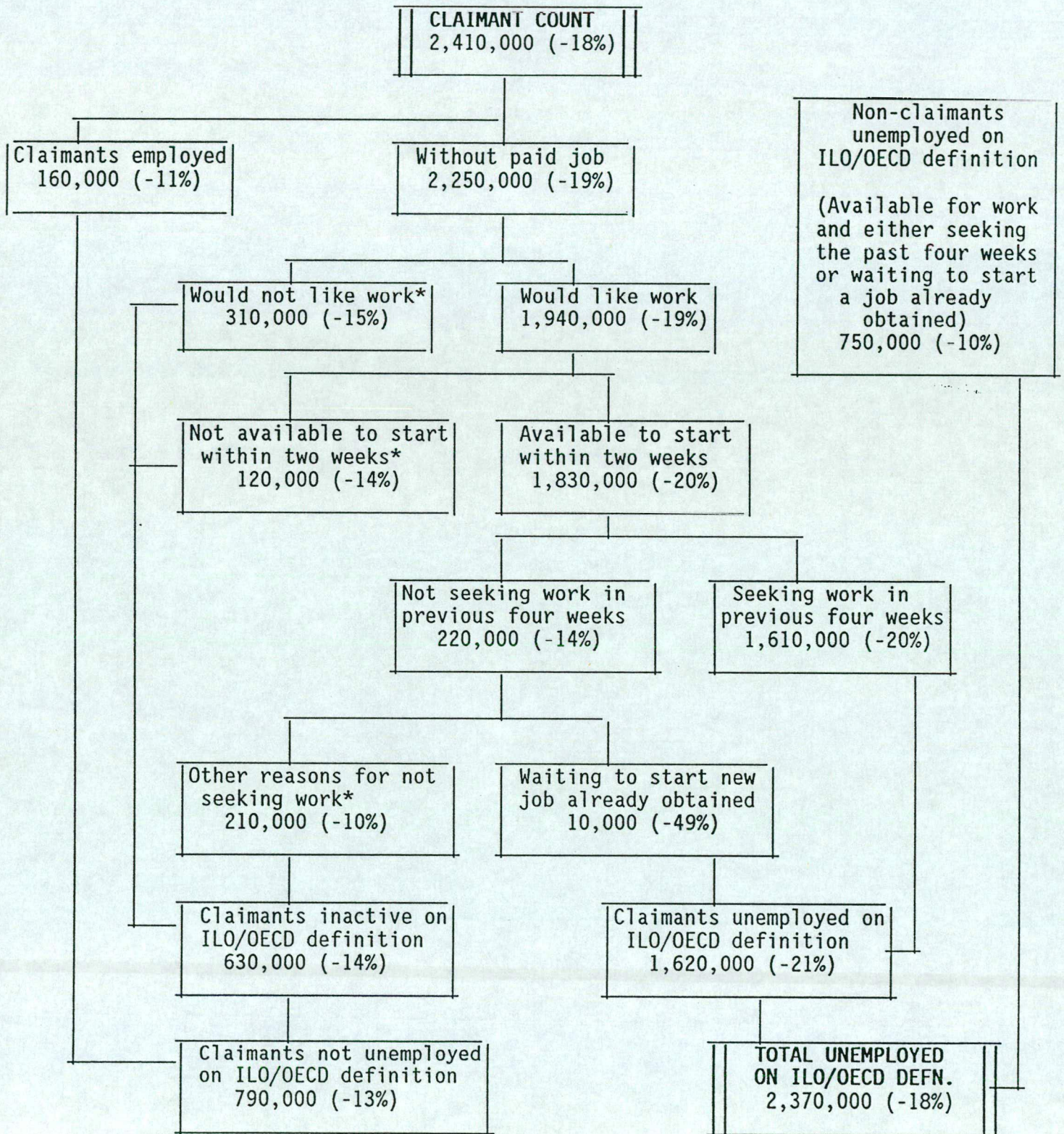
NC = No change

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.

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

MAIN POINTS

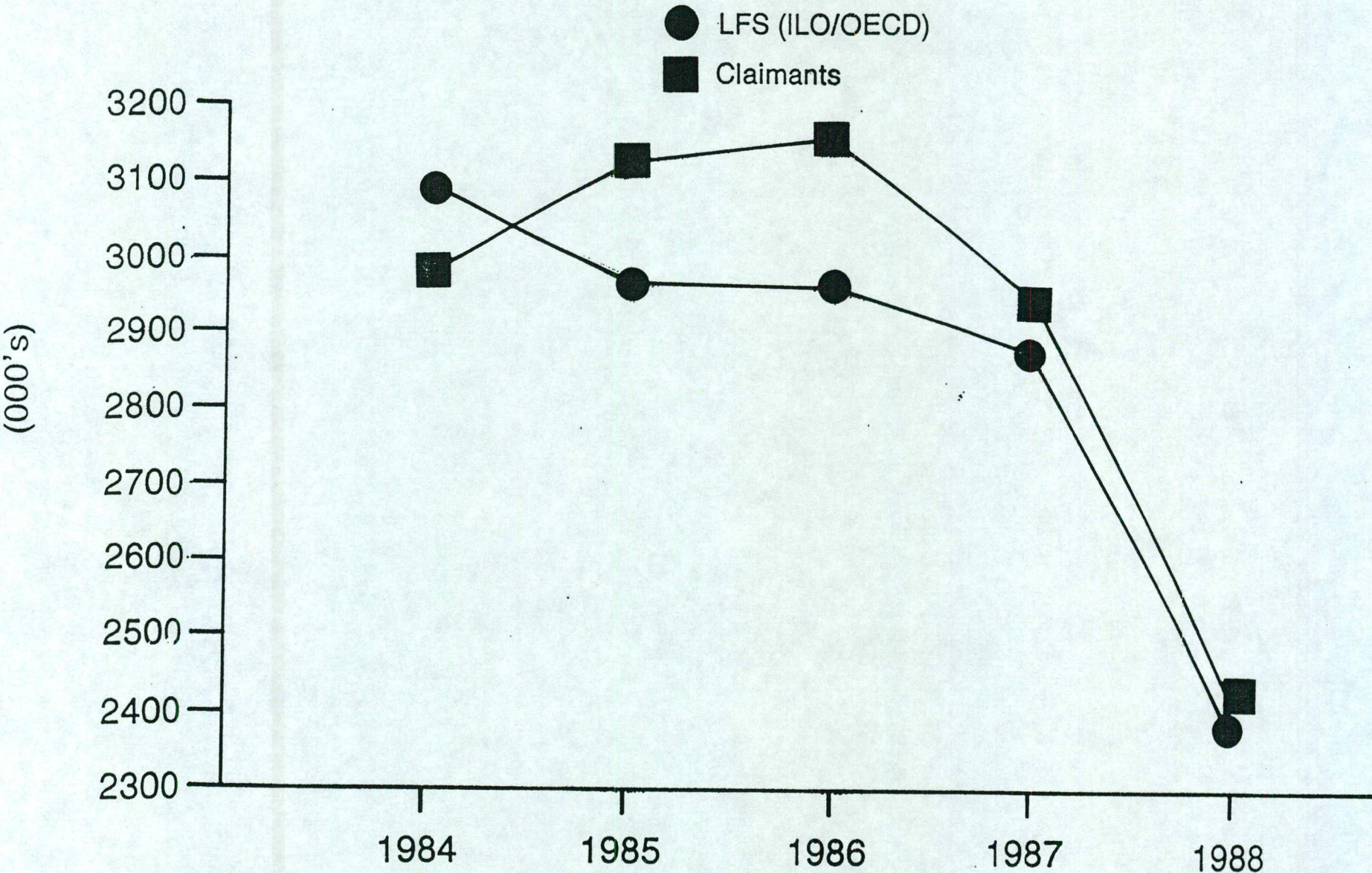
Latest annual Labour Force Survey for GB, Spring 1988:

- * 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 Gazette¹ 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?
7. From 12 September 1988 most people aged under 18 have been unable to claim Income Support and are therefore excluded from the monthly unemployment count. Consequently the seasonally adjusted series has been revised to include only those aged 18 or over, in order to maintain the consistent coverage. On recent levels of unemployment, the new series was some 40,000 lower than the former seasonally adjusted series. (The former series already excluded those aged under 18 classed as school leavers, but included those who had had a job since leaving school.)

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

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

UNEMPLOYMENT RATES

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

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

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

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

3 Employment Gazete, 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 6.6% in May 1989, similar to our 6.4% 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 July 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 July averaged about 158,000 a month (UK seasonally adjusted).

These are estimated to be broadly a quarter of all engagements or job changes in the economy.

3. OUTFLOW from unemployment averaged about 325,000 per month in the year to July 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.

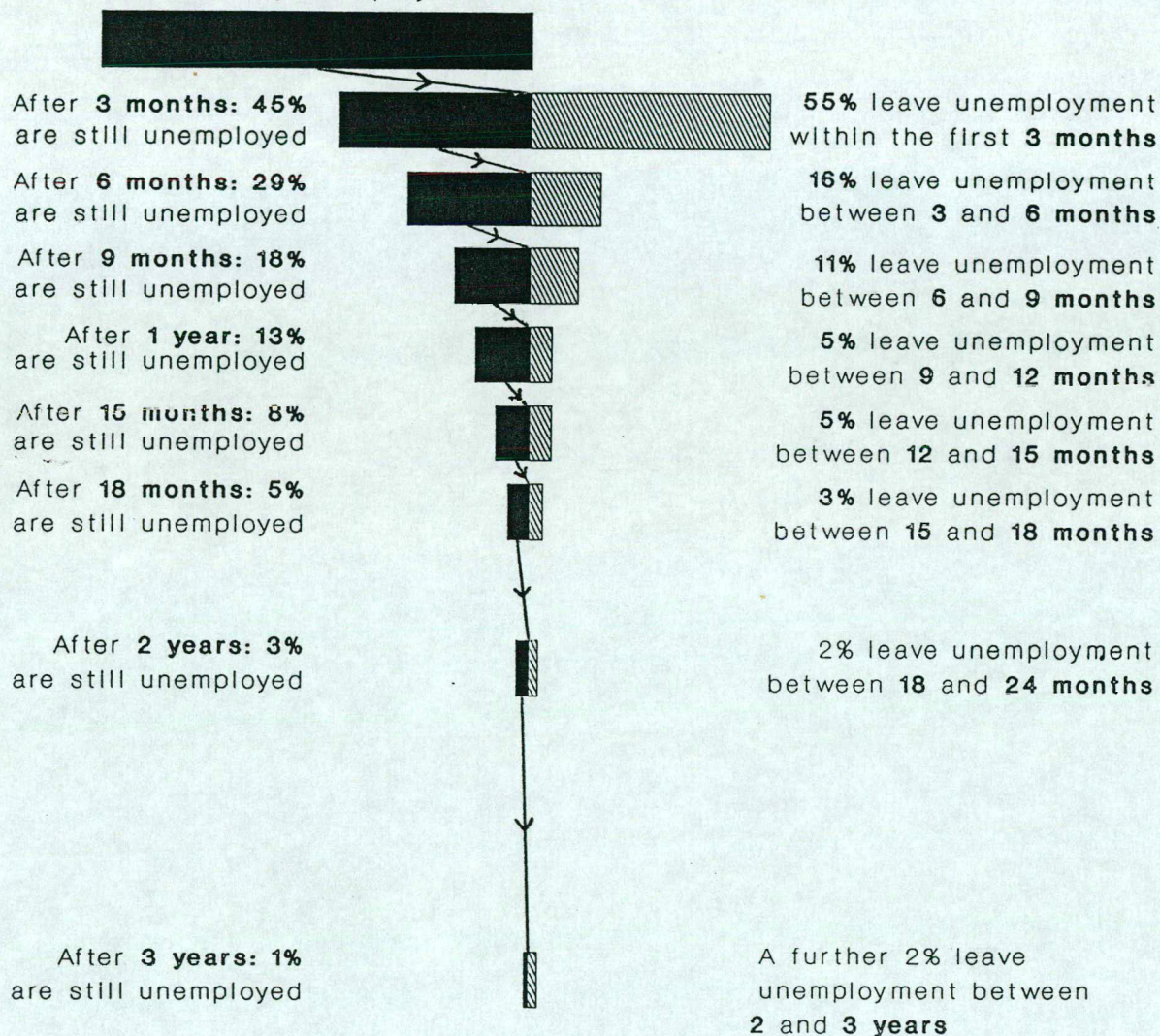
*The estimate of 7 1/2 million job changes relates to 1987 and is based on a survey conducted by IFF Research Ltd in January 1988. The same survey provided an estimate of over 7000,000 unfilled vacancies in the economy at that time, confirming that approximately only a third of all vacancies are notified 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 **April 1988 - April 1989**

On average, 275,000 people become unemployed* each month.

Of those becoming unemployed:



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

DEMOGRAPHIC AND LABOUR FORCE BACKGROUND

| Great Britain Thousand | Reaching school leaving age | Reaching retirement age and deaths | Net migration and adjustment | Population of working age (1) | | Civilian labour force (2) | |
|---------------------------|-----------------------------|------------------------------------|------------------------------|-------------------------------|------------------|---------------------------|------------------|
| | | | | Number | Change over year | Number | Change over year |
| ESTIMATES | | | | | | | |
| 1971 | 737 | - | - | 31,686 | - | 24,895 | - |
| 1972 | 760 | 739 | -9 | 31,670 | +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 | +107 |
| 1986 | 840 | 713 | +23 | 33,891 | +150 | 26,929 | +136 |
| 1987 | 852 | 697 | +18 | 34,064 | +173 | 27,253 | +324 |
| 1988 | 799 | 664 | +8 | 34,207 | +143 | 27,610 | +358 |
| PROJECTIONS | | | | | | | |
| 1989 | 751 | 662 | +4 | 34,300 | +93 | 27,940 | +330 |
| 1990 | 700 | 660 | 0 | 34,340 | +40 | 28,059 | +119 |
| 1991 | 677 | 655 | -4 | 34,358 | +18 | 28,152 | +92 |
| 1992 | 651 | 643 | +1 | 34,367 | +9 | 28,208 | +56 |
| 1993 | 623 | 628 | +2 | 34,364 | -3 | 28,244 | +36 |
| 1994 | 634 | 628 | +1 | 34,371 | +7 | 28,278 | +34 |
| 1995 | 688 | 640 | -2 | 34,417 | +46 | 28,336 | +58 |
| 1996 | 715 | 646 | -1 | 34,485 | +68 | 28,409 | +74 |
| 1997 | 710 | 646 | +3 | 34,552 | +67 | 28,478 | +68 |
| 1998 | 699 | 641 | -2 | 34,608 | +56 | 28,527 | +49 |
| 1999 | 700 | 640 | -2 | 34,666 | +58 | 28,575 | +48 |
| 2000 | 697 | 644 | -2 | 34,717 | +51 | 28,620 | +45 |

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

Notes :

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

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

EMPLOYMENT - CHANGES IN THE METHOD OF ESTIMATIONWorkforce in employment (UK)1) Introduction of Workforce in Employment - July 1988

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

Employees in Employment (GB)1) Introduction of Supplementary series - June 1983

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

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

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

3) Use of the 1984 LFS - March 1985

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

4) Use of the 1985 LFS - April 1986

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

5) Introduction of 1984 Census of Employment - December 1986

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

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

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

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

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

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

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

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

Employees in Employment (NI)

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

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

Self Employment (GB)

1) New method of estimating Self Employment - January 1982

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

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

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

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

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

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

When the estimates for the self employed were updated for the 1984 LFS the figures for self employment showed exceptional growth between 1983 and 1984. It was considered inappropriate to make the assumption that this rate had continued. The estimates of self employment for dates after June 1984 incorporated the assumption that the average rate of increase between 1981 and 1984 had continued.

5) Use of the 1985 LFS - April 1986

The estimates were up-dated to take account of new results from the 1985 LFS and revised data from the 1984 LFS.

6) Use of the 1986 LFS - March 1987

The estimates were up-dated to take account of new results from the 1986 LFS.

7) Use of the 1987 LFS - February 1988

The estimates were up-dated to take account of the preliminary results of the 1987 LFS.

8) Use of the 1988 LFS - March 1989

The estimates were up-dated to take account of the preliminary results of the 1988 LFS.

Self Employment (NI)

The numbers of self employed in Agriculture are obtained annually from the Agricultural Census. Self employment figures for other industries post 1981 are based on results from the Census of Population.

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 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 August 17 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 | 3136 | 13.5% |
| 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. Between 1983 and 1987 the increase in employment in the United Kingdom was greater than that in the rest of the European Community combined. This will not be true for period 1983 to 1988 but the UK rise will still be greater than that for any other Community country. Comparisons over more recent periods are not so favourable since the increase in Spain alone between 1985 and 1987 was greater than that recorded for the UK. Over the longer period 1979 to 1987 employment fell slightly in the UK whilst it rose in the rest of the Community as a whole.

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 | 1756 | 7.5 | -19 | -.1 |
| EC12 | 3482 | 2.9 | 758 | .6 |

Source: "Employment and unemployment 1988" and "Eurostatistics 8/9 1988" (EUROSTAT) except UK (DE).

3. Comparisons of the proportion of working-age population in work show the UK above our major European competitors but below the United States, Canada, Japan and some smaller countries.

TABLE 3 : TOTAL EMPLOYMENT AS A PERCENTAGE OF THE POPULATION AGED 15 TO 64 : 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 March 1989 the workforce in employment is estimated to have increased by 596,000. This increase comprises 370,000 (62%) full-time jobs and 225,000 (38%) part-time jobs. (a part-time job is one of 30 hours per week or less.) Estimates of the employees in employment component of the workforce in employment will be revised when the 1987 census figures results are published later this year.

THE WORKFORCE IN EMPLOYMENT * - TOTAL

| Great Britain | | Thousands, seasonally adjusted | | | | | | | | |
|---------------|-------|--------------------------------|-----------|-------|---------|-----------|-------|---------|-----------|-------|
| | | Males | | | Females | | | Persons | | |
| | | All | of which: | | All | of which: | | All | of which: | |
| | | | full | part | | full | part | | full | part |
| | | | time | time* | | time | time* | | time | time* |
| | | | | | | | | | | |
| 1983 | March | 13,663 | 12,795 | 868 | 9,334 | 5,357 | 3,977 | 22,997 | 18,153 | 4,845 |
| | June | 13,635 | 12,740 | 895 | 9,411 | 5,378 | 4,032 | 23,046 | 18,119 | 4,928 |
| | Sept | 13,744 | 12,762 | 982 | 9,560 | 5,417 | 4,143 | 23,304 | 18,179 | 5,125 |
| | Dec | 13,801 | 12,762 | 1,039 | 9,670 | 5,459 | 4,212 | 23,471 | 18,221 | 5,251 |
| 1984 | March | 13,832 | 12,802 | 1,030 | 9,733 | 5,496 | 4,237 | 23,566 | 18,298 | 5,267 |
| | June | 13,875 | 12,831 | 1,045 | 9,783 | 5,523 | 4,260 | 23,658 | 18,354 | 5,305 |
| | Sept | 13,930 | 12,882 | 1,048 | 9,854 | 5,558 | 4,296 | 23,784 | 18,440 | 5,345 |
| | Dec | 13,994 | 12,917 | 1,077 | 9,914 | 5,570 | 4,344 | 23,908 | 18,487 | 5,421 |
| 1985 | March | 14,015 | 12,953 | 1,062 | 9,962 | 5,605 | 4,357 | 23,977 | 18,559 | 5,419 |
| | June | 14,029 | 12,944 | 1,086 | 10,010 | 5,623 | 4,387 | 24,039 | 18,566 | 5,473 |
| | Sept | 14,049 | 12,953 | 1,096 | 10,084 | 5,636 | 4,448 | 24,133 | 18,590 | 5,544 |
| | Dec | 14,047 | 12,935 | 1,112 | 10,099 | 5,643 | 4,456 | 24,146 | 18,578 | 5,568 |
| 1986 | March | 14,004 | 12,918 | 1,086 | 10,127 | 5,648 | 4,479 | 24,130 | 18,565 | 5,565 |
| | June | 13,996 | 12,859 | 1,138 | 10,185 | 5,649 | 4,537 | 24,182 | 18,508 | 5,674 |
| | Sept | 14,047 | 12,880 | 1,167 | 10,282 | 5,672 | 4,610 | 24,329 | 18,552 | 5,777 |
| | Dec | 14,060 | 12,862 | 1,198 | 10,357 | 5,701 | 4,655 | 24,417 | 18,563 | 5,854 |
| 1987 | March | 14,099 | 12,899 | 1,200 | 10,415 | 5,725 | 4,690 | 24,513 | 18,623 | 5,890 |
| | June | 14,245 | 12,982 | 1,263 | 10,563 | 5,818 | 4,745 | 24,808 | 18,800 | 6,008 |
| | Sept | 14,404 | 13,103 | 1,300 | 10,685 | 5,904 | 4,781 | 25,088 | 19,007 | 6,081 |
| | Dec | 14,514 | 13,181 | 1,333 | 10,795 | 5,998 | 4,797 | 25,309 | 19,179 | 6,130 |
| 1988 | March | 14,626 | 13,314 | 1,313 | 10,897 | 6,092 | 4,805 | 25,523 | 19,406 | 6,117 |
| | June | 14,678 | 13,345 | 1,333 | 10,960 | 6,146 | 4,813 | 25,638 | 19,491 | 6,147 |
| | Sept | 14,739 | 13,407 | 1,332 | 11,065 | 6,207 | 4,858 | 25,804 | 19,614 | 6,190 |
| | Dec | 14,797 | 13,439 | 1,358 | 11,140 | 6,238 | 4,902 | 25,937 | 19,677 | 6,260 |
| 1989 | March | 14,872 | 13,483 | 1,389 | 11,247 | 6,293 | 4,953 | 26,119 | 19,776 | 6,343 |
| ----- | | | | | | | | | | |
| Change | | | | | | | | | | |
| Mar 83-Mar 89 | | 1,209 | 687 | 522 | 1,912 | 936 | 976 | 3,121 | 1,624 | 1,498 |
| Mar 88-Mar 89 | | 246 | 169 | 77 | 350 | 201 | 149 | 596 | 370 | 225 |

* 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 - COMPONENTS

Great Britain

Thousands, seasonally adjusted

| | | Employees in Employment | | | | | | Self Employment | | | | | HM Forces | | | Work related + government training programmes | | |
|--------|---------------|-------------------------|---------------------|---------|--------------------|---------|--------|-----------------|--------------------|---------|--------------------|---------|-----------|-----|-----|---|-----|-----|
| | | Males | | Females | | Persons | All | Males | | Females | | Persons | All | All | All | All | All | All |
| | | All | of which part time* | All | of which full time | | | All | of which part time | All | of which part time | | | | | | | |
| 1983 | March | 11,706 | 745 | 8,823 | 5,110 | 3,713 | 20,529 | 1,651 | 123 | 496 | 264 | 2,147 | 306 | 15 | 321 | 0 | 0 | 0 |
| | June | 11,674 | 766 | 8,881 | 5,121 | 3,760 | 20,556 | 1,652 | 126 | 508 | 267 | 2,160 | 306 | 16 | 322 | 3 | 5 | 8 |
| | Sept | 11,659 | 772 | 8,952 | 5,151 | 3,801 | 20,611 | 1,702 | 136 | 527 | 278 | 2,229 | 309 | 16 | 325 | 74 | 64 | 139 |
| | Dec | 11,645 | 798 | 9,025 | 5,184 | 3,841 | 20,670 | 1,751 | 145 | 547 | 289 | 2,298 | 309 | 16 | 325 | 96 | 82 | 178 |
| 1984 | March | 11,630 | 784 | 9,074 | 5,213 | 3,861 | 20,705 | 1,801 | 155 | 566 | 299 | 2,367 | 310 | 16 | 326 | 91 | 77 | 168 |
| | June | 11,625 | 790 | 9,104 | 5,232 | 3,872 | 20,729 | 1,850 | 164 | 586 | 311 | 2,435 | 310 | 16 | 326 | 91 | 78 | 168 |
| | Sept | 11,638 | 771 | 9,147 | 5,261 | 3,885 | 20,785 | 1,868 | 165 | 596 | 315 | 2,464 | 312 | 16 | 328 | 112 | 95 | 207 |
| | Dec | 11,688 | 801 | 9,201 | 5,268 | 3,933 | 20,888 | 1,886 | 167 | 606 | 320 | 2,493 | 311 | 16 | 327 | 109 | 91 | 200 |
| 1985 | March | 11,699 | 792 | 9,249 | 5,298 | 3,952 | 20,948 | 1,905 | 169 | 617 | 325 | 2,522 | 310 | 16 | 326 | 101 | 80 | 182 |
| | June | 11,703 | 822 | 9,292 | 5,309 | 3,983 | 20,995 | 1,923 | 170 | 628 | 321 | 2,550 | 309 | 16 | 326 | 94 | 74 | 168 |
| | Sept | 11,694 | 808 | 9,339 | 5,320 | 4,019 | 21,033 | 1,926 | 168 | 628 | 328 | 2,554 | 309 | 16 | 326 | 120 | 100 | 221 |
| | Dec | 11,696 | 832 | 9,360 | 5,323 | 4,037 | 21,056 | 1,929 | 166 | 629 | 325 | 2,558 | 307 | 16 | 323 | 114 | 94 | 208 |
| 1986 | March | 11,662 | 819 | 9,401 | 5,324 | 4,077 | 21,063 | 1,933 | 164 | 630 | 322 | 2,563 | 306 | 16 | 323 | 103 | 80 | 182 |
| | June | 11,632 | 853 | 9,444 | 5,322 | 4,122 | 21,076 | 1,937 | 163 | 630 | 319 | 2,567 | 305 | 16 | 322 | 122 | 96 | 218 |
| | Sept | 11,613 | 843 | 9,493 | 5,339 | 4,154 | 21,106 | 1,977 | 173 | 648 | 331 | 2,625 | 306 | 16 | 323 | 151 | 125 | 276 |
| | Dec | 11,590 | 866 | 9,556 | 5,363 | 4,193 | 21,145 | 2,018 | 184 | 665 | 343 | 2,684 | 304 | 16 | 320 | 148 | 119 | 268 |
| 1987 | March | 11,599 | 869 | 9,607 | 5,380 | 4,227 | 21,206 | 2,059 | 194 | 683 | 355 | 2,742 | 304 | 16 | 320 | 138 | 108 | 245 |
| | June | 11,672 | 888 | 9,714 | 5,468 | 4,246 | 21,386 | 2,099 | 204 | 701 | 367 | 2,801 | 302 | 16 | 319 | 171 | 132 | 303 |
| | Sept | 11,759 | 882 | 9,805 | 5,549 | 4,255 | 21,564 | 2,126 | 203 | 706 | 368 | 2,832 | 303 | 16 | 319 | 216 | 158 | 373 |
| | Dec | 11,852 | 922 | 9,920 | 5,639 | 4,281 | 21,772 | 2,152 | 202 | 711 | 368 | 2,863 | 301 | 16 | 317 | 209 | 147 | 356 |
| 1988 | March | 11,948 | 913 | 10,030 | 5,728 | 4,301 | 21,978 | 2,178 | 200 | 716 | 368 | 2,895 | 301 | 16 | 317 | 199 | 135 | 334 |
| | June | 11,974 | 935 | 10,087 | 5,778 | 4,309 | 22,062 | 2,205 | 199 | 721 | 369 | 2,926 | 300 | 16 | 316 | 199 | 135 | 335 |
| | Sept | 12,001 | 915 | 10,171 | 5,832 | 4,340 | 22,173 | 2,225 | 203 | 732 | 373 | 2,957 | 299 | 16 | 315 | 214 | 146 | 359 |
| | Dec | 12,009 | 906 | 10,229 | 5,856 | 4,373 | 22,239 | 2,245 | 207 | 743 | 377 | 2,988 | 297 | 16 | 313 | 245 | 152 | 398 |
| 1989 | March | 12,036 | 901 | 10,316 | 5,905 | 4,411 | 22,352 | 2,265 | 210 | 754 | 382 | 3,019 | 293 | 16 | 310 | 278 | 160 | 438 |
| Change | | | | | | | | | | | | | | | | | | |
| | Mar 83-Mar 89 | 329 | 156 | 1,494 | 795 | 698 | 1,823 | 614 | 88 | 258 | 118 | 872 | -13 | 1 | -11 | 278 | 160 | 438 |
| | Mar 88-Mar 89 | 87 | -12 | 287 | 177 | 110 | 374 | 87 | 10 | 38 | 13 | 124 | -8 | 0 | -7 | 79 | 25 | 105 |

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

+ Participants in the YTS who receive work experience except those who have contracts of employment (those who have contracts of employment are included in the employees in employment) plus participants in new JTS (up to September 1988) and ET (from December 1988). Not seasonally adjusted. All participants

CHANGES IN EMPLOYEES IN EMPLOYMENT

United Kingdom

Thousands, not seasonally adjusted

| Industry | Year ending Mar 1989 Change | | Region | Year ending Mar 1989 Change | |
|---|--------------------------------|---------|--------------------|--------------------------------|---------|
| | Absolute | Percent | | Absolute | Percent |
| Agriculture forestry and fishing | -7.9 | -2.5 | South East | 152.1 | 2.0 |
| Energy and water supply | -26.8 | -5.6 | (Greater London) | -4.6 | -.1 |
| Other mineral and ore extraction etc | 10.9 | 1.4 | East Anglia | 40.7 | 4.9 |
| Metal goods, engineering and vehicles | -14.5 | -.6 | South West | 27.1 | 1.7 |
| Other manufacturing industries | 1.2 | .1 | West Midlands | 48.8 | 2.3 |
| Construction | 5.5 | .5 | East Midlands | 47.3 | 3.0 |
| Distribution, hotels, catering, repairs | 142.1 | 3.1 | Yorks & Humberside | 6.3 | .3 |
| Transport & Communication | 47.6 | 3.4 | North West | 1.0 | .0 |
| Banking, finance insurance | 173.4 | 7.0 | North | 20.1 | 1.8 |
| Other Services | 45.5 | .7 | Wales | 2.9 | .3 |
| | | | Scotland | 29.2 | 1.5 |
| All Industries | 377.0 | 1.7 | Great Britain | 375.6 | 1.7 |
| | | | Northern Ireland | 1.5 | .3 |
| | | | United Kingdom | 377.0 | 1.7 |

