

# Employment Gazette

June 1986

Department of Employment

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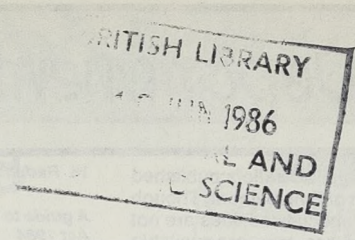
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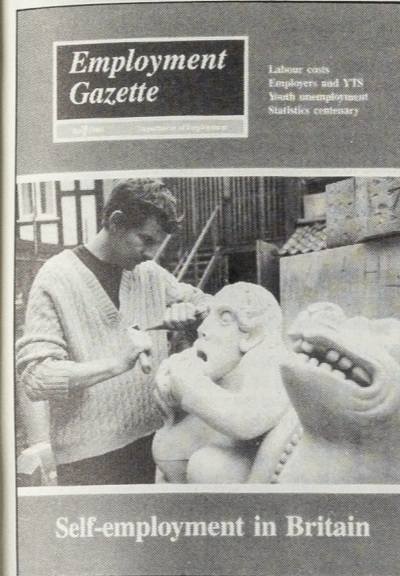
## Self-employment in Britain

# Employment Gazette

June 1986 Volume 94 No 5  
 Department of Employment  
 pages 177-232



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● Cover picture

The stonemason at work introduces the feature on self-employment on page 183.

Photo: Daily Telegraph Colour Library

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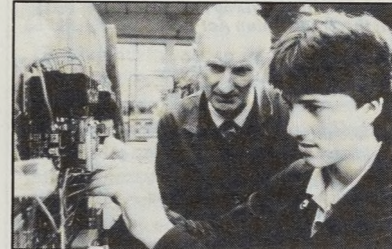
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# Free Department of Employment leaflets

The following is a list of leaflets published by the Department of Employment. Though some of the more specialised titles are not stocked by local offices, most are available in small quantities, free of charge from employment offices, Jobcentres, unemployment benefit offices and regional offices of the Department of Employment. In cases of difficulty or for bulk supplies (10 or more) orders should be sent to **General Office, Information 4, Department of Employment, Caxton House, Tothill Street, London SW1H 9NF.**

*Note:* This list does not include the publications of the Manpower Services Commission or its associated divisions nor does it include any priced publications of the Department of Employment.

## General information

### Action for jobs

Details of the extensive range of DE and MSC employment and training programmes and business help PL782

## Employment legislation

A series of leaflets giving guidance on current employment legislation.

- Written statement of main terms and conditions of employment** PL700 (1st rev)
- Procedure for handling redundancies** PL756 (2nd rev)
- Employee's rights on insolvency of employer** PL718 (3rd rev)\*
- Employment rights for the expectant mother** PL710 (1st rev)\*
- Suspension on medical grounds under health and safety regulations** PL705
- Facing redundancy? Time off for job hunting or to arrange training** PL703
- Union membership rights and the closed shop including the union labour only provisions of the Employment Act 1982** PL754 (1st rev)\*
- Itemized pay statement** PL704
- Guarantee payments** PL724 (2nd rev)\*
- Employment rights on the transfer of an undertaking** PL699 (1st rev)
- Rules governing continuous employment and a week's pay** PL711
- Time off for public duties** PL702
- Unfairly dismissed?** PL712 (2nd rev)
- Rights to notice and reasons for dismissal** PL707 (2nd rev)
- Union secret ballots** PL701 (1st rev)

- Redundancy payments** PL744
- A guide to the Trade Union Act 1984** PL752
- Industrial action and the law A brief guide taking account of the employment Acts 1980 and 1982 and the Trade Union Act 1984** PL753
- The law on unfair dismissal—guidance for small firms** PL715
- Fair and unfair dismissal—a guide for employers** PL714
- Individual rights of employees—a guide for employers** PL716
- Offsetting pensions against redundancy payments—a guide for employers** RPL1 (1983)
- Recoupment of benefit from industrial tribunal awards—a guide for employers** PL720
- Code of practice—picketing**
- Code of practice—closed shop agreements and arrangements**

## Industrial tribunals

- Industrial tribunals procedure—for those concerned in industrial tribunal proceedings** ITL1 (1985)
- Industrial tribunals—appeals against levy assessments** ITL5
- Industrial tribunals—appeals concerning improvement or prohibition notices under the Health and Safety at Work, etc, Act 1974** ITL19

## Overseas workers

- Employment of overseas workers in the UK** Information on the work permit scheme—not applicable to nationals of EC member states or Gibraltarians OW5 1982(rev)
- Employment of overseas workers in the UK** Training and work experience schemes OW21(1982)
- A guide for workers from abroad** Employment in the UK OW17

## Employers and employees covered by Wages Councils

- Are you entitled to a minimum wage and paid holidays?** A brief description of the work of wages councils which fix statutory minimum pay, holidays and holiday pay for employees in certain occupations EDL504(rev)

- Statutory minimum wages and holidays with pay** The Wages Council Act briefly explained WCL1(rev)

## Other wages legislation

- The Truck Acts** Describes the provisions of the Truck Acts 1831-1940, which protect workers from abuses in connection with the payment of wages PL725
- Payment of Wages Act 1960** Guide to the legislation on methods of payment of wages for manual workers (in particular those to whom the Truck Acts apply) PL673

## Special employment measures

- Job Release Scheme** For women aged 59, disabled men aged 60 to 64, and men aged 64 in full-time employment PL761 (1986/7)\*
- New Workers Scheme** A scheme for employers designed to create more employment opportunities for young people. An application form is included. PL793\*
- Job Splitting Scheme** To create more part-time jobs PL760
- Advice for people interested in part-time work** What you should know about working in a split job PL758

## Employment agencies

- The Employment Agencies Act 1973** General guidance on the Act, and regulations for use of employment agency and employment business services PL594 (4th rev)

## Equal pay

- Equal Pay** A guide to the Equal Pay Act 1970 PL743
- Equal pay for women—what you should know about it** Information for working women PL739

## Race relations

- The Race Relations Employment Advisory Service. A specialist service for employers** PL748
- Background information about some ethnic groups in Britain** PL738

## Miscellaneous

- The European Social Fund** A guide for possible applicants for help from the fund which seeks to improve employment opportunities through training, retraining and resettlement in EC member states

\* DENOTES NEW EDITION

# EMPLOYMENT BRIEF

## A "best seller" that's not for sale

Nearly a million people have picked up copies of the 40-page booklet *Action For Jobs* just two months after publication. As part of a £3.5 million national campaign to publicise the programmes and schemes of the Department of Employment and the Manpower Services Commission, the booklet brings together for the first time over 30 DE and MSC programmes.



Lord Young, Secretary of State for Employment, who decided on the *Action For Jobs* initiative said, "I've always thought that many more people would want to take advantage of our programmes if only they knew just how much we had on offer. The spirit of enterprise is spreading through the country—not just among people starting new businesses, but also among those who want to improve their own prospects and the prosperity of the community in which they live.

### Potential

Programmes such as the Job Training Scheme, the Voluntary Projects Programme and the Enterprise Allowance Scheme have encouraged people to try something new, develop their own potential and greatly increase their chances of obtaining lasting, satisfying jobs," said Lord Young. The free booklet is available from main Post Offices, Jobcentres Unemployment Benefit Offices, Small Firms Centres, Citizens Advice Bureaux, Careers Offices, Development Boards and most Enterprise Agencies and Tourist Information Centres.

## Cutting red tape

### White Paper on deregulation published

Helping businesses to thrive by tackling unnecessary regulations is the object of the *White Paper Building Businesses . . . Not Barriers* just published by the Department of Employment. It presents a second package of measures to cut red tape and charts the progress made since the first package was announced in July (in the *White Paper Lifting the Burden*).

The 80 proposals in the first package have been implemented and a package of about 80 more have now been put together. These cover Government Departments across Whitehall and show substantial progress in the drive to remove unnecessary regulations. The Government created the Central Task Force, which vets new proposals for regulations, in July 1985.

### Further proposals

"The package of 80 or so further proposals in the White Paper covers a wide range of initiatives. Among the more significant are—modernising the Use Classes Order to allow a somewhat wider range of changes of use of buildings or land to take place without planning permission; allowing businesses to be given planning permission for two or more alternative uses, so they can change between these uses without the need for further planning applications; setting up a major review on VAT and small businesses, considering such issues as accounting for VAT on a cash basis rather than using invoices and considering an instalment system for VAT payments; reducing the duplication of visits by PAYE and National Insurance inspectors by better coordination and introducing a pilot scheme to coordinate visits by Inland Revenue and Customs and Excise officials. Announcing the White Paper, Lord

## Job Search target set for 1986

Employment Minister David Trippier set a target of more than 10,000 jobs to be offered to young people throughout the country when he launched the Institute of Careers Officers' Job Search '86 campaign in London.

Mr Trippier said that hundreds of careers officers would be involved in a week-long effort to contact employers seeking more job vacancies for young people.

This year's Job Search campaign is aimed at industrial employers, particularly small businesses, to encourage them to recruit young workers between the ages of 17 and 19. Its message will emphasise the subsidies



A leaflet on the new proposals is available from DE.

Young, Secretary of State for Employment, said, "The growth of employment lies at the heart of our jobs strategy. We must help people in business develop their enterprise and create jobs. No one involved in a business can fail to be struck by the weight of demands from Government Departments through forms, visits, enquiries and requests for information. Clearly the less time and energy people in business have to devote to meeting these demands, the more time and energy can be devoted to running their businesses efficiently and so creating wealth and jobs.

"I believe that the proposals in this White Paper and our continuing approach to tackling unnecessary regulations will give business more breathing space. We must not let bureaucracy get in the way of people building up their businesses. Our approach will help create the right climate for jobs, and keep the right climate for the wider needs of our society."

\* "Building Businesses . . . Not Barriers" Cmnd. 9794. HMSO price £6.50.

## Tie line to enterprise



All dressed up and somewhere to go on the Enterprise Express. Lord Young, Secretary of State for Employment, is given a new tie for the occasion when the special exhibition train made a stop at Sheffield during its two-week tour of Britain. Presenting the gift is 25 year old Christine Hughes of Bradford who runs Chantico Design. Her novel dress is not part of her stock, but the outfits worn by Jacki Parkin (left) and Andrea Priestly (right) are her own creations.

## Drop-in learning vision

All good companies will one day have a small centre where workers can pop in for a spot of learning by computer.

That's the vision of MSC Chairman Bryan Nicholson, who says people will eventually regard training as part of everyday working life.

Mr Nicholson was speaking at the Spring Open '86 conference on open learning—a form of training championed in Britain to allow people to study where and when they choose, using books, videos, computer programmes and other materials.

## Benefit to employers

"It is the responsibility of employers to invest in the skills of their employees because they are the ones who will benefit from a better trained workforce," he said.

"Although many have an excellent record, they are still in a minority, and the ones who use open learning are in a minority of that minority."

But Mr Nicholson said that as employers' interest in training grew, so would the demand for flexible training arrangements that suited their needs.

"Open learning is very attractive to employers, whether they are giant multi-

nationals or small family firms because it is so cost-effective, so flexible and so convenient.

"I foresee a time when a small open learning centre is part of every good firm, and employees will regularly pop in for a spot of training, often by computer.

"In that way, training and retraining will become part of working life, and we will be well on the way to having the kind of skilled workforce that helps to make our competitor countries so successful."

Mr Nicholson also urged those who were involved in this form of training to protect and develop the quality of what they offered.

## Naming ceremony

The Enterprise Express is to have a "London Day" extra when it arrives at Euston on June 9 as part of a naming ceremony of a locomotive. The DTI is sponsoring the event when the locomotive will be dubbed "Industry Year".

## Prompt payment to help small firms

An initiative to help small firms facing difficulties as a result of late payment of bills has been introduced by Small Firms Minister David Trippier.

A booklet *Payment on Time* emphasises the importance of prompt payment as an essential part of good business practice, and says that both buyers and suppliers have responsibility for ensuring that it is achieved.

The publication has the backing of the Confederation of British Industry, the Institute of Directors, the Association of British Chambers of Commerce and the Institute of Purchasing and Supply. It aims to encourage the adoption of best practice in both the public and private sectors.

## Survival issue

"Late payment is perhaps the biggest issue in the minds of most small businessmen and their very survival often hinges on the issue. I am determined to see a marked improvement in commercial payment practice and an easing of the pressure on small firms.

"I find it disgraceful that multi-million pound companies improve their liquidity by squeezing the cash flow of small suppliers," said Mr Trippier.



The Minister stressed that it was important that buyers recognised that it is not in their long-term interest to damage a supplier's ability to perform by delaying settlement of outstanding accounts.

"It is important that those responsible for payment policy in buying organisations read this booklet as well as those in the finance, accounts and supply departments so that the best practice policy can be implemented consistently and effectively throughout," he said.

