



Census Notes

THE CHANGING PATTERN AND LEVEL OF EMPLOYMENT

1. Between 1950 and 1980, employment in Great Britain rose from 20.3 million to 22.0 million. Most of the increase took place before 1960, when employment stood at 21.5 million; there was virtually no change in total between 1970 and 1980. However, there was a significant change in the composition of employment. Between 1966-78 overall UK employment fell by 1.4%, made up of a decrease of 8.0% in male employment and an increase of 10.9% in female employment.
2. The dominant trends in employment by broad sector in Great Britain over the 30 years since 1950 have been the declines in the proportions employed in agriculture and mining (from 8% in 1950 to 3% in 1980) and in manufacturing (from 41% in 1950 to 30% in 1980) and the increase in the proportion employed in services other than public administration and defence (from 36% in 1950 to 52% in 1980). Proportions in construction (6%), gas, electricity and water(2%) and public administration and defence (7%) have remained unchanged.
3. In more detail for the period from 1959 - 78, the greatest proportionate declines were found in mining (-58.5%), agriculture (-49.5%), textiles (-40.8%), coal and petroleum products? (-35.7%) and shipbuilding (-33.0%). The greatest absolute declines were in mining and quarrying, agriculture, textiles, transport, leather, and metal manufacture.
4. The greatest increases were all found in the service sector: professional and scientific services (84.4%), insurance, banking and financial services (79.7%), miscellaneous services (36.5%). The same sectors showed the greatest numerical increases too. Within manufacturing, only 'other manufacturing' (23.8%), electrical engineering (10.8%), instrument engineering (8.1%), 'other metal goods' (6.1%) and chemicals and allied products (0.2%) showed any increase in employment over the period from 1959-78.



5. There have been significant regional shifts in the pattern of employment, largely as a consequence of the industrial structure of the regions, but with certain other factors clearly discernible. In particular, there was above average growth both in East Anglia, the South-West, and the East Midlands over the period 1966-78. Apart from these three regions, there were relative increases in total employment in Northern Ireland and in the Northern Region, in the Northern Irish case across the board except agriculture, but in the main because of increases in public sector service employment, and in the Northern region because of the last factor.

6. General changes in the pattern of employment over the last decade may be summarised, in that manufacturing employment has declined least or even grown in predominantly rural areas or areas with small towns. Manufacturing employment in general has declined less on the east side of the country than on the west. The proportionate declines have been greatest of all in the conurbations and next most severe in the large cities. There has been some offsetting effect from regional policy discernible in the Assisted Areas.

*Service sector employment*

7. The pattern of change of service sector employment has not been dominated by urban factors, although service employment in the conurbations has increased only to a relatively small extent. Instead, the pattern of change is dominated by increases within about 100 - 150 miles of London, although excluding London itself. This phenomenon is particularly marked in the case of the insurance, banking, financial and business services sector, supplying services to other firms rather than to the local consumer market.

(provided by Norman Rabbit)

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## Possible Structure, proposed by R. Rabbit

Why has UK been so hard hit

In a world oversupplied with labour, it is the least competitive which is left unsold. Our growing lack of labour competitiveness (1970-1980 - Production + 16% Earnings + 335%) had been concealed for years by: erosion of profits (and therefore investment and R&D) devaluation, failure to invest in renewal of old infrastructure (the sewers etc)

By 1979, little or no profits to raid. Oil had put a floor under Sterling and anyway, inflationary effects of devaluations were increasingly severe.

What remedies are there to hand

Opposition say reflate, increase demand, increase public sector investment.

But Budgets have been reflationary! PSBR represents risk to interest rates and inflation.

(used) Increase demand - Retail (final) demand still strong - Demand exists for 1.4 million cars. Problem is that only 700,000 of demand is satisfied by UK workers - that is a failure of competitiveness in the factory, not a failure by Government to create demand. →

More public sector spending would have to be financed by tax, reducing final demand, borrowing putting the price of money too high for otherwise profitable investment to take place - or inflation reducing competitiveness.

What have we done to resolve these problems

Attack on inflation

Control of public sector spending - excessive cuts on investment because wages (Clegg) pre-empted investment.

And huge programmes of public spending in support of industry, in protection of viable jobs and creation

[List programmes and costs]

What has been the effect of policies

Industry not on its back - Examples of success.

← Improved competitiveness - but our competitors are improving too.

Jobs saved by Government support - but at a cost to others - Net gain in many cases - but not all

Massive restructuring in eg, steel - motors.

Would Foot want to go back to the old manning levels in the Steel works. Why didn't the improvements come when he was Secretary of State for Employment? Would he want to see BL as strike ridden with such poor quality output as in his time.

### Social Effects

Evils of unemployment

Extent of protection against poverty - and the effects of that in scooping pool of public expenditure and limiting other programmes

YOP etc for the young

### Is it doom and gloom for ever

Where will the new jobs come from?

Where did the existing jobs come from:- Take the 30 year look back at loss of jobs in agriculture, manufacturing and mining. New industries - computers - data and information technology (30 years ago "software" meant cushions and curtains!) - aircraft and industrial simulators for training - Move to service industries

### Lets get out of the recession - How?

Treasury to supply convincing economic arguments on Government actions

In industry - improve competitiveness - reduce labour costs to beat the competition. Building a wall and hiding behind it is not an option.

Plenty of room to improve. Refer to earlier praise for some BSC plants - couple with remainder that others have not yet met the challenge. Same true of all industry. Anyone who values his job would do better to arrive five minutes early and leave five minutes later! Role of management in best use of resources

Government will maintain course - amelioration of social effects by welfare etc - public investment - Regional Aid - Good house keeping and management of its own business

And the Treasury bit!