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

B

INDEX OF AVERAGE EARNINGS (Unadjusted)*

| Classes SIC 1980 | Weights | Index (1985 = 100) | | | | | | Percentage increase over previous 12 months | | | | | |
|---|--------------|--------------------|--------------|--------------|--------------|--------------|--------------|---|-------------|------------|------------|------------|------------|
| | | 1989 | | | | | | 1989 | | | | | |
| | | Jan | Feb | Mar | Apr | May | June ** | Jan | Feb | Mar | Apr | May | June** |
| Metal processing and manufacture | 14 | 138.4 | 126.3 | 127.8 | 150.0 | 132.1 | 129.9 | 9.7 | 9.2 | 8.7 | 9.9 | 10.0 | 4.8 |
| Mineral extraction and manufacturing | 14 | 129.6 | 131.6 | 130.4 | 133.3 | 135.1 | 140.3 | 7.5 | 8.5 | 5.6 | 7.6 | 7.0 | 9.7 |
| Chemical and man-made fibres | 20 | 131.3 | 130.6 | 130.5 | 135.9 | 136.7 | 136.1 | 8.2 | 8.6 | 8.3 | 8.6 | 9.3 | 7.3 |
| Mechanical engineering | 44 | 132.7 | 133.0 | 134.8 | 136.3 | 135.1 | 137.2 | 10.4 | 9.6 | 8.2 | 10.9 | 8.7 | 10.7 |
| Electrical and electronic engineering | 37 | 135.3 | 134.8 | 138.2 | 138.1 | 139.6 | 141.4 | 8.6 | 7.2 | 9.6 | 7.5 | 10.4 | 9.5 |
| Motor vehicle and parts | 17 | 137.0 | 139.8 | 141.4 | 137.6 | 141.4 | 143.9 | 14.2 | 36.4 | 6.4 | 8.3 | 8.9 | 5.0 |
| Other transport and equipment | 17 | 131.8 | 132.1 | 136.7 | 135.0 | 135.6 | 141.2 | 10.9 | 11.0 | 14.0 | 13.5 | 13.9 | 25.5 |
| Metal goods and instruments | 27 | 132.8 | 133.2 | 132.9 | 134.3 | 136.5 | 138.0 | 10.0 | 8.1 | 8.3 | 8.0 | 8.6 | 9.3 |
| Food, drink and tobacco | 33 | 130.6 | 130.4 | 134.2 | 138.3 | 138.5 | 137.5 | 7.8 | 7.6 | 10.7 | 10.8 | 9.4 | 6.9 |
| Textiles | 13 | 127.2 | 128.6 | 127.1 | 131.4 | 134.1 | 135.7 | 6.4 | 7.2 | 3.7 | 7.2 | 8.4 | 7.9 |
| Leather, footwear and clothing | 17 | 128.9 | 129.3 | 130.4 | 130.1 | 132.3 | 132.3 | 7.1 | 6.5 | 4.5 | 5.5 | 6.7 | 7.4 |
| Timber and wooden furniture | 11 | 146.4 | 142.9 | 130.1 | 133.0 | 134.8 | 132.5 | 18.7 | 13.4 | 5.3 | 8.0 | 5.7 | -3.4 |
| Paper products, printing and publishing | 26 | 126.8 | 127.4 | 128.7 | 130.6 | 131.8 | 133.4 | 7.6 | 7.1 | 6.6 | 7.9 | 7.5 | 5.9 |
| Rubber, plastic and other manufacturing | 14 | 131.5 | 132.2 | 133.3 | 133.2 | 136.6 | 137.6 | 8.1 | 8.0 | 7.8 | 7.9 | 7.1 | 7.8 |
| Manufacturing Industries | 304 | 132.6 | 132.2 | 133.4 | 136.0 | 136.1 | 137.4 | 9.4 | 10.0 | 8.3 | 9.0 | 9.0 | 8.6 |
| Coal and coke | 15 | 144.8 | 145.7 | 151.1 | 152.6 | 149.6 | 150.6 | 13.0 | 24.7 | 14.6 | 7.5 | 11.5 | 13.1 |
| Mineral oil and natural gas | 1 | 143.7 | 141.3 | 137.9 | 142.5 | 152.1 | 145.4 | 13.1 | 12.3 | 8.7 | 10.0 | 9.6 | 13.4 |
| Electricity, gas and other energy and water supply | 19 | 123.0 | 124.2 | 129.6 | 128.9 | 131.3 | 134.0 | 6.0 | 7.4 | 11.7 | 7.2 | 6.3 | 9.4 |
| Production Industries[†] | 339 | 132.7 | 132.5 | 134.2 | 136.5 | 136.7 | 138.0 | 9.4 | 10.5 | 8.8 | 8.8 | 8.9 | 8.8 |
| Construction | 55 | 135.2 | 136.8 | 142.7 | 139.9 | 140.3 | 146.0 | 11.6 | 12.2 | 11.4 | 10.8 | 11.9 | 12.7 |
| Production[†] and Construction Industries | 394 | 133.1 | 133.1 | 135.3 | 137.0 | 137.2 | 139.1 | 9.5 | 10.4 | 8.9 | 8.8 | 9.0 | 9.4 |
| Agriculture and Forestry [‡] | 19 | 113.5 | 112.1 | 115.9 | 120.2 | 121.9 | ϕ | 7.0 | 6.8 | 7.3 | 6.9 | 8.7 | ϕ |
| Distribution and repairs | 164 | 130.5 | 131.8 | 136.0 | 136.9 | 134.2 | 137.3 | 9.8 | 9.5 | 8.9 | 8.2 | 8.9 | 9.8 |
| Hotel and catering | 49 | 133.3 | 133.7 | 137.8 | 135.2 | 136.2 | 136.1 | 10.1 | 11.9 | 13.8 | 10.7 | 10.1 | 8.3 |
| Transport and communication (except sea transport) | 71 | 125.2 | 125.1 | 126.2 | 129.9 | 129.3 | 129.8 | 6.4 | 6.6 | 6.3 | 6.9 | 6.0 | 7.7 |
| Banking, finance and insurance | 44 | 136.6 | 135.8 | 154.6 | 142.3 | 140.4 | 141.4 | 7.2 | 7.2 | 14.2 | 7.2 | 8.2 | 7.6 |
| Public administration | 90 | 130.0 | 131.6 | 131.9 | 131.7 | 132.3 | 132.6 | 10.1 | 9.0 | 7.9 | 9.8 | 8.7 | 8.2 |
| Education and health services | 147 | 134.1 | 134.2 | 134.9 | 136.3 | 141.2 | 142.9 | 11.4 | 10.7 | 6.6 | 12.2 | 15.4 | 11.6 |
| Other services | 22 | 132.0 | 126.5 | 127.8 | 128.5 | 128.2 | 131.7 | 8.9 | 5.6 | 9.1 | 8.8 | 5.3 | 6.8 |
| Service Industries | 587 | 131.2 | 131.5 | 135.1 | 134.8 | 135.2 | 136.7 | 9.3 | 8.9 | 8.6 | 9.2 | 9.8 | 9.2 |
| Whole economy | 1,000 | 131.8 | 132.0 | 134.9 | 135.6 | 135.9 | 137.6 | 9.4 | 9.7 | 8.8 | 9.1 | 9.6 | 9.3 |

*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 17 AUGUST 1989

INTERNATIONAL COMPARISONS

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

| | | Latest period available |
|-------------------|------|----------------------------|
| Greece | 20.4 | Q4 1988 |
| Portugal (h) | 14.2 | Q4 1988 |
| Finland | 9.6 | Q4 1988 |
| Great Britain (c) | 9 | JUNE |
| Spain (e) | 7.7 | Q4 1988 |
| New Zealand (i) | 7.0 | Q4 1988 |
| Norway (d) | 6.3 | Q1 1989 |
| Italy (b) | 5.8 | MAY |
| Belgium (j) | 5.4 | Q1 1989 |
| Denmark (g) | 5.4 | MARCH |
| Australia (b) | 5.3 | MARCH |
| Ireland | 5.3 | Q2 1988 |
| Canada | 4.7 | APRIL |
| Japan (a)(f) | 4.6 | APRIL |
| Sweden (g) | 3.9 | APRIL |
| Germany | 3.8 | Q1 1989 |
| France (b) | 3.4 | Q1 1989 |
| United States | 2.7 | MAY |
| Netherlands (b) | 1.0 | MAY |
| Austria (a)(g) | 0.6 | FEBRUARY |
| ----- | | |
| OECD | 5.0 | DECEMBER |
| EEC | 5.9 | DECEMBER |

Source: OECD Main Economic Indicators; JULY 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

CONFIDENTIAL UNTIL 11.30 AM ON THURSDAY 17 AUGUST 1989

Industrial Disputes -Summary Facts

WORKING DAYS LOST

Working days lost, provisionally estimated at 228,000 in June, have now risen for six successive months. However the June 1989 figure is lower than the June figures in the last two years (345,000 in 1987 and 306,000 in 1988) and only three June figures have been lower in the past twenty years.

The largest stoppage in June 1989 was on the railways (97,000 working days lost), the second largest being in broadcasting (31,000 working days lost). Also included are the dock workers action and stoppages on the London buses and underground. (Note the working days lost figures do not include the secondary effects of strike action e.g. the days lost by non-transport employees in transport strikes).

The total of working days lost for the twelve months ended June is provisionally estimated as 2.8 million. The largest elements in this total are 1.2 million working days lost from postal workers' disputes and 0.5 million working days lost in shipbuilding. The 2.8 million days total compares with 2.1 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 June is 686. Subsequent revisions will raise this total. The highly provisional single month figure for June is 62, which is lower than the number recorded in May (79), and is the lowest figure for any June since 1940.

All the above figures cover both official and unofficial stoppages although because of definitional problems no such distinction is routinely made or published.

Personal and Confidential until 11:30 AM 17-8-89

KEY FACTS - INDUSTRIAL STOPPAGES

(a) TWELVE MONTH PERIODS

| | WORKING DAYS LOST (MILLION) | STOPPAGES (NUMBER) |
|---|--------------------------------|-----------------------|
| Year to June 1989(p) | 2.8 | 686 |
| Year to June 1988 | 2.1 | 883 |
| 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) |
|-----------------------------------|---------------------------------|-----------------------|
| May 1989(p) | 176 | 79 |
| June 1989(p) | 228 | 62 |
| June - Average of 1979 to 1988 | 574 | 141 |

(p) = provisional

BULL POINTS

1. Most recent figures for working days lost are at low levels: days lost in May 1989 (176,000) were, apart from May 1983 and May 1988 (139,000 and 140,000 respectively) the lowest for any May since 1959; the June 1989 figure (228,000) is the lowest for any June since 1967 apart from June 1983, 1985 and 1986 (118,000, 162,000 and 170,000 respectively).
2. 2.8 million working days lost in year to June (provisional estimate) compares with an average of 12.9 million for the 1970's.
3. Number of stoppages recorded in 1988 is lower than in any other year since 1935.

Personal and Confidential until 11:30 AM 17-8-89

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** ALLOWANCES | CP 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 | - | - | 5 | - | - | 203 | - | - | 414 |

* 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

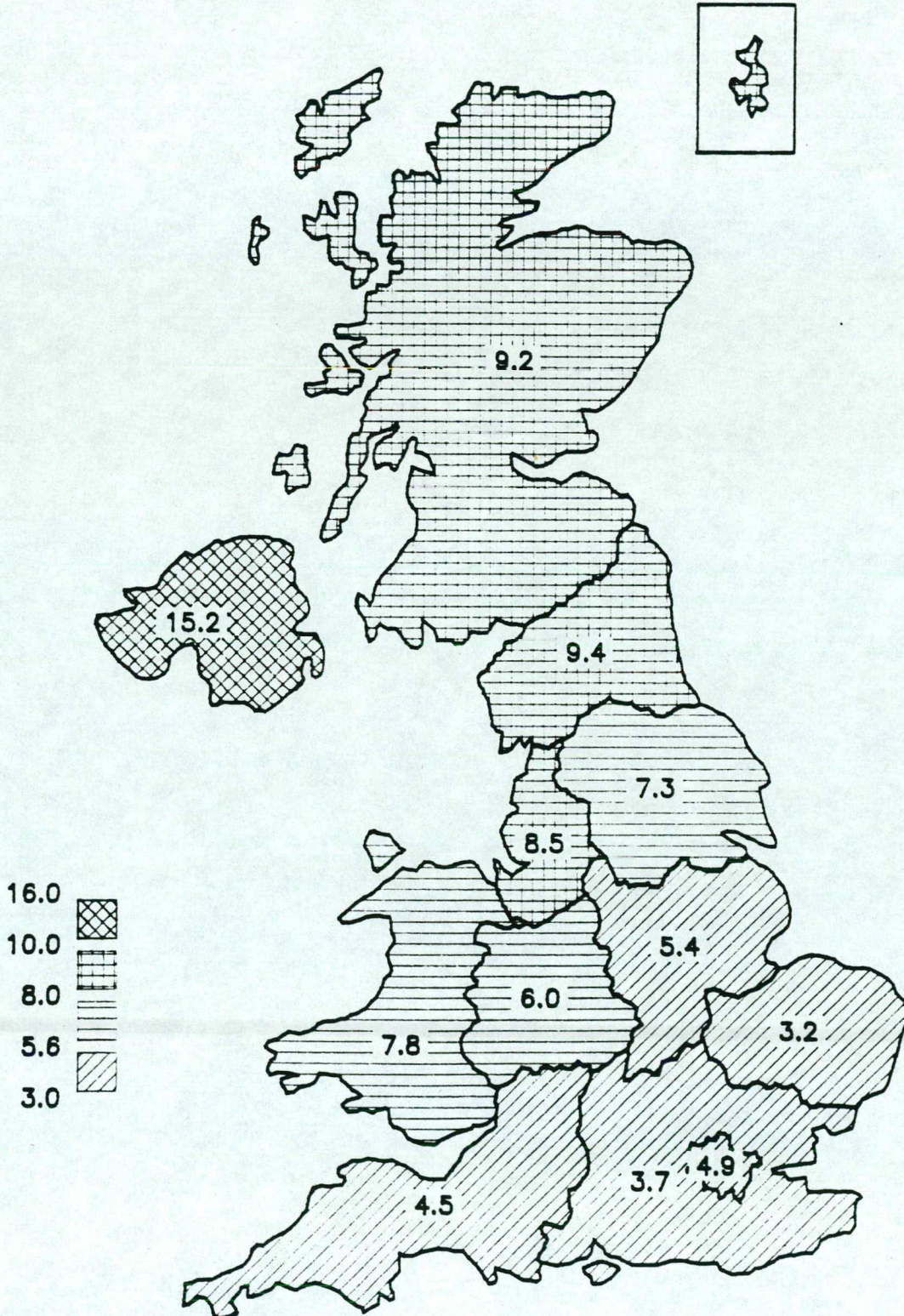
++ Excludes trainers, figures for latest months subject to revision

- Nil/Negligible

Seasonally Adjusted Unemployment Rate

10 August 1989

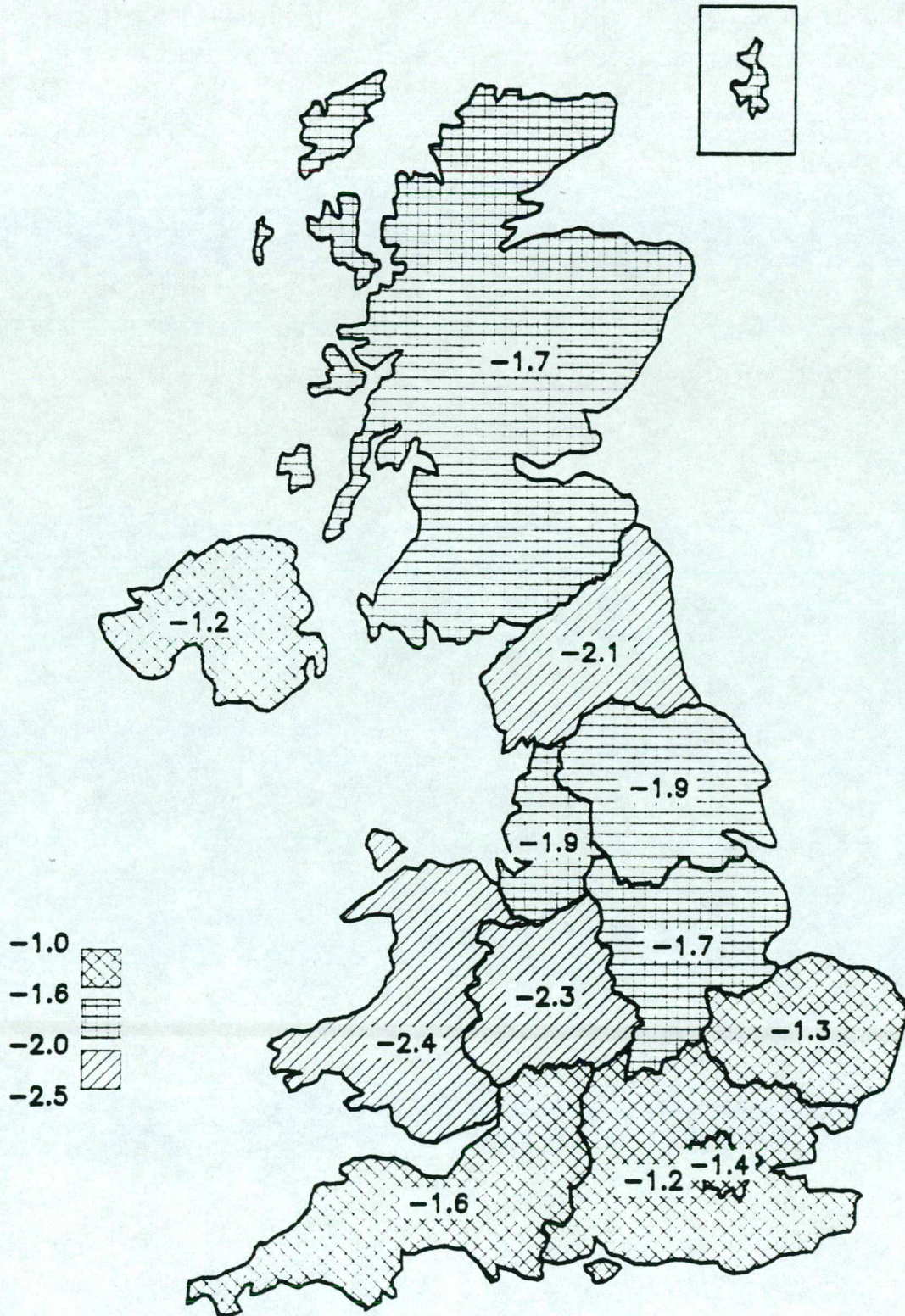
United Kingdom: Regions



NOTE: South East Region includes Greater London

Source : DE Statistics / NOMIS

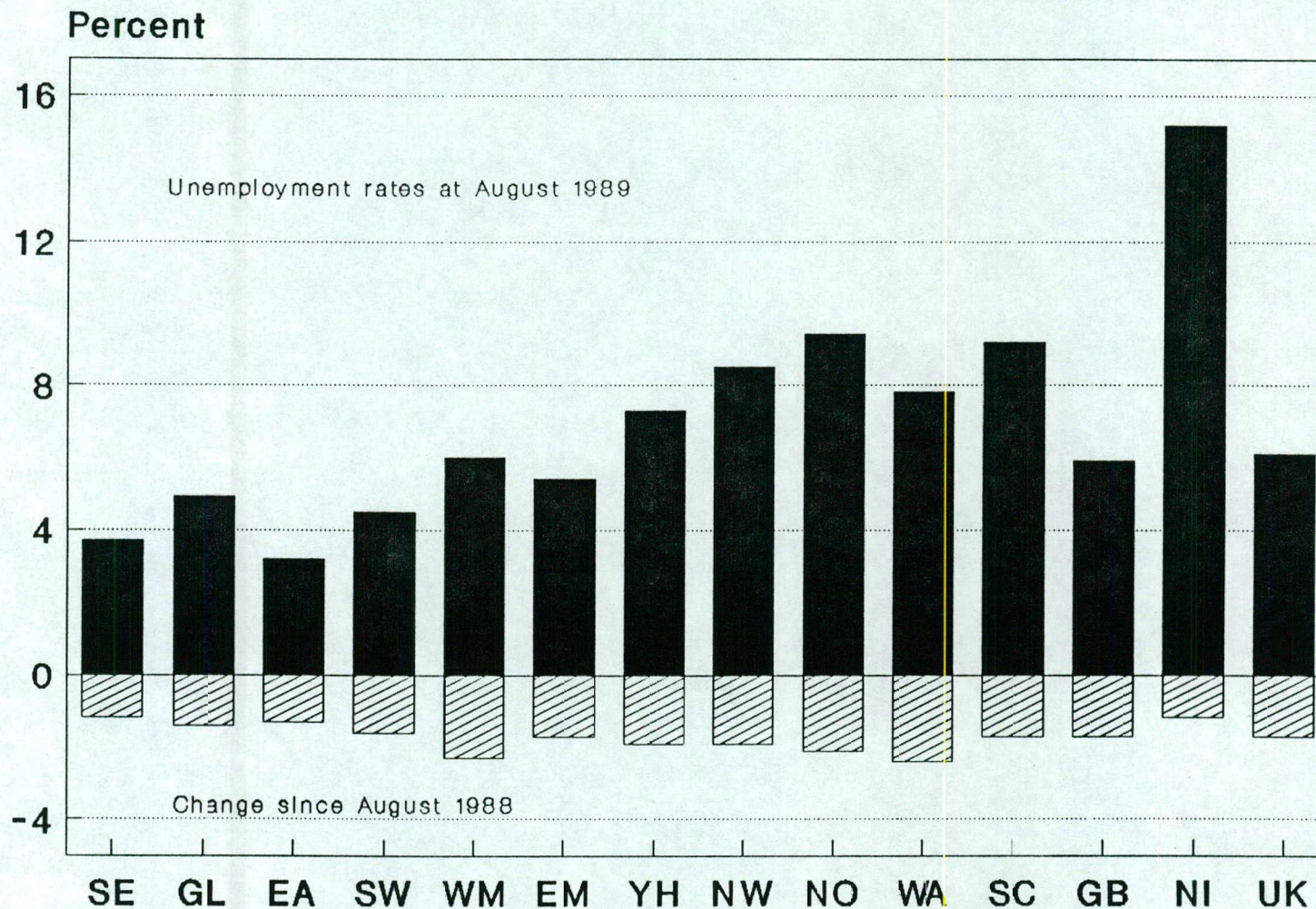
Seasonally Adjusted Unemployment Rate Change August 1988 - August 1989 *United Kingdom: Regions*



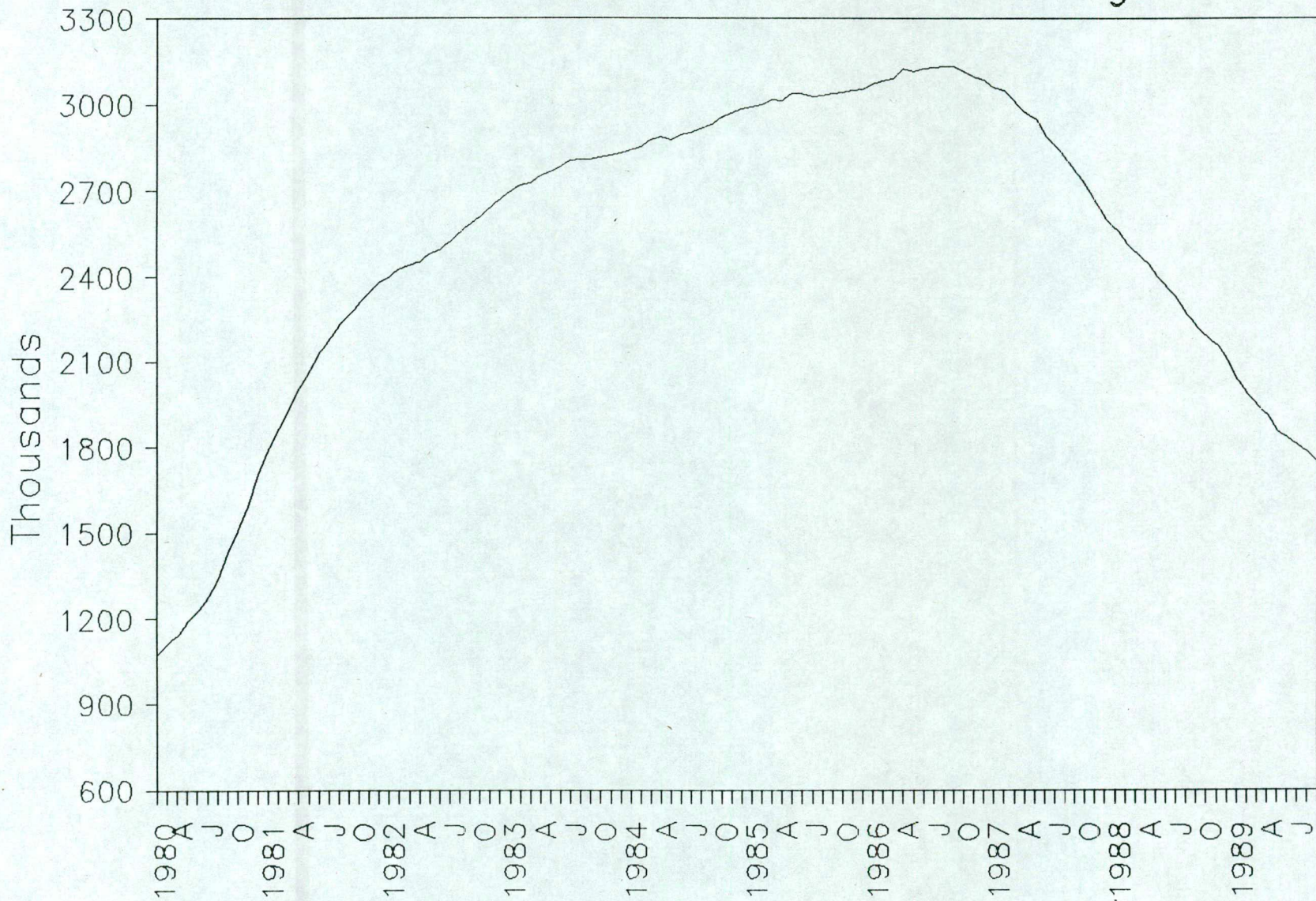
NOTE: South East Region
includes Greater London

Source : DE Statistics / NOMIS

REGIONAL UNEMPLOYMENT RATES SEASONALLY ADJUSTED August 1989



SEASONALLY ADJUSTED UNEMPLOYMENT CONSISTENT WITH CURRENT COVERAGE U.K. August 1989



REGIONAL UNEMPLOYMENT, SEASONALLY ADJUSTED

| | August 1989 | Change in month since July 1989 | RATE (% of WORKFORCE) | | |
|-----------------------|----------------|---------------------------------------|-----------------------|---------------------------------------|--|
| | | | August 1989 | Change in month since July 1989 | Change in year since August 1988 |
| | Thousands | | | | |
| <u>REGIONS</u> | | | | | |
| South East | 354.1 | -10.5 | 3.7 | -0.1 | -1.2 |
| (Greater London) | (211.1) | (-6.0) | 4.9 | -0.1 | -1.4 |
| East Anglia | 34.2 | -.5 | 3.2 | -0.0 | -1.3 |
| South West | 95.8 | -2.3 | 4.5 | -0.1 | -1.6 |
| West Midlands | 160.7 | -5.3 | 6.0 | -0.2 | -2.3 |
| East Midlands | 106.5 | -2.1 | 5.4 | -0.1 | -1.7 |
| Yorks & Humber | 175.2 | -2.6 | 7.3 | -0.1 | -1.9 |
| North West | 255.9 | -5.7 | 8.5 | -0.2 | -1.9 |
| North | 138.6 | -2.4 | 9.4 | -0.2 | -2.1 |
| Wales | 93.9 | -2.3 | 7.8 | -0.2 | -2.4 |
| Scotland | 231.2 | -1.6 | 9.2 | -0.1 | -1.7 |
| GREAT BRITAIN | 1646.2 | -35.2 | 5.9 | -0.1 | -1.7 |
| Northern I. | 104.8 | -1.0 | 15.2 | -0.1 | -1.2 |
| <u>UNITED KINGDOM</u> | | | | | |
| Total | 1751.0 | -36.2 | 6.1 | -0.1 | -1.7 |
| Male | 1266.3 | -18.5 | 7.6 | -0.1 | -1.8 |
| Female | 484.7 | -17.7 | 4.1 | -0.1 | -1.5 |

* Percentage of whole workforce (wider basis, taking account of self-employed, armed forces and participants on work-related Govt. training programmes)

UNITED KINGDOM, claimants July 1989

C3a
Thousands

Unemployment 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 | |

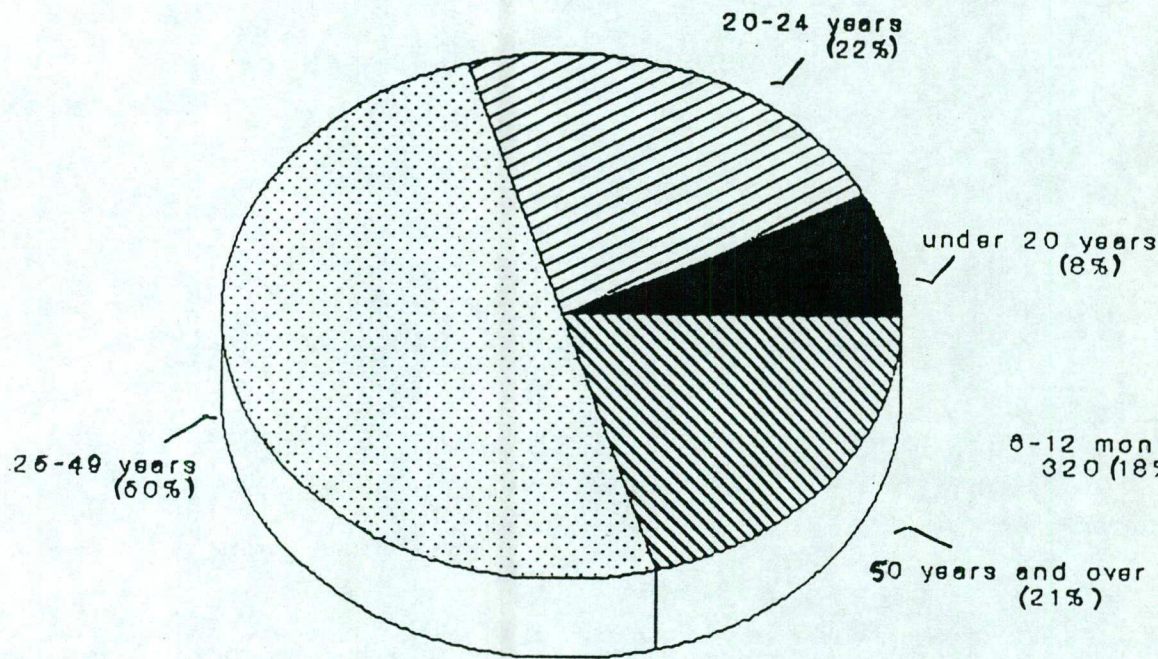
| | | | |
|----------------|-----|--------|------|
| Up to 6 months | 777 | (-168) | -128 |
| 6 to 12 months | 320 | (-114) | -85 |
| 1 to 2 years | 230 | (-81) | -66 |
| 2 to 3 years | 110 | (-61) | -59 |
| 3 to 4 years | 78 | -37 | |
| 4 to 5 years | 58 | -30 | |
| Over 5 years | 199 | -64 | |

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 ⁺ | 1771 | (-555) ⁺ |

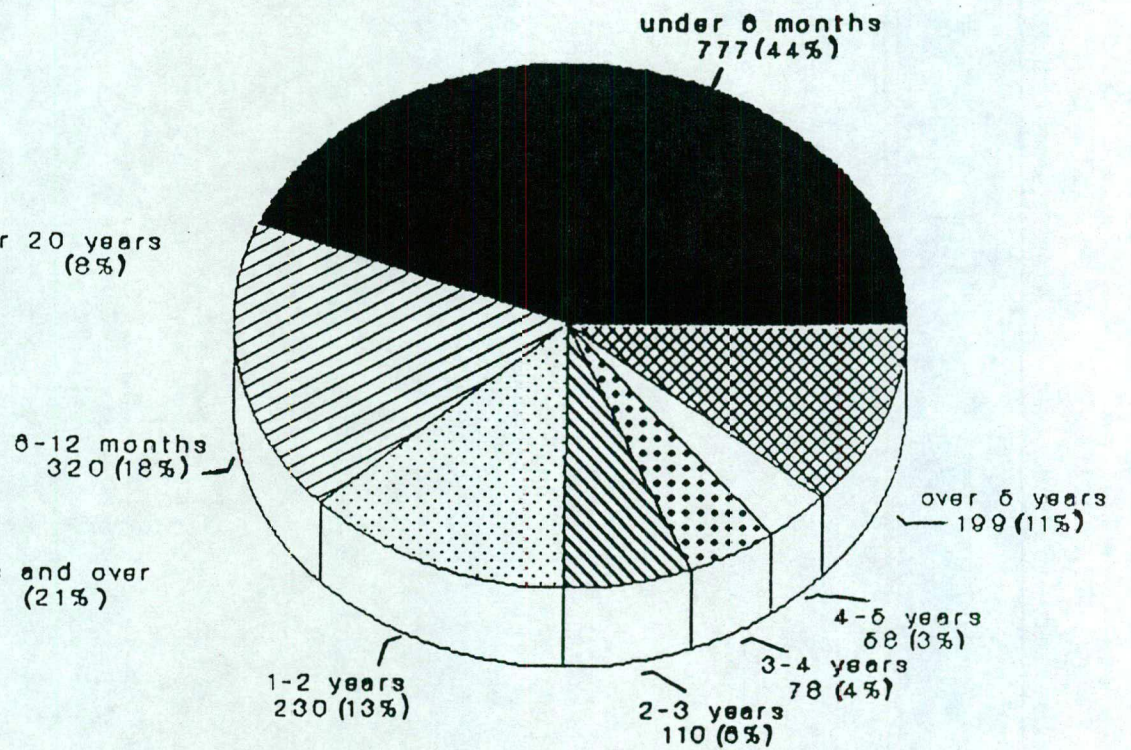
* Changes given in brackets are affected by the September 1988 change in benefit regulations for the under 18 year olds. Estimates of changes allowing for these effects are given alongside.

+ 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 |
| Spain | 17.7 | FEB |
| Ireland | (17.3)* | JUN |
| Italy | (10.8)* | JUN |
| France | 10.0 | JUN |
| Netherlands | 9.4 | JAN |
| Belgium | 9.1 | JUN |
| Greece | (7.4)* | APR 87 |
| Denmark | (7.3)* | JUN |
| Canada | 7.3 | JUN |
| United Kingdom | 6.5 | JUN |
| Australia | 6.3 | MAY |
| Germany | 5.6 | MAY |
| Portugal | 5.2 | FEB |
| United States | 5.2 | JUN |
| Austria | [5.1]a | JUN |
| Norway | 4.8 | FEB |
| Finland | 3.3 | JUN |
| Japan | 2.2 | JUN |
| Luxembourg | (1.9)* | JUN |
| Sweden | 1.1 | JUN |
| Switzerland | [0.6]a | JUN |
| OECD Total | 6.2 | MAY (estimated) |
| MAJOR 7** | 5.7 | MAY (estimated) |
| EC Average | (9.3)* | JUN |

* 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 6.5% in June compared with the EC average of 9.3%.