Copies of *Payment on Time* can be obtained from Department of Employment Small Firms Centres. The nearest centre can be contacted by dialling the operator and asking for Freefone Enterprise.

## Secret ballots will hold sway

"It is the primacy of the secret ballot that will hold sway in the future—not the so-called democratic process of the mass meeting," commented Sir Pat Lowry, ACAS Chairman on the publication of its Annual Report for 1985.

"My overriding impression is that many managements are handling their industrial relations imaginatively in a way which gives grounds for optimism for the future. But even well-meaning developments in such fields as employee involvement, urgently though they are needed, are sometimes suspected by the trade unions as part of a deliberate long-term policy to weaken trade unions at the place of work.

"There have been a small number of cases in which the tactics used by management to achieve understandable economic objectives are likely to bequeath a legacy of trade union resentment and bitterness that will have long-term implications far beyond the confines of the plant itself."

Sir Pat Lowry observed that while, with the dramatic drop in strikes, there had in 1985 been a decline in the number of collective conciliation, arbitration and mediation cases handled, a record amount of advisory work was undertaken. He said that last year each week ACAS dealt on average with 25 requests for collective conciliation, three arbitrations and mediations, 825 individual conciliation cases, 176 advisory visits, 19 "in-depth" advisory projects and, together with the Work Research Unit, 5,360 general enquiries.

## Young Enterprise

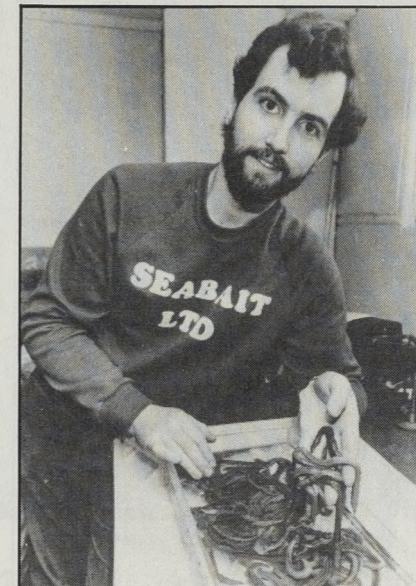
"Today's pupils are tomorrow's leaders," said Peter Morrison, Minister of State for Industry, when he presented awards to four teams of Croydon school students.

They had run their own businesses during the last year with the help of expert advice from local firms under the "Young Enterprise" scheme.

Awards went to "Visions of Success", sponsored by SEGAS; Harrods of Croydon, sponsored by Deloitte Haskins and Sells; Plastiques, sponsored by Allders; and Alchemy, sponsored by the Small Business Unit of the Chamber of Commerce. Two of the mini-businesses were featured in November 1985 issue of *Employment Gazette*.

Mr Morrison commented, "These awards are excellent examples of what can be achieved when industry and education work together. Thanks to the scheme we now have a group of young people who are much better equipped to make the jump from school to work."

## From rag worms to riches



Peter Cowie of Seabait Ltd displays his rag worms.

A £1,000 business award has gone to a 26 year old research student from Tyneside—for breeding rag worms. Peter Cowie from Newcastle University won the first student Innovation for Business competition organised by The Industrial Society, Tate and Lyle and Touche Ross & Co.

When the organisers invited students to send in detailed plans for setting up and running their own business, they stressed originality as well as commercial viability.

Peter Cowie, who has already set up in business selling his rag worms to anglers, fish farms and laboratories will use the £1,000 to expand the enterprise. He claims that in terms of marine agriculture farming, breeding rag worms is a new idea in Britain, if not in the world.

"Other people have looked at it at an elementary level. This is a first on a commercial level", said Mr Cowie.

Within a year or two, Mr Cowie hopes to be employing between seven to 10 people.

The competition attracted some 127 entries and two runners-up prizes of £500 were awarded.

## London's Tourist Accommodation in the 1990's

International tourism worldwide is likely to grow between 3 and 5 per cent per annum for the rest of the century, according to a consultants' report for the British Tourist Authority and the English Tourist Board.

This growth potential offers considerable opportunities: the benefit could mean additional revenue—£500 million or more a year in London alone by the mid 1990s—and jobs—100,000 new full-time jobs in London alone. And there will be extra tourism in-

come and jobs elsewhere in Britain and additional revenue for air and sea carriers.

The consultants' recommendations for increasing accommodation in London will be discussed with the Government, local authorities and tourism interests concerned.

London's Tourist Accommodation in the 1990's: summary report available from: BTA/ETB Research Department, Thames Tower, Black's Road, London W6 9EL (price £15.00, post free).



Embankment, London

## Success is the name of the game



The joy of success is clear to see as the winning team in the Merseyside YTS Business Game 1986 receive their awards and certificates and line up with Everton Football Club Manager, Howard Kendall.

The team all doing YTS training at Dista Products Limited, the Merseyside pharmaceutical company, were: John Ellan, Zain Dyke, David Fury, Ian Moody, Robert Mulholland and Keith Thompson, and they won because they showed that individually and as a team they were best suited to make far-reaching decisions about real life matters in a simulated business situation.

Arthur Gore, Area Manager of Merseyside Training Division, said that the YTS Business Game had been so successful over the last two years that it had now become an integral part of the Merseyside YTS Year. YTS trainees take part in the Business Game and are required to make decisions affecting future profitability of the 'company', the size of the workforce, the strength of competition, and the costing of individual products.

It aims to give trainees an insight into how business works, and opportunities to use computers to help them in arriving at their decisions.

## Lunch fit for a Lord

Five young trainees from the Wandsworth Training Agency's Putney Workshop were given the opportunity to demonstrate their newly acquired skills at a national conference. They were contracted to provide the buffet lunch for 150 delegates representing education authorities, careers services, industries, unions and government departments at the 4th Careers Service National Conference held in London recently.

Lord Young, Secretary of State for the Department of Employment, who had earlier addressed the delegates, returned at lunchtime especially to meet the trainees and to congratulate them on the spread.

The Putney Workshop provides a sheltered environment for young people with learning difficulties and trains them through such courses as catering, office skills, carpentry, horticulture, computer literacy and crafts and design.

Lord Young (centre) discusses the menu with the YTS trainees who laid on the lunch. Far right is their manager, Paul Taylor and next to him is deputy manager, Denise Watts.



## YTS fashion makers get the jobs

A North West manufacturing group which sell high fashion women's clothes throughout the UK and abroad, is finding jobs for school-leavers who have trained with them under YTS.

Sterling Fashions which has fashion factories in Bolton, Manchester and Littleborough, has provided 30 YTS training places, and almost all the trainees have been found permanent jobs at the end of their training.

The star of the Sterling Fashions YTS trainees is undoubtedly Amanda Jane Coward (17) of Rochdale, who has been taken on as a permanent employee on full wages before her YTS training finishes.



Her YTS Supervisor at Sterling Fashions, Littleborough, Mrs Rose Fleming said: "Amanda proves what can be achieved by YTS. Her lack of height (3ft 11in), might well have given her a problem in receiving training. I interviewed her, and thought she had good potential and so we adapted a sewing machine to enable Amanda to train under YTS, in all the areas of work that we do."



Daily Telegraph Colour Library

## Self-employment in Britain Results from the Labour Force Surveys 1981-1984

by Stephen Creigh,  
Ceridwen Roberts,  
Andrea Gorman and  
Paul Sawyer

Employment Market Research Unit  
Department of Employment\*

Self-employment in Britain has been growing strongly in recent years as regards both men and women, supported by a number of Government schemes, notably the Enterprise Allowance Scheme. This feature article brings together statistical information from past Labour Force Surveys and points to some areas in which further expansion could take place.

The most comprehensive picture yet of self-employment in Britain emerges from an analysis of the 1981, 1983 and 1984 Labour Force Surveys (LFS)<sup>1</sup>. The major findings are:

- In 1984 some 2.6 million people were self-employed in their main job (11.2 per cent of all employment). Including second job holders the total number of self-employed people rises to 2.8 million (12 per cent of employment).

- Between 1981 and 1984 the number of people who were self-employed in their main job grew by 442,000 (315,000 between 1983 and 1984 alone). Some 80 per cent of growth was due to single person businesses, that is self-employed without employees.

- Female self-employment has grown strongly but in 1984 the self-employed were still mostly (75 per cent) male. Self-employed workers are usually middle aged and married.

- Self-employed is heavily concentrated in certain industries. Together distribution, other services and construction accounted for two-thirds of the total in 1984.

- The self-employment rate (percentage share of self-employment in total employment) varies between geographical regions. Southern England had above average rates while those for Scotland and the Northern Region are low. Such differences do not simply reflect differences in industrial structure, nor is there any clearcut relationship with regional unemployment rates.

- Self-employment typically involves a major commitment of working time. Over 80 per cent of the self-employed worked on a full-time basis, with one in five normally working 61 hours a week or more.

- In 1984 some 17 per cent of all the self-employed had not been self-employed one year earlier. Around 200,000 of the self-employed had been employees one year ago, and in almost every case the change in status also involved a change in occupation and/or firm.

\* This article was prepared in collaboration with staff of the Department of Employment's Statistics Division whose assistance is gratefully acknowledged.

<sup>1</sup> Preliminary results from the Labour Force Survey for 1985 were given in *Employment Gazette* for May 1986, pp 135-144.

Self-employment is an important form of economic activity which has grown strongly in the 1980s. Government support for self-employment is underlined by the Enterprise Allowance Scheme, through which unemployed people receive a cash allowance during their first year in self-employment, and by action to reduce the burden of regulations on small businesses in general.

The LFS, from which the latest detailed statistical evidence on self-employment is taken is a voluntary household survey. Until 1983 it was undertaken in the Spring each second year but thereafter it became an annual survey covering about 60,000 households each Spring<sup>1</sup>.

The LFS surveys for 1981, 1983 and 1984 provide a valuable source of data on many aspects of employment although the survey does not ask about earnings. This feature concentrates on 1984, the latest year for which full information is available, and changes over 1983 to 1984 for which the most detailed analyses are possible. However, changes in self-employment over the whole period 1981 to 1984 are also covered and some preliminary results from the 1985 LFS are briefly discussed.

LFS respondents were asked if in their main job during last week they were an employee or self-employed\*. Subsequent questions provide information on any second job during the last week and the situation one year earlier. In the initial sections of this feature the analyses concentrate on respondents declaring themselves to be self-employed in their main job. Later sections analyse the data on second jobs and changes in employment status since one year previously.

### The size, growth and form of self-employment

Table 1 shows that in Great Britain during Spring 1984, 11.2 per cent of all employed persons were self-employed in their main job. Out of the total of some 2.6 million self-employed, just over three-quarters were males whereas males accounted for only 56 per cent of all employment. Self-employment was thus twice as prevalent among males (14.5 per cent of all male employment) as for females (6.6 per cent).

Table 1 Distribution of employment in Great Britain: 1984 LFS

	Per cent		
	Males	Females	Total
<b>Self-employed</b>			
Without employees	9.1	4.5	7.2
With 25 or less employees	5.4	2.0	3.7
With more than 25 employees	*	*	*
All self-employed	14.5	6.6	11.2
<b>Employees</b>			
Permanent job	80.8	85.2	82.6
All employees	85.4	93.2	88.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Base (thousands)</b>	<b>13,653</b>	<b>9,269</b>	<b>23,282</b>

\* Negligible.

<sup>1</sup> See article entitled, "Labour Force Survey Changes" in *Employment Gazette* of July 1983, p 295, for a full discussion of the methodology of the LFS. Similar surveys are run in all EC countries—see Labour Force Survey 1983 and Labour Force Survey: Methods and Definitions published by the Statistical Office of the European Communities (Eurostat), Luxembourg.

\* Self-employment is defined in various ways for taxation and social insurance purposes. In the LFS respondents are simply asked "were you working as an employee or were you self-employed?" in your main (and second) occupation. All the analyses in this article are based on this "self" classification.

Self-employment may take several forms ranging from the single person business to much larger undertakings with substantial numbers of employees. LFS data distinguish between the self-employed without employees, those with fewer than 25 employees and those with 25 or more employees. The 1984 results are summarised in Table 2.

Table 2 Distribution of self-employment in Great Britain: 1984 LFS

	Per cent		
	Males	Females	Total
Self-employed without employees	62.7	69.0	64.2
Self-employed with less than 25 employees	34.5	29.9	33.4
Self-employed with 25 or more employees	2.8	1.1	2.4
<b>Total self-employed</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Base (thousands)</b>	<b>1,980</b>	<b>638</b>	<b>2,619</b>

Overall, some 64 per cent of all the self-employed had no employees. About a third had 25 or fewer employees and a very small proportion (two per cent) had more than 25 employees. There are differences between the sexes, since the self-employed without employees make up 62.7 per cent of all self-employed males against 69.0 per cent of self-employed females.

