



WHERE WILL THE NEW JOBS COME FROM?

At the August meeting of NEDC, the Chancellor accepted a remit to produce a paper on "Where will the new jobs come from?". This is attached. You may like to look at the summary, and perhaps dip into the paper itself. The conclusions in Section 4 are worth looking at.

The Chancellor is not engaging in a medium-term forecasting exercise. Indeed, he argues that it is pointless to do so since many current sources of jobs were undreamt of a few years ago.

Instead, he argues that the pattern of employment has constantly been changing, both in Britain and abroad. The successful economies are those which work with change and the paper sets out the conditions under which this can be achieved.

There is also a TUC paper which does attempt a forecasting exercise. It argues that:-

- (i) the labour force will grow by approximately 600,000 between 1982-90;
- (ii) output growth is at best expected to average 2½ per cent per annum and could be even lower;
- (iii) productivity growth will average 2-3 per cent;
- (iv) since the economy is likely to grow at or below the bottom end of this range employment will at the most be stabilised but could fall further;
- (v) registered unemployment likely to rise to 3.7-4.2 million by the end of the decade;



(vi) the real jobs gap will rise to over 5 million when account is taken of unregistered unemployment, special unemployment measures and "discouraged workers".

It seems likely that the TUC will be seeking to exploit this concept of the jobs gap. They do not set out the required responses but they will no doubt argue, as before, for Government-led reflation and for a reduction in working time, either in the form of reduced hours or earlier retirement.

These papers are to be discussed at the NEDC meeting on Wednesday, 7 December.

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29 November 1983