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

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

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

UNEMPLOYMENT, LATEST MONTH COMPARED WITH A YEAR EARLIER

Unadjusted unemployment, national definitions

RECOMMENDED

| | Change in % rate | % Change in total | Change (000s) | Latest month |
|-----------------|---------------------|----------------------|------------------|-----------------|
| Norway | + 2.1 | + 104 | + 44 | JUN |
| Denmark | + 0.9 | + 10 | + 25 | APR |
| Greece | + 0.2 | + 13 | + 14 | APR |
| Italy | + 0.2 | + 3 | + 111 | JUN |
| Portugal | NC | NC | - 1 | APR |
| Netherlands | - 0.1 | - 1 | - 7 | DEC |
| Sweden | - 0.1 | - 4 | - 3 | APR |
| Japan | - 0.1 | - 7 | - 100 | JUN |
| Luxembourg | - 0.2 | - 13 | NC | MAY |
| Switzerland | - 0.2 | - 25 | - 5 | JUN |
| France | - 0.3 | - 1 | - 25 | JUN |
| Canada | - 0.3 | - 4 | - 44 | JUL |
| Austria | - 0.3 | - 6 | - 7 | JUN |
| USA | - 0.4 | - 5 | - 307 | AUG |
| Ireland | - 0.8 | - 5 | - 11 | AUG |
| Germany | - 0.8 | - 10 | - 227 | AUG |
| Finland | - 1.0 | - 21 | - 25 | APR |
| Belgium | - 1.3 | - 10 | - 37 | JUN |
| Australia | - 1.4 | - 16 | - 92 | JUN |
| United Kingdom* | - 1.9 | - 24 | - 550 | AUG |
| Spain | - 2.1 | - 10 | - 298 | MAY |

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 | + 0.9 | + 20 | + 15 | JUN |
| Italy | + 0.3 | + 2 | + 67 | MAY |
| Portugal | + 0.2 | + 3 | + 8 | APR |
| Luxembourg | + 0.1 | + 5 | NC | MAY |
| United States | + 0.1 | + 2 | + 137 | AUG |
| Germany | NC | NC | + 7 | AUG |
| France | NC | NC | + 2 | JUL |
| Denmark | NC | - 1 | - 1 | APR |
| Japan | NC | - 1 | - 10 | JUN |
| Switzerland | NC | - 1 | - 1 | JUN |
| Canada | NC | - 2 | - 16 | JUL |
| Netherlands | - 0.1 | NC | - 3 | DEC |
| Sweden | - 0.1 | - 5 | - 4 | DEC |
| Ireland | - 0.2 | - 1 | - 3 | AUG |
| Austria | - 0.3 | + 6 | + 8 | JUN |
| Belgium | - 0.3 | - 2 | - 8 | MAY |
| United Kingdom | - 0.3 | - 5 | - 87 | AUG |
| Australia | - 0.5 | - 7 | - 39 | JUN |
| Spain | - 0.6 | - 3 | - 84 | APR |
| Finland | - 0.6 | - 8 | - 8 | APR |

Note Seasonally adjusted figures not available for Greece.

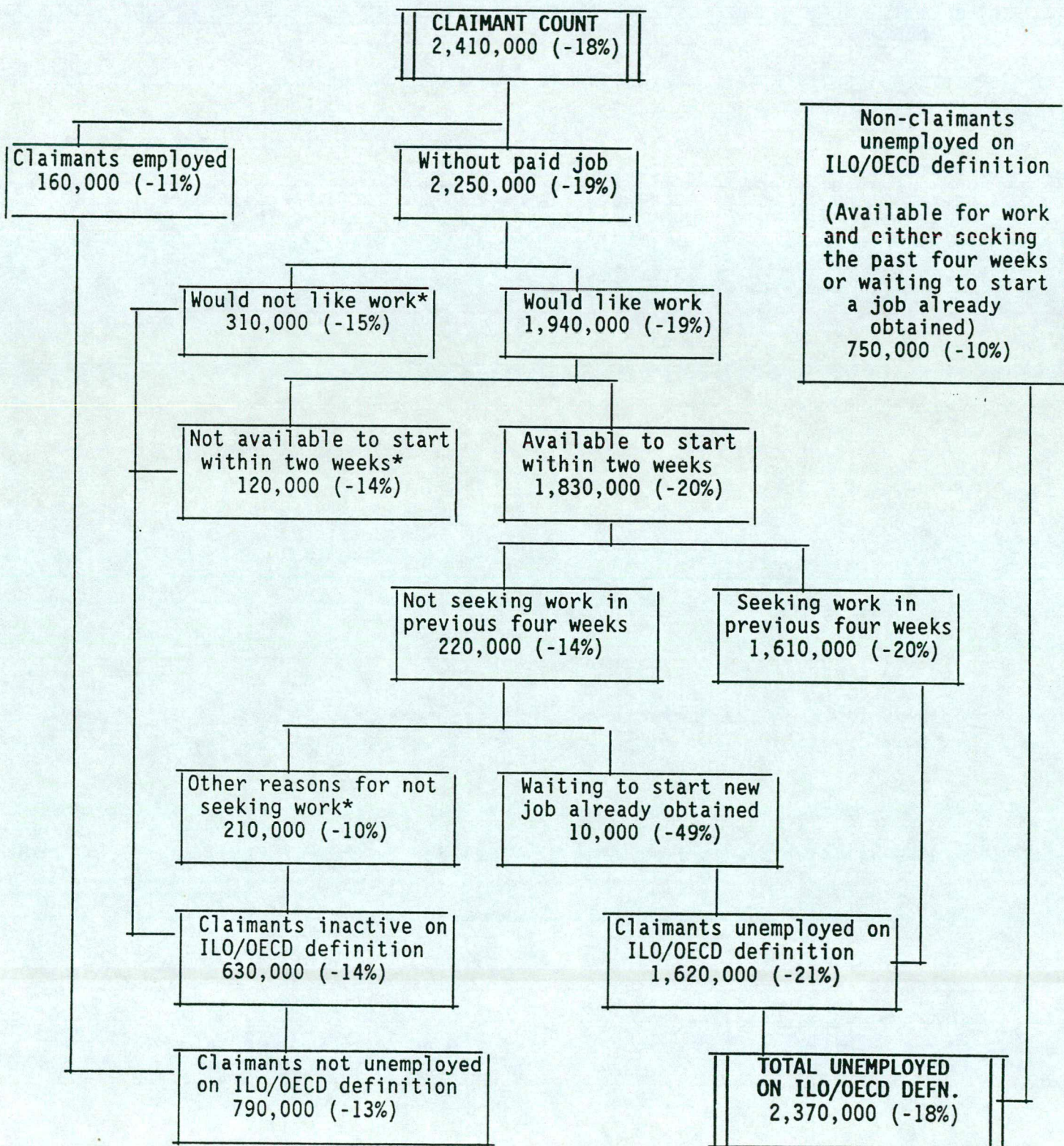
NC = No change

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.

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

MAIN POINTS

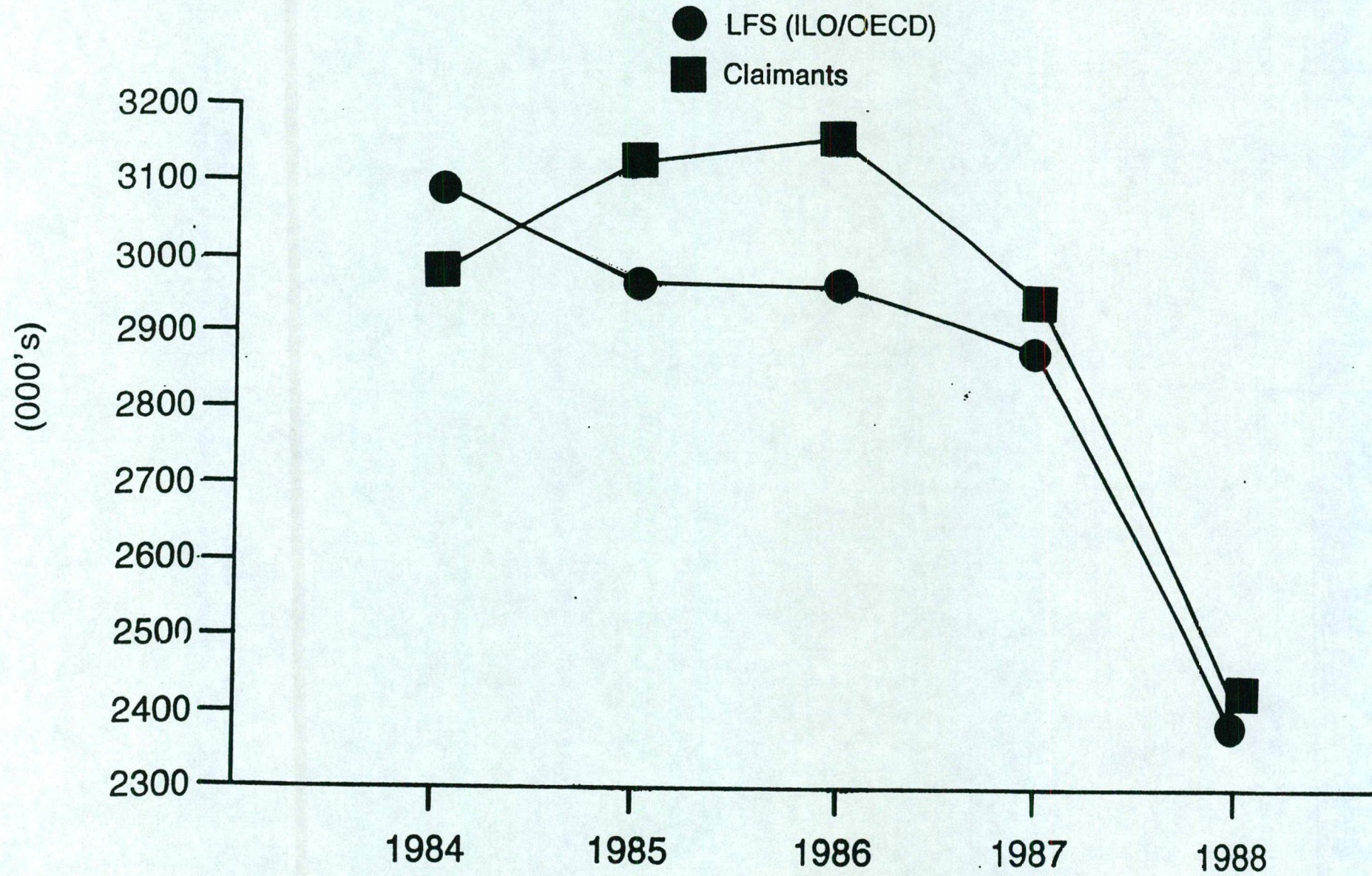
Latest annual Labour Force Survey for GB, Spring 1988:

- * 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 Gazette¹ 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?

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

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

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

UNEMPLOYMENT RATES

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

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

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

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

3 Employment Gazete, 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 6.5% in June 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 August 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 August averaged about 158,000 a month (UK seasonally adjusted).

These are estimated to be broadly a quarter of all engagements or job changes in the economy.

3. OUTFLOW from unemployment averaged about 322,000 per month in the year to August 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.

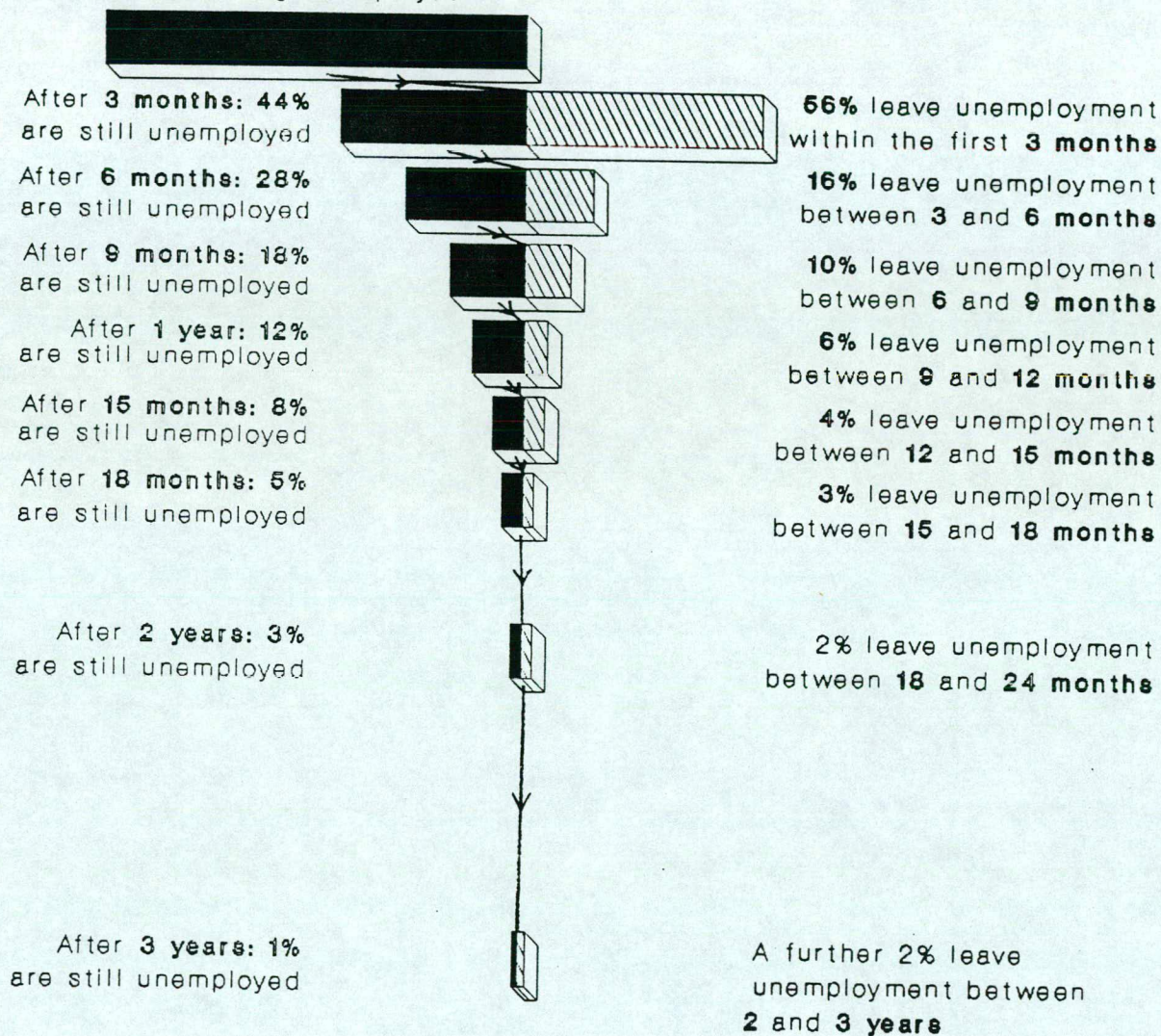
*The estimate of 7 1/2 million job changes relates to 1987 and is based on a survey conducted by IFF Research Ltd in January 1988. The same survey provided an estimate of over 7000,000 unfilled vacancies in the economy at that time, confirming that approximately only a third of all vacancies are notified 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 |
| ESTIMATES | | | | | | | |
| 1971 | 737 | - | - | 31,686 | - | 24,895 | - |
| 1972 | 760 | 739 | -9 | 31,698 | +12 | 24,953 | +58 |
| 1973 | 778 | 750 | +9 | 31,735 | +37 | 25,125 | +172 |
| 1974 | 801 | 751 | -45 | 31,740 | +5 | 25,269 | +144 |
| 1975 | 818 | 740 | -33 | 31,785 | +45 | 25,305 | +36 |
| 1976 | 840 | 707 | +2 | 31,920 | +135 | 25,702 | +396 |
| 1977 | 871 | 683 | +2 | 32,110 | +190 | 25,901 | +200 |
| 1978 | 891 | 655 | -12 | 32,334 | +224 | 25,949 | +48 |
| 1979 | 906 | 662 | -8 | 32,570 | +236 | 26,021 | +72 |
| 1980 | 930 | 773 | +1 | 32,728 | +158 | 26,198 | +177 |
| 1981 | 936 | 729 | -30 | 32,905 | +177 | 26,242 | +43 |
| 1982 | 912 | 697 | -69 | 33,051 | +146 | 26,045 | -196 |
| 1983 | 902 | 650 | -3 | 33,300 | +249 | 25,907 | -138 |
| 1984 GB LF | 873 | 677 | +67 | 33,563 | +263 | 26,428 | +522 |
| ILO/OECD | | | | | | 26,604 | - |
| 1985 | 868 | 750 | +60 | 33,741 | +178 | 26,793 | +189 |
| 1986 | 840 | 713 | +23 | 33,891 | +150 | 26,929 | +136 |
| 1987 | 852 | 697 | +18 | 34,064 | +173 | 27,253 | +324 |
| 1988 | 799 | 664 | +8 | 34,207 | +143 | 27,610 | +358 |
| PROJECTIONS | | | | | | | |
| 1989 | 751 | 662 | +4 | 34,300 | +93 | 27,940 | +330 |
| 1990 | 700 | 660 | 0 | 34,340 | +40 | 28,059 | +119 |
| 1991 | 677 | 655 | -4 | 34,358 | +18 | 28,152 | +92 |
| 1992 | 651 | 643 | +1 | 34,367 | +9 | 28,208 | +56 |
| 1993 | 623 | 628 | +2 | 34,364 | -3 | 28,244 | +36 |
| 1994 | 634 | 628 | +1 | 34,371 | +7 | 28,278 | +34 |
| 1995 | 688 | 640 | -2 | 34,417 | +46 | 28,336 | +58 |
| 1996 | 715 | 646 | -1 | 34,485 | +68 | 28,409 | +74 |
| 1997 | 710 | 646 | +3 | 34,552 | +67 | 28,478 | +68 |
| 1998 | 699 | 641 | -2 | 34,608 | +56 | 28,527 | +49 |
| 1999 | 700 | 640 | -2 | 34,666 | +58 | 28,575 | +48 |
| 2000 | 697 | 644 | -2 | 34,717 | +51 | 28,620 | +45 |

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

Notes :

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

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

EMPLOYMENT 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 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 14 SEPTEMBER 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 | 2709 | 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. Using the revised figures it is not true to say that between 1983 and 1987 the increase in employment in the United Kingdom was greater than that in the rest of the European Community combined. But the UK rise is still greater than that for any other Community country and the rate of growth in employment in the UK between 1983 and 1987 was more than 3 times the average in 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 1988" (EUROSTAT) except UK (DE).

3. Comparisons of the proportion of working-age population in work show the UK above our major European competitors but below the United States, Canada, Japan and some smaller countries.

TABLE 3 : TOTAL EMPLOYMENT AS A PERCENTAGE OF THE POPULATION AGED 15 TO 64 : 1987

| | Per Cent |
|----------------|----------|
| SWEDEN | 80 |
| DENMARK | 77 |
| UNITED STATES | 71 |
| JAPAN | 70 |
| CANADA | 69 |
| UNITED KINGDOM | 67 |
| 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 March 1989 the workforce in employment is estimated to have increased by 517,000. This increase comprises 314,000 (61%) full-time jobs and 203,000 (39%) part-time jobs. (a part-time job is one of 30 hours per week or less.) Estimates of the employees in employment component of the workforce in employment has been revised to incorporate the results of the 1987 census of employment.

| 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 | 14,485 | 13,132 | 1,353 | 11,029 | 6,252 | 4,778 | 25,515 | 19,384 | 6,130 |
| 1989 | March | 14,549 | 13,176 | 1,373 | 11,127 | 6,290 | 4,837 | 25,676 | 19,466 | 6,210 |
| Change | | | | | | | | | | |
| | Mar 83-Mar 89 | 885 | 380 | 505 | 1,792 | 932 | 860 | 2,677 | 1,312 | 1,365 |
| | Mar 88-Mar 89 | 199 | 134 | 65 | 319 | 181 | 138 | 517 | 314 | 203 |

* 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 - COMPONENTS

Great Britain

Thousands, seasonally adjusted

| | | Employees in Employment ** | | | | | | Self Employment | | | | | HM Forces | | | Work related + government training programmes | | | |
|---------------|-------|----------------------------|---------------------|---------|--------------|--------------------|--------|--------------------|---------|--------------------|---------|-------|-----------|---------|-------|---|---------|-----|--|
| | | Males | | Females | | Persons | Males | | Females | | Persons | Males | Females | Persons | Males | Females | Persons | | |
| | | All | of which part time* | All | of full time | of which part time | All | of which part time | All | of which part time | All | All | All | All | All | All | All | | |
| 1983 | March | 11,707 | 745 | 8,824 | 5,110 | 3,714 | 20,531 | 1,651 | 123 | 496 | 264 | 2,147 | 306 | 15 | 321 | 0 | 0 | 0 | |
| | June | 11,674 | 766 | 8,882 | 5,122 | 3,761 | 20,557 | 1,652 | 126 | 508 | 267 | 2,160 | 306 | 16 | 322 | 3 | 5 | 8 | |
| | Sept | 11,658 | 772 | 8,952 | 5,150 | 3,801 | 20,609 | 1,702 | 136 | 527 | 278 | 2,229 | 309 | 16 | 325 | 74 | 64 | 139 | |
| | Dec | 11,645 | 798 | 9,027 | 5,184 | 3,843 | 20,671 | 1,751 | 145 | 547 | 289 | 2,298 | 309 | 16 | 325 | 96 | 82 | 178 | |
| 1984 | March | 11,630 | 784 | 9,077 | 5,213 | 3,863 | 20,707 | 1,801 | 155 | 566 | 299 | 2,367 | 310 | 16 | 326 | 91 | 77 | 168 | |
| | June | 11,625 | 790 | 9,106 | 5,233 | 3,873 | 20,731 | 1,850 | 164 | 586 | 311 | 2,435 | 310 | 16 | 326 | 91 | 78 | 168 | |
| | Sept | 11,636 | 771 | 9,145 | 5,259 | 3,886 | 20,781 | 1,868 | 165 | 596 | 315 | 2,464 | 312 | 16 | 328 | 112 | 95 | 207 | |
| | Dec | 11,666 | 801 | 9,195 | 5,271 | 3,924 | 20,861 | 1,886 | 167 | 606 | 320 | 2,493 | 311 | 16 | 327 | 109 | 91 | 200 | |
| 1985 | March | 11,655 | 792 | 9,238 | 5,301 | 3,937 | 20,894 | 1,905 | 169 | 617 | 325 | 2,522 | 310 | 16 | 326 | 101 | 80 | 182 | |
| | June | 11,637 | 821 | 9,273 | 5,314 | 3,958 | 20,910 | 1,923 | 170 | 628 | 331 | 2,550 | 309 | 16 | 326 | 94 | 74 | 168 | |
| | Sept | 11,607 | 808 | 9,314 | 5,323 | 3,991 | 20,922 | 1,926 | 168 | 628 | 328 | 2,554 | 309 | 16 | 326 | 120 | 100 | 221 | |
| | Dec | 11,587 | 831 | 9,325 | 5,330 | 3,995 | 20,912 | 1,929 | 166 | 629 | 325 | 2,558 | 307 | 16 | 323 | 114 | 94 | 208 | |
| 1986 | March | 11,530 | 819 | 9,361 | 5,334 | 4,027 | 20,891 | 1,933 | 164 | 630 | 322 | 2,563 | 306 | 16 | 323 | 103 | 80 | 182 | |
| | June | 11,481 | 852 | 9,395 | 5,331 | 4,064 | 20,876 | 1,937 | 163 | 630 | 319 | 2,567 | 305 | 16 | 322 | 122 | 96 | 218 | |
| | Sept | 11,442 | 843 | 9,437 | 5,350 | 4,087 | 20,878 | 1,977 | 173 | 648 | 331 | 2,625 | 306 | 16 | 323 | 151 | 125 | 276 | |
| | Dec | 11,394 | 866 | 9,492 | 5,381 | 4,111 | 20,886 | 2,018 | 184 | 665 | 343 | 2,684 | 304 | 16 | 320 | 148 | 119 | 268 | |
| 1987 | March | 11,376 | 868 | 9,536 | 5,396 | 4,141 | 20,912 | 2,059 | 194 | 683 | 355 | 2,742 | 304 | 16 | 320 | 138 | 108 | 245 | |
| | June | 11,433 | 887 | 9,637 | 5,483 | 4,153 | 21,070 | 2,099 | 204 | 701 | 367 | 2,801 | 302 | 16 | 319 | 171 | 132 | 303 | |
| | Sept | 11,506 | 879 | 9,726 | 5,562 | 4,164 | 21,232 | 2,126 | 203 | 706 | 368 | 2,832 | 303 | 16 | 319 | 216 | 158 | 373 | |
| | Dec | 11,597 | 919 | 9,851 | 5,655 | 4,196 | 21,448 | 2,152 | 202 | 711 | 368 | 2,863 | 301 | 16 | 317 | 209 | 147 | 356 | |
| 1988 | March | 11,672 | 909 | 9,941 | 5,745 | 4,196 | 21,614 | 2,178 | 200 | 716 | 368 | 2,895 | 301 | 16 | 317 | 199 | 135 | 334 | |
| | June | 11,703 | 919 | 10,004 | 5,798 | 4,207 | 21,707 | 2,205 | 199 | 721 | 369 | 2,926 | 300 | 16 | 316 | 199 | 135 | 335 | |
| | Sept | 11,724 | 889 | 10,083 | 5,848 | 4,235 | 21,807 | 2,225 | 203 | 732 | 373 | 2,957 | 299 | 16 | 315 | 214 | 146 | 359 | |
| | Dec | 11,698 | 901 | 10,118 | 5,870 | 4,248 | 21,816 | 2,245 | 207 | 743 | 377 | 2,988 | 297 | 16 | 313 | 245 | 152 | 398 | |
| 1989 | March | 11,713 | 884 | 10,197 | 5,902 | 4,295 | 21,910 | 2,265 | 210 | 754 | 382 | 3,019 | 293 | 16 | 310 | 278 | 160 | 438 | |
| Change | | | | | | | | | | | | | | | | | | | |
| Mar 83-Mar 89 | | 6 | 139 | 1,373 | 791 | 582 | 1,379 | 614 | 88 | 258 | 118 | 872 | -13 | 1 | -11 | 278 | 160 | 438 | |
| Mar 88-Mar 89 | | 10 | -24 | 256 | 156 | 99 | 265 | 87 | 10 | 38 | 13 | 124 | -8 | 0 | -7 | 79 | 25 | 105 | |

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

** Estimates of employees in employment have been revised to incorporate the results of the 1987 census of employment

+ Participants in the YTS who receive work experience except those who have contracts of employment (those who have contracts of employment are included in the employees in employment) plus participants in new JTS (up to September 1988) and ET (from December 1988). Not seasonally adjusted. All participants in work related government training programmes are assumed to work part-time.

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CHANGES IN EMPLOYEES IN EMPLOYMENT

United Kingdom

Thousands, not seasonally adjusted

| Industry | Year ending Mar 1989 Change | | Region | Year ending Mar 1989 Change | |
|---|--------------------------------|---------|--------------------|--------------------------------|---------|
| | Absolute | Percent | | Absolute | Percent |
| Agriculture forestry and fishing | -8.1 | -2.6 | South East | 147.0 | 2.0 |
| Energy and water supply | -19.3 | -3.9 | (Greater London) | 26.4 | .7 |
| Other mineral and ore extraction etc | -10.5 | -1.5 | East Anglia | 19.9 | 2.7 |
| Metal goods, engineering and vehicles | 16.3 | .7 | South West | 40.7 | 2.5 |
| Other manufacturing industries | 6.5 | .3 | West Midlands | 13.2 | .7 |
| Construction | 7.9 | .8 | East Midlands | 32.3 | 2.1 |
| Distribution, hotels, catering, repairs | 112.8 | 2.6 | Yorks & Humberside | -14.3 | -.8 |
| Transport & Communication | 29.8 | 2.3 | North West | 22.9 | 1.0 |
| Banking, finance insurance | 169.9 | 7.0 | North | 1.9 | .2 |
| Other Services | 3.4 | .0 | Wales | 26.4 | 2.8 |
| All Industries | 308.7 | 1.4 | Scotland | 13.1 | .7 |
| | | | Great Britain | 304.7 | 1.4 |
| | | | Northern Ireland | 3.9 | .8 |
| | | | United Kingdom | 308.7 | 1.4 |

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

B

INDEX OF AVERAGE EARNINGS (Unadjusted)*

| Classes SIC 1980 | Weights | Index (1985 = 100) | | | | | | Percentage increase over previous 12 months | | | | | |
|--|--------------|--------------------|--------------|--------------|--------------|--------------|--------------|---|------------|------------|------------|------------|------------|
| | | 1989 | | | | | | 1989 | | | | | |
| | | Feb | Mar | Apr | May | June | July** | Feb | Mar | Apr | May | June | July |
| Metal processing and manufacture | 14 | 126.3 | 127.8 | 150.0 | 132.1 | 129.8 | 156.7 | 9.2 | 8.7 | 9.9 | 10.0 | 4.7 | 10.6 |
| Mineral extraction and manufacturing | 14 | 131.6 | 130.4 | 133.3 | 135.1 | 140.3 | 137.7 | 8.5 | 5.6 | 7.6 | 7.0 | 9.7 | 7.7 |
| Chemical and man-made fibres | 20 | 130.6 | 130.5 | 135.9 | 136.7 | 136.0 | 136.9 | 8.6 | 8.3 | 8.6 | 9.3 | 7.3 | 8.7 |
| Mechanical engineering | 44 | 133.0 | 134.8 | 136.3 | 135.1 | 136.9 | 139.7 | 9.6 | 8.2 | 10.9 | 8.7 | 10.5 | 10.3 |
| Electrical and electronic engineering | 37 | 134.8 | 138.2 | 138.1 | 139.6 | 141.6 | 141.6 | 7.2 | 9.6 | 7.5 | 10.4 | 9.7 | 10.0 |
| Motor vehicle and parts | 17 | 139.8 | 141.4 | 137.6 | 141.4 | 143.4 | 146.3 | 36.4 | 6.4 | 8.3 | 8.9 | 4.7 | 7.7 |
| Other transport and equipment | 17 | 132.1 | 136.7 | 135.0 | 135.6 | 142.1 | 137.8 | 11.0 | 14.0 | 13.5 | 13.9 | 26.3 | 20.6 |
| Metal goods and instruments | 27 | 133.2 | 132.9 | 134.3 | 136.5 | 138.0 | 140.5 | 8.1 | 8.3 | 8.0 | 8.6 | 9.3 | 9.8 |
| Food, drink and tobacco | 33 | 130.4 | 134.2 | 138.3 | 138.5 | 137.8 | 139.8 | 7.6 | 10.7 | 10.8 | 9.4 | 7.2 | 11.2 |
| Textiles | 13 | 128.6 | 127.1 | 131.4 | 134.1 | 135.6 | 134.4 | 7.2 | 3.7 | 7.2 | 8.4 | 7.8 | 7.7 |
| Leather, footwear and clothing | 17 | 129.3 | 130.4 | 130.1 | 132.3 | 133.0 | 135.0 | 6.5 | 4.5 | 5.5 | 6.7 | 8.0 | 6.6 |
| Timber and wooden furniture | 11 | 142.9 | 130.1 | 133.0 | 134.8 | 132.7 | 129.3 | 13.4 | 5.3 | 8.0 | 5.7 | -3.3 | -4.6 |
| Paper products, printing and publishing | 26 | 127.4 | 128.7 | 130.6 | 131.8 | 133.3 | 134.2 | 7.1 | 6.6 | 7.9 | 7.5 | 5.8 | 7.3 |
| Rubber, plastic and other manufacturing | 14 | 132.2 | 133.3 | 133.2 | 136.6 | 137.5 | 137.9 | 8.0 | 7.8 | 7.9 | 7.1 | 7.8 | 5.8 |
| *Manufacturing Industries | 304 | 132.2 | 133.4 | 136.0 | 136.1 | 137.5 | 139.7 | 10.0 | 8.3 | 9.0 | 9.0 | 8.6 | 9.2 |
| Coal and coke | 15 | 145.7 | 151.1 | 152.6 | 149.6 | 150.6 | 152.6 | 24.7 | 14.6 | 7.5 | 11.5 | 13.1 | 9.2 |
| Mineral oil and natural gas | 1 | 141.3 | 137.9 | 142.5 | 152.1 | 145.4 | 156.8 | 12.3 | 8.7 | 10.0 | 9.6 | 13.4 | 16.8 |
| Electricity, gas and other energy and water supply | 19 | 124.2 | 129.6 | 128.9 | 131.3 | 134.2 | 139.5 | 7.4 | 11.7 | 7.2 | 6.3 | 9.6 | 11.2 |
| *Production Industries[†] | 339 | 132.5 | 134.2 | 136.5 | 136.7 | 138.0 | 140.5 | 10.5 | 8.8 | 8.8 | 8.9 | 8.9 | 9.4 |
| Construction | 55 | 136.8 | 142.7 | 139.9 | 140.3 | 145.7 | 144.0 | 12.2 | 11.4 | 10.8 | 11.9 | 12.4 | 10.6 |
| *Production[†] and Construction Industries | 394 | 133.1 | 135.3 | 137.0 | 137.2 | 139.1 | 141.0 | 10.4 | 8.9 | 8.8 | 9.0 | 9.4 | 9.6 |
| Agriculture and Forestry [‡] | 19 | 112.1 | 115.9 | 120.2 | 121.9 | 121.5 | ∅ | 6.8 | 7.3 | 6.9 | 8.7 | 5.5 | ∅ |
| Distribution and repairs | 164 | 131.8 | 136.0 | 136.9 | 134.2 | 137.6 | 137.6 | 9.5 | 8.9 | 8.2 | 8.9 | 10.0 | 9.9 |
| Hotel and catering | 49 | 133.7 | 137.8 | 135.2 | 136.2 | 136.0 | 135.0 | 11.9 | 13.8 | 10.7 | 10.1 | 8.2 | 8.0 |
| Transport and communication (except sea transport) | 71 | 125.1 | 126.2 | 129.9 | 129.3 | 129.8 | 133.8 | 6.6 | 6.3 | 6.9 | 6.0 | 7.7 | 9.2 |
| Banking, finance and insurance | 44 | 135.8 | 154.6 | 142.3 | 140.4 | 141.7 | 145.3 | 7.2 | 14.2 | 7.2 | 8.2 | 7.8 | 9.3 |
| Public administration | 90 | 131.6 | 131.9 | 131.7 | 132.3 | 132.7 | 132.6 | 9.0 | 7.9 | 9.8 | 8.7 | 8.2 | 5.1 |
| Education and health services | 147 | 134.2 | 134.9 | 136.3 | 141.2 | 142.8 | 144.5 | 10.7 | 6.6 | 12.2 | 15.4 | 11.5 | 6.8 |
| Other services | 22 | 126.5 | 127.8 | 128.5 | 128.2 | 131.7 | 139.4 | 5.6 | 9.1 | 8.8 | 5.3 | 6.8 | 9.9 |
| *Service Industries | 587 | 131.5 | 135.1 | 134.8 | 135.2 | 136.8 | 138.4 | 8.9 | 8.6 | 9.2 | 9.8 | 9.2 | 8.1 |
| *Whole economy | 1,000 | 132.0 | 134.9 | 135.6 | 135.9 | 137.6 | 139.4 | 9.7 | 8.8 | 9.1 | 9.6 | 9.4 | 8.7 |

*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
 ∅Not available

INTERNATIONAL COMPARISONS

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

| | | Latest period available |
|-------------------|------|----------------------------|
| Greece | 20.4 | Q4 1988 |
| Portugal (h) | 14.2 | Q4 1988 |
| Finland | 9.6 | Q4 1988 |
| Great Britain (c) | 9 | JULY |
| Spain (e) | 7.7 | Q4 1988 |
| Australia (b) | 5.9 | APRIL |
| Italy (b) | 5.9 | JUNE |
| Belgium (j) | 5.4 | Q1 1989 |
| Denmark (g) | 5.4 | MARCH |
| Japan (a)(f) | 5.4 | MAY |
| Canada | 5.3 | MAY |
| Ireland | 5.3 | Q2 1988 |
| New Zealand (i) | 4.9 | Q1 1989 |
| Sweden (g) | 3.9 | APRIL |
| Germany | 3.8 | Q1 1989 |
| France (b) | 3.5 | Q1 1989 |
| Norway (d) | 3.3 | Q1 1989 |
| United States | 2.8 | JUNE |
| Netherlands (b) | 1.0 | JUNE |
| Austria (a)(g) | 0.6 | FEBRUARY |
| ----- | | |
| OECD | 4.8 | MARCH |
| EEC | 5.7 | MARCH |

Source: OECD Main Economic Indicators: AUGUST 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

Industrial Disputes - Summary FactsWORKING DAYS LOST

Working days lost in July are provisionally estimated at 2,371,000, which is the largest monthly figure since 1984 when the coal miners strike was taking place.