In 1984 the largest single group were clearly males without employees who comprised just under half (47.5 per cent) of all the self-employed. Males with employees were the next largest category with 28.3 per cent of all self-employment. Females without employees and with employees accounted for 16.7 per cent and 7.5 per cent of all the self-employment, respectively.

The successive 1981, 1983 and 1984 LFS Surveys show a strong growth in self-employment within Great Britain. Table 3 summarises the results for the two periods 1981 to 1984 and 1983 to 1984. Preliminary results from the 1985 LFS indicate that between 1984 and 1985 self-employment in Great Britain grew by a further 91,000 to exceed 2.7 million, although these data are not strictly comparable with those used in this article†.

Between 1981 and 1984 self-employment grew by some 442,000 (20.3 per cent) with the share of self-employment in total employment rising from 9.2 per cent to 11.2 per cent. Most (77.6 per cent) of the growth in the numbers of self-employed was accounted for by the self-employed without employees. Expansion was especially rapid between 1983 and 1984 when self-employment increased by 315,000 (13.7 per cent) in a single year. Again, most (86.3 per cent) of the growth came from self-employed persons without employees.

In both the time periods considered most of the overall expansion in self-employment occurred among males. However, because female self-employment started from a lower base, the percentage growth in female self-employment has been greater than for males (except in the case of the self-employed with employees between 1983 and 1984).

### Who are the self-employed?

The LFS data provide information on the personal characteristics of self-employed workers—notably their age and marital status.

There are good reasons for expecting that the age structure of the self-employed will differ from that of employees. The skills, experience and confidence required for

† Changes to statistical definitions are described in the Technical Note to the feature article, "Labour Force Survey for 1985. Preliminary Results", contained in the May 1986 edition of *Employment Gazette*, pp 135-144.

Table 3 Growth in self-employment in Great Britain: LFS 1981-84

Increase	1983-84					1981-84						
	Males thousands	Per cent*	Females thousands	Per cent*	Total thousands	Per cent*	Males thousands	Per cent*	Females thousands	Per cent*	Total thousands	Per cent*
Self-employed without employees	185	(18)	87	(24)	272	(19)	198	(19)	145	(49)	343	(25)
Self-employed with employees	42	(6)	1	(1)	43	(5)	55	(8)	42	(27)	98	(12)
<b>All self-employed</b>	<b>227</b>	<b>(13)</b>	<b>88</b>	<b>(16)</b>	<b>315</b>	<b>(14)</b>	<b>254</b>	<b>(15)</b>	<b>187</b>	<b>(42)</b>	<b>442</b>	<b>(20)</b>

\* All percentage growth rates are absolute increases expressed as a percentage of the relevant total in the appropriate base year (1981 or 1983).

self-employment may only be acquired after some years in the labour force. Furthermore, it may take some time to accumulate the capital needed. The data on employment status by age set out in Table 4 clearly show that self-employment is rare among young workers of both sexes.

So far as employees are concerned, people aged under 30 and those aged 30 to 44 years each account for around one-third of the total. However, only 17 per cent of the self-employed were aged under 30 years, while 43 per cent

The Masrini brothers run a convenience store in Tunbridge Wells.



PHOTO: CTN

fall into the 30 to 44 years age range. Some 11 per cent of the self-employed were aged over 60 years compared to only six per cent of all employees. These patterns are broadly true for both sexes.

When the type of self-employment is considered, only 10.3 per cent of all self-employed persons with employees were aged under 30 years. However, 21.4 per cent of the self-employed without employees and 33.6 per cent of employees fell into this age group.

The marital status of the self-employed reflects their concentration in older age groups. Thus in 1984 around 80 per cent of self-employed males and females were married, compared to 69.3 per cent of male employees and 65.9 per cent of female employees. The proportion of widowed, divorced or separated people is equally large for both types of employment, with around five per cent of males and ten per cent of females in this category. However, single people comprised 26.8 per cent of all male and 25.4 per cent of all female employees while the corresponding figures for the self-employed were only 14.5 and 10.4 per cent respectively.

### Where do the self-employed work?

The pattern and the distribution of self-employment by industry, region and occupation during Spring 1984 compared with that of employment is discussed below.

#### Industry

Table 5 summarises the distribution of employees and self-employment across the ten major industry divisions. The table clearly shows the dominance of three industries, with distribution, hotels and catering, construction and other services together accounting for two-thirds of all self-employment in 1984. These same three industry divisions covered rather more than half (53.6 per cent) of all employees. Agriculture accounted for 10.7 per cent of all self-employment but only 1.4 per cent of all employed employees.

Table 4 Age of employees and self-employed: LFS 1984

Age	Employees			Self-employed				All
	Male	Female	All	Male	Female	All without employees	All with employees	
16-19								
20-24	7.8	9.6	8.6	1.7	1.3	2.2	0.5	1.6
25-29	12.8	14.2	13.4	6.7	5.5	8.5	2.7	6.4
30-34	12.2	10.5	11.4	9.2	10.0	10.7	7.1	9.4
35-39	11.6	9.6	10.8	11.5	14.0	12.2	11.9	12.1
40-44	12.3	12.6	12.4	17.2	17.1	16.9	17.8	17.2
45-49	9.9	11.1	10.4	13.6	13.2	12.5	15.3	13.5
50-54	9.5	10.7	10.0	11.2	10.8	9.9	13.1	11.1
55-59	9.0	9.6	9.3	10.4	9.6	9.5	11.6	10.2
60-64	8.0	7.6	7.8	7.7	8.1	7.1	8.9	7.8
65 and over	5.5	3.3	4.6	6.0	5.9	5.6	6.7	6.0
Total	1.3	1.2	1.2	4.7	4.5	4.8	4.3	4.6
<b>Base (thousands)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 5 Industrial distribution of employees and self-employed: LFS 1984**

Industry division	Employees		Self-employed					Per cent	
	Male	Female	Total	Male	Female	All without employees	All with employees		Total
Agriculture	1.9	0.9	1.4	11.9	6.7	9.9	11.9	10.7	
Energy, water supply	5.1	1.2	3.4	0.2	0.1	*	*	0.2	
Extraction of minerals	5.3	2.0	3.9	0.5	1.2	1.0	*	0.6	
Metal goods, engineering and vehicles	16.9	5.9	12.1	3.1	0.6	2.7	2.1	2.5	
Other manufacturing	11.5	9.8	10.8	5.0	6.3	5.5	5.0	5.3	
Construction	9.5	1.6	6.0	26.5	1.4	24.6	12.8	20.4	
Distribution, hotels, catering and repairs	13.9	25.5	19.0	27.8	41.8	25.2	42.1	27.8	
Transport	9.0	3.0	6.4	5.9	1.6	5.5	3.7	3.7	
Banking, finance, insurance and business services	7.5	9.6	8.4	9.0	9.8	7.9	11.5	9.2	
Other services	19.5	40.5	28.6	10.0	30.5	17.6	10.5	10.0	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	
<b>Base (thousands)</b>	<b>11,658</b>	<b>8,979</b>	<b>20,638</b>	<b>1,980</b>	<b>638</b>	<b>1,683</b>	<b>936</b>	<b>2,619</b>	

\* Indicates not significant.

The remaining five (out of ten) industries together employ only 13.4 per cent of all the self-employed in Britain. However, this group of relatively capital intensive activities, comprising energy and water supply, mineral extraction, manufacturing and transport, account for 36.6 per cent of all employees.

The high degree of industrial concentration of self-employment is true for both sexes, the three largest industries accounting for 66.2 per cent of all self-employment in the case of males and 82.1 per cent for females. However, the pattern for males and females varies across these industry groups.

The distribution, hotels, catering and repair sector is the largest for both sexes, with 27.8 per cent of male self-employment and a massive 41.8 per cent of female self-employment. Other services account for ten per cent and 30.5 per cent of total male and female self-employment, respectively. However, the main difference arises in the male dominated construction industry. Construction employs around one in ten of all male employees but only 1.6 per cent of all female employees. For the self-employed the contrast is even sharper, with the industry providing 26.5 per cent of all male self-employment but a mere 1.4 per cent of female self-employment.

**Share and type of self-employment**

Self-employment rates, that is, the percentage of all employment accounted for by self-employment are set out in Table 6 by sex and type of self-employment.

The data show that overall the self-employment rate varies from over 48 per cent in agriculture to less than one per cent in the energy and water supply sector. After agriculture the next highest self-employment rate occurs in construction (29.9 per cent).

Agriculture has the highest self-employment rate for both sexes, but the relatively smaller numbers of self-employed females means that elsewhere the self-employment rate exceeds ten per cent only in the distribution, hotels, catering and repair sector (which alone accounted for 41.8 per cent of total female self-employment). In contrast, self-employed males accounted for substantial shares of all employment in several non-agricultural sectors, notably construction (32.2 per cent), distribution etc (25.4 per cent) and banking, finance, insurance and business services (17.0).

As noted, 7.2 per cent of all employment was accounted for by self-employed persons without employees and another four per cent by self-employed with employees.

For the self-employed without employees, two industries account for just under half of the total. Construction and distribution, hotels, catering and repair are each responsible for around one-quarter of all the self-employed without employees and a further 17.6 per cent are found in other services. Some 42.1 per cent of all self-employed persons with employees are found in the distribution sector, while the next biggest industry is construction with only 12.8 per cent of all self-employment.

In terms of the share of the self-employment without employees in total industrial employment (Table 6), there are only two sectors in which this share exceeds 10 per cent namely, agriculture (28.7 per cent) and construction (23.0 per cent). The share of the self-employed with employees in total industrial employment reached 19.2 per cent in agriculture but was consistently below ten per cent elsewhere.

Table 7, on the share of the two forms of self-employment by industry, underlines the relative importance of the self-employed with employees in distribution etc (48.2 per cent of all self-employment) and agriculture (39.8 per cent). On the other hand, self-employment without

**Table 6 Share of self-employed in total industry employment: LFS 1984**

Industry division	Percentage share of self-employed in total employment					Per cent
	Male	Female	Without employees	With employees	Total	
Agriculture	51.5	36.0	28.7	19.2	48.3	
Energy and water supply	0.5	0.7	0.6	*	0.6	
Extraction of minerals	1.5	4.1	1.7	0.4	2.1	
Metal goods, engineering and vehicles	3.0	0.8	1.7	0.8	2.5	
Other manufacturing	6.9	4.3	3.9	2.0	5.9	
Construction	32.2	6.0	23.0	6.7	29.9	
Distribution, hotels, catering and repairs	25.4	10.4	8.9	8.3	17.3	
Transport	10.1	3.6	6.4	2.4	8.8	
Banking, finance, insurance and business services	17.0	6.7	6.7	5.4	12.2	
Other services	8.1	5.1	4.6	1.6	6.3	
<b>Total</b>	<b>14.5</b>	<b>6.6</b>	<b>7.2</b>	<b>4.0</b>	<b>11.2</b>	
<b>Base (thousands)</b>	<b>13,653</b>	<b>9,269</b>	<b>23,282</b>	<b>23,282</b>	<b>23,282</b>	

\* Indicates negligible.

employees is predominant in construction (77.5 per cent of all self-employment) and other services (75.0 per cent). In the period 1983-84, during which most of the recent growth in self-employment occurred, certain significant industrial trends emerge. Some 30.7 per cent of all self-growth was in the distribution, hotel, catering and repair industry but construction (20.0 per cent of growth) and other services (16.4 per cent) were also important.

**Table 7 Type of self-employment by industry: LFS 1984**

Industry division	Self-employed		Total
	without employees	with employees	
Agriculture	60.5	39.5	100.0
Energy and water supply	100.0	0	100.0
Extraction of minerals	81.8	18.2	100.0
Metal goods, engineering and vehicles	69.2	30.8	100.0
Other manufacturing	66.4	33.6	100.0
Construction	77.5	22.5	100.0
Distribution, hotels, catering and repairs	51.8	48.2	100.0
Transport	73.0	27.0	100.0
Banking, finance, insurance and business services	55.4	44.6	100.0
Other services	75.0	25.0	100.0
<b>Total</b>	<b>64.2</b>	<b>35.8</b>	<b>100.0</b>
<b>Base (thousands)</b>	<b>1,668</b>	<b>928</b>	<b>2,619</b>

Together these three industries which accounted for two-thirds of all self-employed in 1984 were also responsible for just over two-thirds of all growth in self-employment over 1983-84.

In general, trends in the growth of self-employed with employees by industry cannot be analysed in a satisfactory way because of the limited number of LFS respondents at this level of disaggregation. However, among some broad groups for the self-employed without employees, who accounted for 87 per cent of the total growth in self-employment over 1983-84, distribution, construction and other services remained predominant accounting for 26.1 per cent, 21.7 and 21.1 per cent of overall growth in this type of self-employment, respectively.