The NALGO action affecting local authorities caused the loss of 1,950,000 working days; 158,000 working days were lost on the railways and 106,000 working days in the docks.

The total of working days lost for the twelve months ended July is provisionally estimated as 4.9 million. The largest elements in this total are 1.95 million working days lost by NALGO workers, 1.2 million working days lost from postal workers' disputes and 0.3 million working days lost in shipbuilding. The 4.9 million days total compares with 2.2 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 July is 683. Subsequent revisions will raise this total. The highly provisional single month figure for July is 74, which is comparable with the number recorded in June (70) and with the exception of July 1988 (71) is the lowest figure for any July since 1941.

KEY FACTS - INDUSTRIAL STOPPAGES

(a) TWELVE MONTH PERIODS

| | WORKING DAYS LOST (MILLION) | STOPPAGES (NUMBER) |
|---|--------------------------------|-----------------------|
| Year to July 1989(p) | 4.9 | 683 |
| Year to July 1988 | 2.2 | 855 |
| 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) |
|-----------------------------------|---------------------------------|-----------------------|
| June 1989(p) | 239 | 70 |
| July 1989(p) | 2,371 | 74 |
| July - Average of 1979 to 1988 | 503 | 123 |

(p) = provisional

BULL POINTS

1. Working days lost in the first seven months of 1989 (3,052,000) are similar to days lost in a single month in the winter of discontent, January 1979 (2,966,000).
2. 4.9 million working days lost in year to July (provisional estimate) compares with an average of 12.9 million for the 1970's.
3. Number of stoppages recorded in 1988 is lower than in any other year since 1935.

EMPLOYMENT AND TRAINING MEASURES: SCHEME PARTICIPANTS IN GB
MONTH ENDING

D12

THOUSANDS

| Quarter | EAS | CI | NWS* | JRS | JOBSTART+ JOBSHARE | CP | ET OF WHICH: | | JTS | YTS++ |
|----------------|-----|----|------|-----|-----------------------|-----|--------------------|-------------|-----|-------|
| | | | | | | | ET** ALLOWANCES | CP 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 | - | - | 5 | - | - | 204 | - | - | - |

* 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



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

Secretary of State

Paul Gray Esq
10 Downing Street
LONDON
SW1A 2AA

15 August 1989

Dear Paul,

LABOUR MARKET STATISTICS

... I am enclosing our standard brief on the labour market statistics which are to be issued on Thursday. The brief is of course personal and confidential until 11.30 on 17 August and confidential thereafter.

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

Yours,

ANNE-MARIE LAWLOR
Private Secretary



Employment Department · Training Agency
Health and Safety Executive · ACAS

LABOUR MARKET STATISTICS: NOTES FOR THE PRIME MINISTER

- A. 1. SUMMARY
- 2. KEY FACTS BRIEF

- B. DRAFT PRESS NOTICE

- C. DETAILED ANALYSIS AND BACKGROUND INFORMATION
 - 1. MAPS: 1a. UNEMPLOYMENT RATES BY REGION
 - 1b. UNEMPLOYMENT RATES - CHANGE OVER YEAR BY REGION
 - GRAPHS: 1c. UNEMPLOYMENT RATES BY REGION
 - 1d. UNEMPLOYMENT - UK
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LABOUR MARKET STATISTICS-KEY FACTS

A2(i)

UNEMPLOYMENT IN JULY

Seasonally adjusted (UK) (Consistent)
Now 1.789 million, lowest for 8¹/₂ years
(since November 1980).

Down 21,300 in July.

Rate 6.3%, lowest since November 1980.

Down 36 months running, longest and
largest continuous fall since the war.
Down 1.344 million since July 1986.

Fall of 1,068,200 (consistent) since
election June 1987. (1,164,900 since
campaign, April 1987 figure)

Fall in last 12 months 478,300.

Average fall of 33,100 per month over last
six months.

TOTAL (unadjusted) (UK)

Now 1.771 million (6.2%)

Up 28,000 since June.

Regional unemployment (Seasonally adjusted)

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

Long term unemployment. (UK, unadjusted)

April: Claimants unemployed for one year
or more) 744,000 in April, lowest for more
than 6 years. Now down by some 600,000
since April 1986 including record fall of
half a million in past two years. Fallen
faster than total unemployed. Long term
unemployed aged 18-24 more than halved in
2 years, down by a 38% among over 25s.
Over 5 year unemployed now falling
sharply, down by 20% over the past year.

Young unemployed (UK)

18 - 24's down by 41% in two years to
April 1989; 47% 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 (9.3%). Latest international rates
show unemployment higher in France
(10.0%), Italy (10.8%), Canada (7.6%),
Belgium (9.2%), Netherlands (9.4%), Spain
(17.7%) and Ireland (17.3%). (Comparable
UK 6.6% - OECD standardised rate for May.)

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 219,900
in July, down 6,500 since June, but down
12% on a year earlier.

Only about a third of vacancies reported
to Jobcentres.

AVERAGE EARNINGS (GB)

Underlying increase in average earnings in
year to June 9%, a fall of 1/4 per cent
from the increase in the year to May.

INDUSTRIAL STOPPAGES (UK)

Working days lost 228,000 in June, sixth
successive monthly rise but only three
June figures lower since 1967. In 12
months ending June, 2.8 million days lost
compared with 2.1 million over previous 12
months, 3.7 million in 1988, 3.5 million
in 1987, 1.9 million in 1986 and an
average 12.9 million for 1970's.

Number of stoppages 62 in June, lowest
June figure since 1940. Total for 1988
lowest since 1935.

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

- Workforce in employment in Q1 1989
- now stands at 26,687,000 (highest ever)
 - on a rising trend for 6 years since March 1983
 - Increase since March 1983 by 3,125,000 (this will be revised following publication of 1987 Census of Employment results)
 - Increase in year to March 1989 of 598,000, of which:
 - 246,000 male
 - 352,000 female
 - 376,000 employees
 - 124,000 self employed
 - 106,000 trainees
 - 7,000 HM Forces

TREND - LATEST QUARTER

- Employment growth of 181,000 in Q1 1989.

EMPLOYMENT IN MANUFACTURING

- at 5,250,000 in March 1989
- down by 2,000 in year to March
- down 6,000 in quarter 1.

EMPLOYMENT IN SERVICES

- at 15,779,000 in March 1989
- up by 408,000 over the year
- service sector (incl. self employment) accounts for almost two-thirds of employment
- the increase in the third and fourth quarters of 1988 and the first quarter of 1989 have been affected by the run-down in CP in preparation for ET.

SELF-EMPLOYMENT

- at an estimated 3,079,000 in Mar 89
- up by 124,000 over year to March
- up by more than 1.1 million since June 1979 (following little change in the seventies).

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

- at 5,117,000 in June 1989
- down 30,000 in Q2 1989.
- up 1,000 in June
- down 33,000 in year to June

OVERTIME AND SHORT TIME (GB)

- overtime of 13.6 million hours a week worked in June
- short time of 0.30 million hours a week lost in June.

PART-TIME EMPLOYMENT (GB)

- at 6,343,000 (24% of workforce in employment) in March 1989
- up by 225,000 over year to March
- up by 1,498,000 since March 1983
- part-time jobs account for 38% of employment growth in year since March 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 equals rest of EC combined (this will not be true for 83-88)
- UK proportion of population of working age in employment (68%) much higher than EC average.

LABOUR MARKET STATISTICS
SUMMARY STATISTICS

17 August 1989

| | | Level | Change on previous period | <u>Thousands</u> Change on previous year |
|--|---------|--------|---|---|
| <u>Unemployment (UK)</u> | | | | |
| Total unadjusted | July 13 | 1,771 | + 28 | (-555)(a) |
| Seasonally adjusted (b) | July 13 | 1,789 | - 21 | -478 |
| <u>Workforce in (UK) (c),(d) (e) Mar Q1 1989</u> | | 26,687 | + 181 | +598 |
| <u>employment</u> | | | | |
| <u>Employees in employment (UK) (c)</u> | | | | |
| All industries and Services (UK) Mar Q1 1989 | | 22,850 | + 113 | +376 |
| Services (UK) Mar Q1 1989 | | 15,779 | + 118 | +408 |
| Manufacturing (UK) Mar Q1 1989 | | 5,250 | - 6 | - 2 |
| Manufacturing (GB) June 1989 | | 5,117 | + 1 | - 33 |
| <u>Vacancies (UK)(jobcentres) (c) July 7</u> | | 220 | - 7 | - 30 |
| <u>Index of Average Earnings (GB) (c)</u> | | | | |
| | | | Percentage change on previous year (underlying increase) | |
| Whole Economy | June | | 9% | |
| Services | June | | 8¾% | |
| Manufacturing | June | | 9% | |

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) The employment statistics are now presented on a UK basis, wherever possible.

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

Summary

Unemployment (UK seasonally adjusted) fell by 21,300 in the month to July. Male unemployment decreased by 10,700 and female unemployment decreased by 10,600. Over the past six months there has been a fall of 33,100 on average compared with a fall of 46,600 per month over the previous six months to January 1989.

The total, unadjusted, increased in July by 28,241 to 1,771,382.

The workforce in employment in the United Kingdom is estimated to have increased by 181,000 in the first quarter of 1989 contributing to an overall increase of 598,000 in the year to March 1989. The workforce in employment has now been on a rising trend for six years.

The number of employees employed in manufacturing industry in Great Britain is estimated to have increased by 1,000 in June 1989. In the second quarter of 1989 there was a fall of 30,000 in manufacturing employment, while over the year to June 1989 there was a fall of 33,000.

The stock of Jobcentre vacancies (UK seasonally adjusted) decreased by 6,500 in July to 219,900. Over the past six months there has been a decrease of 1,600 per month on average.

The underlying increase in average earnings for the whole economy in the year to June was 9 per cent, a fall of $\frac{1}{4}$ per cent from the increase in the year to May.

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

LABOUR MARKET STATISTICS

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PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 17 AUGUST 1989

UNEMPLOYMENT

The seasonally adjusted level of unemployment⁺ in the United Kingdom decreased by 21,300 to 1.789 million in July, 6.3 per cent of the workforce*.

Over the past six months on average unemployment has fallen by 33,100 per month.

The unadjusted total increased by 28,241 between June and July to 1,771,382 giving an unemployment rate of 6.2 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 | Jul | 1586.7 | 680.6 | 2267.3 | -56.8 | -42.0 | -45.2 | 7.9 |
| | Aug | 1562.7 | 662.9 | 2225.6 | -41.7 | -43.2 | -46.1 | 7.8 |
| | Sep ⁺⁺ | 1543.1 | 648.6 | 2191.7 | -33.9 | -43.7 | -44.1 | 7.7 |
| | Oct | 1522.4 | 635.5 | 2157.9 | -33.8 | -40.8 | -36.5 | 7.6 |
| | Nov | 1484.6 | 620.6 | 2105.2 | -52.7 | -43.1 | -40.1 | 7.4 |
| | Dec | 1439.4 | 598.0 | 2037.4 | -67.8 | -47.8 | -51.4 | 7.1 |
| 1989 | Jan | 1405.4 | 582.4 | 1987.8 | -49.6 | -46.6 | -56.7 | 7.0 |
| | Feb | 1377.9 | 570.8 | 1948.7 | -39.1 | -46.2 | -52.2 | 6.8 |
| | Mar | 1359.5 | 557.1 | 1916.6 | -32.1 | -45.9 | -40.3 | 6.7 |
| | Apr | 1321.5 | 536.5 | 1858.0 | -58.6 | -50.0 | -43.3 | 6.5 |
| | May | 1309.7 | 526.1 | 1835.8 | -22.2 | -44.9 | -37.6 | 6.4 |
| | Jun(r) | 1296.1 | 514.2 | 1810.3 | -25.5 | -37.9 | -35.4 | 6.3 |
| | Jul(p) | 1285.4 | 503.6 | 1789.0 | -21.3 | -33.1 | -23.0 | 6.3 ** |

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

++ September's seasonally adjusted figures have also been adjusted to allow for the estimated distortion caused by the postal strike (See note A8).

** The separate rate for males was 7.7 per cent, and for females 4.2 per cent.

* See note A4

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

(r) Revised

TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED⁺ (P) - REGIONS July 13 1989

| | Male | Female | Total | Change since previous month | Unemployment rate percentage of workforce* | Change since previous month |
|--------------------------------------|------------------|-----------------|------------------|--------------------------------------|---|--------------------------------------|
| | THOUSAND | | | | | |
| South East (incl. Greater London) | 259.1 (156.4) | 107.0 (61.5) | 366.1 (217.9) | -4.1 (-1.0) | 3.9 (5.0) | 0.0 (-0.0) |
| East Anglia | 23.8 | 11.0 | 34.8 | -0.2 | 3.3 | -0.0 |
| South West | 66.2 | 32.2 | 98.4 | -1.7 | 4.7 | -0.1 |
| West Midlands | 117.6 | 48.8 | 166.4 | -2.5 | 6.2 | -0.1 |
| East Midlands | 77.5 | 31.1 | 108.6 | -1.7 | 5.5 | -0.1 |
| Yorks and Humberside | 128.9 | 48.8 | 177.7 | -0.9 | 7.4 | -0.0 |
| North West | 191.1 | 70.9 | 262.0 | -2.4 | 8.7 | -0.1 |
| North | 104.8 | 36.1 | 140.9 | -2.7 | 9.6 | -0.2 |
| Wales | 70.2 | 26.2 | 96.4 | -2.1 | 8.0 | 0.2 |
| Scotland | 168.7 | 63.8 | 232.5 | -2.5 | 9.3 | -0.1 |
| GREAT BRITAIN | 1,207.7 | 475.7 | 1,683.4 | -21.1 | 6.0 | -0.1 |
| Northern Ireland | 77.7 | 27.9 | 105.6 | -0.2 | 15.3 | 0.0 |
| UNITED KINGDOM | 1,285.4 | 503.6 | 1,789.0 | -21.3 | 6.3 | -0.1 |

* See note A4

(P) Provisional see note A5

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

TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

| | | Male | Female | Number | Unemployment rate percentage of workforce* |
|-------|-------|-----------|---------|-----------|--|
| 1988 | Jul | 1,606,313 | 720,390 | 2,326,703 | 8.1 |
| | Aug | 1,576,548 | 714,627 | 2,291,175 | 8.0 |
| <hr/> | | | | | |
| | Sep++ | 1,594,403 | 716,570 | 2,310,973 | 8.1 |
| | Oct++ | 1,484,236 | 634,626 | 2,118,862 | 7.4 |
| | Nov | 1,454,771 | 612,173 | 2,066,944 | 7.2 |
| | Dec | 1,451,478 | 595,060 | 2,046,538 | 7.2 |
| 1989 | Jan | 1,473,163 | 601,149 | 2,074,312 | 7.3 |
| | Feb | 1,434,871 | 583,308 | 2,018,179 | 7.1 |
| | Mar | 1,399,364 | 560,856 | 1,960,220 | 6.9 |
| | Apr | 1,350,793 | 532,788 | 1,883,581 | 6.6 |
| | May | 1,297,067 | 505,452 | 1,802,519 | 6.3 |
| | Jun | 1,256,572 | 486,569 | 1,743,141 | 6.1 |
| | Jul | 1,261,625 | 509,757 | 1,771,382 | 6.2 ⁺ |

+ The separate rate for males was 7.6 per cent, and for females 4.3 per cent.

TABLE 4: UNEMPLOYMENT TOTAL UNADJUSTED - REGIONS July 13 1989

THOUSAND

| | Male | Female | Total | Change since previous month | Unemployment rate percentage of workforce* |
|--------------------------------------|------------------|-----------------|------------------|--------------------------------------|---|
| South East incl. (Greater London) | 255.3 (156.7) | 108.0 (62.8) | 363.3 (219.5) | 8.1 (5.3) | 3.8 (5.1) |
| East Anglia | 22.4 | 10.7 | 33.1 | 0.2 | 3.1 |
| South West | 61.7 | 30.0 | 91.7 | 1.2 | 4.3 |
| West Midlands | 116.4 | 49.6 | 166.0 | 2.6 | 6.2 |
| East Midlands | 76.1 | 31.8 | 107.9 | 1.6 | 5.4 |
| Yorks and Humberside | 126.5 | 49.6 | 176.2 | 3.3 | 7.4 |
| North West | 189.2 | 71.8 | 261.0 | 4.2 | 8.7 |
| North | 102.8 | 36.0 | 138.9 | -1.2 | 9.5 |
| Wales | 67.5 | 25.7 | 93.3 | 0.5 | 7.8 |
| Scotland | 165.6 | 66.7 | 232.4 | 4.2 | 9.3 |
| GREAT BRITAIN | 1,183.6 | 480.0 | 1,663.6 | 24.7 | 6.0 |
| Northern Ireland | 78.0 | 29.7 | 107.8 | 3.5 | 15.6 |
| UNITED KINGDOM | 1,261.6 | 509.8 | 1,771.4 | 28.2 | 6.2 |

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

* See note A4.

TABLE 5: UNEMPLOYMENT FLOWS ^x - STANDARDISED, UNADJUSTED
UNITED KINGDOM

Thousands

| Month ending | INFLOW | | Change since previous year | OUTFLOW | |
|--------------|--------|--|----------------------------|---------|----------------------------|
| | Total | | | Total | Change since previous year |
| 1988 Jul | 347.5 | | -81.6 | 359.7 | -68.2 |
| Aug | 311.6 | | -72.8 | 350.1 | -69.5 |
| Sep** | 327.4 | | -129.2 | 305.9 | -145.9 |
| Oct** | 319.6 | | -100.6 | 486.1 | -62.9 |
| Nov | 297.8 | | -77.5 | 354.0 | -78.3 |
| Dec | 269.9 | | -58.7 | 292.0 | -25.5 |
| 1989 Jan | 269.4 | | -74.9 | 245.4 | -76.2 |
| Feb | 290.0 | | -55.2 | 350.8 | -55.8 |
| Mar | 264.0 | | -49.0 | 326.8 | -65.7 |
| Apr | 247.5 | | -76.4 | 313.9 | -58.6 |
| May | 230.8 | | -45.9 | 318.6 | -76.3 |
| Jun | 225.0 | | -48.8 | 289.3 | -77.7 |
| Jul | 293.8 | | -53.7 | 269.3 | -90.4 |

^x See note A6

** See notes A7 and A8.

EMPLOYMENT IN THE UNITED KINGDOM

Figures for the workforce in employment (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) in the United Kingdom remain essentially as reported in July except for small revisions - reflecting some late data now to hand - for employees in the service sector. The workforce in employment is estimated to have increased by 181,000 in the first quarter of 1989 and by 598,000 in the year to March 1989, continuing the rising trend seen for six years.

Recent United Kingdom employment figures are set out in Tables 6 to 8.

EMPLOYMENT AND HOURS WORKED IN MANUFACTURING INDUSTRIES IN GREAT BRITAIN

New figures this month show that in the second quarter of 1989 the estimated number of employees in employment in manufacturing industries in Great Britain fell by 30,000 indicating that employment in this sector is now on a downward trend following the fairly level picture seen in the previous year. Month to month changes can be erratic; in June there was a very small increase of 1,000, compared with falls of 17,000 and 14,000 in April and May. Over the year to June 1989 the number of employees in manufacturing industries fell by 33,000 compared with a rise of 71,000 in the previous 12 months, and a fall of 67,000 in the 12 months to June 1987.

Overtime working by operatives in manufacturing industries fell a little to 13.6 million hours per week in June, compared with 13.8 million hours per week in May and 13.4 million hours a week in June 1988.

Hours lost through short-time working in manufacturing industries remain very low, at 0.30 million hours per week in June.

The index of average weekly hours worked by operatives in manufacturing industries (which takes account of hours of overtime and short-time as well as normal basic hours) was estimated at 100.7 in June giving an average of 100.8 over the three month period ending June.

Recent manufacturing employment and hours figures are set out in Table 9.

Table 6: The Workforce in Employment in the United Kingdom *

Thousands, seasonally adjusted

| | | Employees in Employment | | | Self Employed ** | | | HM Forces | | | Work related government training programmes + | | | Workforce in employment ** | | |
|------|-------|-------------------------|---------|---------|------------------|---------|-------|-----------|---------|-------|---|---------|-------|----------------------------|---------|---------|
| | | Males | Females | Total | Males | Females | Total | Males | Females | Total | Males | Females | Total | Males | Females | Total |
| 1983 | March | 11,977 | 9,047 | 21,024 | 1,704 | 504 | 2,209 | 306 | 15 | 321 | 6 | 3 | 9 | 13,993 | 9,569 | 23,562 |
| | June | 11,945 | 9,109 | 21,053 | 1,705 | 516 | 2,221 | 306 | 16 | 322 | 8 | 8 | 16 | 13,964 | 9,648 | 23,613 |
| | Sept | 11,928 | 9,180 | 21,108 | 1,755 | 535 | 2,290 | 309 | 16 | 325 | 79 | 67 | 146 | 14,071 | 9,798 | 23,869 |
| | Dec | 11,914 | 9,253 | 21,168 | 1,804 | 554 | 2,359 | 309 | 16 | 325 | 101 | 86 | 187 | 14,129 | 9,909 | 24,038 |
| 1984 | March | 11,899 | 9,303 | 21,202 | 1,854 | 574 | 2,428 | 310 | 16 | 326 | 96 | 80 | 176 | 14,159 | 9,972 | 24,132 |
| | June | 11,895 | 9,332 | 21,227 | 1,903 | 594 | 2,496 | 310 | 16 | 326 | 95 | 80 | 175 | 14,203 | 10,022 | 24,224 |
| | Sept | 11,909 | 9,376 | 21,285 | 1,921 | 604 | 2,525 | 312 | 16 | 328 | 118 | 98 | 216 | 14,260 | 10,094 | 24,353 |
| | Dec | 11,958 | 9,431 | 21,389 | 1,939 | 614 | 2,554 | 311 | 16 | 327 | 115 | 94 | 209 | 14,323 | 10,155 | 24,478 |
| 1985 | March | 11,969 | 9,481 | 21,450 | 1,958 | 624 | 2,582 | 310 | 16 | 326 | 107 | 83 | 190 | 14,344 | 10,204 | 24,548 |
| | June | 11,972 | 9,524 | 21,496 | 1,975 | 635 | 2,610 | 309 | 16 | 326 | 100 | 76 | 176 | 14,357 | 10,251 | 24,608 |
| | Sept | 11,962 | 9,571 | 21,533 | 1,979 | 636 | 2,615 | 309 | 16 | 326 | 126 | 103 | 229 | 14,377 | 10,326 | 24,703 |
| | Dec | 11,963 | 9,592 | 21,556 | 1,982 | 636 | 2,619 | 307 | 16 | 323 | 120 | 97 | 217 | 14,373 | 10,342 | 24,715 |
| 1986 | March | 11,927 | 9,633 | 21,560 | 1,986 | 637 | 2,623 | 306 | 16 | 323 | 108 | 83 | 191 | 14,327 | 10,368 | 24,696 |
| | June | 11,895 | 9,675 | 21,570 | 1,989 | 637 | 2,627 | 305 | 16 | 322 | 127 | 99 | 226 | 14,317 | 10,427 | 24,744 |
| | Sept | 11,874 | 9,724 | 21,598 | 2,030 | 655 | 2,685 | 306 | 16 | 323 | 157 | 128 | 285 | 14,368 | 10,523 | 24,891 |
| | Dec | 11,850 | 9,786 | 21,637 | 2,071 | 673 | 2,743 | 304 | 16 | 320 | 155 | 123 | 278 | 14,380 | 10,598 | 24,978 |
| 1987 | March | 11,860 | 9,838 | 21,698 | 2,111 | 690 | 2,802 | 304 | 16 | 320 | 143 | 111 | 255 | 14,418 | 10,656 | 25,074 |
| | June | 11,933 | 9,945 | 21,878 | 2,152 | 708 | 2,860 | 302 | 16 | 319 | 177 | 134 | 311 | 14,564 | 10,804 | 25,368 |
| | Sept | 12,019 | 10,038 | 22,057 | 2,178 | 713 | 2,891 | 303 | 16 | 319 | 223 | 161 | 383 | 14,723 | 10,928 | 25,651 |
| | Dec | 12,111 | 10,154 | 22,266 | 2,204 | 719 | 2,923 | 301 | 16 | 317 | 216 | 151 | 366 | 14,833 | 11,040 | 25,872 |
| 1988 | March | 12,210 | 10,265 | 22,475 | 2,231 | 724 | 2,954 | 301 | 16 | 317 | 205 | 138 | 343 | 14,946 | 11,142 | 26,089 |
| | June | 12,237 | 10,323 | 22,560 | 2,257 | 729 | 2,986 | 300 | 16 | 316 | 205 | 138 | 343 | 14,998 | 11,205 | 26,203 |
| | Sept | 12,262 | 10,408 | 22,671 | 2,277 | 739 | 3,017 | 299 | 16 | 315 | 220 | 149 | 369 | 15,059 | 11,313 | 26,371 |
| | Dec | 12,270R | 10,467R | 22,737R | 2,297 | 750 | 3,048 | 297 | 16 | 313 | 252 | 156 | 408 | 15,116R | 11,389R | 26,506R |
| 1989 | March | 12,297R | 10,554R | 22,850R | 2,317 | 761 | 3,079 | 293 | 16 | 310 | 285 | 164 | 448 | 15,192R | 11,495R | 26,687R |

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

** See notes B4 and B5.

+ See note B8

Estimates for work related government training programmes are not seasonally adjusted.

R = Revised to incorporate late data now available.

Table 7: Quarterly changes in the Workforce in Employment in the United Kingdom *

Thousands, seasonally adjusted

| | | Employees in Employment | | | Self Employed ** | | | HM Forces | | | Work related government training programmes + | | | Workforce in employment ** | | |
|------|-------|-------------------------|---------|-------|------------------|---------|-------|-----------|---------|-------|---|---------|-------|----------------------------|---------|-------|
| | | Males | Females | Total | Males | Females | Total | Males | Females | Total | Males | Females | Total | Males | Females | Total |
| 1983 | June | -32 | 62 | 30 | 1 | 12 | 12 | 0 | 1 | 1 | 3 | 5 | 7 | -29 | 79 | 50 |
| | Sept | -16 | 71 | 55 | 50 | 19 | 69 | 3 | 0 | 3 | 71 | 59 | 130 | 107 | 150 | 257 |
| | Dec | -14 | 73 | 59 | 49 | 20 | 69 | 0 | 0 | 0 | 22 | 19 | 41 | 58 | 112 | 169 |
| 1984 | March | -15 | 49 | 34 | 50 | 19 | 69 | 1 | 0 | 1 | -5 | -6 | -11 | 30 | 63 | 93 |
| | June | -5 | 29 | 25 | 49 | 20 | 68 | 0 | 0 | 0 | -1 | 0 | -1 | 43 | 49 | 93 |
| | Sept | 14 | 44 | 58 | 18 | 10 | 29 | 2 | 0 | 2 | 22 | 18 | 40 | 57 | 72 | 129 |
| | Dec | 49 | 55 | 104 | 18 | 10 | 29 | -1 | 0 | -1 | -3 | -4 | -7 | 64 | 61 | 125 |
| 1985 | March | 11 | 50 | 61 | 18 | 10 | 29 | -1 | 0 | -1 | -8 | -11 | -19 | 20 | 49 | 69 |
| | June | 4 | 43 | 46 | 18 | 11 | 28 | -1 | 0 | 0 | -7 | -7 | -14 | 14 | 47 | 61 |
| | Sept | -10 | 47 | 37 | 3 | 1 | 4 | 0 | 0 | 0 | 26 | 27 | 53 | 19 | 75 | 94 |
| | Dec | 1 | 22 | 22 | 3 | 1 | 4 | -2 | 0 | -2 | -6 | -6 | -12 | -4 | 16 | 12 |
| 1986 | March | -36 | 41 | 4 | 3 | 1 | 4 | -1 | 0 | -1 | -12 | -14 | -26 | -46 | 27 | -19 |
| | June | -32 | 42 | 10 | 4 | 0 | 4 | -1 | 0 | -1 | 19 | 16 | 35 | -10 | 58 | 49 |
| | Sept | -21 | 49 | 28 | 41 | 18 | 58 | 1 | 0 | 1 | 30 | 30 | 59 | 50 | 96 | 146 |
| | Dec | -24 | 63 | 39 | 41 | 18 | 58 | -2 | 0 | -2 | -2 | -5 | -8 | 12 | 75 | 87 |
| 1987 | March | 10 | 52 | 61 | 41 | 18 | 58 | 0 | 0 | 0 | -11 | -12 | -23 | 38 | 58 | 96 |
| | June | 73 | 107 | 180 | 40 | 18 | 58 | -1 | 0 | -1 | 33 | 23 | 57 | 145 | 148 | 294 |
| | Sept | 86 | 93 | 179 | 26 | 5 | 31 | 1 | 0 | 0 | 46 | 26 | 72 | 159 | 124 | 283 |
| | Dec | 92 | 116 | 208 | 26 | 5 | 31 | -2 | 0 | -2 | -7 | -10 | -17 | 110 | 111 | 221 |
| 1988 | March | 99 | 110 | 209 | 26 | 5 | 31 | 0 | 0 | 0 | -11 | -13 | -24 | 114 | 103 | 216 |
| | June | 27 | 58 | 85 | 26 | 5 | 31 | -1 | 0 | -1 | 0 | 0 | 0 | 52 | 63 | 115 |
| | Sept | 25 | 86 | 111 | 20 | 11 | 31 | -1 | 0 | -1 | 16 | 11 | 26 | 60 | 107 | 168 |
| | Dec | 8R | 59R | 67R | 20 | 11 | 31 | -2 | 0 | -2 | 32 | 7 | 39 | 58R | 77R | 135R |
| 1989 | March | 26R | 87R | 113R | 20 | 11 | 31 | -3 | 0 | -3 | 32 | 8 | 40 | 76R | 105R | 181R |

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

** See notes B4 and B5.

+ See note B8

Estimates for work related government training programmes are not seasonally adjusted.

R - Revised to incorporate late data now available.

Table 8: Employees in Employment in the United Kingdom

Thousand: Seasonally adjusted

| | | Manufacturing Industries | | Energy & Water Supply Industries | | Service Industries | | Other Industries | | All Industries and Services | | |
|------|-----------|--------------------------|---------|----------------------------------|---------|--------------------|---------|------------------|---------|-----------------------------|---------|--------|
| | | Levels | Changes | Levels | Changes | Levels | Changes | Levels | Changes | Levels | Changes | |
| 1983 | March | Q1 | 5,593 | | 659 | | 13,362 | | 1,410 | | 21,024 | |
| | June | Q2 | 5,537 | - 55 | 648 | - 11 | 13,463 | + 101 | 1,405 | - 5 | 21,053 | + 30 |
| | September | Q3 | 5,485 | - 52 | 643 | - 6 | 13,572 | + 110 | 1,409 | + 4 | 21,108 | + 55 |
| | December | Q4 | 5,456 | - 29 | 634 | - 8 | 13,671 | + 99 | 1,406 | - 3 | 21,168 | + 59 |
| 1984 | March | Q1 | 5,428 | - 28 | 623 | - 11 | 13,749 | + 78 | 1,402 | - 4 | 21,202 | + 34 |
| | June | Q2 | 5,423 | - 5 | 616 | - 7 | 13,799 | + 49 | 1,389 | - 12 | 21,227 | + 25 |
| | September | Q3 | 5,401 | - 22 | 613 | - 4 | 13,877 | + 78 | 1,394 | + 5 | 21,285 | + 58 |
| | December | Q4 | 5,401 | 0 | 608 | - 4 | 13,989 | + 112 | 1,391 | - 3 | 21,389 | + 104 |
| 1985 | March | Q1 | 5,388 | - 13 | 601 | - 7 | 14,073 | + 84 | 1,387 | - 4 | 21,450 | + 61 |
| | June | Q2 | 5,379 | - 9 | 589 | - 13 | 14,152 | + 79 | 1,376 | - 11 | 21,496 | + 46 |
| | September | Q3 | 5,373 | - 6 | 577 | - 11 | 14,223 | + 71 | 1,359 | - 17 | 21,533 | + 37 |
| | December | Q4 | 5,346 | - 27 | 567 | - 10 | 14,295 | + 72 | 1,347 | - 12 | 21,556 | + 22 |
| 1986 | March | Q1 | 5,309 | - 37 | 549 | - 17 | 14,365 | + 70 | 1,336 | - 11 | 21,560 | + 4 |
| | June | Q2 | 5,249 | - 60 | 539 | - 11 | 14,451 | + 86 | 1,331 | - 5 | 21,570 | + 10 |
| | September | Q3 | 5,210 | - 39 | 528 | - 11 | 14,535 | + 84 | 1,325 | - 6 | 21,598 | + 28 |
| | December | Q4 | 5,185 | - 25 | 518 | - 11 | 14,607 | + 72 | 1,327 | + 3 | 21,637 | + 39 |
| 1987 | March | Q1 | 5,154 | - 31 | 503 | - 15 | 14,707 | + 100 | 1,334 | + 7 | 21,698 | + 61 |
| | June | Q2 | 5,180 | + 27 | 499 | - 4 | 14,856 | + 149 | 1,343 | + 9 | 21,878 | + 180 |
| | September | Q3 | 5,191 | + 11 | 498 | - 1 | 15,014 | + 158 | 1,355 | + 12 | 22,057 | + 179 |
| | December | Q4 | 5,217 | + 26 | 493 | - 5 | 15,195 | + 181 | 1,360 | + 5 | 22,266 | + 208 |
| 1988 | March | Q1 | 5,252 | + 35 | 481 | - 12 | 15,372 | + 177 | 1,370 | + 10 | 22,475 | + 209 |
| | June | Q2 | 5,253 | 0 | 471 | - 10 | 15,469 | + 98 | 1,367 | - 3 | 22,560 | + 85 |
| | September | Q3 | 5,253 | + 1 | 468 | - 2 | 15,593 | + 124 | 1,356 | - 11 | 22,671 | + 111 |
| | December | Q4 | 5,256 | + 2 | 464 | - 4 | 15,661R | + 68R | 1,356 | + 1 | 22,737R | + 67R |
| 1989 | March | Q1 | 5,250 | - 6 | 454 | - 10 | 15,779R | + 118R | 1,367 | + 11 | 22,850R | + 113R |

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) | Index of average weekly hours (average 1985=100) | |
|--------------|----------------------------------|--------------|--------------------------|--------|--------------|--|---|---|-------------------|
| | Levels | Changes | | Levels | Changes | | | | |
| | | Mon- thly | Quar- terly | | Mon- thly | | | | Three* monthly |
| 1987 April | 487 | - 7 | 5,048 | - 4 | - 5 | 12.53 | .40 | 100.3 | |
| May | 487 | 0 | 5,063 | + 14 | + 1 | 12.46 | .38 | 100.3 | |
| June Q2 | 490 | + 3 - 4 | 5,079 | + 17 | + 9 + 27 | 12.88 | .32 | 100.6 | |
| July | 487 | - 3 | 5,081 | + 1 | + 11 | 12.56 | .34 | 100.4 | |
| August | 487 | - 1 | 5,087 | + 6 | + 8 | 12.81 | .29 | 100.6 | |
| September Q3 | 489 | + 3 - 1 | 5,090 | + 3 | + 3 + 10 | 13.13 | .25 | 100.8 | |
| October | 485 | - 5 | 5,101 | + 11 | + 7 | 13.37 | .27 | 101.0 | |
| November | 484 | - 1 | 5,112 | + 11 | + 8 | 13.33 | .40 | 100.9 | |
| December Q4 | 485 | + 1 - 5 | 5,116 | + 4 | + 9 + 26 | 13.48 | .26 | 100.9 | |
| 1988 January | 480 | - 4 | 5,133 | + 17 | + 11 | 14.13 | .24 | 101.6 | |
| February | 476 | - 4 | 5,144 | + 11 | + 11 | 13.48 | .27 | 101.0 | |
| March Q1 | 472 | - 4 - 12 | 5,150 | + 6 | + 11 + 34 | 13.47 | .23 | 101.0 | |
| April | 463 | - 10 | 5,151 | + 1 | + 6 | 13.43 | .22 | 100.9 | |
| May | 461 | - 1 | 5,152 | + 1 | + 3 | 13.67 | .23 | 100.9 | |
| June Q2 | 462 | + 1 - 10 | 5,150 | - 2 | 0 0 | 13.44 | .26 | 100.7 | |
| July | 459 | - 3 | 5,153 | + 3 | + 1 | 13.97 | .31 | 101.0 | |
| August | 459 | 0 | 5,155 | + 2 | + 1 | 13.94 | .29 | 101.0 | |
| September Q3 | 460 | + 1 - 2 | 5,150 | - 5 | 0 0 | 13.92 | .24 | 100.9 | |
| October | 456 | - 4 | 5,141 | - 10 | - 4 | 14.51 | .25 | 101.4 | |
| November | 455 | - 1 | 5,144 | + 3 | - 4 | 14.66 | .22 | 101.5 | |
| December Q4 | 456 | + 1 - 4 | 5,152 | + 8 | + 1 + 2 | 14.81 | .22 | 101.5 | |
| 1989 January | 453 | - 3 | 5,162 | + 10 | + 7 | 14.80 | .18 | 101.7 | |
| February | 450 | - 2 | 5,155 | - 7 | + 4 | 14.06 | .27 | 101.1 | |
| March Q1 | 446 | - 4 - 10 | 5,147 | - 8 | - 2 - 5 | 13.80 | .30 | 100.8 | |
| April | 442R | - 4 | 5,130 | - 17R | - 11 | 14.19R | .35R | 101.0 | |
| May | 439 | - 2R | 5,116R | - 14R | - 13R | 13.79R | .38R | 100.8R | |
| June Q2 | 437 | - 2 - 9 | 5,117 | + 1 | - 10 - 30 | 13.63 | .30 | 100.7 | |

* = Average monthly change over last three months

R = Revised to incorporate late data now available

12

PERSONAL AND CONFIDENTIAL UNTIL 11.30 ON 17 AUGUST 1989

VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) decreased by 6,500 in the month to July to 219,900. Over the past three months to July, seasonally adjusted vacancies have decreased on average by 700 per month.

Unadjusted, there was a decrease of 12,339 unfilled vacancies in the month to 228,248.

The inflow of notified vacancies increased on average by 1,900 per month in the three months ending July 1989, the outflow increased by 2,300 per month, and placings increased by 900 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> | | |
| | | <u>Number</u> | <u>Change since previous month</u> | <u>Average change over past 3 months</u> | <u>Number</u> | <u>Unadjusted</u> |
| 1988 | Jul | 249.7 | -5.4 | -2.1 | 258.2 | 32.3 |
| | Aug | 242.8 | -6.9 | -3.9 | 244.0 | 31.6 |
| | Sep | 240.3 | -2.5 | -4.9 | 260.1 | 31.9 |
| | Oct | 251.2 | 10.9 | 0.5 | 271.8 | 30.6 |
| | Nov | 245.2 | -6.0 | 0.8 | 252.3 | 26.5 |
| | Dec | 238.3 | -6.9 | -0.7 | 223.3 | 23.4 |
| 1989 | Jan | 229.2 | -9.1 | -7.3 | 203.3 | 21.9 |
| | Feb | 228.1 | -1.1 | -5.7 | 202.0 | 21.8 |
| | Mar | 222.9 | -5.2 | -5.1 | 204.8 | 23.1 |
| | Apr | 222.1 | -0.8 | -2.4 | 216.8 | 25.1 |
| | May | 218.2 | -3.9 | -3.3 | 225.4 | 27.4 |
| | Jun | 226.4 | 8.2 | 1.2 | 240.6 | 35.2 |
| | Jul | 219.9 | -6.5 | -0.7 | 228.2 | 34.3 |

+ 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 | Jul | 230.3 | -0.1 | 231.8 | 1.5 | 156.4 | -0.6 |
| | Aug | 227.0 | -1.4 | 232.6 | 1.5 | 156.8 | -0.4 |
| | Sep | 227.7 | -1.0 | 229.0 | -0.2 | 155.4 | -0.3 |
| | Oct | 232.8 | 0.8 | 229.3 | 0.9 | 153.4 | -1.0 |
| | Nov | 234.0 | 2.3 | 242.5 | 3.3 | 162.3 | 1.8 |
| | Dec | 230.8 | 1.0 | 233.4 | 1.5 | 157.6 | 0.7 |
| 1989 | Jan | 220.4 | -4.1 | 231.0 | 0.6 | 160.5 | 2.4 |
| | Feb | 234.8 | 0.3 | 239.4 | -1.0 | 167.2 | 1.6 |
| | Mar | 229.3 | -0.5 | 234.8 | 0.5 | 164.0 | 2.1 |
| | Apr | 220.8 | 0.1 | 221.9 | -3.0 | 154.8 | -1.9 |
| | May | 221.4 | -4.5 | 222.5 | -5.6 | 154.5 | -4.2 |
| | Jun | 231.6 | 0.8 | 222.4 | -4.2 | 155.1 | -3.0 |
| | Jul | 226.6 | 1.9 | 228.8 | 2.3 | 157.4 | 0.9 |

TABLE 12: UNFILLED VACANCIES* - REGIONS - 7 July 1989

THOUSAND

| | VACANCIES AT JOBCENTRES | | | VACANCIES AT CAREERS OFFICES |
|--------------------------------------|-------------------------|---------------------|-----------------------------|------------------------------|
| | UNADJUSTED | SEASONALLY ADJUSTED | | UNADJUSTED |
| | TOTAL | Number | Change since previous month | |
| South East (incl. Greater London) | 75.0 (23.5) | 72.6 (24.1) | -1.7 (0.3) | 19.3 (10.3) |
| East Anglia | 8.9 | 8.1 | -0.6 | 1.4 |
| South West | 20.5 | 18.7 | -1.3 | 1.9 |
| West Midlands | 20.1 | 19.6 | -0.9 | 3.4 |
| East Midlands | 13.0 | 12.8 | 0.0 | 2.0 |
| Yorks and Humberside | 13.2 | 13.0 | -0.7 | 1.3 |
| North West | 24.9 | 23.9 | -0.8 | 1.7 |
| North | 11.4 | 11.1 | -0.6 | 0.6 |
| Wales | 15.5 | 14.8 | 0.1 | 0.5 |
| Scotland | 23.1 | 21.7 | -0.2 | 0.9 |
| GREAT BRITAIN | 225.6 | 216.2 | -6.7 | 33.1 |
| Northern Ireland | 2.7 | 3.7 | 0.1 | 1.2 |
| UNITED KINGDOM | 228.2 | 219.9 | -6.5 | 34.3 |

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

AVERAGE EARNINGS

The underlying increase in average weekly earnings in the year to June was about 9 per cent, a fall of 1/4 per cent from the increase in the year to May. The actual increase in the year to June, at 9.3 per cent was above the underlying increase as arrears in 1988 were lower than in May 1989 and some groups of workers have had more than one pay increases in the past 12 months.

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

| | | Seasonally adjusted | | | | |
|-----------|-----------|------------------------|------------------------|--|--|-------|
| | | Index 1985 = 100 | Index 1985 = 100 | Percentage increase over previous 12 months | Underlying % increase over previous 12 months | |
| 1987 | April | 114.0 | 114.2 | 6.3 | 7 3/4 | |
| | May | 115.3 | 115.4 | 8.7 | 7 3/4 | |
| | June | 116.4 | 115.7 | 7.7 | 7 3/4 | |
| | July | 118.2 | 117.0 | 8.0 | 7 3/4 | |
| | August | 117.3 | 117.1 | 7.6 | 7 3/4 | |
| | September | 117.2 | 117.4 | 7.9 | 7 3/4 | |
| | October | 118.4 | 118.8 | 8.1 | 8 | |
| | November | 120.6 | 120.2 | 8.4 | 8 1/4 | |
| | December | 122.4 | 121.0 | 8.8 | 8 1/2 | |
| | 1988 | January | 120.4 | 121.8 | 8.7 | 8 1/2 |
| | | February | 120.3 | 122.0 | 8.2 | 8 1/2 |
| | | March | 124.0 | 124.0 | 9.5 | 8 1/2 |
| April | | 124.3 | 124.4 | 8.9 | 8 1/2 | |
| May | | 124.1 | 124.2 | 7.6 | 8 1/2 | |
| June | | 125.9 | 125.1 | 8.1 | 8 3/4 | |
| July | | 128.3 | 126.9 | 8.5 | 9 | |
| August | | 126.8 | 126.6 | 8.1 | 9 1/4 | |
| September | | 127.3 | 127.6 | 8.7 | 9 1/4 | |
| October | | 128.9 | 129.5 | 9.0 | 9 | |
| November | | 131.2 | 130.7 | 8.7 | 8 3/4 | |
| December | | 135.7 | 134.3 | 11.0 | 8 3/4 | |
| 1989 | January | 131.8 | 133.3 | 9.4 | 9 | |
| | February | 132.0 | 133.8 | 9.7 | 9 1/4 | |
| | March | 134.9 | 134.9 | 8.8 | 9 1/4 | |
| | April | 135.6 | 135.7 | 9.1 | 9 1/4 | |
| | May | 135.9 | 136.1 | 9.6 | 9 1/4 | |
| | Jun* | 137.6 | 136.7 | 9.3 | 9 | |

* Provisional

R Revised

In production industries, the underlying increase in average weekly earnings in the year to June was about 9 per cent, a fall of 1/4 per cent on the the increase in the year to May. Within this sector, in manufacturing industries, the underlying increase in the year to June was about 9 per cent, the same as the increase in the year to May, which has been revised down from 9 1/3 per cent. The actual increases for production industries and manufacturing industries in the year to June were, respectively, 8.8 per cent and 8.5 per cent (8.6 per cent seasonally adjusted).

In service industries, the underlying increase in average weekly earnings in the year to June was about 8 3/4 per cent, the same as the increase in the year to May, which has been revised down from 9 per cent. The actual increase in the year to June was 9.2 per cent.

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 1985= 100 | seas adj | under-lying | Index 1985= 100 | seas adj | under-lying | Index 1985= 100 | seas adj | under-lying |
| 1988 | 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 R | 135.6 | 9.8 | 8 3/4 R |
| | Jun(p) | 136.3 | 8.8 | 9 | 135.7 | 8.6 | 9 | 137.0 | 9.2 | 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, business services and leasing; 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 UPDATED AND REVISED ESTIMATES OF WAGES AND SALARIES PER UNIT OF OUTPUT THAT WILL THEN BE AVAILABLE.

In the three months ending May 1989, wages and salaries per unit of output in manufacturing industries were 3.0 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 14) as there was a rise of about 5 3/4 per cent in productivity over this period (see Table 16).

In the first quarter of 1989 wages and salaries per unit of output in the whole economy were 8.3 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 1/2 per cent in productivity over this period.

TABLE 15: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

| | | Manufacturing | | Whole Economy | |
|-----------------|-----|------------------------|--|------------------------|--|
| | | Index 1985 = 100 | Percentage increase on a year earlier | Index 1985 = 100 | Percentage increase on a year earlier |
| 1986 | Q1 | 104.7 | 8.3 | 104.0 | 6.2 |
| | Q2 | 104.7 | 6.5 | 105.1 | 6.7 |
| | Q3 | 104.8 | 3.7 | 106.0 | 4.7 |
| | Q4 | 103.7 | -0.2 | 106.8 | 4.3 |
| 1987 | Q1 | 105.9 | 1.1 | 107.6 | 3.5 |
| | Q2 | 104.9 | 0.2 | 109.3 | 4.0 |
| | Q3 | 105.9 | 1.0 | 110.6 | 4.3 |
| | Q4 | 107.6 | 3.8 | 113.1 | 5.9 |
| 1988 | Q1 | 108.5 | 2.5 | 114.9 | 6.8 |
| | Q2 | 109.8 | 4.7 | 116.9 | 7.0 |
| | Q3 | 108.3 | 2.3 | 118.3 | 7.0 |
| | Q4 | 110.2 | 2.4 | 121.9 | 7.7 |
| 1989 | Q1 | 112.1 | 3.3 | 124.4 | 8.3 |
| 1988 | Dec | 111.5 | 2.6 | .. | .. |
| 1989 | Jan | 111.9 | 4.0 | .. | .. |
| | Feb | 112.2 | 3.1 | .. | .. |
| | Mar | 112.3 | 2.9 | .. | .. |
| | Apr | 114.6 | 3.3 | .. | .. |
| | May | 112.6 | 2.8 | | |
| 3 months ending | | | | | |
| 1988 | Dec | 110.2 | 2.4 | .. | .. |
| 1989 | Jan | 111.1 | 2.9 | .. | .. |
| | Feb | 111.9 | 3.2 | .. | .. |
| | Mar | 112.1 | 3.3 | .. | .. |
| | Apr | 113.0 | 3.1 | .. | .. |
| | May | 113.2 | 3.0 | | |

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 May was 1.1 per cent higher than in the three months ending February and 5.6 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the first quarter of 1989 was 0.3 per cent lower than in the previous quarter but 0.4 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 16: OUTPUT PER HEAD seasonally adjusted

| | | Manufacturing | | Whole Economy | |
|-----------------|-----|------------------------|--|------------------------|--|
| | | Index 1985 = 100 | Percentage increase on a year earlier | Index 1985 = 100 | Percentage increase on a year earlier |
| 1986 | Q1 | 100.0 | -0.3 | 101.0 | 1.7 |
| | Q2 | 101.9 | 0.9 | 101.9 | 1.4 |
| | Q3 | 103.3 | 3.5 | 102.7 | 2.8 |
| | Q4 | 107.0 | 8.2 | 103.7 | 3.4 |
| 1987 | Q1 | 106.6 | 6.6 | 104.0 | 3.0 |
| | Q2 | 109.6 | 7.6 | 104.6 | 2.6 |
| | Q3 | 110.8 | 7.3 | 105.4 | 2.6 |
| | Q4 | 111.7 | 4.4 | 105.7 | 1.9 |
| 1988 | Q1 | 112.4 | 5.4 | 106.0 | 1.9 |
| | Q2 | 113.8 | 3.8 | 105.8 | 1.1 |
| | Q3 | 117.2 | 5.8 | 106.6 | 1.1 |
| | Q4 | 118.4 | 6.0 | 106.8 | 1.1 |
| 1989 | Q1 | 118.8 | 5.7 | 106.4 | 0.4 |
| 1988 | Dec | 118.7 | 6.4 | .. | .. |
| 1989 | Jan | 119.0 | 5.3 | .. | .. |
| | Feb | 118.7 | 6.6 | .. | .. |
| | Mar | 118.8 | 5.2 | .. | .. |
| | Apr | 119.1 | 5.6 | .. | .. |
| | May | 120.9 | 6.1 | .. | .. |
| 3 months ending | | | | | |
| 1988 | Dec | 118.4 | 6.0 | .. | .. |
| 1989 | Jan | 118.7 | 6.0 | .. | .. |
| | Feb | 118.8 | 6.1 | .. | .. |
| | Mar | 118.8 | 5.7 | .. | .. |
| | Apr | 118.9 | 5.8 | .. | .. |
| | May | 119.6 | 5.6 | .. | .. |

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 Personal and Confidential until 11:30 AM 17.8.89

In June 1989, it is provisionally estimated that 228 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 176 thousand in May 1989, 306 thousand in June 1988 and an average of 574 thousand for June during the ten year period 1979 to 1988.

During the twelve months to June 1989 it is provisionally estimated that a total of 2,844 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 686 stoppages have been provisionally recorded as being in progress, involving a total of 696 thousand workers. The comparable figures for the twelve months to June 1988 were 2,108 thousand lost working days, 883 stoppages in progress and 505 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 | | | |
| Jun | 306 | 89 | 43 |
| Jul | 349 | 71 | 37 |
| Aug | 431 | 62 | 151 |
| Sep | 1,115 | 63 | 163 |
| Oct | 53 | 83 | 33 |
| Nov | 183 | 85 | 152 |
| Dec | 38 | 49 | 18 |
| 1989 | | | |
| Jan(p) | 42 | 58 | 13 |
| Feb(p) | 60 | 84 | 20 |
| Mar(p) | 77 | 71 | 27 |
| Apr(p) | 91 | 69 | 45 |
| May(p) | 176 | 79 | 54 |
| Jun(p) | 228 | 62 | 97 |
| <u>Cumulative totals</u> | | | |
| 12 months to June 1988 | 2,108 | 883 | 505 |
| 12 months to June 1989(p) | 2,844 | 686 | 696 |

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

NOTES TO EDITORS

GENERAL SYMBOLS

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

UNEMPLOYMENT (Tables 1-5)

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

A2. The unemployment figures exclude students who are claiming benefit during a vacation but who intend to return to full-time education when the new term begins. From November 1986 most students have only been eligible for benefits in the summer vacation. On 13 July 1989 students numbered 84773 in the United Kingdom.

A3. The figures exclude temporarily stopped workers, that is, those who had a job on the day of the count but were temporarily suspended from work on that day and were claiming benefits. On 13 July 1989 these numbered 2,547 in Great Britain and 3,600 in the United Kingdom.

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

Until July 1986, all rates were expressed as a percentage of the unemployed plus employees only. These narrower based rates continue to be used for local areas (travel-to-work areas and counties) because estimates for the self-employed needed to calculate the new rates are not made below regional level. The denominators for these narrow-based rates relate to mid-1987, but will be fully updated to mid-1988, and the rates revised, when the results of the 1987 Census of Employment, including revised employment estimates for travel-to-work-areas and counties, become available later this year. The UK narrower rates on 13 July 1989 were 9.1 per cent for males and 4.7 per cent for females, 7.2 per cent in total (unadjusted).

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

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

A6. The unemployment flows in Table 5 relate to people claiming and ceasing to claim benefit. A seasonally adjusted series cannot yet be estimated. The figures are standardised to a four and one third week month to allow for the varying periods between successive monthly count dates, and may therefore appear not to balance with the monthly changes in unemployment levels.

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

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

EMPLOYMENT AND HOURS (Tables 6-9)

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

B2. In Great Britain the surveys cover all large establishments and a proportion of small establishments (but none of the smallest employers). 30,000 establishments are surveyed each quarter month (e.g. in March, June etc.), and of these 12,000 are in manufacturing

industries. 6,000 of the manufacturing establishments are also surveyed in non-quarter months. Estimates for these months are less reliable than those for quarter months, and the first estimates are subject to revision when the following quarter's figures become available (e.g. January and February estimates are revised in the light of figures for March). As the estimates of employees in employment are derived from employers' reports of the numbers of people they employ, individuals holding two jobs with different employers will be counted twice. Participants in government employment and training schemes are included if they have a contract of employment. HM Forces, homeworkers and private domestic servants are excluded.

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

B4. Collection of employees in employment statistics for Northern Ireland are the responsibility of the Northern Ireland Department of Economic Development, they are also based on similar census of employment, but the sample surveys are a little different and the LFS is not used to supplement the data collected from employers.

B5. The self-employed are those who in their main employment work on their own account, whether or not they have any employees. Second occupations classified as self-employed are not included.

B6. Comprehensive estimates of the number of self-employed are taken from the Census of Population, the most recent of which was held in 1981. Estimates for the other years for Great Britain only are made by applying rates of change, derived from the sample Labour Force Survey results, to the census benchmark. In this way self employment is estimated to have increased by 12,800 a quarter between mid-1981 and mid-1983, by 68,800 a quarter between mid-1983 and mid-1984, by 28,800 a quarter between mid-1984 and mid-1985, by 4,100 a quarter between mid-1985 and mid-1986, by 58,500 a quarter between mid-1986 and mid-1987 and by 31,000 a quarter between mid-1987 and mid-1988. Pending the results of the 1989 Labour Force Survey it is assumed that the numbers of self employed are continuing to increase at the rate of 31,000 a quarter observed between 1981, the date of the latest Census of Population which provides a benchmark for the self employment series, and 1988, the date of the latest available Labour Force Survey data. The derivation of recent estimates is described in an article on page 201 of the April edition of the Employment Gazette.

B7. Figures for HM Forces are provided by the Ministry of Defence.

B8. Estimates of numbers on work-related government training programmes consist of those participants in programmes and schemes who in the course of their participation in the programmes receive

training in the context of a workplace but are not employees, self-employed or HM Forces. For the period up to September 1988 in Great Britain only it covers most YTS participants without contracts of employment (the small proportion, about 2 per cent, whose training does not include work experience with an employer are excluded) and the participants on the new JTS. Participants in Employment Training (ET) are included in this series from December 1988. For Northern Ireland those on the following schemes are included: Youth Training Programme (excluding second year trainees in further education colleges); Job Training Programme; Attachment Training Scheme and other management training scheme participants training with an employer. The estimates are not seasonally adjusted.

B9. The workforce in employment which comprises employees in employment, the self-employed, HM Forces and participants on work-related government schemes was introduced in the July 1988 issue of this press notice. See page S6 of the August 1988 edition of Employment Gazette for further details.

B10 The hours of overtime and short-time worked by operatives in manufacturing industries are collected by the surveys of individual establishments which are used to collect numbers of employees in manufacturing industries in Great Britain. Figures are collected monthly; those for non-quarter months are based on a smaller sample, and are therefore subject to retrospective revisions in the same way as the employee estimates.

B11. The index of average weekly hours relates to average weekly hours worked by operatives in manufacturing industries. It is based on the normal weekly hours of full time operatives as in national agreements plus average net overtime. The calculation of this index is described on page 240 of Employment Gazette, June 1983.

VACANCIES (Tables 10-12)

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

C2. Vacancies at Jobcentres are mainly for adults aged 18 or over, but include some vacancies for persons under 18. Vacancies at Careers offices are mainly for young persons under 18 years of age, but include some vacancies suitable for adults. Where the

vacancy is notified to both services by an employer, it will be included in both counts; for this reason, the two counts should not be added together to give a figure for total vacancies.

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

EARNINGS (Tables 13 and 14)

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

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

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

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

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

UNIT WAGE AND SALARY COSTS (Table 15)

E1. 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.

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PERSONAL AND CONFIDENTIAL UNTIL 11.30AM ON 17 AUGUST THEREAFTER

CONFIDENTIAL

LABOUR MARKET STATISTICS

Summary

There are now definite signs of reduced activity in the labour market. The downward trend in unemployment seems to be moderating and employment in manufacturing industry in GB is now on a downward trend. The stock of vacancies at Jobcentres fell in July, following the rise in June which was largely due to seasonal work. The underlying rate of growth of earnings has drifted down slightly, but is likely to be temporary as recently agreed higher settlements will feed through to earnings in the coming months.

The number of working days lost from industrial stoppages in June rose for the sixth consecutive month - though still historically low. The figure for July is expected to be the highest since November 1984 (during the miners' strike) due mainly to the NALGO dispute, but with its recent resolution the August figure is likely to fall back again.

Unemployment

UK unemployment (seasonally adjusted) fell by 21,300 between June and July to 1.789 million or 6.3 per cent of the workforce and the number of people out of work is at its lowest level since November 1980 on the consistent basis. The series has now fallen continuously, every month, for the past 3 years bringing the total fall since July 1986 to 1.344 million. Other key figures are attached.

The downward trend in unemployment seems now to have moderated to around 30,000 a month. The average monthly fall over the past six months has been 33,000, while over the past three months the average monthly fall has been only 23,000.

This slowing of the downward trend appears to be the result of claimants not leaving the count as quickly as they were a few months ago. This is particularly marked for men.

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Thereafter confidential.

Thereafter confidential.

Regional comparisons

Unemployment fell in all regions; but in East Anglia male unemployment rose slightly for the second month running. The unemployment rate has fallen in all regions over the past year, with the largest falls in Wales followed by West Midlands, the North and Yorkshire and Humberside.

'Headline' total

The UK unadjusted total rose between June and July by 28,200 to 1.771 million, with most of the rise occurring in female unemployment reflecting the normal seasonal pattern.

Long-term unemployment

The full quarterly analysis of the July figures by duration is not yet available, but partial data suggest that there has been a further large fall in the number of claimants unemployed for more than one year, probably of the order of 65,000 since April. The total, therefore, is likely to be below 700,000.

August 'headline' total

Seasonal influences tend to increase the unadjusted total between July and August but with a continuing downward trend a small fall in the headline total in August is likely.

Employment

New figures are available this month for employees in manufacturing and production industries in June 1989 in Great Britain. There are also a few small revisions to the UK workforce in employment data published last month.

In the second quarter of 1989 the estimated number of employees in manufacturing industry in G.B. fell by 30,000 confirming that employment in this sector is now on a downward trend following the fairly level picture seen in the previous year. Month to month changes can be erratic; and the change in the month to June is actually a very small rise of 1,000 but this has been more than offset by the falls of 17,000 and 14,000 during April and May respectively. The changes in the trend in manufacturing employment

Thereafter confidential.

can be observed by a comparison over a longer time period. Over the year to June 1989 employment in manufacturing industries fell by 33,000 compared with a rise of 71,000 in the previous 12 months, and a fall of 67,000 in the 12 months to June 1987.

Figures for employees in the rest of the economy and the workforce in employment (employees in employment, the self employed, HM Forces and participants in work related government training programmes) in the United Kingdom remain essentially as reported in July except for very small revisions reflecting late data now to hand. The estimated growth in the workforce in employment was 181,000 in the first quarter of 1989 and 598,000 in the year to March 1989, continuing the rising trend seen for six years.

The employment estimates will be revised when the 1987 Census of Employment results are published.

Overtime working by operatives in manufacturing industry fell a little further to 13.6 million hours in June which is very little different from the level seen twelve months ago, before the exceptionally high levels seen during the winter months.

Hours lost through short-time working in manufacturing industries remain very low; 0.30 million hours per week were lost in June.

Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) fell by 6,500 between June and July to 220,000. Some of this fall may be a bounce back from last month's rise which was attributed to increased seasonal jobs resulting from the good weather. There has been an associated increase in the number of placings between June and July suggesting that many of these seasonal jobs have now been filled.

Average Earnings (G.B. only)

The estimate of the underlying increase in earnings for the whole economy for June 1989 is 9 per cent, a reduction of $\frac{1}{4}$ per cent from the rate of increase for the year to May. The component rate for production has also decreased by $\frac{1}{4}$ per cent, and the rate for services is the same as the

Thereafter confidential.

revised figure for May and $\frac{1}{4}$ per cent below the rate for April. Manufacturing remains unchanged at 9 per cent, the same rate as in each of the previous 6 months.