**Regional analysis**

The pattern of self-employment across the ten standard geographical regions of Britain is shown in Table 8. The three regions covering Southern England (the South East, East Anglia and the South West) together accounted for

**Table 8 Regional distribution of self-employment and unemployment in Great Britain: LFS 1984**

Regions	Percentage share in self-employment			Self-employment as a percentage of all employment			Unemployment rate			Per cent
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
South East	35.2	36.0	35.4	15.2	7.1	11.8	11.4	6.8	9.5	
East Anglia	4.5	4.1	4.4	17.3	7.7	13.5	11.9	7.8	10.2	
South West	10.6	12.7	11.1	18.9	10.5	15.4	13.1	9.0	11.3	
West Midlands	8.6	7.1	8.2	13.7	5.2	10.2	17.7	10.0	15.0	
East Midlands	6.3	7.1	6.5	12.5	6.4	10.0	14.4	8.6	11.9	
Yorks & Humberside	8.1	7.3	7.9	13.4	5.5	10.2	16.6	10.1	13.9	
North West	10.2	11.6	10.5	13.7	6.8	10.8	19.4	10.8	15.7	
North	3.9	3.4	3.8	11.3	4.4	8.4	21.5	12.2	17.7	
Wales	5.7	5.5	5.6	17.9	8.1	13.9	19.2	11.0	15.9	
Scotland	6.7	5.3	6.4	11.1	4.0	8.2	18.1	10.9	15.0	
<b>Great Britain</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>14.5</b>	<b>6.6</b>	<b>11.2</b>	<b>15.3</b>	<b>9.1</b>	<b>12.7</b>	



Judith Jones changes the menu at her restaurant in Heswall, Merseyside, which she runs with her husband Alvar.

just over half (50.9 per cent) of all Britain's self-employed, but a smaller share (44.7 per cent) of employees. The South East alone was responsible for 35.4 per cent of self-employment and 33.4 per cent of employees. The share of total self-employment accounted for by the various regions differs little between the sexes.

In order to assess the scale of self-employment in each region, it is necessary to allow for differences in total employment, (see Table 8), where self-employment is shown as a percentage of each region's total employment. The resulting self-employment rate differs much less sharply between regions. However, the South East, East Anglia and the South West all have rates of self-employment above the national average for both sexes.

Elsewhere the rate of self-employment is below average, except for both sexes in Wales and for females in the North West. The North and Scotland have the lowest self-employment rates at only 8.4 and 8.2 per cent, respectively.

Analysis of differences in the growth of self-employment between regions is difficult due to the limited number of observations. However, it is clear from the data available that during 1983-84 growth in self-employment was heavily

concentrated in the South East. Some 43 per cent of the total growth in self-employment over the period occurred in this region, which as noted had just over one-third of all self-employed persons in 1984. The South East's share in the growth of female self-employment was even larger at almost 59 per cent.

In Britain as a whole, some 64.2 per cent of self-employed persons had no employees, but this varies between regions. At one extreme some 70.1 per cent of the self-employed in the South East had no employees, while in Scotland just over half (52.1 per cent) of all self-employed were without employees. The South East alone accounted for 38.4 per cent of the national total of self-employed without employees in 1984, and the region's share was growing with some 46.0 per cent of total growth in this type of self-employment between 1983-84 occurring in the South East.

### Regional differences

Regional differences in the self-employment rate may reflect a wide range of economic, social and cultural factors. However, one possible influence is industrial structure. As observed very large differences exist in the self-employment rates between industries, notably the low rates in manufacturing and higher than average rates in services, construction and agriculture. Thus, other things being equal, a region with an above average share of manufacturing employment and below average reliance on the service sector should exhibit a lower overall self-employment rate and *vice versa*.

In order to assess the importance of this factor an industrially standardised regional self-employment rate has been produced. The procedure utilises the actual self-employment rate (self-employment as a percentage of all employment) in each industry division for each region. The overall standardised regional rate is then calculated by applying national employment weights for each industry to the actual regional self-employment rates. The resulting standardised self-employment rate is that which would apply if each region's industrial structure was exactly the same as the national average but the propensity for self-employment within a given industry in a region was unchanged.

Such an exercise must be treated with caution. The industrial divisions used are broad and there may be substantial inter-regional variations in employment structure within a given division. Furthermore, at this level of disaggregation the number of observations in the LFS may be small and the estimates of self-employment subject to sampling error. Thus too much emphasis should not be placed on the analysis especially in the case of the smaller regions. However, the results presented in Table 9 can serve as an indication of the role of industrial composition effects.

**Table 9 Regional self-employment rates in Great Britain: LFS 1984**

Region	Actual self-employment rate	Standardised regional self-employment rate
South East	11.8	11.8
East Anglia	13.5	12.5
South West	15.4	13.4
West Midlands	10.2	9.6
East Midlands	10.0	10.6
Yorks & Humberside	10.2	10.6
North West	10.8	11.7
North	8.4	8.6
Wales	13.9	12.1
Scotland	8.2	8.1

Differences in industrial composition in general may not have played a large role in explaining the variations in the overall self-employment rate between the ten standard regions. Thus observed, inter-regional differences do appear to reflect variations in the rate for self-employment within given industries across the regions.

The impact of industrial structure is most apparent in East Anglia, the South West and Wales, where the actual self-employment rate in 1984 is estimated to be one to two percentage points higher than that which would have occurred if regional industrial structures had exactly matched the national pattern. Nevertheless, in all three regions the self-employment rate after adjustment for industrial structure is still above the national average (of 11.2 per cent).

In the very large South East region the actual self-employment rate is 11.8 per cent compared to the national average of 11.2 per cent. Industrial composition is not estimated to have played any part in this differential, which is not surprising given the large weight of this region in total national employment and self-employment. The low self-employment rates found in the North and Scotland are maintained even after allowance for industrial structure differences, and so apparently reflect generally lower propensity for self-employment within industries in these regions.

### Regional Labour Market

Another factor which might at first sight be expected to affect the self-employment rate is the state of the regional labour market as reflected in the unemployment rate. However, at least two distinct forces will be at work.

In areas of high unemployment the limited opportunities for gaining employment as an employee may induce work seekers not in employment to establish themselves as self-employed. In the case of individuals registered as unemployed the attractiveness of this course of action will be increased by the availability of Enterprise Allowance Scheme payments. Furthermore, other things being equal, areas with higher unemployment rates may well contain higher proportions of individuals with redundancy payments to invest in starting their own businesses. These factors should all induce more individuals to consider self-employment rather than employment in areas of high unemployment.

However, the decision to become self-employed does not simply depend upon the prospects for alternative employment. The chance of establishing a viable enterprise are also crucial, and this in turn will be related to the general economic environment prevailing in the region. Clearly the unemployment rate is one important indicator of the regional economic climate and high unemployment may have a depressing effect on expectations of success in self-employment.

The net impact of unemployment on the self-employment rate is thus unclear. It depends upon the balance between the incentives which high unemployment creates for individuals to enter self-employment as an alternative to being unemployed or remaining outside the labour force altogether and the relatively depressed business environment found in areas of high unemployment.

The data in Table 8 show no obvious relationship across the regions between self-employment and unemployment rates. It is true that three regions covering Southern England all recorded below average unemployment rates and above average self-employment rates, while the regions with the lowest self-employment rates (Scotland and the North) both experienced unemployment well above the

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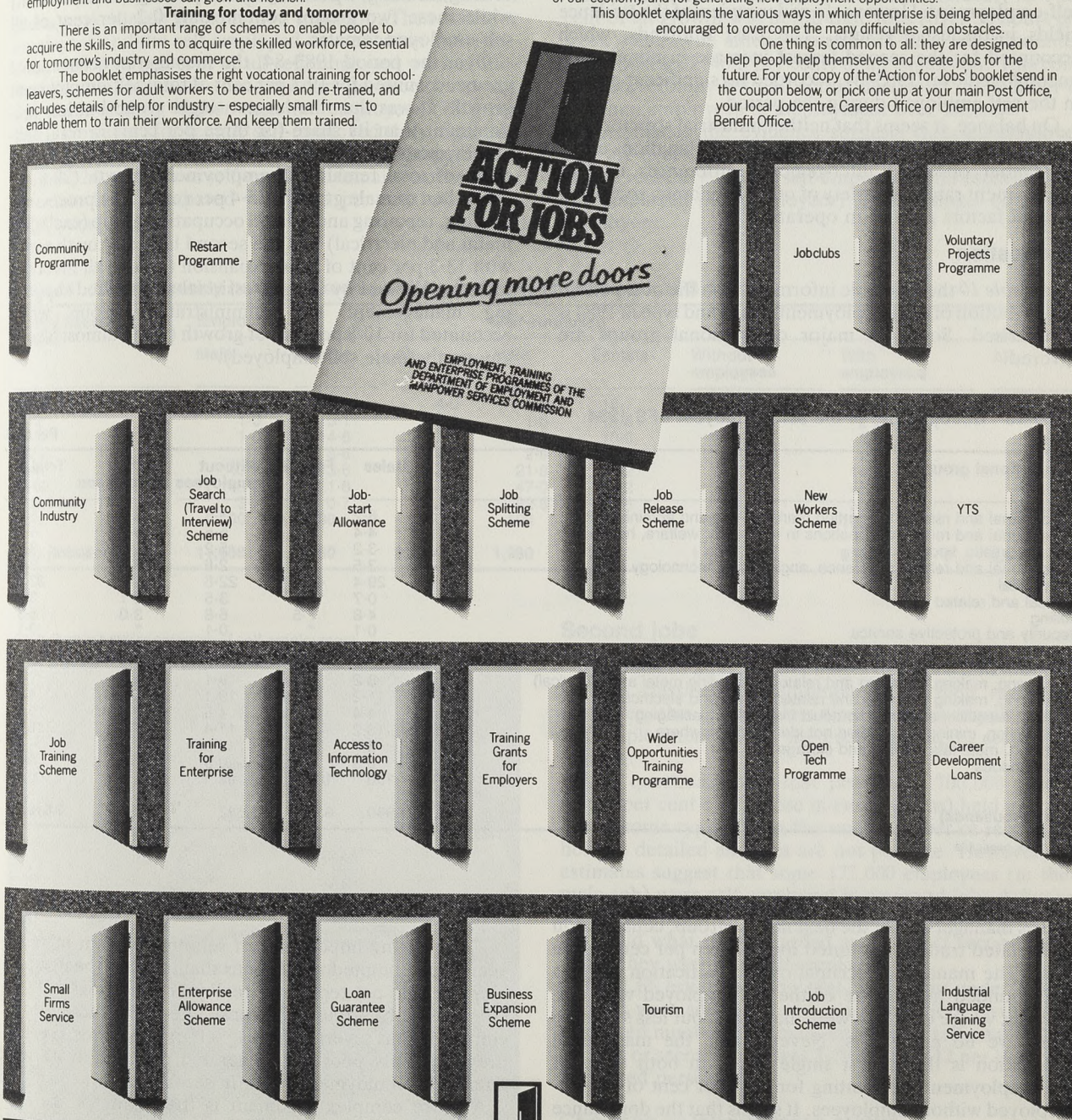
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national average. However, the two regions with the highest unemployment rates—the North (17.7 per cent) and Wales (15.9)—had very different self-employment rates at 8.4 and 13.9 per cent, respectively.

An alternative method of analysis is to compare shifts in the numbers of unemployed and self-employed across the regions. As noted above, during the period 1983–84 the South East region accounted for the largest single share in self-employment growth, with 42.9 per cent of the national increase. This region also experienced the largest (52.4 per cent) part of the 50,000 increase in the number of unemployed over the same period, giving some support for the idea that rising unemployment may push individuals into self-employment. However, a wider review of the evidence yields inconclusive results. The East Midlands, which accounted for the second largest increase in numbers of unemployed over 1983–84, recorded no significant growth in the self-employed during the period.

On balance, it seems that neither industrial structure nor recorded unemployment are important explanations of the substantial observed inter-regional differences in self-employment rates. A variety of other economic, social and cultural factors may be in operation.

### Occupation

In *Table 10* the available information on the occupational distribution of self-employment by sex and type in 1984 is summarised. Some 16 major occupational groups are covered.

**Table 10 Occupations of the self-employed: LFS 1984**

Occupational group	Per cent				Total
	Males	Females	Without employees	With employees	
Professional and related supporting management and administration	6.2	2.9	3.8	8.2	5.4
Professional and related occupations in education, welfare, health	4.4	9.7	5.5	6.0	5.6
Literary, artistic, sports	3.2	5.7	5.2	1.5	3.8
Professional and related in science, engineering, technology etc	3.5	0.8	2.6	3.4	2.9
Managerial	29.4	43.5	22.6	51.2	32.8
Clerical and related	0.7	10.2	3.5	2.1	3.0
Selling	4.8	7.5	6.8	3.0	5.5
Security and protective service	0.1	*	0.1	*	0.1
Catering, cleaning, hairdressing and other personal services	2.1	11.2	5.7	1.8	4.3
Farming, fishing and related	2.7	1.9	3.2	1.3	2.5
Processing, making, repairing and related (excluding metal and electrical)	8.2	4.8	9.1	4.3	7.4
Processing, making repairing and related (metal and electrical)	11.2	0.1	10.1	5.5	8.5
Painting, repetitive assembly, product inspecting, packaging	4.4	0.7	4.5	1.6	3.5
Construction, mining and related not identified elsewhere	13.2	0.1	11.4	7.4	10.0
Transport, materials moving and storage	5.7	0.9	5.5	2.7	4.5
Miscellaneous	0.3	0	0.3	0.1	0.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Base (thousands)</b>	<b>1,980</b>	<b>638</b>	<b>1,682</b>	<b>937</b>	<b>2,619</b>

\* Indicates negligible.

Almost one-third of all self-employed persons are classified as managers while the next largest group, construction and related trades, accounted for only ten per cent of the total. The managerial occupational classification appears well founded in the case of the self-employed with employees, where over half were managers, but less so where there are no employees. Nevertheless, the managerial occupation is the largest single group in both types of self-employment, accounting for 22.6 per cent of all self-employed without employees. It seems that the dominance of the managerial occupational group here may simply be a result of the classifications used, with many self-employed being 'managers' simply because they are self-employed. Certainly, the incidence of 'managers' in the labour force in general is much lower, with the occupation accounting for 7.0 per cent of all employees and 9.9 per cent of total employment.

### Occupational distribution by sex

The occupational distribution of self-employment differs significantly by sex. In both cases the managerial group is predominant but much more so for females (43.5 per cent of total) than males (29.4 per cent). The second and third most important female occupations—catering, cleaning, hairdressing and other personal services (11.2 per cent) and clerical and related (10.2 per cent)—together accounted for only 2.8 per cent of male self-employment. By contrast, almost one-quarter of male self-employment is found in construction (13.2 per cent) and metal and electrical processing, making, operating and repairing (11.2 per cent) while these two groups contain only 0.2 per cent of all self-employed females.

Over the period 1983–84, the managerial occupational group accounted for 19.1 per cent of total self-employment growth. It was thus the largest single group but less predominant than its share (of three per cent) in total self-employment in 1984. The group attained a notably larger share of total female self-employment growth (28.6 per cent) than of male growth (15.4 per cent). The processing, making, repairing and related occupation group (excluding metal and electrical) was the second largest growth sector with 13.3 per cent of total expansion (almost all involving males), followed by the professional and related supporting management and administration group which accounted for 10.8 per cent of growth (again almost all of it among the male self-employed).

### Does self-employment provide 'real' jobs?

The growing importance of self-employment in recent years has prompted suggestions that many of the new self-employed do not represent 'real' jobs. The view that self-employed jobs are in some sense inferior to those held by employees has several themes. Self-employment is seen as providing only poorly remunerated part-time work with much self-employment being in second jobs.

A more complex argument is that many of the self-employed are only nominally so and directly replace employees. Arrangements such as labour only subcontracting (the 'lump') have long been established in construction, but it is sometimes claimed that similar arrangements have recently spread to areas in the service sector. Firms are increasingly contracting out peripheral activities such as cleaning, transport etc. Under these arrangements self-

employed individuals may be the functional equivalent of employees and perform tasks previously undertaken by the firm's direct employees. In some cases the same individuals may be involved.

The LFS data can be used to shed some light on these issues as they provide information on normal working hours, second jobs and changes in employment status over the past year. However, as noted earlier, no information is available on earnings from the LFS.

### Hours of work in self-employment

LFS respondents were questioned on the number of hours worked each week in their main job. The results for employees and the self-employed are set out in *Table 11*.

In 1984 80.8 per cent of all self-employed worked full-time (that is, for more than 30 hours per week) and this share was slightly higher than for employees (78.3 per cent). However, for female self-employed the proportion working full-time was rather lower than among employees. In 1984 52.1 per cent of self-employed females worked on a part-time basis compared with 43.9 per cent of female employees.

*Table 11* shows clearly that many self-employed people are working very long hours (at least in their main job). Just over one-fifth of all the self-employed normally worked 61 or more hours per week whereas only 2.3 per cent of employees fell into this category. The contrast is even more sharp when the self-employed with employees are considered. 30.3 per cent of these people normally working 61 hours or more per week.

The general pattern of self-employment growth over 1983–84 shows little divergence from the aggregate 1984 picture. It is true that 12.6 per cent of total self-employment growth over this year came mainly from women working less than nine hours per week. However, 72.4 per cent of all growth was in full-time jobs (over 30 hours per week), and even among women full-time jobs accounted for almost half (46.5 per cent) of all expansion. This compares favourably with an actual decline in the number of full-time employees in employment over 1983–84.

On balance the evidence suggests that self-employed jobs are overwhelmingly full-time ones, and that there is a strong tendency for the self-employed (and especially the self-employed with employees) to work longer hours than employees.

**Table 11 Normal weekly hours worked by employees and self-employed: LFS 1984**

Weekly hours worked	Employees			Self-employed				
	Male	Female	All	Male	Female	Without employees	With employees	All
1-8	1.2	7.6	4.0	1.6	16.7	7.4	1.4	5.3
9-16	1.0	13.1	6.3	1.8	13.8	6.1	2.2	4.7
17-24	1.0	14.6	7.0	2.2	10.9	5.1	3.0	4.3
25-30	1.1	8.6	4.4	2.9	10.7	5.9	2.8	4.8
31-40	43.7	43.6	43.6	21.8	16.2	23.6	14.6	20.4
41-60	48.3	11.8	32.4	47.0	19.2	37.2	45.7	40.2
61 and over	3.7	0.7	2.3	22.6	12.6	14.6	30.3	20.2
Total	100	100	100	100	100	100	100	100
Base (thousands)	11,658	8,980	20,638	1,980	639	1,683	936	2,619

Agriculture is a major category of self-employment.



### Second jobs

The 1984 LFS results give a figure of just over 2.6 million persons classified as self-employed in their main job. However, this is an underestimate of the importance of self-employment within the economy due to second job holding.

LFS questions show that just under 700,000 persons (three per cent of all those in employment) held a second job of some type. Given the small number of second job holders detailed analyses are not possible. However, the estimates suggest that some 172,000 employees (in their main job) were self-employed in a second job. A further 75,000 people who were self-employed in their main job also held what they regarded as a distinct second job in which they were also self-employed.

The LFS estimates show that in 1984 just under 250,000 persons were self-employed in a second job. Overall, the estimated number of persons engaged in self-employment (in first or second jobs) was 2.79 million (12 per cent of all employed persons).

### Changes in labour force status

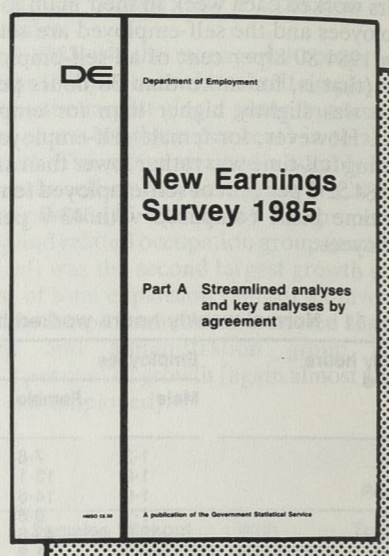
The concepts of nominal self-employment and the functional equivalence of the self-employed and employees cannot be adequately explored using the data on LFS respondents alone. At the very least, an employer based study would also be needed. However, some limited information can be obtained by analysing LFS data on

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changes in the status of respondents.

LFS respondents are asked to provide a range of information on their status one year earlier. So changes can be traced between the three main labour market groupings—employees, self-employed and people not in employment. The data in Table 12 show that considerable changes did occur between 1983 and 1984.

Table 12 Self-employment in 1984 by activity one year earlier

Activity in 1983	Self-employed in 1984	
	Thousands	Per cent
In employment	2,383*	91.4
self-employed employees	2,171	82.9
Unemployed	202	7.7
Not economically active	85	3.3
All activities	138	5.3
	2,619**	100

\* Total in employment includes people on government schemes and those not declaring their employment status.

\*\* Total includes self-employed people with no response on previous status.

Not surprisingly, most (82.9 per cent) of individuals who described themselves as self-employed in 1984 had also been self-employed in 1983. However, almost 202,000 (7.7 per cent) of the self-employed in 1984 had been employees one year earlier. A further 241,000 (9.2 per cent) were not in employment (that is, unemployed or economically inactive) one year earlier. Among this group most (138,000 or 5.3 per cent of all the self-employed in 1984) had been economically inactive in Spring 1983. Some 85,000 of the self-employed in 1984 (3.3 per cent of the total) had been unemployed a year earlier.

The Enterprise Allowance Scheme was launched nationally in August 1983 following a pilot phase in selected areas. During the financial year 1983-84 some 25,000 previously unemployed persons were helped to start their own businesses under this scheme.\* However, this total is not directly comparable with the change in status of 85,000 persons from unemployment to self-employment between Spring 1983 and Spring 1984.

Given that the normal EAS qualifying period was then 13 weeks, it is quite possible that individuals who were employed or not economically active in Spring 1983 subsequently registered as unemployed for the required time, received EAS assistance, and appeared as self-employed in the 1984 LFS. Indeed, a survey of EAS participants in February 1984 showed that only 28 per cent had previously been registered unemployed for a year or more, while one-third had been unemployed for 25 weeks or less.

Firm conclusions cannot be reached. However, it is clear that during the first (part) year of the national scheme's operation, those assisted under the EAS were equivalent to around six per cent of all the individuals who were self-employed at the time of the 1984 LFS but had not been so, one year earlier. This is a small but noteworthy figure at such an early phase in the Enterprise Allowance Scheme's operations.

The LFS provides no information on the process whereby in the year before 1984 an employee is simply replaced by another self-employed individual. However, the survey can provide information on the more restricted case where over a year an individual changes his or her status but remains associated with the original firm or organisation

\* Similar schemes exist in several European countries, Australia (the New Enterprise Incentive Scheme) and New Zealand (the Job Opportunity Scheme). For a discussion of these schemes see B. Casey and G. Bruche "Active Labour Market Policy: an overview," *Industrial Relations*, Vol 24 No 1, pp 37-61.

performing a functionally equivalent role. This is because respondents are questioned about changes in their firm/organisation and occupation compared with one year earlier.

In 1984 202,000 self-employed persons, as noted, had been employees one year earlier. Of these individuals, 87.7 per cent reported that they had changed their organisation and 62.4 per cent reported that their occupation was not exactly the same. Combining responses to these questions shows that only 9.1 per cent of all employees who became self-employed stated that they had not changed either their firm/organisation or occupation. Some 60.7 per cent of all the people in this category had changed both their firm and occupation, while 29.7 per cent had changed one of these.

Although the numbers concerned are small, and estimates are subject to considerable errors, the LFS data provide little evidence of direct switching of the nominal status of individuals between the employee and self-employment categories. In the overwhelming majority of cases an employee moving into self-employment also changed occupation and/or firm/organisation. The direct re-employment of the same individuals in nominal self-employment within identical jobs is apparently rare, but the LFS results do not shed any light on less restricted forms of substitution in which different individuals are involved.

### Conclusions

The Labour Force Surveys of 1981, 1983 and 1984 allow a comprehensive picture of self-employment to be developed. Between 1981 and 1984 the number of individuals in Britain who were self-employed in their main job grew by 442,000 with most (315,000) of the growth being between 1983 and 1984. By Spring 1984 some 11.2 per cent of all persons in employment—some 2.6 million people—described themselves as self-employed in their main job. When individuals who work on a self-employed basis in a second job are considered, the total number of self-employed individuals in 1984 rises to 2.8 million—some 12 per cent (one in eight) of all those in employment.

Self-employment is clearly an important and growing form of economic activity in Britain during the 1980s, and these statistics refer to a period when several policy measures intended to promote self-employment and small business growth were at an early stage. However, overseas experience indicates that much scope remains for expansion. A recent European Commission study showed that the UK had the lowest share of self-employment of any Community country in 1983—9.4 per cent against a EC average of 17.4 per cent on a comparable basis. Most of this differential is due to the relative importance of the agricultural sector, but the UK still had the lowest share of self-employment of any EC country in the manufacturing and service areas.†

Although female self-employment has grown rapidly in the 1980s, in 1984 the self-employed were still mostly (75.6 per cent) male. Males without employees accounted for just under half (47.5 per cent) of all self-employment in that year and males with employees for a further 28.3 per cent of the total. During the 1980's around 80 per cent of the growth in total self-employment was due to self-employed persons without employees.