The underlying rate of growth of earnings has drifted down slightly. There is little sign of upward pressure from bonus payments or overtime working, but recently agreed higher settlements will feed through to earnings in the coming months. The reduction in the underlying rate is therefore likely to be reversed in the next few months.

Industrial Stoppages

For June, working days lost from industrial stoppages are provisionally estimated at 228,000, and have now risen for six successive months. However, the June 1989 figure is lower than the June figures for the last two years (345,000 in 1987 and 306,000 in 1988) and only three June figures have been lower in the past twenty years.

The two largest stoppages in June 1989 were on the railways (97,000 working days lost) and in broadcasting (31,000 working days lost). Also included in the June figure is the dock workers action (26,000 working days lost) and stoppages on the London buses (16,000 working days lost) and the underground (13,000 working days lost). It should be noted that none of these figures include the secondary effects of strike action eg days lost by non-transport employees during transport strikes.

The number of stoppages provisionally recorded as in progress in the twelve months to June is 686. Subsequent revisions will raise this total. The highly provisional figure for the number of stoppages in June, at 62, is the lowest for any June since 1940.

Working days lost in July are expected to be in the region of $2\frac{3}{4}$ million days, which would be the highest monthly figure since November 1984, when the miners strike was taking place. About $2\frac{1}{2}$ million days will have been lost because of NALGO action affecting local authority non-manual employees (Admin., Professional, Technical and Clerical; APT and C) who were on strike for 6 days within a three week period. Although the strike response was not complete, the large number of workers involved (500,000 covered by NALGO) generates a large figure for working days lost.

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Thereafter confidential.

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With the resolution of the NALGO dispute the August figure for working days lost is likely to fall back to broadly the levels recorded previously.

Next Labour Market figures

The next labour market briefing will be issued on Monday 11 September in advance of the press release on 14 September.

Statistics Division
Department of Employment
August 1989

Personal and Confidential until 11:30 Am 17.8.89
Thereafter confidential.



Secretary of State
for Employment

| | |
|-------------|---|
| H/EXCHEQUER | |
| REC. | 1 SEP 1989 |
| AUTHOR | MR HIBBERT |
| DATE | CST FST |
| TO | SER P MADDLEBY SER T BURNETT |
| | MR MACK, MR I WILKINSON MR DUNN, MR SEDGWICK |
| | MR O'DONNELL MR HIBBERT - CJC |

PRIME MINISTER

NEW ESTIMATES OF EMPLOYMENT

This is to give you advance warning of revisions to estimates of employment, since 1984, that will be announced with the Labour Market Statistics on 14 September. Crucial to these estimates is the benchmark provided by the Censuses of Employment that are undertaken from time to time. These enable revisions to be made to the less robust monthly and quarterly estimates made in between Censuses. The 1987 Census of Employment results are now available. The key changes in our estimates are as follows:

THE CHANGES

The only changes are in employment growth, not in unemployment. The growth in the number of employees between September 1984 and September 1987 is revised downwards from 773,000 to 458,000 (seasonally adjusted).

This is an appreciable change but the incorporation of these revisions does not greatly change the buoyant growth for periods since 1987. For example, in the year to March 1989, the growth in the workforce in employment in the UK is now estimated at 522,000 compared with the 598,000 which we are currently publishing for that period.

Contrary to the situation in the UK as a whole, the new figures for Wales, Northern Ireland (and the North West) show higher increases in employment since 1984. My officials are, of course, already in touch with the territorial Departments.



Secretary of State
for Employment

The employment revisions have a slightly beneficial knock-on effect for estimates of whole-economy productivity and unit wage costs figures over the period from 1984 to 1987 (although the figures for manufacturing alone are scarcely affected). These revised figures are scheduled to be issued on 20 September.

REVISED ARRANGEMENTS

The fact is that infrequent Censuses run this risk of substantial revisions having to be made to our estimates well in arrears. Censuses of Employment were held annually for most of the 1970s but the 1981 'Rayner' Scrutiny of Statistical Services in this Department recommended a three yearly cycle. Consequently, there were Censuses in 1981, 1984 and 1987. For some time now I have been concerned about the reliability of these figures and we are now moving to a two yearly cycle, with the 1989 Census about to take place. We are also taking steps to make the results of Censuses available earlier, and to improve the reliability and coverage of the sources used in between Censuses to project monthly and quarterly figures. For the longer term, I intend to look at the possibility of re-introducing large scale annual employment surveys in some form or other.

PRESENTATION

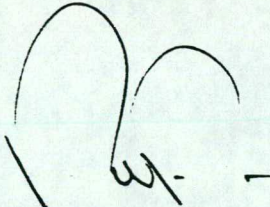
Although the main impact of these revisions applies to a period that is now some time in the past, there is still likely to be some criticism of them. To counter any criticism, we will point to the limited nature of the revisions and to the improved arrangements we are now putting in place.



Secretary of State
for Employment

After these revisions, the claims we have made in the past will have to be slightly modified, but the employment story is still good. I attach a list of key points we can still use. As shown, we will have to slightly modify the statement we have been using on international comparisons.

I am copying this to the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland and Sir Robin Butler.



N F

8 September 1989

REVISED EMPLOYMENT ESTIMATES:KEY POINTS

CAN STILL SAY

- . the workforce in employment in the UK is at an all time high (at over 26 1/4 million in March 1989)
- . the increase in the workforce in employment since March 1983 (when substantial employment growth began) has been nearly 2 3/4 million. Growth on this scale is unprecedented in the post-war period.
- . there are nearly 1 million more people in the workforce in employment in March 1989 than in March 1979.
- . all regions have shared in the growth between March 1983 and March 1989.
- . there has been substantial growth in the number of full time jobs; nearly 50% of the growth since March 1983 and just over 60% of the growth in the most recent year to (March 1989).
- . also , there has been substantial growth in the employment of women and in part-time jobs - essential if we are to counteract the demographic downturn in the number of young people.
- . self-employment in the UK is currently estimated (March 1989) at over 3 million, the highest ever and more than 1 million more than in 1979.
- . employment growth since March 1983 has been much greater than the fall in unemployment (thus disproving claims that falls in unemployment are not "real").
- . employment growth in the year to March 1989 was over 1/2 million.

CAN'T SAY

- . growth in employment between 1983 and 1987 was higher in the UK than in the rest of the EC Countries combined.

ALTERNATIVE 1: growth in employment in the UK between 1983 and 1987 was more than 3 times the average in the rest of the Community.

ALTERNATIVE 2: between 1983 and 1989, the percentage growth in employment in the UK was higher than in Japan and West Germany and was behind only the USA and Canada among the most advanced economies.

*Pr Mike
Gave GB
Law this*



Secretary of State
for Employment

| | |
|----------------------|----------------------|
| CH/EXCHEQUER | |
| REC. | 11/1 1 SEP 1989 |
| ACTION | MR HIBBERT |
| COPIES TO | CST |
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| | SIR P MIDDLETON |
| | SIR T BURN |
| | MR MACK, MR I WILSON |
| MR DARR, MR SEDGWICK | |
| MR O'DONNELL | |
| MR HIBBERT - CSO | |

PRIME MINISTER

NEW ESTIMATES OF EMPLOYMENT

This is to give you advance warning of revisions to estimates of employment, since 1984, that will be announced with the Labour Market Statistics on 14 September. Crucial to these estimates is the benchmark provided by the Censuses of Employment that are undertaken from time to time. These enable revisions to be made to the less robust monthly and quarterly estimates made in between Censuses. The 1987 Census of Employment results are now available. The key changes in our estimates are as follows:

THE CHANGES

The only changes are in employment growth, not in unemployment. The growth in the number of employees between September 1984 and September 1987 is revised downwards from 773,000 to 458,000 (seasonally adjusted).

This is an appreciable change but the incorporation of these revisions does not greatly change the buoyant growth for periods since 1987. For example, in the year to March 1989, the growth in the workforce in employment in the UK is now estimated at 522,000 compared with the 598,000 which we are currently publishing for that period.

Contrary to the situation in the UK as a whole, the new figures for Wales, Northern Ireland (and the North West) show higher increases in employment since 1984. My officials are, of course, already in touch with the territorial Departments.



Secretary of State
for Employment

The employment revisions have a slightly beneficial knock-on effect for estimates of whole-economy productivity and unit wage costs figures over the period from 1984 to 1987 (although the figures for manufacturing alone are scarcely affected). These revised figures are scheduled to be issued on 20 September.

REVISED ARRANGEMENTS

The fact is that infrequent Censuses run this risk of substantial revisions having to be made to our estimates well in arrears. Censuses of Employment were held annually for most of the 1970s but the 1981 'Rayner' Scrutiny of Statistical Services in this Department recommended a three yearly cycle. Consequently, there were Censuses in 1981, 1984 and 1987. For some time now I have been concerned about the reliability of these figures and we are now moving to a two yearly cycle, with the 1989 Census about to take place. We are also taking steps to make the results of Censuses available earlier, and to improve the reliability and coverage of the sources used in between Censuses to project monthly and quarterly figures. For the longer term, I intend to look at the possibility of re-introducing large scale annual employment surveys in some form or other.

PRESENTATION

Although the main impact of these revisions applies to a period that is now some time in the past, there is still likely to be some criticism of them. To counter any criticism, we will point to the limited nature of the revisions and to the improved arrangements we are now putting in place.



Secretary of State
for Employment

After these revisions, the claims we have made in the past will have to be slightly modified, but the employment story is still good. I attach a list of key points we can still use. As shown, we will have to slightly modify the statement we have been using on international comparisons.

I am copying this to the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland and Sir Robin Butler.

A handwritten signature in black ink, appearing to be 'N F'.

N F

8 September 1989

REVISED EMPLOYMENT ESTIMATES:KEY POINTS

CAN STILL SAY

- . the workforce in employment in the UK is at an all time high (at over 26 1/4 million in March 1989)
- . the increase in the workforce in employment since March 1983 (when substantial employment growth began) has been nearly 2 3/4 million. Growth on this scale is unprecedented in the post-war period.
- . there are nearly 1 million more people in the workforce in employment in March 1989 than in March 1979.
- . all regions have shared in the growth between March 1983 and March 1989.
- . there has been substantial growth in the number of full time jobs; nearly 50% of the growth since March 1983 and just over 60% of the growth in the most recent year to (March 1989).
- . also , there has been substantial growth in the employment of women and in part-time jobs - essential if we are to counteract the demographic downturn in the number of young people.
- . self-employment in the UK is currently estimated (March 1989) at over 3 million, the highest ever and more than 1 million more than in 1979.
- . employment growth since March 1983 has been much greater than the fall in unemployment (thus disproving claims that falls in unemployment are not "real").
- . employment growth in the year to March 1989 was over 1/2 million.

CAN'T SAY

- . growth in employment between 1983 and 1987 was higher in the UK than in the rest of the EC Countries combined.

ALTERNATIVE 1: growth in employment in the UK between 1983 and 1987 was more than 3 times the average in the rest of the Community.

ALTERNATIVE 2: between 1983 and 1989, the percentage growth in employment in the UK was higher than in Japan and West Germany and was behind only the USA and Canada among the most advanced economies.

CONFIDENTIAL



10 DOWNING STREET
LONDON SW1A 2AA

11 September, 1989.

| | |
|----------------------|----------------|
| CH/EXCHEQUER | |
| REC. | 12 SEP 1989 |
| ACTION | MR HIBBERT |
| COPIES TO | CST |
| | FST |
| | SIR P MADDISON |
| | SIR T BURNS |
| MR MACK, MR I WILSON | |
| MR BARR, MR SEDGWICK | |
| MR O'DONNELL | |
| MR HIBBERT - CSO | |

✓ 13/9

From the Private Secretary

Dear Clive,

The Prime Minister was grateful for your Secretary of State's minute of 8 September which she has noted without comment.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland, and Sir Robin Butler.

Yours,
Pd

Paul Gray

Clive Norris, Esq.,
Department of Employment.

CONFIDENTIAL



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

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

Secretary of State

Paul Gray Esq
10 Downing Street
LONDON
SW1A 2AA

mp

((September 1989

Dear Paul,

LABOUR MARKET STATISTICS

... In Anne-Marie Lawlor's absence, I am enclosing our standard brief on the labour market statistics which are to be issued on Thursday. The brief is of course personal and confidential until 11.30 on 14 September and confidential thereafter.

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

Yours sincerely,

Clive Norris

CLIVE NORRIS
Principal Private Secretary



Employment Department · Training Agency
Health and Safety Executive · ACAS



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

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

Secretary of State

Paul Gray Esq
10 Downing Street
LONDON
SW1A 2AA

12 September 1989

Dear Paul,

LABOUR MARKET STATISTICS

... Further to my letter of 11 September, I now enclose a revised page on the workforce in employment. This now - unlike that circulated yesterday - reflects the revision to the employment estimates of which you are already aware. The page circulated yesterday can be destroyed. My apologies for the inconvenience.

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

Yours sincerely,

Clive Norris

CLIVE NORRIS
Principal Private Secretary



Employment Department · Training Agency
Health and Safety Executive · ACAS

TO ALL RECIPIENTS OF PRIME MINISTER'S BRIEF

LABOUR MARKET STATISTICS:PRESS NOTICE SUMMARY PAGE

The Prime Minister's Brief on Labour Market Statistics was circulated yesterday.

The Workforce in employment figures for March (Quarter one) 1989 should have been given as follows:

| | Thousands | |
|--------|---------------------------|-------------------------|
| Level | Change on previous period | Change on previous year |
| 26,261 | +161 | +522 |

I enclose a revised page showing the correct figures and they have been highlighted.

STATS B
12 SEPTEMBER 1989

LABOUR MARKET STATISTICS
SUMMARY STATISTICS

14 September 1989

| | | Level | Change on previous period | <u>Thousands</u> Change on previous year |
|--|-----------|---------------|---|---|
| <u>Unemployment (UK)</u> | | | | |
| Total unadjusted | August 10 | 1,741 | - 30 | (-550)(a) |
| Seasonally adjusted (b) | August 10 | 1,751 | - 36 | -475 |
| <u>Workforce in (UK) (c),(d) (e) Mar Q1 1989</u> | | <u>26,261</u> | <u>+ 161</u> | <u>+522</u> |
| <u>employment</u> | | | | |
| <u>Employees in employment (UK) (c)(e)</u> | | | | |
| All industries and Services (UK) Mar Q1 1989 | | 22,425 | + 93 | +300 |
| Services (UK) Mar Q1 1989 | | 15,346 | + 99 | +308 |
| Manufacturing (UK) Mar Q1 1989 | | 5,239 | - 5 | - 12 |
| Manufacturing (GB) July 1989 | | 5,095 | - 6 | - 39 |
| <u>Vacancies (UK)(jobcentres) (c) August 4</u> | | 217 | - 3 | - 26 |
| <u>Index of Average Earnings (GB) (c)</u> | | | | |
| | | | Percentage change on previous year (underlying increase) | |
| Whole Economy | July | | 9¼% | |
| Services | July | | 8¼% | |
| Manufacturing | July | | 9% | |

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) Estimates of employees in employment and therefore the workforce in employment have been revised this month to include the results of the 1987 census of employment (see notes to editors B2).

HM Treasury



Parliament Street
London SW1P 3AG
Telephone 01 270

Sir Terence Burns
Second Permanent Secretary
Chief Economic Adviser

CONFIDENTIAL

P J Stibbard Esq
Department of Employment
Caxton House
Tothill Street
LONDON SW1H 9NF

12 September 1989

Dear Peter,

Thank you for your letter of 14 August (which arrived while I was on leave) reporting results of the 1987 Census of Employment.

I must say I was dismayed by the revisions mainly because they largely reverse the revisions published by Department of Employment in March based on the 1988 LFS. The March revisions revised employment up quite substantially, and productivity down - the latter to adverse publicity. But there were already "flash" estimates of this Census in February which indicated that the LFS employment results were suspect and would have to be revised down subsequently. Indeed in a letter to Paul Dworkin of 28 February (copy attached) I suggested that we publish Department of Employment's preliminary assessment of the Census in the March LFS press notice precisely because it would minimise the adverse publicity of downward revisions to productivity growth. The case for doing so seemed particularly strong because the Department of Employment themselves strongly suspected that the figures would have to be revised more favourably to productivity growth later in the year.

The Department of Employment's arguments against such an approach were largely based on the fact that we could not publish disaggregated employment levels, derived from the LFS, consistent with the aggregate "flash" Census estimates we had at the time. I thought then, and I still believe, that this is a case of the best being the enemy of the good. Department of Employment also argued that the "flash" Census estimates were highly preliminary, though in the event the numbers to be published turned out to be broadly in line with early estimates.

There is, of course, nothing to be done now. And you acknowledge your own concern, which I entirely share, about the scale of recent revisions. I am pleased to note that the recommendations

of the Pickford Report are being reviewed and would be grateful to be kept in touch with progress on this. I also understand that your Secretary of State is approving further measures to improve the quality and reliability of employment estimates based on your own internal review of statistics, including a move to a two-yearly cycle for Censuses.

Hopefully these will go some considerable way to improve the situation. But I fell bound to repeat my previous argument that, if a similar situation arises with the 1989 Census to be published in 1991, ie that the "flash" Census results appear to contradict the LFS results, we should review very seriously whether to inform the LFS results by these preliminary Census results. And we should do all we can to process the Census data quickly so that our "flash" estimates are even better based.

Yours ever,

Terry

T BURNS

FROM: J S HIBBERD (EAI)
DATE: 12 SEPTEMBER 1989
EXTN 4590

Thanks. JSH letter & NF OK as per above. 2. The slowdown in productivity growth below 1987

What does Sir JB believe for this? 1984 better than previous? Share documents, esp Sir New

CHANCELLOR OF THE EXCHEQUER

cc : Chief Secretary
Financial Secretary
Sir Peter Middleton
Sir Terence Burns
Mr Monck
Mr Wilson (IAE)
Mr Burr (IAE)
Mr Melliss (IF)
Mr O'Donnell (IDT)
Mr Cornelius (EAI)
Ms Cutler (EAI)

cu/A salutary tale (for GSC).

Do you wish to write to Mr Fowler or possibly raise tomorrow in margins of Cabinet [you already have to chase up Peter Brooke re

NEW ESTIMATES OF EMPLOYMENT

Xmas cards & then rush back to No 11 to see Mr Wakeham, so maybe not a good idea]

You have seen a copy of Norman Fowler's letter of 8 September to the Prime Minister reporting revisions to employment estimates covering 1984-87 as a result of the 1987 Census of Employment. They are to be published on Thursday 14 September at 11.30 am. The Census provides a three-yearly benchmark for employment statistics. The last was in 1984.

The revisions

2. The recent history of employment revisions is summarised in Table 1 and Chart 1; and the implications for productivity growth are illustrated in Chart 2. The latest revisions reduce estimates of the rise in employees-in-employment between September 1984 and September 1987 from a previous estimate of 773,000 to 458,000 on a seasonally adjusted basis. The revisions are almost entirely to estimates of non-manufacturing employees-in-employment. Estimates of self-employment and unemployment are unaffected.

3. The attachment to Norman Fowler's letter notes that we can no longer claim as a bull point that the absolute increase in total employment between 1983 and 1987 was higher in the UK than in the rest of the EC countries combined. But the proportionate growth in employment was more than three times the average in the rest of the community; was faster than in Japan and West Germany; and was only lower than USA and Canada among developed economies. These are still significant claims. Moreover, the revisions imply a better productivity performance over 1984-87 than previous estimates suggest (see Chart 2).

Background

4. The revisions for 1987 and 1988 are embarrassing and galling. On 12 March Department of Employment published upward revisions to employment growth in 1987 and 1988. These were based on the annual Labour Force Survey (LFS) for 1988. The converse of these revisions was downward revisions to productivity growth over the same period, which attracted adverse comment from the Opposition and press and City commentators. The Department of Employment suspected at the time that these LFS revisions were likely to be largely reversed later in the year when the results of the 1987 Census were published. They had already done some preliminary analysis of the 1987 Census which pointed that way.

5. We tried to persuade Department of Employment officials to give some weight to the implications of the early analysis of the Census in the March LFS press notice (see attached letter from Sir Terence Burns to Paul Dworkin of 28 February). Department of Employment resisted mainly because the results were preliminary though, in the event, fairly accurate. The preliminary Census results were also only available at the aggregate level (manufacturing and non-manufacturing). The LFS results, on the other hand, were highly disaggregated and it would have been impossible to square the aggregate Census figures with the totals implied by the disaggregated LFS.

6. The upshot is, therefore, that Department of Employment will, within six months, have published two very significant revisions to employment data for 1987 and 1988, the second of which largely reversed the first. And there were good grounds for thinking it would happen that way. The revisions are another embarrassment for the Government Statistical Service and the state of economic statistics. That itself may attract some press comment.

Measures to improve the data

7. Mr Fowler is clearly concerned by the recent history of large revisions and has initiated some improvements in the light of an internal Department of Employment review of employment statistics. These include more frequent Censuses of Employment - every two years rather than every three years - and an improved sample of employment.

8. The next Census is now scheduled for 1989 and will be published in September 1991. If the same contradiction between the two estimates (LFS and Census) is apparent in early 1991 we must try to ensure that Department of Employment give weight to the Census results in the LFS press notice due in March 1991. We have written to Department of Employment officials along those lines (Sir Terence Burns' letter to Peter Stibbard, 12 September, attached). If Mr Fowler's initiatives result in improved estimates of employment, of course, the risk of a similar contradiction in future may be significantly reduced.

9. You may wish to write to Norman Fowler along the lines of the attached draft. Alternatively you may wish to speak privately to him using this minute and attached material as background. We will prepare separate briefing with lines to take on the Census revisions for inclusion in the usual monthly labour market indicators' note by EB division.

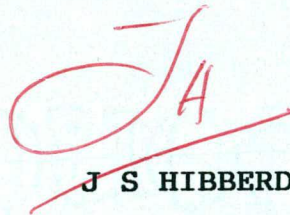

J S HIBBERD

TABLE 1

ESTIMATES OF EMPLOYEES IN EMPLOYMENT - RECENT REVISIONS

(UK seasonally adjusted, thousands)

| | Published prior to 1988 LFS (Feb 89) | Current published series incorporating 1988 LFS (Mar-July 89) | New series incorporating 1987 Census of employment (Sept 89) | Change to current series |
|------------------------|---|---|--|--------------------------------|
| <u>Level</u> | | | | |
| 1985 September | 21528 | 21533 | 21427 | - 106 |
| 1986 September | 21590 | 21598 | 21380 | - 218 |
| 1987 September | 21862 | 22057 | 21740 | - 317 |
| 1988 September | 22141 | 22671 | 22322 | - 349 |
| <u>Changes year to</u> | | | | |
| 1986 September | 62 | 65 | - 47 | - 112 |
| 1987 September | 272 | 459 | 360 | - 86 |
| 1988 September | 279 | 614 | 582 | - 33 |

CHART 1

**Whole Economy: Employees In Employment
UK (Thousands) Seasonally Adjusted**

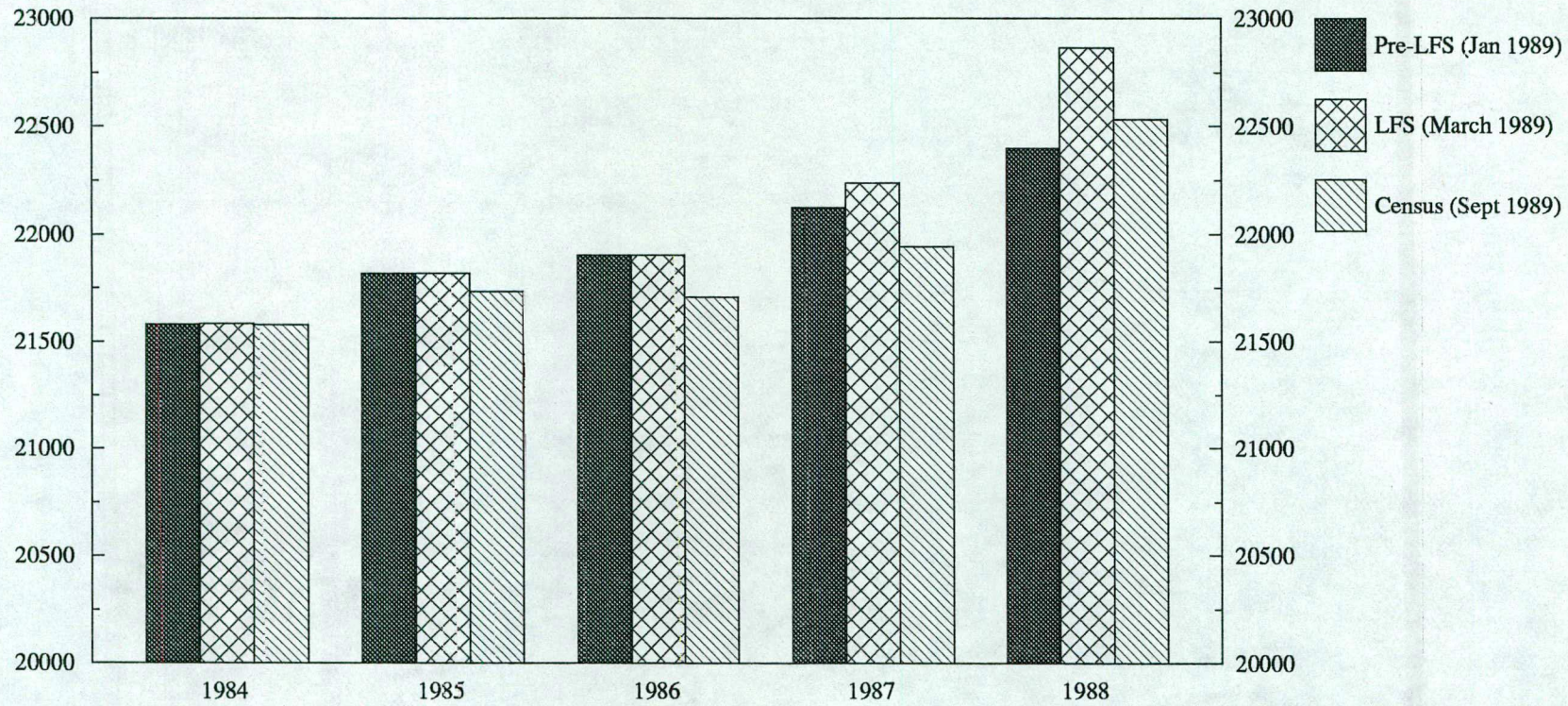
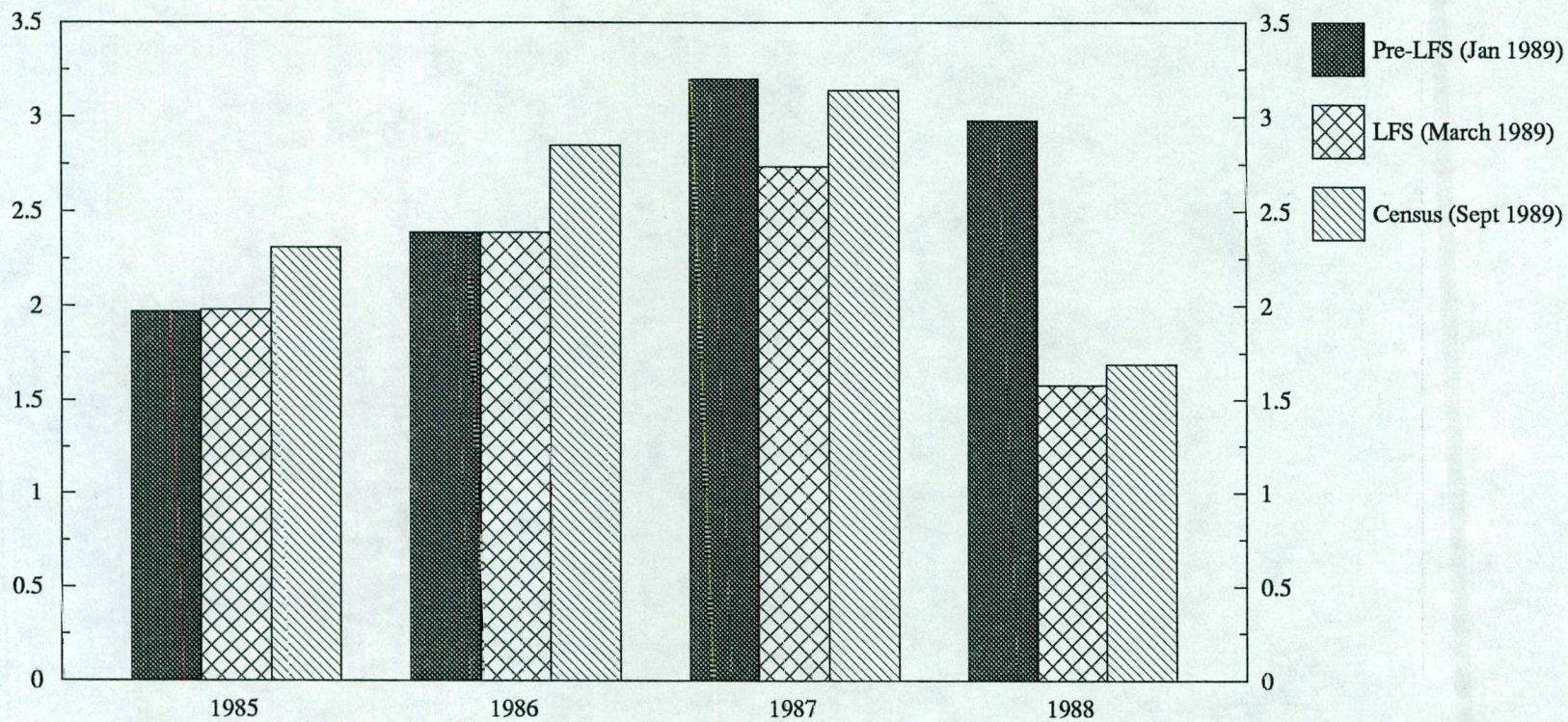


CHART 2

**Whole Economy Productivity Growth:1985-88
Percentage Change On A Year Earlier**



DRAFT REPLY

FROM: CHANCELLOR
TO : NORMAN FOWLER

pls type
as final

NEW ESTIMATES OF EMPLOYMENT

I have seen your letter to the Prime Minister of 8 September regarding revisions to estimates of employees-in-employment resulting from the 1987 Census.

2. These latest revisions, ~~are unfortunate especially for 1987 and 1988.~~ They largely reverse the substantial revisions to the level of employment in 1987 and 1988 which your Department published as recently as March as a result of the 1988 Labour Force Survey. I am sure you appreciate that it does not help the credibility of Government statistics to have two such significant and, in the event, largely offsetting revisions in such a short space of time. And it is doubly ^{regrettable} ~~unfortunate~~ since I understand there was already a suspicion in February, from preliminary analysis of the 1987 Census, that the Census would largely reverse the LFS results for 1987 and 1988.

3. I can understand that your officials were reluctant to give these preliminary Census results much weight at the time of the LFS press notice; much more analysis of the Census was necessary. Even so, those preliminary results have been broadly confirmed after a complete analysis. At

CONFIDENTIAL

the very least it suggests that in years when we publish both LFS and Census results (and the next such year is 1991 when you are due to publish the 1989 Census results) we must review the arrangements for publication and analysis of both data sources to try to avoid the sort of embarrassment we will suffer this year. Among other things we should perhaps try to process the Census a bit faster to put the preliminary results on a firmer footing.

4. I know you are concerned yourself about the reliability of employment estimates and I welcome your initiatives to improve these estimates. ~~I hope, as I know you do, that they will significantly reduce future risks of a recent unhappy experience.~~

5. I am copying this to recipients of your letter.

[N L]

envelopes
pls -
(Mr Baker
Prime Minister
Ripkin
Walker
Brooke
R Butler

copy list
as above
minute

CONFIDENTIAL

PERSONAL AND CONFIDENTIAL
until 11.30am on Thursday 14 September
thereafter CONFIDENTIAL

File:HB/001

FROM: R DEANE (EB)
 DATE: 13 September 1989
 x 5207

The fall in unemployment is rather higher than City expectations. Average earnings growth is back to 9 1/4%, as widely anticipated.