As might be expected in view of the experience, skills, capital and confidence needed for success, self-employment is rare among younger (single) workers. Self-employed workers are predominantly middle aged (the 30

† See Table 7 of the Manpower Services Commission's Labour Market Quarterly Report for May 1985.

to 44 years age band accounts for 42.8 per cent of the total and married.

Self-employment is highly concentrated in certain industries and occupations, but these differ sharply, in some cases by gender. So far as industry is concerned, distribution, hotels and catering, other services and construction together accounted for two-thirds of total self-employment in 1984. The first two industry groups are the most dominant for both sexes, but construction is largely a male activity accounting for over one quarter of male self-employment but only one per cent of female self-employment.

Nico Ladenis now owns two restaurants, in Battersea and Reading. Nico, right, is pictured with sous chef Philip Britten.

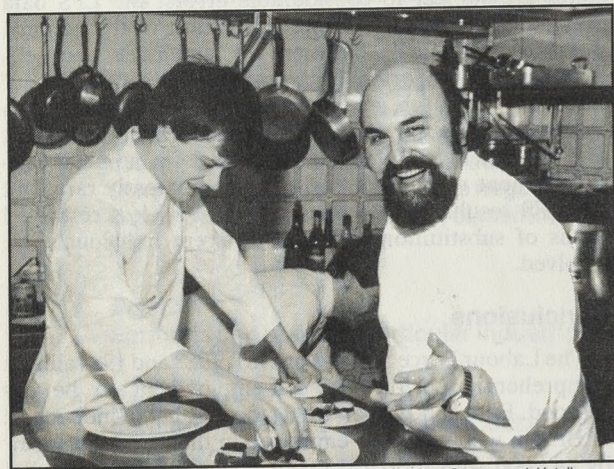


Photo: Caterer and Hotelkeeper.

Occupational analyses of the self-employed are dominated by the "managerial" category which accounts for almost one-third of the total. This simply reflects the classification system used, with many of the self-employed being classed as managers simply because they are self-employed. So far as other occupational groups are concerned, among males the biggest are construction (13.2 per cent of total) and metal and engineering processing, making etc (11.2 per cent). By contrast, females are concentrated in catering, cleaning, hairdressing and other personal services (11.2 per cent) and clerical (10.2 per cent).

In terms of the self-employment rate, that is, the number of self-employed expressed as a percentage of total employment, considerable differences exist between the various standard geographical regions. The three regions covering Southern England (the South East, South West and East Anglia) all had above average rates in 1984 and together accounted for just over half of all the self-employed in Britain. By contrast self-employment rates in Scotland (8.2 per cent) and the Northern region (8.4 per cent) were about three percentage points below the national average (of 11.2 per cent).

Attempts were made to test the relationship between inter-regional differences in self-employment rates and differences in unemployment and industrial structure. In fact industrial structure effects do not appear to account for much of the inter-regional variations in self-employment, indicating that such variations reflect differences in the propensity to enter self-employment rather than simply the concentration of industries in which self-employment is or is not prevalent. Nor is the regional unemployment rate systematically related to self-employment rates, indicating that the incentive to enter self-employment due to a relative shortage of employment opportunities generally may

be offset by the reduced prospects of successful self-employment in areas of high unemployment and low business activity.

The article also explores the nature of self-employed jobs so as to assess whether they are genuine alternatives to the traditional employee role. The results show that self-employment involves a major commitment of working time.

Of all the individuals engaged in some form of self-employment, the vast majority (93.9 per cent) were self-employed in their main job. These main jobs were overwhelmingly (80.8 per cent) full-time ones, and a significant proportion of the self-employed were working very long hours indeed on their own behalf. Thus one in five of all self-employed persons normally worked 61 hours or more a week, while less than one in forty employees were in this category.

LFS data showed considerable changes in labour force status between Spring 1984 and one year previously, with 17.1 per cent of all the self-employed in 1984 either employees or not in employment one year earlier. Just under half (7.7 per cent or 202,000 individuals) were formerly employees.

Labour Force Survey data cannot in themselves give a full picture of the extent to which increased self-employment directly replaces the functions previously carried out by employees, as firms contract out peripheral activities. However, in all but one in ten cases the change in status was accompanied by a change in occupation and/or firm. Clearly, in so far as such switching of status does occur, it is not common for the same individual to be retained and simply reclassified as self-employed. ■

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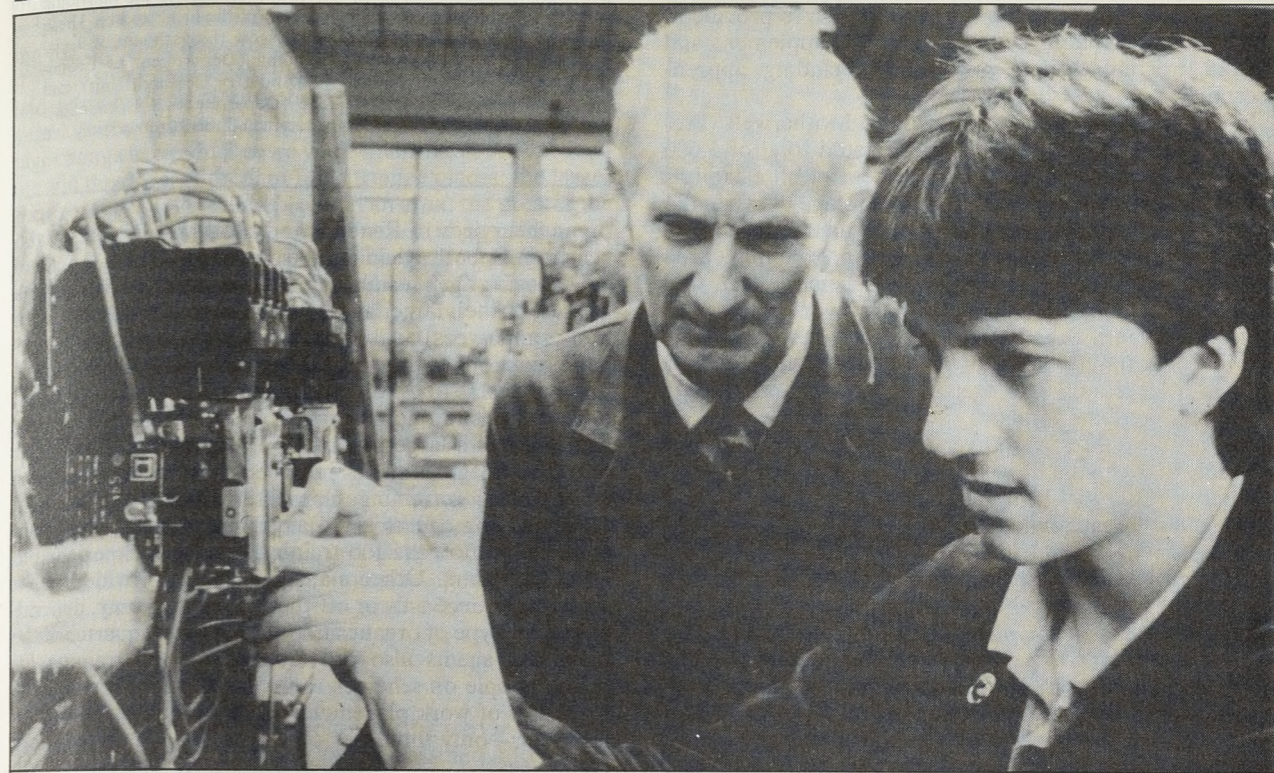
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## SPECIAL FEATURE



### How the Youth Training Scheme helps employers

by Mari Sako and Ronald Dore  
Technical Change Centre

This article describes the first results of a major survey of employers across five contrasting labour markets in order to assess the wider impact of the one-year Youth Training Scheme (YTS) on the recruitment and training practices of employers.

The most important advantage to employers participating in the Youth Training Scheme is the opportunity it gives them to look at or screen young people before offering them permanent employment. Also very important are the savings that result on labour costs.

These are some of the findings emerging from the survey of 1,000 employers participating in two rounds of interviews. The first round was conducted between October 1984 and February 1985 when YTS had been operating fully for just over one year. The second round of interviews with the same set of employers has recently been completed and these findings will be reported later this year.

Among other findings of the first round of the survey are:

- 25 per cent of employers in the five labour markets surveyed were taking part in YTS;
- larger employers were more likely to be participating in YTS, as were employers who had recently experienced labour shortages;

This article was commissioned by the Manpower Services Commission and the Department of Employment. The views expressed in it are those of the authors and not necessarily those of the MSC, DE or other researchers involved.

- among reasons employers give for taking part in YTS, social concern appeared to be almost as important as perception of advantage to the employer;

- of first year apprentices in the survey areas, 32 per cent had been brought within the one-year scheme.

- 17 per cent of respondents had knowingly recruited former YTS trainees and 42 per cent of these had asked to see their YTS certificate or log book.

The methodology for the survey is described in the technical note at the end of this article.

#### Who participates in YTS?

Employers are involved in YTS in a variety of ways. Some participate as managing agents for their own schemes; others, especially smaller firms, offer work placements for young people. Among managing agents, some depend on YTS as a major or sole source of income including some specialist commercial training companies, voluntary agencies or educational bodies. A majority of managing agents are, however, private companies which are not

primarily in the training business. Some are involved because they are able to use YTS to help support their training for young people which they would wish to provide in any case. YTS funding may be used to supplement and expand existing training provision, including apprenticeships.

In the five survey areas—Newham, Motherwell, Preston, Reading and Torquay—an estimated total of 5,600 employer establishments, or 25 per cent of all establishments, had participated in YTS at some stage between the inception of the scheme in 1983 and the time of the survey (October 1984). Of these employers, approximately three per cent were managing agents for schemes, while the majority of establishments simply offered work placements for trainees. During the 1983–84 YTS year these employers provided an estimated total of 9,000 trainee places; for the 1984–85 YTS year this had risen to 14,500, or about five per cent of the national total.

The proportions of employers participating varied considerably between the five areas ranging from 37 per cent in Motherwell to 14 per cent in Newham as shown in Table 1 which gives the percentage of employer establishments in these areas participating in YTS. There appears to be some tendency for employer participation rates to be higher in areas with higher general unemployment though Newham does not fit this pattern: although the unemployment rate was 18 per cent only 14 per cent of employer establishments were participating in YTS. In Newham there appeared to be a concentration of YTS trainees with a few larger employers and only ten per cent of small firms (ten or less employees) were taking part in the scheme.

Table 1 Employer establishments participating in YTS: by industry and area

	Reading	Preston	Torquay	Newham	Motherwell	All areas
Manufacturing	24	30	44	7	31	26
Construction	12	42	16	23	31	24
Non-manual services	13	28	53	20	20	27
Manual services	19	23	25	11	48	24
<b>All sectors</b>	<b>18</b>	<b>28</b>	<b>31</b>	<b>14</b>	<b>37</b>	<b>25</b>
Unemployment rate (1984 annual average)	7.5	12.2	17.5	18.3	19.1	14.1

Base: all sample establishments.

Per cent  
unweighted 1,031  
weighted 1,018

For the five survey areas combined, there was no significant difference in the participation rates of employers in the four industrial sectors. Within and between individual areas there was, however, a good deal of variation in participation by industrial sector. For example, in Torquay there were high rates of participation in the non-manual service industries and in manufacturing; in Preston there was a high rate of participation among employers in construction; and in Motherwell the rate was higher than average in manual services. Conversely, there were particularly low rates of participation among manufacturing employers in Newham as well as lower than average rates in non-

Table 2 Employer establishments participating in YTS: by size and area

Size of establishment (no of employees)	Reading	Preston	Torquay	Newham	Motherwell	All areas
1–10	14	25	26	10	39	22
11–49	23	23	43	21	29	28
50–199	42	61	54	31	29	43
200+	55	49	72	53	76	60
<b>All sizes</b>	<b>18</b>	<b>28</b>	<b>31</b>	<b>14</b>	<b>37</b>	<b>25</b>

Base: all sample establishments.

Per cent  
unweighted 1,031  
weighted 1,018

The authors acknowledge their indebtedness to the individual research teams who conducted each of the local studies. These were from the Universities of Glasgow (Department of Social and Economic Research), Reading (Department of Economics), Manchester (North West Industry Research Unit), and London—Queen Mary College (Department of Economics). The Technical Change Centre conducted the Torquay study and co-ordinated the project.

manual services in Reading and Motherwell, and in construction in both Reading and Torquay.

Managing agent establishments were distinguished from the rest by their larger average sizes (over a third had 200 or more employees). All their differentiating characteristics were functions of their size. They were more likely to have apprenticeship and training schemes; to recognise unions; and to have autonomy in personnel matters where they were part of a larger company or organisation. Just over half of managing agents provided both work experience and off-the-job training. Conversely, nearly one in five of the managing agents acted as training brokers, sub-contracting both off-the-job training and work experience to other providers. Other managing agents provided either work experience only or off-the-job training only, depending on the type of organisation they were. A quarter of the managing agents also provided off-the-job training for young people on schemes run by other managing agents. Providers of work placements were mainly smaller establishments—only three per cent of these had 200 or more employees.

### Differences

The survey reveals interesting differences between employers involved in YTS and non-participating employers in the five areas. Larger establishments were more likely to be taking part in the scheme, see Table 2, which shows employer establishments participating in YTS by size. YTS employers were also more likely to have experienced labour shortages and also to be using the Young Workers Scheme (under YWS employers received a subsidy for certain 17 year old employees if their wage was at or below £50 per week). Participating employers were also more

likely to have their own apprenticeship programmes. These differences between participating and non-participating employers remain statistically significant even after allowing for the different size distributions of the two groups.

In the survey areas less than half the employers involved had participated in both the 1983–84 and 1984–85 YTS years. There was also a correlation between the net percentage change between the two years in the number of providers and the proportion of unfilled trainee places: the larger the proportion of unfilled places in an area, the greater the net fall in the number of employers providing placements between the two YTS years. In Newham and Torquay there was a net decrease in the number of providers; in the other areas a net increase.

This high rate of turnover may reflect the early years of YTS, with a large number of employers “tasting” the scheme to see whether it is compatible with their requirements. It does not necessarily imply a high rate of discontented withdrawal from the scheme nor a deliberate exclusion of unsatisfactorily performing employers by managing agents. Sometimes it had just proved difficult to allocate a trainee to an establishment for a particular year. Other employers may be content to use YTS as a normal method of recruiting and screening potential permanent employees, but participate only in years when they have a vacancy or expect one to occur.

### Why employers take part

The reasons employers gave for taking part in YTS (inevitably affected by hindsight) were classified into “social reasons” and “firm’s advantage reasons”. These are summarised in Table 3. A slightly larger number of replies were of the firm’s advantage type rather than the social, though just under half those interviewed gave both types of

Table 3 Reasons for taking part in YTS

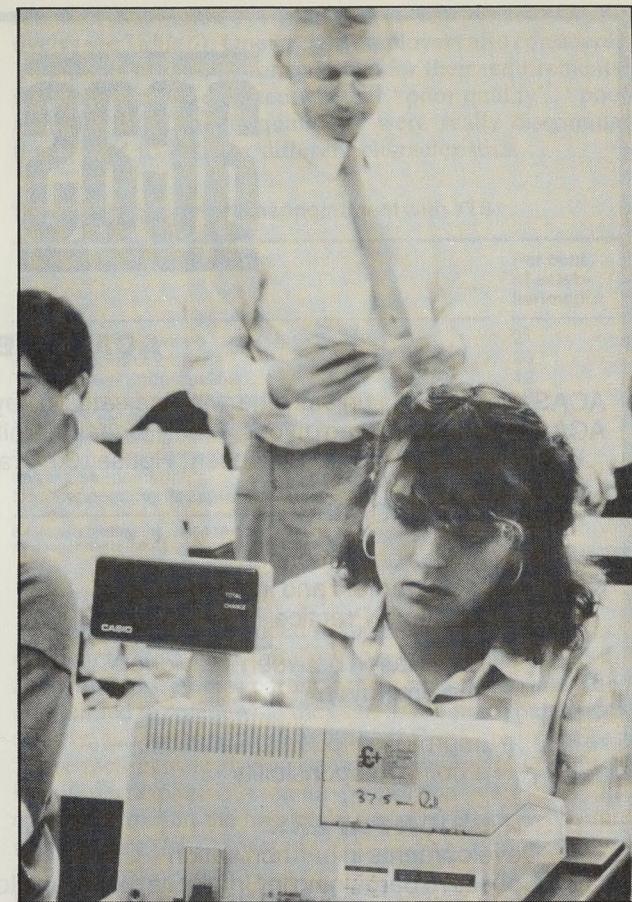
	Per cent of establishments
<b>Advantages to the employer</b>	
Screening for good employees	42
Savings on labour costs	32
Help with training budget	9
Personal or business obligation	7
Good for employer’s image	6
Other advantages	18
<b>Social reasons</b>	
Wanted to do something to help young people	45
Seriousness of youth employment problem	22
Obligation to society to help deal with serious social problem	15
Obligation to the industry to play part in training	10
Other social reasons	7

Base: establishments taking part in YTS. (Percentages add up to more than 100 per cent as respondents could give more than one answer.)

unweighted 365  
weighted 260

reason. When they were pressed, a larger proportion of those who gave both types of reply (38 per cent as against 29 per cent) said that social reasons were the most important. The reasons given may have been affected by the position in the organisation held by individual interviewees. Wherever possible, these questions were asked of training officers but in those organisations, particularly smaller companies, without specialist training staff the views of personnel and general managers, or owner-managers were sought.

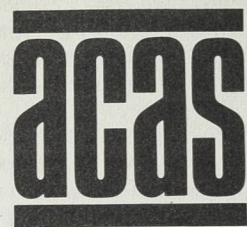
Among the social reasons, the expressions of social responsibility focused on the wish to “do something to help young people”—mentioned by 45 per cent of YTS partici-



pants—the “seriousness of the youth employment problem” and the “firm’s obligation to society to play a part in dealing with a serious social problem”. It seems to be the national situation rather than local circumstances which prompts such concern, since the total number of such “social reasons” given by participating employers was not greater in those areas with higher levels of unemployment. Employers in manufacturing and the non-manual service sector tended to place emphasis on social reasons when explaining their participation. This may be related to the prominent role of some large manufacturing companies in local communities and the fact that the non-manual service sector includes most public sector employers such as local authorities. A sense of sectoral loyalty—the obligation to play one’s part in training for one’s own industry, a traditional motive for training which the Industrial Training Boards have sought to mobilise—was indicated by only ten per cent of respondents.

The most common advantage cited as expected to accrue to the employer, given by 42 per cent of those participating in YTS, was the ability to use the scheme to assess, screen and identify good future employees (see Table 3). In practice 22 per cent of the 1983–84 YTS trainees in the five areas had been retained permanently by their scheme employer. This compares with a national total of 29 per cent of Mode A\* trainees taken on permanently by their former scheme employer at that time. A third of employers taking part in the scheme, predominantly the smaller employers, mentioned the saving on labour costs gained through the trainees’ work contribution as being a relevant factor. Nine per cent of employers also cited the help the scheme provided to their training budget.

\* Places sponsored by employers and centred on the factory, office or other workplace.



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Summary of publications: a listing of WRU published papers and other literature, regularly updated.

### Employers' expectations

These were the reasons reported by employers for first becoming involved in YTS. Employers were also asked whether in practice the scheme had matched up to their original expectations. In the majority of cases it appeared to have done so. Just over half the employers who had participated said that each of the anticipated advantages had been realised in practice. The remainder split about equally between those who got better and those who got worse than they bargained for, with the "better" group marginally predominating in respect of the screening of trainees.

Table 4 which describes the unanticipated advantages of YTS, shows that more than two out of five employers had in practice discovered advantages of YTS which they said they had not originally anticipated. Just under a quarter of all employers involved in the scheme had found that YTS was a source of good recruits for permanent posts. Others said they had discovered the scheme enabled them to make savings on labour costs.

**Table 4 Unanticipated advantages of YTS**

	Per cent of establishments
Source of good employees	23
Trainee's work contribution saves on labour costs	16
Advantages of training young people realised in the future	8
Help to develop employer's training programme	4
Saving on labour costs at peak periods	2
Help to revive declining training programme	0.5
Other unanticipated advantages	3
No unanticipated advantages mentioned	57

Base: establishments taking part in YTS. (Percentages add up to more than 100 per cent as respondents could give more than one answer.)

unweighted 365  
weighted 260

Some employers had encountered unexpected disadvantages; a quarter of participants mentioned these, which are summarised in Table 5. Of unanticipated problems the most frequently cited was that the training requirements of YTS took up too much staff time. Employers in the non-manual service industries were most likely to mention this factor. Some found the work contribution of trainees to be smaller than expected, and others were discomfited by the feeling that they were under a moral obligation to keep trainees on permanently after their YTS year even though they did not really need them.

**Table 5 Disadvantages of YTS**

	Per cent of establishments
Training takes up too much staff time	13
Trainees' work contribution smaller than expected	8
Anticipated benefits not realised	4
Moral pressure to retain trainees permanently	4
Trade union unrest	0.5
No disadvantages mentioned	75

Base: establishments taking part in YTS. (Percentages add up to more than 100 per cent as respondents could give more than one answer.)

unweighted 365  
weighted 260

Employers were also asked whether, in practice, they had been disappointed by any aspect of the operation of YTS. Just over half of those who had taken part at some stage mentioned sources of disappointment; some gave more than one reason. The most common causes of disappointment were the poor quality and poor attitudes of

trainees, mentioned by 21 per cent and 20 per cent respectively (see Table 6). One in eight employers also considered YTS trainees to be under-qualified for their requirements, though it may be doubted whether "poor quality", "poor attitudes" and "underqualified" were really discriminatingly used to indicate different characteristics.

**Table 6 Reasons for disappointment with YTS**

	Per cent of establishments
Poor quality of trainees	21
Poor attitudes of trainees	20
YTS trainees underqualified	12
Too much paper work required	6
Could not get as many trainees as expected	4
Off-the-job training too expensive	3
Too much interference from MSC/Careers Service	3
Other disappointments	12
No disappointments expressed	48

Base: establishments taking part in YTS. (Percentages add up to more than 100 per cent as respondents could give more than one answer.)

unweighted 365  
weighted 260

Larger employers tended to have been affected by such disadvantages as the inability to obtain their hoped-for allocation of trainees, particularly in manufacturing. They also tended to resent what they saw as too much paperwork or too much interference from the MSC or Careers Offices. These factors were, however, only mentioned by a minority of participants. A small proportion were also disappointed to find the financial costs of off-the-job training to be higher than expected.

#### Reasons for non-participation

Three-quarters of the employers covered by the survey had never taken part in YTS, though some had considered doing so. A third of non-participating employers had either been approached to take part or had themselves considered the possibility. One in ten were still actively considering becoming involved in subsequent YTS years. Table 7 summarises reasons given by employers for not taking part in YTS.

**Table 7 Reasons for not taking part in YTS**

	Per cent of establishments
No suitable work for trainees	24
Establishments too small	22
Could not afford time or money to give proper training	16
Still considering taking part	12
Offered to take part but turned down	10
Head office opposition	9
No suitable trainees available	8
Too much paper work involved	5
Trade union opposition	4
Opposed by other employees	2
Nature of business not suitable for young people	1
Other reasons	26

Base: establishments which had never taken part in YTS. (Percentages add up to more than 100 per cent as respondents could give more than one answer.)

unweighted 666  
weighted 758

The most common reasons for reluctance were, firstly, the feeling that there was no suitable work for trainees and, secondly, the view that their establishment was too small to be able to provide placements and training. Sixteen per cent thought conscientiously that they could not take on the extra burden of training: they could afford neither the extra supervisory time nor the extra costs which they considered

would be necessary to meet the requirements of YTS. Fear of bureaucratic hassle was very much a minority reason for not participating, as was the fear of opposition from other employees. These findings reflect employers' attitudes towards YTS in late 1984 when the one-year scheme was relatively new. They do, though, suggest that a considerable educational effort may be needed to persuade employers to respond to the aims of the new two-year YTS with its enhanced emphasis on training and to realise the full training potential of which their establishments might be capable.

Only four per cent of employers not taking part in YTS mentioned trade union opposition as a significant factor; a further two per cent cited opposition from other employees. However, of those who had contemplated becoming full managing agents for schemes ten per cent said they had eventually decided against this partly because of union opposition. Among employers participating in YTS half of those with trade unions consulted them before becoming involved. Of those that did consult, a small minority had either had to persuade unions out of, or to override, their opposition. In practice, it appears the opposition of trade unions is not a major factor in preventing employers' participation. There are, though, some indications that union opposition may be more significant in larger establishments.