1. MR RITCHIE cc Chief Secretary Mr O'Donnell
 Financial Secretary Mr Hibberd
 2. CHANCELLOR Paymaster General Mr Meyrick
 Economic Secretary Mr Dyer
 Sir P Middleton Miss Simpson
 Sir T Burns Mr Cornelius
 Mr Monck Mr O'Brien
 Mr Odling-Smee Miss Wallace
 Mr Scholar Ms Wallace
 Mr Peretz Ms Cutler
 Mr Riley Mr Roaf
 Mr Sedgwick Mrs Chaplin
 Mr I Wilson Mr Tyrrie
 Mr Burr

City
Comments on line-to-take?
OK. DIS

Mr Gray - no 10

COMBINED RELEASE OF LABOUR MARKET STATISTICS ON 14 SEPTEMBER

Summary statistics (seasonally adjusted UK unless otherwise stated)

| | Thousands | Level | Change on previous period | Change on previous year |
|---|-----------|------------------|------------------------------------|-------------------------|
| <u>Unemployment August</u> | | | | |
| Total (aged 18 and over) | | 1,751 (6.1%)† | -36 | -475 |
| Total (not seasonally adjusted: 'Headline Total') | | 1,741 (6.1%)† | -30 | -550* |
| <u>Vacancies August</u> | | 217 | -3 | -26 |
| <u>Workforce in employment 1989Q1</u> | | 26,261 | +161 | +522 |
| <u>Manufacturing employees (GB) July</u> | | 5,095 | -6 | -39 |
| | | | Percentage change on previous year | |
| <u>Index of average earnings (GB) July</u> | | | | |
| Whole economy, underlying (actual) | | | 9 1/4 | (8.7) |
| Manufacturing, underlying (actual) | | | 9 | (9.2) |
| Service industries, underlying (actual) | | | 8 3/4 | (8.0) |
| <u>Wage and salary costs per unit of output</u> | | | | |
| Whole economy, 1989Q1 | | | 8.3 | |
| Manufacturing, 1989Q2 | | | 3.2 | |
| <u>Output per head</u> | | | | |
| Whole economy, 1989Q1 | | | 0.4 | |
| Manufacturing, 1989Q2 | | | 5.5 | |

† per cent of workforce

* figures distorted by change in regulations for claimants under 18.

ASSESSMENT AND COMMENT

2. The seasonally adjusted unemployment series fell by 36,200 in August to its lowest level for over 8½ years (since November 1980). This is a larger fall than the market expectation of around 20,000. DE put the size of this month's fall down to erratic influences. Most of the fall was concentrated in Greater London, the West Midlands, and the North West. Unemployment also fell in all other regions but at the slower rate of recent months. DE's estimate of the trend monthly fall remains unchanged at 30,000. The average fall over the last six months is 33,000; over the last three months the average fall has been 28,300.

3. Vacancies fell by 3,200 between July and August to 216,700. The majority of the fall was concentrated in the South East. Placings by job centres remain fairly high. Over the last year the number of vacancies has fallen by 26,000.

4. The workforce in employment figures (employees in employment, the self-employed, HM Forces and participants in government training programmes) have been substantially revised this month to take on board the results of the 1987 Census of Employment. The revisions affect the employees in employment figures all the way back to the beginning of 1983. The other components of the workforce are unaffected. The size of the workforce in employment has been revised down to 26,261,000 in 1989Q1 from the previously published estimate of 26,687,000. Growth over the year to 1989Q1 has also been revised down by 76,000 to 522,000. Employment is now estimated to have increased by 2,697,000 since March 1983 when the upward trend began. Employment is still at its highest ever level. The detailed results of the Census of Employment, together with the implications for the productivity and unit wage costs figures, are discussed in the attached note by Ms Cutler.

5. The number of employees in manufacturing (GB) fell by 6,000 in July. Employment in manufacturing is now clearly back on a downward trend following the increases in 1987 and 1988. The level of overtime fell slightly in July and is now back to the levels of early last year, and significantly below the levels of the winter months. Short-time working remains low.

6. The increase in underlying whole economy earnings rose by ¼ per cent to 9¼ per cent in July. The increase in the underlying index was just enough to change the rounding. The increases in underlying average earnings for the service and manufacturing sectors were 8¾ per cent and 9 per cent

respectively - the same as in June. [not for use: DE expect the whole economy figure to remain at 9½ per cent next month]

7. There are no new figures for productivity or unit wage costs in the labour market press notice. Revised figures, back to 1983, will be made available for manufacturing on 20 September along with the index of production press notice, and on 22 September for the whole economy (along with the national accounts figures). The attached note discusses the implications of the 1987 Census of Employment results for these figures.

THE FIGURES IN DETAIL

Unemployment

8. Points of interest:

(a) Seasonally adjusted unemployment (on a consistent basis) now at the lowest level for over 8½ years, since November 1980.

(b) Fallen by over 1½ million since July 1986. Seasonally adjusted total has fallen for thirty-seven months in succession by 1,382,000 in total. This is the longest period of continuous decline in unemployment since the War.

(c) Fallen by 475,000 over past year.

(d) Fall in unemployment now slowing. Average monthly fall over past six months has been 33,000 a month; over past three months it has been 28,300 a month.

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

(f) UK unemployment rate fallen more in past 2 years than in any other major industrialised country. UK unemployment rate well below EC average, but still above the major 7 average, reflecting lower unemployment in the three largest countries - US, Japan and Germany.

Employment

9. The workforce in employment figures have been substantially revised this month to incorporate the results of the 1987 Census of Employment - see attached note for details.

10. Employees in employment in the production industries continued to fall in July. Manufacturing employment fell by 6,000 in July, following falls of 4,000 in 1989Q1 and 33,000 in 1989Q2. Manufacturing employment is now clearly back on a downward trend following the increases in 1987 and 1988. Energy and water showed another small fall.

Earnings

12. The underlying increase in the whole economy average earnings index in July rose to 9½ per cent, up from 9 per cent last month. The actual increase was 8.7 per cent (back pay was at a very high level last July thus distorting the actual increase). The underlying increase in the manufacturing sector remained at 9 per cent where it has been since January. The actual increase was 9.2 per cent. The service sector underlying increase was also unchanged in July at 8½ per cent; the actual increase was 8.0 per cent. The underlying increase in the production industries was unchanged from the revised June figure of 9½ per cent. The actual increase was 9.4 per cent.

13. The figures for hours worked have been revised this month in light of the 1987 Census of Employment results. Overtime working fell in July to 13.27 million hours. Overtime has now fallen back to the levels last seen in early 1988 following the high levels of the winter months, when it reached a peak of over 14 million hours. Short-time working remains low; 0.27 million hours per week were lost in July.

14. [not for use: DE estimate that the contribution of overtime to earnings growth is now zero. The contribution should turn negative in the next few months, helping to offset the increase in settlements. Settlements are currently estimated to be adding about 1 per cent to earnings growth in manufacturing and 0.2 per cent in the whole economy. The staging of some settlements means that their full effect has yet to be felt. DE expect whole economy earnings growth to remain at 9½ per cent in August, but possibly to rise to 9½ per cent in September.]

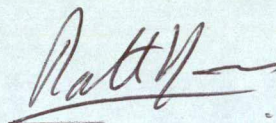
Productivity and unit wage costs

14. See paragraph 7 and the attached note.

Line to take:

- Labour market usually lags behind changes in activity. Labour market conditions expected to ease as output and demand continue to slow. [If pressed: Red Book said unemployment "most unlikely to continue falling at the same rapid rate in 1989" as a whole as it did in 1988.]
- Although monthly figures are erratic, there are some signs that fall in unemployment may now be slowing.
- [On revised employment figures] Figures still show exceptionally strong employment growth since 1983 to record levels. [If pressed on implications for productivity and unit wage cost figures: downward revisions to employment imply that productivity figures will be revised upward and unit wage cost figures downward other things equal. Revised figures will be available next week along with the index of production and national accounts figures.]

all - front



ROBERT DEANE

Annex 1

1987 Census of Employment Revisions

1. DEMP will publish revised estimates of the level of employees in employment in a Labour Market Press Notice on Thursday 14th September 1989. Workforce in employment estimates (employees in employment, self employed, HMF and work related government training) will be affected by these revisions. The Census revisions will also be published in two articles in the October Employment Gazette. The revisions are for the period between September 1984, the date of the last Census, and March 1989 and are based on results from the 1987 Census of Employment. The seasonally adjusted series is revised back to March 1983.

2. The Census revisions reduce estimates of the rise in employees-in-employment between September 1984 and September 1987 from a previous estimate of 773,000 to 458,000. This largely reverses the upward revisions to employment growth in 1987 and 1988 following the results of the 1988 LFS which were published by DEMP in March 1989. The recent history of employment revisions is shown in Table 1 and Chart 1.

3. The downward level revisions have significantly reduced the growth rates of the workforce in employment between September 1984 and September 1987. However, the revisions do not significantly change the buoyant growth of the workforce in employment since September 1987 and March 1989. In the year to March 1989, the growth in the workforce in employment in the UK is now estimated at 522,000 compared with the currently published estimate of 598,000.

Employment by sector

4. The revisions are almost entirely to estimates of non-manufacturing (services) employment. Estimates of self-employment, work related government training and HMF have not been revised by the Census. The numbers of claimant unemployment are also unaffected.

5. The new estimates show that between September 1984 and September 1987 service sector employees increased by 808,000 (6 per cent) whilst there were reductions of 224,000 (4 per cent) in manufacturing and increases of 105,000 (17 per cent) in the energy and water supply industry, 27,000 (2.5 per cent) in construction, and 20,000 (5.5 per cent) in the agriculture, forestry and fishing division.

Full-time and Part-time employment

6. Between September 1984 and September 1987 full time employees grew by 50,000 and part time employees by 382,000. Nearly 50 per cent of the growth in employment since March 1983 and just over 60 per cent has been in full time employment. The revised figures show that a slightly higher percentage of the growth of employment over the last year has been part time.

Employment by Region

7. The Census revisions are fairly evenly spread over all regions.

Productivity Growth

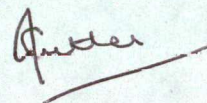
8. The downward revisions in the levels of employment will increase recorded productivity growth. Table 2 shows the current and revised productivity numbers for the manufacturing sector and whole economy. Whole economy productivity growth has been revised upwards by an average of 0.3 per cent between 1985-87, revisions to manufacturing productivity are insignificant. In 1988 productivity in the manufacturing sector and the whole economy has been revised upwards by 0.2 and 0.1 per cent respectively. These revisions reinforce the favourable international comparisons of productivity growth in the manufacturing sector and whole economy. Chart 2 shows the recent history of revisions to productivity following the LFS and Census results.

9. The growth of unit labour costs since 1984 will fall by a similar magnitude to the rise in productivity growth as a result of the Census.

10. For lines to take see main labour press notice briefing.

Previous revisions to employment estimates

11. The Census revisions largely reverse the LFS revisions (published in March 1989). This may attract adverse comment in the press as this is another embarrassment for the Government Statistical Service and the state of economic statistics. DEMP are concerned by the recent history of substantial revisions and are currently reviewing their methodology for producing short term employment estimates. Improvements will include more frequent Censuses of Employment - on a biannual rather than triannual basis - and a new sample of employment. Implementing these changes will take time, in the meantime, any queries about the construction of employment estimates or the revisions can be directed to DEMP.



J M CUTLER (EA1)

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TABLE 1

REVISED ESTIMATES OF EMPLOYEES IN EMPLOYMENT

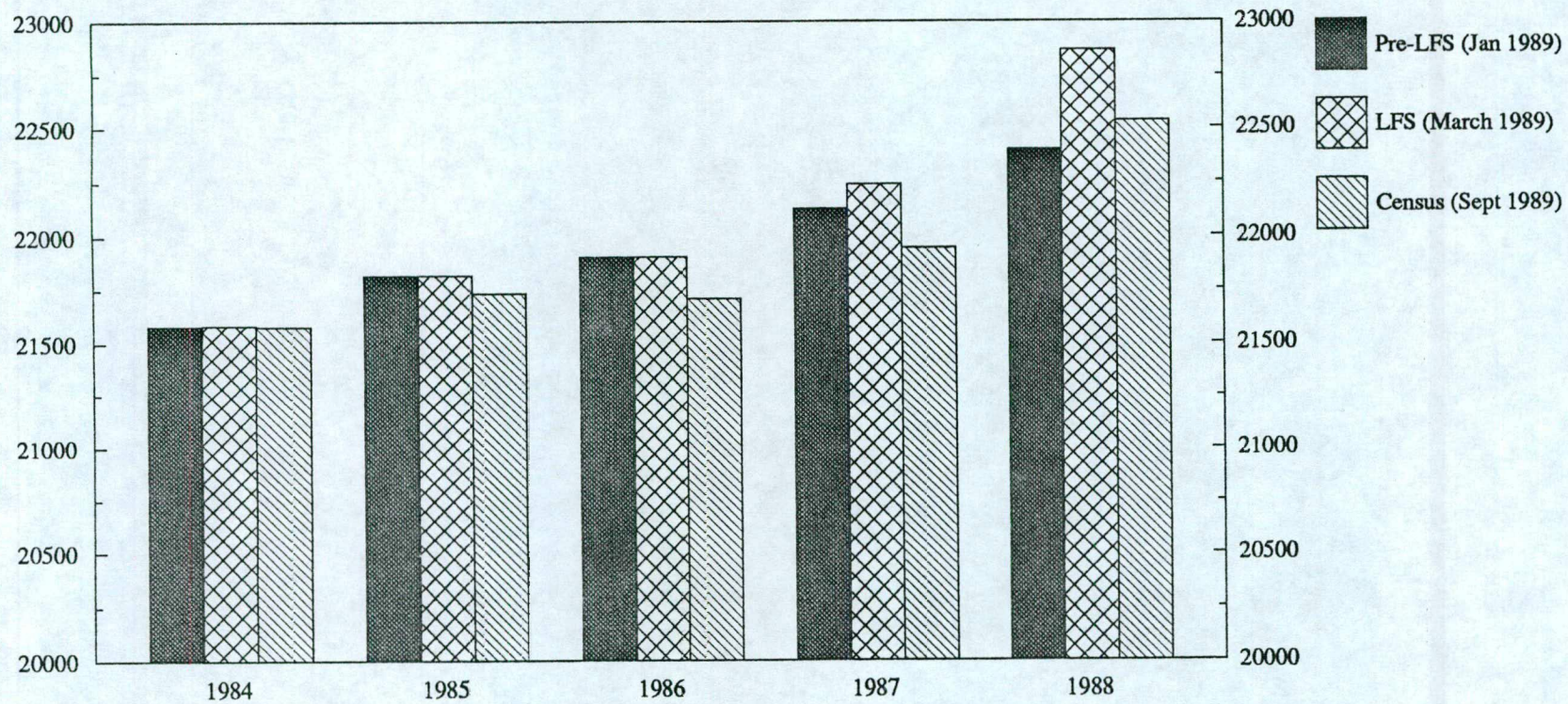
(UK adjusted, thousands)

| | Published prior to 1988 LFS (Feb 89) | Current series Incorporating 1988 LFS (Mar-July 89) | Incorporating 1987 Census of employment (Sept 89) | Change to current series |
|--|---|--|--|--------------------------------|
| 1983 March | | 21024 (23562) | 21026 (23564) | - 2 |
| 1985 September (Workforce in Employment) | 21528 (24703) | 21533 (24703) | 21427 (24596) | -106 |
| 1986 September | 21590 (24883) | 21598 (24883) | 21380 (24672) | -218 |
| 1987 September | 21860 (25455) | 22057 (25638) | 21740 (25333) | -317 |
| 1988 September | 22141 (25860) | 22671 (26374) | 22322 (26022) | -349 |
| 1989 March | | 22850 (26687) | 22425 (26261) | -425 |
| <u>Changes year to</u> | | | | |
| 1986 September | 62 | 65 | - 47 | -112 |
| 1987 September | 272 | 459 | 360 | - 86 |
| 1988 September | 279 | 614 | 582 | - 33 |
| March 1983- March 1989 | | 1826 | 1399 | -427 |
| March 1988- March 1989 | | 375 | 300 | - 75 |

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CHART 1

**Whole Economy: Employees In Employment
UK (Thousands) Seasonally Adjusted**



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TABLE 2

GROWTH IN PRODUCTIVITY*

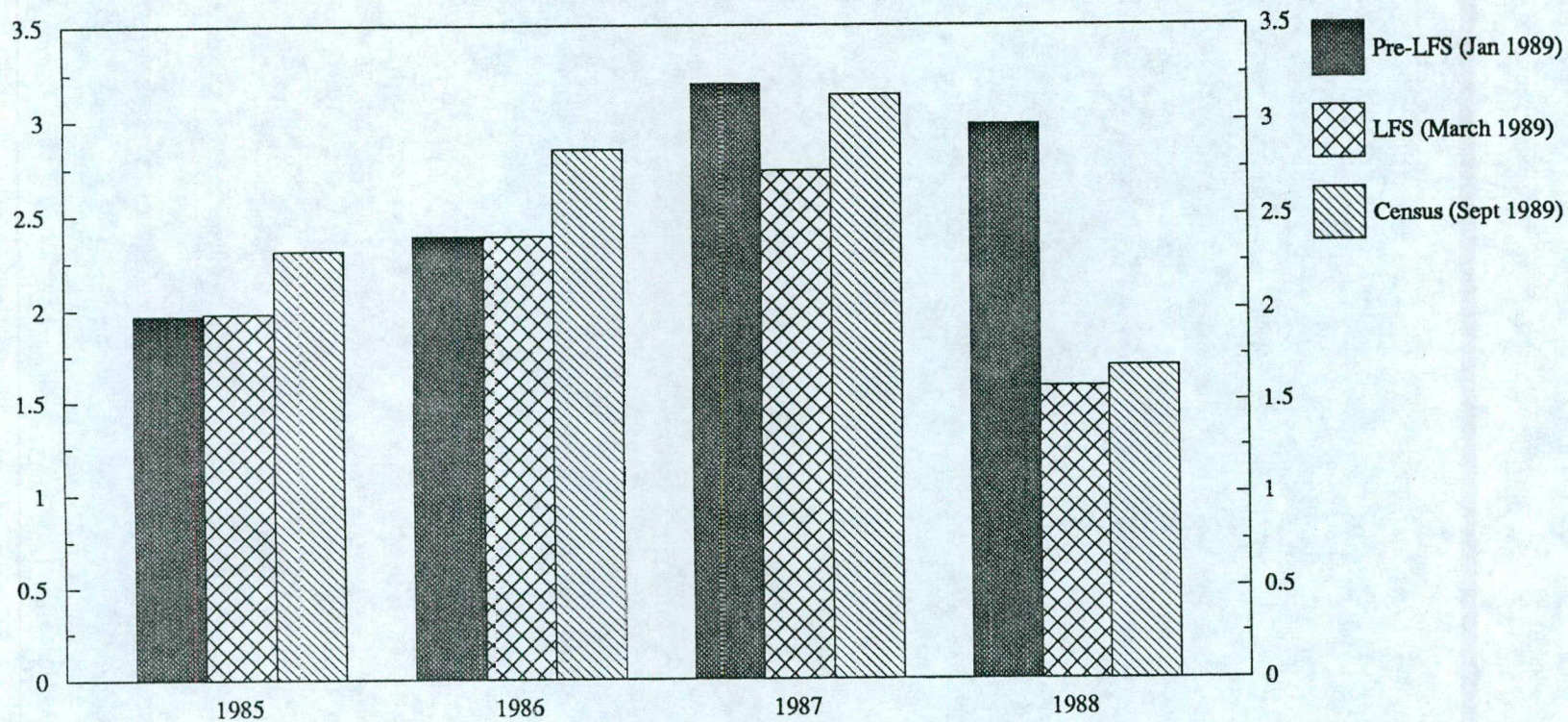
Percentage change on a year earlier

| | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> |
|---------------------------|-------------|-------------|-------------|-------------|
| Manufacturing | | | | |
| Current Series | 2.9 | 3.0 | 6.5 | 5.3 |
| Revised (Sept 1989) | 2.8 | 3.1 | 6.5 | 5.5 |
| Revision | - 0.1 | 0.1 | - | 0.2 |
| Non-manufacturing | | | | |
| Current Series | 2.5 | 3.2 | 2.0 | 2.0 |
| Revised (Sept 1989) | 3.2 | 4.0 | 2.7 | 2.1 |
| Revision | 0.6 | 0.8 | 0.7 | 0.1 |
| Whole Economy | | | | |
| Current Series (Mar 1989) | 2.0 | 2.4 | 2.7 | 1.6 |
| Revised (Sept 1989) | 2.3 | 2.9 | 3.1 | 1.7 |
| Revision | 0.3 | 0.5 | 0.4 | 0.1 |

* Output figures from latest model base. (*September 1989*)

CHART 2

Whole Economy Productivity Growth: 1985-88 Percentage Change On A Year Earlier





FROM: D I SPARKES
DATE: 13 SEPTEMBER 1989

MR DEANE (EB)

cc Mr O'Donnell
Miss Simpson

DS

LABOUR MARKET STATISTICS

The Chancellor has seen and was grateful for your minute of 13 September concerning the labour market statistics to be published tomorrow morning. He had no comments on your proposed line to take.

D.I.S.

DUNCAN SPARKES



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

mp

13 September 1989

Rt Hon Norman Fowler MP
Secretary of State for
Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1H 9NA

PS/Chief Secretary
PS/Financial Secretary
Sir P Middleton
Sir T Burns
Mr Monck
Mr Wilson
Mr J S Hibberd
Mr Burr
Mr Melliss
Mr O'Donnell
Mr Cornelius
Ms Cutler

Norman Fowler

NEW ESTIMATES OF EMPLOYMENT

I have seen your letter to the Prime Minister of 8 September regarding revisions to estimates of employees-in-employment resulting from the 1987 Census.

These latest revisions largely reverse the substantial revisions to the level of employment in 1987 and 1988 which your Department published as recently as March as a result of the 1988 Labour Force Survey. I am sure you appreciate that it does not help the credibility of Government statistics to have two such significant and, in the event, largely offsetting revisions in such a short space of time. And it is doubly regrettable since I understand there was already a suspicion in February, from preliminary analysis of the 1987 Census, that the Census would largely reverse the LFS results for 1987 and 1988.

I can understand that your officials were reluctant to give these preliminary Census results much weight at the time of the LFS press notice; much more analysis of the Census was necessary. Even so, those preliminary results have been broadly confirmed



after a complete analysis. At the very least it suggests that in years when we publish both LFS and Census results (and the next such year is 1991 when you are due to publish the 1989 Census results) we must review the arrangements for publication and analysis of both data sources to try to avoid the sort of embarrassment we will suffer this year. Among other things we should perhaps try to process the Census a bit faster to put the preliminary results on a firmer footing.

I know you are concerned yourself about the reliability of employment estimates and I welcome your initiatives to improve these estimates.

I am copying this to recipients of your letter.

A handwritten signature in black ink, appearing to read "Nigel Lawson". The signature is written in a cursive style with a large initial "N" and a long horizontal stroke at the end.

NIGEL LAWSON



FROM: D I SPARKES
DATE: 13 SEPTEMBER 1989

MR J S HIBBERD - EA1

cc PS/Chief Secretary
PS/Financial Secretary
Sir Peter Middleton
Sir Terence Burns
Mr Monck
Mr Wilson - IAE
Mr Burr - IAE
Mr Melliss - IF
Mr O'Donnell - IDT
Mr Cornelius - EA1
Ms Cutler - EA1

NEW ESTIMATES OF EMPLOYMENT

The Chancellor was grateful for your minute of 12 September concerning the revisions to the estimates of employment to be published tomorrow. He will be writing to Mr Fowler in the terms you suggested.

2. The Chancellor commented that the slowdown in productivity growth between 1987 and 1988 becomes evermore pronounced. He would be grateful for Sir T Burn's views as to the reasons for this sharp fall, which he finds particularly striking given that output growth was much the same in both years.

A handwritten signature in dark ink, appearing to be 'D.I. Sparkes'.

DUNCAN SPARKES

A. 1. SUMMARY

2. KEY FACTS BRIEF

B. DRAFT PRESS NOTICE

C. DETAILED ANALYSIS AND BACKGROUND INFORMATION

1. MAPS: 1a. UNEMPLOYMENT RATES BY REGION
1b. UNEMPLOYMENT RATES - CHANGE OVER YEAR BY REGION

- GRAPHS: 1c. UNEMPLOYMENT RATES BY REGION
1d. UNEMPLOYMENT - UK

2. UNEMPLOYMENT: REGIONAL FIGURES
3. LONG TERM UNEMPLOYMENT AND UNEMPLOYMENT BY AGE
4. UNEMPLOYMENT: INTERNATIONAL COMPARISONS

D. ADDITIONAL INFORMATION

1. UNEMPLOYMENT: COVERAGE OF THE COUNT: COMPARISON WITH LABOUR
FORCE SURVEY ESTIMATES
2. UNEMPLOYMENT: CHANGES IN THE COVERAGE OF THE COUNT
3. UNEMPLOYMENT: DEFENSIVE BRIEFING ON "FIDDLING THE FIGURES"
4. LABOUR MARKET: JOB CHANGES AND FLOWS
5. DEMOGRAPHIC AND LABOUR FORCE BACKGROUND
6. EMPLOYMENT: METHODOLOGY
7. EMPLOYMENT: DOUBLE JOBBING AND SPECIAL MEASURES
8. EMPLOYMENT: INTERNATIONAL COMPARISONS
9. EMPLOYMENT: ADDITIONAL DATA
10. EARNINGS
11. INDUSTRIAL STOPPAGES
12. EMPLOYMENT AND TRAINING MEASURES

PERSONAL AND CONFIDENTIAL UNTIL 11.30AM ON 14 SEPTEMBER THEREAFTER
CONFIDENTIAL

LABOUR MARKET STATISTICS

Summary

Reduced activity in the labour market continues. Although UK unemployment fell by 36,200 between July and August, this is an erratic figure: the downward trend is still estimated to be around 30,000 a month. There has been a further fall of 6,000 in employees in manufacturing industries in GB in July following the fall of 4,000 in the first quarter of the year and 33,000 in the second.

As anticipated last month the annual rate of increase in average earnings rose in July back to its May level of 9¼ per cent. Working days lost in July were at their highest since November 1984 (when the coalminers strike was taking place). The high number of working days lost resulted from a small number of disputes involving large numbers of workers in local authorities, transport services and the docks. These disputes have since been resolved.

Estimates of employees in employment and therefore the workforce in employment have been revised this month to include the results of the 1987 figures census of employment.

Unemployment

UK unemployment (seasonally adjusted) fell by 36,200 between July and August to stand at 1.751 million, 6.1 per cent of the workforce, the lowest level since November 1980 on the consistent basis. The continuous fall since July 1986 has now reached 1.382 million over 37 consecutive months. The level of female unemployment (seasonally adjusted) fell below ½ million this month for the first time since December 1980 on the consistent basis. Other key figures are attached.

This month's fall of 36,200 is a little larger than the falls seen in the last three months, but it should be regarded as erratic, with the downward trend still estimated to be around 30,000 a month. The average monthly fall over the past six months has been 33,000, while over the past three months

Thereafter confidential.

the average monthly fall has been 28,300. The erratic nature of this month's figure is evident from the regional analysis.

Regional comparisons

Unemployment fell in all regions between July and August, with most of the erratic influence on this month's figure concentrated in Greater London, the West Midlands and the North West where unemployment fell quite sharply compared with falls over the previous three months. It is not unreasonable to expect such variations when the labour market is undergoing changes.

Over the past year the unemployment rate has fallen in all regions, with the largest falls in Wales followed by West Midlands and the North.

'Headline' total

The UK unadjusted total fell between July and August by 30,300 to 1.741.

September 'headline' total

Seasonal influences tend to increase the unadjusted total between August and September by about 25,000 and so with a continuing downward trend there is likely to be little change in the headline total in September.

Recent changes in the Redundant Mineworkers Payments Scheme, whereby scheme participants are no longer required to sign on as unemployed (effective from July 23), should begin to have an effect on the claimant count from September. The final outcome will not be known for several months and while internal estimates of this will be derived month by month, there will be no revision to the consistent back-series of seasonally adjusted unemployment until the full effect can be measured.

Long-term unemployment

The full quarterly analysis of the July figures by duration, published on 22 August, showed a further large fall of about 70,000 between April and July in the number of claimants unemployed for more than one year. The total of such claimants now stands at 675,000. Long-term unemployment continues to fall at a faster rate than total unemployment.

Thereafter confidential.

Employment

New figures are available this month for employees in employment in manufacturing industries in July 1989 in Great Britain. In July 1989, the number of employees in employment in manufacturing industry in GB fell by a further 6,000 following falls of 4,000 in the first quarter of the year and 33,000 in the second quarter.

In July, overtime working by operatives in manufacturing industry reverted to the June figure of 13.3 million hours; this compares with 13.6 million hours in July 1988. Hours lost through short-time working fell from 295,000 hours in June to 270,000 hours in July.

In addition, employee figures for earlier periods have been revised substantially to take account of the results of the 1987 census of employment. The Census of Employment forms the benchmark for our monthly and quarterly employment estimates. Availability of the 1987 Census results leads to revisions of these series. The key points arising from the revisions are:

- a. results of the 1987 census of employment show a total of 21,740,000 (seasonally adjusted) employees in employment in the UK in September 1987 - 318,000 lower than the estimate currently being published for that date;
- b. the growth in the number of employees between September 1984 (the previous census) and September 1987 is revised down from 773,000 to 458,000 (seasonally adjusted);
- c. similar revisions apply to the workforce in employment series although the other components of the series (the self-employed, HM Forces and participants in work-related Government training programmes) have not been changed;
- d. revised figures still show a growth in all regions since 1983;
- e. the 1988 LFS results published earlier in the year indicated strong growth in employment since Spring 1987. This growth is not greatly changed by the recent census figures. In the year to March 1989, the growth in the workforce in employment in the UK is now estimated at

Thereafter confidential.

● 522,000 compared with 598,000 which we are currently publishing for that period.

Vacancies

The stock of vacancies at Jobcentres (UK, seasonally adjusted) fell by 3,200 between July and August to 216,700 with the majority of the fall concentrated in the South East. Recorded placings by Jobcentres remained high for the month of August at 157,000.

Average Earnings (GB Only)

The estimates of the underlying increase in earnings for the whole economy for July 1989 is 9¼ per cent, a rise of ¼ per cent from the rate of increase for the year to June, and a return to the rate recorded prior to June's fall.

Some of the highly publicised settlements are now included in the underlying index, but with others still to feed through, the rate of increase in earnings may rise by a further ¼ per cent in the next two months.

Industrial Stoppages

Working days lost from industrial stoppages in July are provisionally estimated at 2,371,000. This is the largest monthly figure since November 1984, when the coal miners' strike was taking place but relates to a small number of disputes (now resolved,) involving relatively large numbers of workers.

About 2 million days in July were lost from NALGO action affecting local authority non-manual employees (Admin. Professional, Technical and Clerical; APT and C), who were on strike for 6 days within a three week period. Other large stoppages in July involved railway employees (158,000 working days lost) and dockers (106,000 working days lost).

The July total of 2,371,00, although relatively high, is below the figures for January and February in the winter of discontent (2,966,000 and 2,425,000 respectively).

Thereafter confidential.

The July figure follows a period when industrial action has been low; working days lost in the first six months of 1989 (681,000) were at their lowest level for any equivalent period since 1963. Working days lost by workers indirectly affected by other workers industrial action are not covered by these statistics.

The number of stoppages provisionally recorded as in progress in the twelve months to July is 683. Subsequent revisions will raise this total. The highly provisional figure for the number of stoppages in July, at 74, is the lowest figure for any July since 1941, apart from July 1988.

In August, working days lost are expected to have returned to a more normal level. Included will be some limited action by key NALGO members in local authorities in the first two weeks of August.

Next Labour Market Statistics Brief

The next labour market briefing will be issued on Monday 16 October in advance of the press release on 19 October.

LABOUR MARKET STATISTICS-KEY FACTS

A2(i)

UNEMPLOYMENT IN AUGUSTSeasonally adjusted (UK) (Consistent)

Now 1.751 million, lowest for 8³/₄ years (since November 1980).

Down 36,200 in August.

Rate 6.1%, lowest since November 1980.

Down 37 months running, longest and largest continuous fall since the war.

Down 1.382 million since July 1986.

Fall of 1,106,200 (consistent) since election June 1987. (1,202,900 since campaign, April 1987 figure)

Fall in last 12 months 474,600

Average fall of 33,000 per month over last six months.

TOTAL (unadjusted) (UK)

Now 1.741 million (6.1%)

Down 30,000 since July

Regional unemployment (Seasonally adjusted)

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

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 (9.3%). Latest international rates show unemployment higher in France (10.0%), Italy (10.8%), Canada (7.3%), Belgium (9.1%), Netherlands (9.4%), Spain (17.7%) and Ireland (17.3%). (Comparable UK 6.5% - OECD standardised rate for June.)

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 216,700 in August, down 3,200 since July, but down 11% on a year earlier.

Only about a third of vacancies reported to Jobcentres.

AVERAGE EARNINGS (GB)

Underlying increase in average earnings in year to July 9 1/4%, a rise of 1/4 per cent in the year to June.

INDUSTRIAL STOPPAGES (UK)

Working days lost 2,371,000 in July is the largest monthly figure since November 1984. In 12 months ending July, 4.9 million days lost compared with 2.2 million over previous 12 months and an average 12.9 million for 1970's.

Number of stoppages 74 in July, lowest July figure since 1941 apart from July 1988 (71). Total for 1988 lowest since 1935.

CONFIDENTIAL UNTIL 11.30 AM ON 14 SEPTEMBER 1989

KEY FACTSEMPLOYMENT (UK seasonally adjusted)WORKFORCE IN EMPLOYMENT

- Workforce in employment in Q1 1989
- now stands at 26,261,000 (highest ever)
- Increase since March 1983 by 2,697,000
- Increase in year to March 1989 of 522,000, of which:
 - 199,000 male
 - 323,000 female
- 300,000 employees
- 124,000 self employed
- 106,000 trainees
- 7,000 HM Forces

TREND - LATEST QUARTER

- Employment growth of 161,000 in Q1 1989.

EMPLOYMENT IN MANUFACTURING

- at 5,239,000 in March 1989
- up by 12,000 in year to March
- down 5,000 in quarter 1.

EMPLOYMENT IN SERVICES

- at 15,346,000 March 1989
- up by 308,000 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 quarter of 1989 have been affected by the run-down in CP and the build up of ET.

SELF-EMPLOYMENT

- at an estimated 3,079,000 in Mar 89
- up by 124,000 over year to March
- up by more than 1.1 million since June 1979 (following little change in the seventies).

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

- at 5,095,000 in July 1989
- down 33,000 in Q2 1989.
- down 6,000 in July
- down 39,000 in year to July

OVERTIME AND SHORT TIME (GB)

- overtime of 13.3 million hours a week worked in July
- short time of 0.27 million hours a week lost in July

PART-TIME EMPLOYMENT (GB)

- at 6,210,000 (24% of workforce in employment) in March 1989
- up by 203,000 over year to March
- up by 1,365,000 since March 1983
- part-time jobs account for 39% of employment growth in year since March 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
SUMMARY STATISTICS

14 September 1989

| | | Level | Change on previous period | <u>Thousands</u> Change on previous year |
|--|-----------|--------|---|---|
| <u>Unemployment (UK)</u> | | | | |
| Total unadjusted | August 10 | 1,741 | - 30 | (-550)(a) |
| Seasonally adjusted (b) | August 10 | 1,751 | - 36 | -475 |
| <u>Workforce in (UK) (c),(d) (e) Mar Q1 1989</u> | | 26,687 | + 181 | +598 |
| <u>employment</u> | | | | |
| <u>Employees in employment (UK) (c)(e)</u> | | | | |
| All industries and Services (UK) Mar Q1 1989 | | 22,425 | + 93 | +300 |
| Services (UK) Mar Q1 1989 | | 15,346 | + 99 | +308 |
| Manufacturing (UK) Mar Q1 1989 | | 5,239 | - 5 | - 12 |
| Manufacturing (GB) July 1989 | | 5,095 | - 6 | - 39 |
| <u>Vacancies (UK)(jobcentres) (c) August 4</u> | | 217 | - 3 | - 26 |
| <u>Index of Average Earnings (GB) (c)</u> | | | | |
| | | | Percentage change on previous year (underlying increase) | |
| Whole Economy | July | | 9½% | |
| Services | July | | 8½% | |
| Manufacturing | July | | 9% | |

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) Estimates of employees in employment and therefore the workforce in employment have been revised this month to include the results of the 1987 census of employment (see notes to editors B2).

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

Summary

Unemployment (UK seasonally adjusted) fell by 36,200 in the month to August. Male unemployment decreased by 18,500 and female unemployment decreased by 17,700. Over the past six months there has been a fall of 33,000 on average compared with a fall of 46,200 per month over the previous six months to February 1989.

The total, unadjusted, decreased in August by 30,291 to 1,741,091.

Estimates of employees in employment and therefore the workforce in employment have been revised this month to incorporate the results of the 1987 census of employment.

The workforce in employment in the United Kingdom is now estimated to have increased by 161,000 in the first quarter of 1989 contributing to an overall increase of 522,000 in the year to March 1989.

The number of employees employed in manufacturing industry in Great Britain is estimated to have increased by 6,000 in July 1989. In the second quarter of 1989 there was a fall of 33,000 in manufacturing employment, while over the year to July 1989 there was a fall of 39,000.

The stock of Jobcentre vacancies (UK seasonally adjusted) decreased by 3,200 in August to 216,700. Over the past six months there has been a decrease of 1,900 per month on average.

The underlying increase in average earnings for the whole economy in the year to July was 9¼ per cent, a rise of ¼ per cent 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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| Notes to Editors | page 20-26 |

UNEMPLOYMENT

The seasonally adjusted level of unemployment⁺ in the United Kingdom decreased by 36,200 to 1.751 million in August, 6.1 per cent of the workforce*.

Over the past six months on average unemployment has fallen by 33,000 per month.

The unadjusted total decreased by 30,291 between July and August to 1,741,091 giving an unemployment rate of 6.1 per cent of the workforce*.

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

THOUSAND

TABLE 1 : UNEMPLOYMENT - SEASONALLY ADJUSTED⁺ - UNITED KINGDOM

| | | Male | Female | Total | Change since previous month | Average change over past 6 months | Average change over past 3 months | Unemployment rate: Percentage of workforce* |
|------|-------------------|--------|--------|--------|-----------------------------|-----------------------------------|-----------------------------------|---|
| 1988 | Aug | 1562.7 | 662.9 | 2225.6 | -41.7 | -43.2 | -46.1 | 7.8 |
| | Sep ⁺⁺ | 1543.1 | 648.6 | 2191.7 | -33.9 | -43.7 | -44.1 | 7.7 |
| | Oct | 1522.4 | 635.5 | 2157.9 | -33.8 | -40.8 | -36.5 | 7.6 |
| | Nov | 1484.6 | 620.6 | 2105.2 | -52.7 | -43.1 | -40.1 | 7.4 |
| | Dec | 1439.4 | 598.0 | 2037.4 | -67.8 | -47.8 | -51.4 | 7.1 |
| 1989 | Jan | 1405.4 | 582.4 | 1987.8 | -49.6 | -46.6 | -56.7 | 7.0 |
| | Feb | 1377.9 | 570.8 | 1948.7 | -39.1 | -46.2 | -52.2 | 6.8 |
| | Mar | 1359.5 | 557.1 | 1916.6 | -32.1 | -45.9 | -40.3 | 6.7 |
| | Apr | 1321.5 | 536.5 | 1858.0 | -58.6 | -50.0 | -43.3 | 6.5 |
| | May | 1309.7 | 526.1 | 1835.8 | -22.2 | -44.9 | -37.6 | 6.4 |
| | Jun | 1296.1 | 514.2 | 1810.3 | -25.5 | -37.9 | -35.4 | 6.3 |
| | Jul(r) | 1284.8 | 502.4 | 1787.2 | -23.1 | -33.4 | -23.6 | 6.3 |
| | Aug(p) | 1266.3 | 484.7 | 1751.0 | -36.2 | -33.0 | -28.3 | 6.1 ** |

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

++ 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 7.6 per cent, and for females 4.1 per cent.

* See note A4

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

(r) Revised

TABLE 2: UNEMPLOYMENT SEASONALLY ADJUSTED⁺ (P) - REGIONS August 10 1989

| | THOUSAND | | | Change since previous month | Unemployment rate | |
|--------------------------------------|------------------|-----------------|------------------|-----------------------------|--------------------------|-----------------------------|
| | Male | Female | Total | | percentage of workforce* | Change since previous month |
| South East (incl. Greater London) | 252.9 (152.1) | 101.2 (59.0) | 354.1 (211.1) | -10.5 (-6.0) | 3.7 (4.9) | -0.1 (-0.1) |
| East Anglia | 23.7 | 10.5 | 34.2 | -0.5 | 3.2 | 0.0 |
| South West | 65.3 | 30.5 | 95.8 | -2.3 | 4.5 | -0.1 |
| West Midlands | 114.2 | 46.5 | 160.7 | -5.3 | 6.0 | -0.2 |
| East Midlands | 76.6 | 29.9 | 106.5 | -2.1 | 5.4 | -0.1 |
| Yorks and Humberside | 128.1 | 47.1 | 175.2 | -2.6 | 7.3 | -0.1 |
| North West | 187.4 | 68.5 | 255.9 | -5.7 | 8.5 | -0.2 |
| North | 104.0 | 34.6 | 138.6 | -2.4 | 9.4 | -0.2 |
| Wales | 68.8 | 25.1 | 93.9 | -2.3 | 7.8 | -0.2 |
| Scotland | 168.0 | 63.2 | 231.2 | -1.6 | 9.2 | -0.1 |
| GREAT BRITAIN | 1,189.1 | 457.1 | 1,646.2 | -35.2 | 5.9 | -0.1 |
| Northern Ireland | 77.2 | 27.6 | 104.8 | -1.0 | 15.2 | -0.1 |
| UNITED KINGDOM | 1,266.3 | 484.7 | 1,751.0 | -36.2 | 6.1 | -0.1 |

* See note A4

(P) Provisional see note A5

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

TABLE 3: UNEMPLOYMENT TOTAL - UNADJUSTED - UNITED KINGDOM

| | | Male | Female | Number | Unemployment rate: percentage of workforce* |
|------|-------|-----------|---------|-----------|---|
| 1988 | Aug | 1,576,548 | 714,627 | 2,291,175 | 8.0 |
| | Sep++ | 1,594,403 | 716,570 | 2,310,973 | 8.1 |
| | Oct++ | 1,484,236 | 634,626 | 2,118,862 | 7.4 |
| | Nov | 1,454,771 | 612,173 | 2,066,944 | 7.2 |
| | Dec | 1,451,478 | 595,060 | 2,046,538 | 7.2 |
| 1989 | Jan | 1,473,163 | 601,149 | 2,074,312 | 7.3 |
| | Feb | 1,434,871 | 583,308 | 2,018,179 | 7.1 |
| | Mar | 1,399,364 | 560,856 | 1,960,220 | 6.9 |
| | Apr | 1,350,793 | 532,788 | 1,883,581 | 6.6 |
| | May | 1,297,067 | 505,452 | 1,802,519 | 6.3 |
| | Jun | 1,256,572 | 486,569 | 1,743,141 | 6.1 |
| | Jul | 1,261,625 | 509,757 | 1,771,382 | 6.2 |
| | Aug | 1,238,399 | 502,692 | 1,741,091 | 6.1 ⁺ |

+ The separate rate for males was 7.4 per cent, and for females 4.2 per cent.

TABLE 4: UNEMPLOYMENT TOTAL UNADJUSTED - REGIONS

August 10 1989

THOUSAND

| | Male | Female | Total | Change since previous month | Unemployment rate: percentage of workforce* |
|--------------------------------------|------------------|-----------------|------------------|--------------------------------------|---|
| South East (incl. Greater London) | 250.1 (152.9) | 106.7 (62.1) | 356.8 (215.0) | -6.5 (-4.5) | 3.8 (5.0) |
| East Anglia | 22.2 | 10.4 | 32.7 | -0.5 | 3.1 |
| South West | 61.5 | 29.7 | 91.1 | -0.6 | 4.3 |
| West Midlands | 113.6 | 48.5 | 162.1 | -3.8 | 6.0 |
| East Midlands | 74.3 | 31.2 | 105.5 | -2.4 | 5.3 |
| Yorks and Humberside | 124.7 | 49.0 | 173.7 | -2.5 | 7.3 |
| North West | 184.9 | 70.6 | 255.6 | -5.4 | 8.5 |
| North | 100.3 | 35.2 | 135.5 | -3.4 | 9.2 |
| Wales | 65.8 | 25.3 | 91.1 | -2.2 | 7.6 |
| Scotland | 163.5 | 66.4 | 229.9 | -2.4 | 9.2 |
| GREAT BRITAIN | 1,161.0 | 473.0 | 1,634.1 | -29.6 | 5.9 |
| Northern Ireland | 77.4 | 29.7 | 107.0 | -0.7 | 15.5 |
| UNITED KINGDOM | 1,238.4 | 502.7 | 1,741.1 | -30.3 | 6.1 |

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

* See note A4.

TABLE 5: UNEMPLOYMENT FLOWS ^x - STANDARDISED, UNADJUSTED UNITED KINGDOM

| | | Thousands | | | |
|--------------|--------|----------------------------|---------|----------------------------|--|
| Month ending | INFLOW | | OUTFLOW | | |
| | Total | Change since previous year | Total | Change since previous year | |
| 1988 Aug | 311.6 | -72.8 | 350.1 | -69.5 | |
| Sep** | 327.4 | -129.2 | 305.9 | -145.9 | |
| Oct** | 319.6 | -100.6 | 486.1 | -62.9 | |
| Nov | 297.8 | -77.5 | 354.0 | -78.3 | |
| Dec | 269.9 | -58.7 | 292.0 | -25.5 | |
| 1989 Jan | 269.4 | -74.9 | 245.4 | -76.2 | |
| Feb | 290.0 | -55.2 | 350.8 | -55.8 | |
| Mar | 264.0 | -49.0 | 326.8 | -65.7 | |
| Apr | 247.5 | -76.4 | 313.9 | -58.6 | |
| May | 230.8 | -45.9 | 318.6 | -76.3 | |
| Jun | 225.0 | -48.8 | 289.3 | -77.7 | |
| Jul | 293.8 | -53.7 | 269.3 | -90.4 | |
| Aug | 276.8 | -34.7 | 309.6 | -40.4 | |

^x See note A6
^{**} See notes A7 and A8.

EMPLOYMENT IN THE UNITED KINGDOM

Estimates of employees in employment and therefore the workforce in employment have been revised this month to incorporate the results of the 1987 census of employment, which are now available.

One of the primary purposes of the the census of employment is to provide "benchmark" figures on which to re-align the short term estimates of employees in employment which are derived from monthly and quarterly sample enquiries.

The full results of the 1987 census of employment will be presented in the October issue of Employment Gazette along with an article describing the consequent revisions to the quarterly and monthly series in more detail.

Figures for the workforce in employment (employees in employment, the self-employed, HM Forces and participants in work related government training programmes) in the United Kingdom are now estimated to have increased by 161,000 in the first quarter of 1989 and by 522,000 in the year to March 1989, and by 2,697,000 in the six years to March 1989.

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 July 1989 the estimated number of employees in employment in manufacturing industries in Great Britain fell by 6,000 confirming the downward trend following the fairly level picture seen previously.

Overtime working by operatives in manufacturing industries fell very slightly to 13.27 million hours per week in July, compared with 13.31 million hours per week in June and 13.57 million hours a week in July 1988.

Hours lost through short-time working in manufacturing industries remain very low, at 0.27 million hours per week in July.

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 |
| | | R | R | R | | | | | | | | | | R | R | R |
| 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 | 11,364 | 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 | 11,968 | 10,364 | 22,332 | 2,297 | 750 | 3,048 | 297 | 16 | 313 | 252 | 156 | 408 | 14,814 | 11,286 | 26,100 |
| 1989 | March | 11,982 | 10,443 | 22,425 | 2,317 | 761 | 3,079 | 293 | 16 | 310 | 285 | 164 | 448 | 14,878 | 11,384 | 26,261 |

* 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.

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 |
| | | R | R | R | | | | | | | | | | R | R | R |
| 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 | -13 | 45 | 27 | 41 | 18 | 58 | 0 | 0 | 0 | -11 | -12 | -23 | 11 | 51 | 62 |
| | June | 53 | 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 | -26 | 36 | 10 | 20 | 11 | 31 | -2 | 0 | -2 | 32 | 7 | 39 | 24 | 55 | 79 |
| 1989 | March | 14 | 79 | 93 | 20 | 11 | 31 | -3 | 0 | -3 | 32 | 8 | 40 | 63 | 98 | 161 |

* 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.

CONFIDENTIAL UNTIL 11.30 AM ON 14 SEPTEMBER 1989

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 | |
| | | R | R | R | R | R | R | R | R | R | R | |
| 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 | 15,247 | + 6 | 1,357 | + 2 | 22,332 | + 10 |
| 1989 | March | Q1 | 5,239 | - 5 | 475 | - 8 | 15,346 | + 99 | 1,364 | + 7 | 22,425 | + 93 |

R=Revised to incorporate the results of the 1987 census of employment.

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) R | Hours lost through short-time working (stood off for whole or part of week) (millions) R |
|--------------|----------------------------------|----------|------------|--------------------------|----------|----------------|------------|---|--|
| | Levels | Changes | | Levels | Changes | | | | |
| | | Mon-thly | Quar-terly | | Mon-thly | Three* monthly | Quar-terly | | |
| | R | R | R | R | R | R | R | | |
| 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 | 465 | - 2 | | 5,118 | - 15 | - 8 | | 13.64 | .36 |
| May | 463 | - 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 |

* = Average monthly change over last three months

R = Revised to incorporate the results of the 1987 census of employment

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

VACANCIES

The stock of unfilled vacancies at jobcentres (seasonally adjusted) decreased by 3,200 in the month to August to 216,700. Over the past three months to August, seasonally adjusted vacancies have decreased on average by 500 per month.

Unadjusted, there was a decrease of 11,094 unfilled vacancies in the month to 217,154.

The inflow of notified vacancies increased on average by 1,500 per month in the three months ending August 1989, the outflow increased by 1,700 per month, and placings increased by 1,000 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 | Aug | 242.8 | -6.9 | -3.9 | 244.0 | 31.6 |
| | Sep | 240.3 | -2.5 | -4.9 | 260.1 | 31.9 |
| | Oct | 251.2 | 10.9 | 0.5 | 271.8 | 30.6 |
| | Nov | 245.2 | -6.0 | 0.8 | 252.3 | 26.5 |
| | Dec | 238.3 | -6.9 | -0.7 | 223.3 | 23.4 |
| 1989 | Jan | 229.2 | -9.1 | -7.3 | 203.3 | 21.9 |
| | Feb | 228.1 | -1.1 | -5.7 | 202.0 | 21.8 |
| | Mar | 222.9 | -5.2 | -5.1 | 204.8 | 23.1 |
| | Apr | 222.1 | -0.8 | -2.4 | 216.8 | 25.1 |
| | May | 218.2 | -3.9 | -3.3 | 225.4 | 27.4 |
| | Jun | 226.4 | 8.2 | 1.2 | 240.6 | 35.2 |
| | Jul | 219.9 | -6.5 | -0.7 | 228.2 | 34.3 |
| | Aug | 216.7 | -3.2 | -0.5 | 217.2 | 31.6 |

+ 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 | Aug | 227.0 | -1.4 | 232.6 | 1.5 | 156.8 | -0.4 |
| | Sep | 227.7 | -1.0 | 229.0 | -0.2 | 155.4 | -0.3 |
| | Oct | 232.8 | 0.8 | 229.3 | -0.9 | 153.4 | -1.0 |
| | Nov | 234.0 | 2.3 | 242.5 | 3.3 | 162.3 | 1.8 |
| | Dec | 230.8 | 1.0 | 233.4 | 1.5 | 157.6 | 0.7 |
| 1989 | Jan | 220.4 | -4.1 | 231.0 | 0.6 | 160.5 | 2.4 |
| | Feb | 234.8 | 0.3 | 239.4 | -1.0 | 167.2 | 1.6 |
| | Mar | 229.3 | -0.5 | 234.8 | 0.5 | 164.0 | 2.1 |
| | Apr | 220.8 | 0.1 | 221.9 | -3.0 | 154.8 | -1.9 |
| | May | 221.4 | -4.5 | 222.5 | -5.6 | 154.5 | -4.2 |
| | Jun | 231.6 | 0.8 | 222.4 | -4.2 | 155.1 | -3.0 |
| | 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 |

TABLE 12: UNFILLED VACANCIES* - REGIONS - August 1989 THOUSAND

| | VACANCIES AT JOBCENTRES | | | VACANCIES AT CAREERS OFFICES# |
|-----------------------------------|-------------------------|---------------------|-----------------------------|-------------------------------|
| | UNADJUSTED | SEASONALLY ADJUSTED | | |
| | TOTAL | Number | Change since previous month | |
| South East (incl. Greater London) | 69.6 (21.9) | 70.1 (23.6) | -2.5 (-0.5) | 17.2 (9.0) |
| East Anglia | 8.3 | 8.0 | -0.1 | 1.3 |
| South West | 18.4 | 18.3 | -0.4 | 1.9 |
| West Midlands | 18.9 | 19.3 | -0.3 | 3.3 |
| East Midlands | 12.7 | 12.7 | -0.1 | 1.7 |
| Yorks and Humberside | 13.4 | 13.3 | 0.3 | 1.4 |
| North West | 24.7 | 24.3 | 0.4 | 1.7 |
| North | 10.8 | 10.3 | -0.8 | 0.5 |
| Wales | 15.1 | 14.6 | -0.2 | 0.5 |
| Scotland | 22.7 | 22.0 | 0.3 | 0.9 |
| GREAT BRITAIN | 214.6 | 212.9 | -3.3 | 30.4 |
| Northern Ireland | 2.6 | 3.7 | 0.0 | 1.3 |
| UNITED KINGDOM | 217.2 | 216.7 | -3.2 | 31.6 |

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

AVERAGE EARNINGS

The underlying increase in average weekly earnings in the year to July was about 9 1/4 per cent, a rise of 1/4 per cent from the increase in the year to June. The actual increase in the year to July 1989, at 8.7 per cent, was below the underlying increase as arrears in 1988 were higher than in 1989.

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

| | | Seasonally adjusted | | | |
|-----------|-----------|---------------------|-------|---------------|---------------|
| | | Index | Index | Percentage | Underlying |
| | | 1985 | 1985 | increase over | % increase |
| | | = 100 | = 100 | previous 12 | over previous |
| | | | | months | 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 |
| | Jun | 137.6 | 136.8 | 9.4 | 9 |
| | Jul* | 139.4 | 137.9 | 8.7 | 9 1/4 |

* Provisional
R Revised

In production industries, the underlying increase in average weekly earnings in the year to July was about 9 1/4 per cent, the same level as the increase in the year to June, which has been revised from 9 per cent. Within this sector, in manufacturing industries, the underlying increase in the year to July was about 9 per cent, the same as the increase in the year to June. The actual increases for production industries and manufacturing industries in the year to July were, respectively, 9.4 per cent and 9.2 per cent.

In service industries, the underlying increase in average weekly earnings in the year to July was about 8 3/4 per cent, the same as the increase in the year to June. The actual increase in the year to July was 8.1 per cent.

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 1985=100 | seas adj | underlying | Index 1985=100 | seas adj | underlying | Index 1985=100 | seas adj | underlying |
| 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 R | 135.7 | 8.6 | 9 | 137.1 | 9.2 | 8 3/4 |
| | Jul (p) | 138.9 | 9.4 | 9 1/4 | 138.3 | 9.2 | 9 | 136.8 | 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, business services and leasing; Other services (including public administrative education, medical and other health services, etc).

UNIT WAGE AND SALARY COSTS

NEW AND REVISED FIGURES FOR WAGES AND SALARIES PER UNIT OF OUTPUT WILL BE RELEASED ON WEDNESDAY 20 SEPTEMBER. THE ESTIMATES SHOWN BELOW ARE UNCHANGED FROM THE AUGUST LABOUR MARKET PRESS RELEASE.

In the three months ending June 1989, wages and salaries per unit of output in manufacturing industries were 3.2 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing (see Table 14) as there was a rise of about 5 1/2 per cent in productivity over this period (see Table 16).

In the first quarter of 1989 wages and salaries per unit of output in the whole economy were 8.3 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in the whole economy as there was a rise of about 1/2 per cent in productivity over this period.

TABLE 15: WAGES AND SALARIES PER UNIT OF OUTPUT seasonally adjusted

| | | Manufacturing | | Whole Economy | |
|-----------------|-----|------------------------|--|------------------------|--|
| | | Index 1985 = 100 | Percentage increase on a year earlier | Index 1985 = 100 | Percentage increase on a year earlier |
| 1986 | Q3 | 104.8 | 3.7 | 106.0 | 4.7 |
| | Q4 | 103.7 | -0.2 | 106.8 | 4.3 |
| 1987 | Q1 | 105.9 | 1.1 | 107.6 | 3.5 |
| | Q2 | 104.9 | 0.2 | 109.3 | 4.0 |
| | Q3 | 105.9 | 1.0 | 110.6 | 4.3 |
| | Q4 | 107.6 | 3.8 | 113.1 | 5.9 |
| 1988 | Q1 | 108.5 | 2.5 | 114.9 | 6.8 |
| | Q2 | 109.8 | 4.7 | 116.9 | 7.0 |
| | Q3 | 108.3 | 2.3 | 118.3 | 7.0 |
| | Q4 | 110.2 | 2.4 | 121.9 | 7.7 |
| 1989 | Q1 | 111.6 | 2.9 | 124.4 | 8.3 |
| | Q2 | 113.3 | 3.2 | .. | .. |
| 1989 | Jan | 111.2 | 3.3 | .. | .. |
| | Feb | 111.8 | 2.8 | .. | .. |
| | Mar | 111.9 | 2.6 | .. | .. |
| | Apr | 114.7 | 3.4 | .. | .. |
| | May | 112.3 | 2.6 | .. | .. |
| | Jun | 112.8 | 3.5 | .. | .. |
| 3 months ending | | | | | |
| 1989 | Jan | 110.8 | 2.7 | .. | .. |
| | Feb | 111.5 | 2.9 | .. | .. |
| | Mar | 111.6 | 2.9 | .. | .. |
| | Apr | 112.8 | 2.9 | .. | .. |
| | May | 113.0 | 2.9 | .. | .. |
| | Jun | 113.3 | 3.2 | .. | .. |

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

NEW AND REVISED FIGURES FOR OUTPUT PER HEAD WILL BE RELEASED ON WEDNESDAY 20 SEPTEMBER 1989. THE PRODUCTIVITY ESTIMATES BELOW ARE UNCHANGED FROM THOSE THAT APPEARED IN THE AUGUST LABOUR MARKET PRESS RELEASE.

Manufacturing output per head in the three months to June was 0.6 per cent higher than in the three months ending March and 5.5 per cent higher than in the same period a year earlier.

Output per head in the whole economy in the first quarter of 1989 was 0.3 per cent lower than in the previous quarter but 0.4 per cent higher than in the same quarter a year earlier.

Recent figures are:

TABLE 16: OUTPUT PER HEAD seasonally adjusted

| | | Manufacturing | | Whole Economy | |
|-----------------|-----|------------------------|--|------------------------|--|
| | | Index 1985 = 100 | Percentage increase on a year earlier | Index 1985 = 100 | Percentage increase on a year earlier |
| 1986 | Q3 | 103.3 | 3.5 | 102.7 | 2.8 |
| | Q4 | 107.0 | 8.2 | 103.7 | 3.4 |
| 1987 | Q1 | 106.6 | 6.6 | 104.0 | 3.0 |
| | Q2 | 109.6 | 7.6 | 104.6 | 2.6 |
| | Q3 | 110.8 | 7.3 | 105.4 | 2.6 |
| | Q4 | 111.7 | 4.4 | 105.7 | 1.9 |
| 1988 | Q1 | 112.4 | 5.4 | 106.0 | 1.9 |
| | Q2 | 113.8 | 3.8 | 105.8 | 1.1 |
| | Q3 | 117.2 | 5.8 | 106.6 | 1.1 |
| | Q4 | 118.4 | 6.0 | 106.8 | 1.1 |
| 1989 | Q1 | 119.4 | 6.2 | 106.4 | 0.4 |
| | Q2 | 120.1 | 5.5 | .. | .. |
| 1989 | Jan | 119.8 | 6.0 | .. | .. |
| | Feb | 119.1 | 7.0 | .. | .. |
| | Mar | 119.2 | 5.6 | .. | .. |
| | Apr | 118.9 | 5.4 | .. | .. |
| | May | 121.1 | 6.2 | .. | .. |
| | Jun | 120.3 | 5.0 | .. | .. |
| 3 months ending | | | | | |
| 1989 | Jan | 119.0 | 6.2 | .. | .. |
| | Feb | 119.2 | 6.5 | .. | .. |
| | Mar | 119.4 | 6.2 | .. | .. |
| | Apr | 119.1 | 6.0 | .. | .. |
| | May | 119.7 | 5.7 | .. | .. |
| | Jun | 120.1 | 5.5 | .. | .. |

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 July 1989, it is provisionally estimated that 2,371 thousand working days were lost in the United Kingdom through stoppages of work due to industrial disputes. This compares with a provisional estimate of 239 thousand in June 1989, 349 thousand in July 1988 and an average of 503 thousand for July during the ten year period 1979 to 1988.

During the twelve months to July 1989 it is provisionally estimated that a total of 4,872 thousand working days were lost through stoppages of work due to industrial disputes. During this twelve month period a total of 683 stoppages have been provisionally recorded as being in progress, involving a total of 1,052 thousand workers. The comparable figures for the twelve months to July 1988 were 2,243 thousand lost working days, 855 stoppages in progress and 468 thousand workers.

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

| | Working days lost (thousand) | Number of Stoppages | Workers involved (thousand) |
|------------------------------|---------------------------------|------------------------|--------------------------------|
| 1988 | | | |
| Jul | 349 | 71 | 37 |
| Aug | 431 | 62 | 151 |
| Sep | 1,115 | 63 | 163 |
| Oct | 53 | 83 | 33 |
| Nov | 183 | 85 | 152 |
| Dec | 38 | 49 | 18 |
| 1989 | | | |
| Jan(p) | 42 | 58 | 13 |
| Feb(p) | 60 | 84 | 20 |
| Mar(p) | 77 | 72 | 27 |
| Apr(p) | 89 | 67 | 42 |
| May(p) | 174 | 85 | 51 |
| Jun(p) | 239 | 70 | 99 |
| Jul(p) | 2,371 | 74 | 467 |
| <u>Cumulative totals</u> | | | |
| 12 months to July 1988 | 2,243 | 855 | 468 |
| 12 months to July 1989(p) | 4,872 | 683 | 1,052 |

(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 10 August 1989 students numbered 84,323 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 10 August 1989 these numbered 2,060 in Great Britain and 2,976 in the United Kingdom.

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

Until July 1986, all rates were expressed as a percentage of the unemployed plus employees only. These narrower based rates continue to be used for local areas (travel-to-work areas and counties) because estimates for the self-employed needed to calculate the new rates are not made below regional level. The denominators for these narrow-based rates relate to mid-1987, but will be fully updated to mid-1988, and the rates revised, when the results of the 1987 Census of Employment, including revised employment estimates for travel-to-work-areas and counties, become available later this year. The UK narrower rates on 10 August 1989 were 8.9 per cent for males and 4.7 per cent for females, 7.0 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.

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.

B2. The results of the 1987 Census of Employment (for both Great Britain and Northern Ireland) are incorporated in the employees in employment series for the first time this month. The availability of the census data causes revisions to the unadjusted estimates from the

data of the previous Census of Employment in September 1984 and to the seasonally adjusted series from the beginning of 1983. These revisions will be described in more detail in an article to be published in the October issue of Employment Gazette.

B3. 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.

B4. The estimates of employees in employment in Great Britain presented in this press notice also take account of the results of the 1985, 1986, 1987 and 1988 sample Labour Force Surveys (LFS). The series include allowances for undercounting in the estimates of the number of employees in employment derived from the sample survey of employers. When the 1988 LFS results were incorporated in March 1989 there was a small change in methodology - see page 201 of the April 1989 issue of Employment Gazette for details. Estimates of employees in employment will be further revised when the 1987 Census of Employment results become available.

B5. 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.

B6. 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.

B7. 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.

B8. Figures for HM Forces are provided by the Ministry of Defence.

B9. 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.

B10. 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.

B11 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.

B12. 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. 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 1985 = 100. Separate indices for 26 industry groups of Standard Industrial Classification (1980) are published in the Employment Gazette.

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

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

D4. The average earnings index measures the monthly level of EARNINGS. Earnings include payments to employees for hours of overtime worked, bonus payments and shift premia, grading increments and other

productivity or incentive payments. Increases in earnings will therefore include increases in these elements of pay and not just increases in basic pay rates. For this reason earnings increases usually exceed SETTLEMENT increases and WAGE CLAIMS. The Employment Department does not produce a settlements index but figures for settlements are produced by other bodies such as the CBI.

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

UNIT WAGE AND SALARY COSTS (Table 15)

E1. Later figures for unit wage costs and productivity will be available from the Department of employment, Caxton House, Tothill Street from 11.30 am Wednesday 20 September. These estimates will be consistent with the Output of production Industries released by the CSO at the same time.

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

E3. See note F2.

PRODUCTIVITY (Table 16)

F1. See note E1.

F2. Index numbers of output per person employed in the United Kingdom are calculated by dividing an index of output by an index of the numbers employed.

F3. The calculation of the productivity (and hence the unit wage cost) series is not affected by the changes to the employment series. The present calculation, using a denominator which excludes participants on work related training schemes, provides a better indicator of productivity (and wage cost) trends than would the revised employment series. This is because of the smallness of the scheme participants' contribution to output, the fact that some of the contribution will be excluded from the national accounts measure of output, and practical difficulties in the way of producing an analysis of participants.

INDUSTRIAL STOPPAGES (Table 17)

G1. Statistics of stoppages of work due to industrial disputes in the United Kingdom relate only to disputes connected with terms and conditions of employment. Stoppage involving fewer than 10 workers or lasting less than one day are excluded except where the aggregate of working days lost exceeded 100. However, there are

● difficulties recording stoppages near the margin of this threshold and consequently greater emphasis should be placed on the figure for working days lost rather than on the number of stoppages. The monthly figures are provisional and subject to revision, normally upwards, to take account of additional or revised information received after going to press.