#### How much deadweight and substitution?

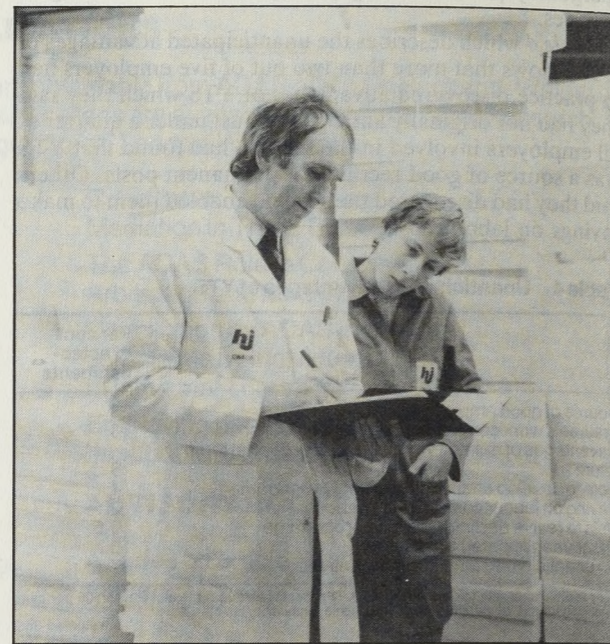
The prime aim of YTS is to increase the amount and quality of initial training available to young people entering the labour force. To this end, employers have been encouraged to bring their existing recruitment of young people within the scheme and to provide them with a substantial period of off-the-job training. This means that a proportion of young people covered by YTS would have been taken on by employers in any case, though most would probably not have received the same amount of off-the-job training as is now given under the scheme. These trainees can be regarded as occupying "deadweight" places, though arguably, full "deadweight" only really occurs when a trainee would both have been recruited in any case and would have received the same amount and quality of training. In some cases YTS funding will also have led employers to take on trainees instead of adult workers aged 18 and over. This is normally termed "substitution".

To assess the degree of deadweight and substitution, employers whose YTS trainees were doing similar work alongside other workers (this applied to 64 per cent of all the employers involved in YTS) were asked whether they would have been recruited in any case or were being used instead of older workers. This is a more restricted definition of deadweight and substitution than used in some other studies†. Altogether, 19 per cent of all employers participating in YTS in the five survey areas said they would have taken on other workers if they had not had YTS trainees. A further 18 per cent said they would have had to recruit extra help at peak periods. A small number said they would have had to otherwise contract work out.

If this is expressed in terms of trainee places, this means that approximately nine per cent of trainees would probably have been taken on into jobs in any case (though not necessarily with training), while a further eight per cent were substituting for adult workers—a combined deadweight and substitution proportion of 17 per cent.

These figures were derived from employers' own direct responses. Although they are encouraged to bring their

existing young peoples' jobs within the scheme many employers remain sensitive to possible accusations of exploiting "cheap labour". This may lead to an understatement of the extent of deadweight and substitution. Another reason for understatement may be the type of respondent approached. Many individual interviewees were training officers or general managers rather than personnel managers and, therefore, may not always have been fully aware of the extent to which trainees would have been recruited in any case or were being taken on instead of other types of workers.



To obtain a broader picture it is necessary to look at other evidence in the survey. For example, 32 per cent of employers involved in YTS said they expected the scheme to allow them to make savings on labour costs. A further 18 per cent had discovered that in practice they were able to gain what they said were unanticipated benefits through the trainees' work contribution and savings on labour costs at peak periods. Another indicator that might reflect unacknowledged deadweight and substitution of YTS trainees for other types of workers was a higher rate of turnover among participating firms than among other employers.

#### Training activities outside YTS

To gauge the broader impact of YTS on both the amount and content of training available it is important to also consider employers' training activities outside the scheme itself. The general decline in apprenticeships has been attributed to a long-term falling trend in employment in major industries which have provided training in traditional occupational skills. In 1981-82, 16 per cent of the establishments covered by the survey had had training programmes lasting at least two years (referred to here for convenience as "apprenticeships"). Of these, 32 per cent had since abandoned them, 17 per cent had kept them but had reduced annual intakes, and 15 per cent had expanded their programmes, leaving 36 per cent running their apprentice programmes at the same level as three years previously. These figures may understate the decline in apprenticeships as the sample necessarily excludes firms which had gone out of business since 1981. In general, training in

non-manual skills was on the increase whereas for manual trades there was, at least in the sampled firms, no clear pattern of expansion or contraction.

At the time of the survey in 1984-85, 13 per cent of employers had apprentices—on average one apprentice per establishment. Of the apprentices in training, half were in their first year and 32 per cent of them were funded under YTS.

The distribution of employers with apprentice programmes was very much as expected. The bigger the establishment the more likely it was to have a programme (ten per cent in the smallest size band, 53 per cent in the largest).

Torquay had the lowest overall percentage (nine per cent) and Motherwell the highest (21 per cent). Establishments with unions were more likely to have programmes than those without, and establishments which were part of larger organisations more likely than free-standing establishments.

#### Time-serving versus training to standards

The survey also shows how far there has been progress towards achieving the first objective of the MSC's "New Training Initiative": the modernisation of apprenticeships through the abolition of both age-barriers and time-serving, to be replaced by training to agreed standards to attain skilled status.

At the time of the survey, only a minority of apprentice programmes in the survey areas had adopted the successful passing of a test as the sole criterion for certification; 17 per cent of programmes in the survey used only tests for certification (see Table 8). Although a further 32 per cent of programmes did make some use of tests this means that for three-quarters of apprenticeships a minimum period of time serving was still required.

There is, however, clear evidence of some change. In ten per cent of cases the time period for training had changed during the last three years; with very few exceptions, this was in the direction of contraction. The average minimum period had declined from four to three years. Of those employers who were expecting a change in the duration of training over the next few years, the dominant tendency was again for contraction. Where employers had adopted end-tests, either fully or in part, one in ten programmes had done this in the last three years; a further five per cent of apprentice programmes were expected to switch to end-tests over the next three years.

As between types of apprenticeships, end-tests were most commonly insisted on in the electronic and electro-mechanical and non-manual apprenticeships, and the greatest insistence on keeping a time-serving requirement (irrespective of whether end tests were also used) was found in the non-metal manual trades.

#### Apprentices and YTS

Half of the employers with apprentice programmes were also involved in YTS training. Two-thirds of these said that YTS had had some impact on their existing training. As might be expected, the use of YTS as the normal first year of apprenticeship was found predominantly in the construction industry, but also in some other sectors. Altogether seven per cent of employers with apprentice programmes used the YTS year in this way. A further three per cent of employers with apprenticeships said that the YTS year was retrospectively counted as part of the time-served period where former trainees had transferred to apprenticeships. Where young people became apprentices after completing YTS, on average about five months of their time on the scheme was counted as being equivalent to one month of the time-served period of the apprenticeship. Improvements in the quality or scope of apprentice training were also said to have taken place, and sometimes explicitly attributed to YTS. For example, three per cent of employers with apprenticeships considered that YTS had broadened the concept of apprentice training, presumably through its emphasis on broad-based training and on "transferable" and "core" skills.

#### Recruitment and selection of young people

A major concern in establishing YTS has been the question of how to make the transition from school to work smoother for school leavers with few or no educational qualifications. How far has it been effective in doing this? What other methods do employers use in recruiting and selecting young people in general and YTS trainees in particular? And how widely used is the certification deriving from YTS log-books and certificates, as an alternative to school qualifications?

In selecting young people, employers used formal tests of suitability for one in five of the jobs asked about. These included tests of manual dexterity and IQ. Employers in the non-manual service sector and manufacturing were more likely to use such tests, as were the larger employers. School examination results were also used in the selection process for just about a half of the range of jobs. Again, this was more prevalent in the non-manual service sector and manufacturing as well as in larger firms.

A similar pattern applied to the selection of apprentices. Probably most employers with apprenticeships take care not to recruit manifestly "over-qualified" candidates, but only three per cent of apprenticeship programmes had a formal "maximum educational level" laid down. Less than half the apprentice programmes had any formal minimum required educational level either, that level being, not surprisingly, higher for the non-manual training programmes

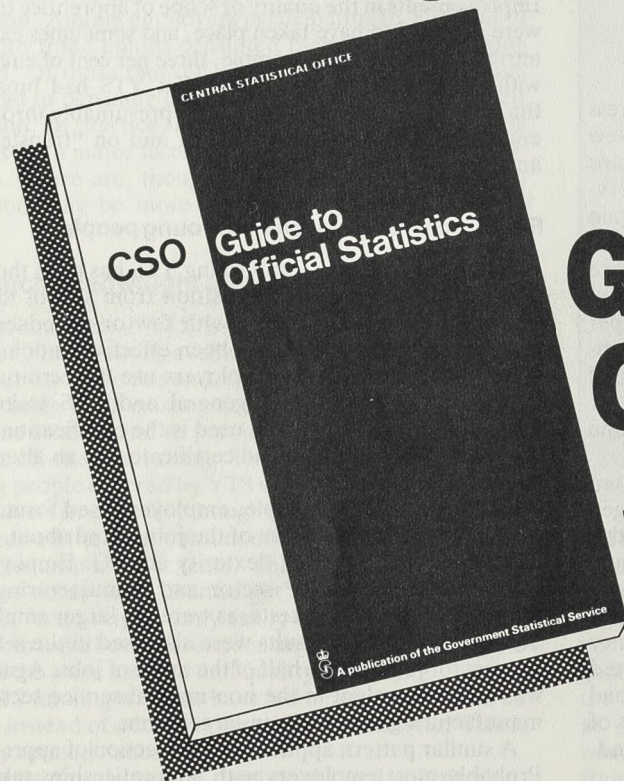
Table 8 Apprenticeships and traineeships: use of end-tests and time-serving

Type of apprenticeship	Skill status achieved by				Per cent
	End-test only	Time serving only	End-test and time serving	Other answer	
Metal shaping and treating	15	50	33	2	
Electro-mechanical	7	46	44	3	
Electronic	—	46	54	—	
Electronic and electro-mechanical	59	23	17	1	
Non-metal manual	12	60	19	9	
Non-manual	38	6	45	11	
Other apprenticeships/traineeships	6	41	33	20	
All	17	43	32	8	

Base: apprenticeship or traineeship programmes: unweighted 347, weighted 143.

† See feature article, 'A Survey of YTS Providers' in August 1985 edition of *Employment Gazette*, p 307.

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(frequently, 3 O-levels or more) than for manual apprenticeships.

When asked whether they were more concerned about "abilities" (eg numeracy, literacy, dexterity or intelligence) or "attitudes" (eg character, motivation, manner) employers claimed, for just under half of the jobs, that both were equally important. For the remainder, "attitudes" tended to be rather more important, especially in the manual services industries. Employers in the non-manual service sector and manufacturing were more likely to attach importance to "abilities" and, in general, employers valuing "abilities" rather than "attitudes" were also more likely to place emphasis on school examination results.

Employers who use YTS to screen for permanent employment may also be relatively selective when taking on young people initially for the YTS year, though nationally the majority of YTS schemes do not have formal entry requirements. The process of selection will differ according to whether employers are training bodies or simply looking for potential employees. Of the employers involved in YTS, 13 per cent used some kind of formal test when selecting YTS trainees; this was predominantly in those cases involving either office work or skilled manual trades. Most employers, however, relied upon a personal interview with applications, supplemented in some cases with references and school reports.

#### The selection of ex-YTS trainees

The results of the survey throws light on the ways in which employers view young people who have received YTS training and the value they attach to the current YTS certificate and log-book.

Some 17 per cent of employers in the survey areas recalled having had job applications from young people who had been on YTS schemes. As would be expected, employers who were themselves participating in the scheme, as well as those offering apprentice training, were much more likely to remember having received such applications. Larger employers also recalled having had more applications than small employers.

Just as there are school examination results and, in some cases, school profiles which employers may use to assess the suitability of young job applicants, YTS certificates and log-books were introduced not only as a means of increasing trainees' self motivation but also as records of their achieved level of competence. In the survey, 42 per cent of employers, who to their knowledge had received applications from former YTS trainees not trained in their own establishment, had looked either at their YTS certificates or their training log-books or both in order to assess their suitability. However, 30 per cent of employers did not look at them and a further 29 per cent were not aware of their existence.

Employers who were directly involved in YTS were, not surprisingly, more likely to make use of both the YTS certificate and log-book; of the two, the log-book appeared to be regarded as more useful. Employers who made greater use of the log-book than the certificate also tended to place more emphasis on young people's attitudes rather than their abilities, while employers who attached importance to school examination results also tended to make greater use of the certificate and log-book. YTS certificates and log-books, in other words, are treated not as substitutes but as additional evidence by careful recruiters who prefer not simply to rely on interview hunch.

In assessing whether this survey evidence indicates a high or low degree of awareness and use of the YTS certificate and log-books, or of confidence in the information they

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convey, it should be remembered that at the time of the first round of the survey YTS had been in full operation for just over one year and only one cohort of trainees had left to enter the labour market. Clearly, the extent to which YTS records of achievement will significantly supplement or supplant school records as documentary evidence for employers when recruiting will depend on the way log-books are maintained, or are generally believed to be maintained, the nature of the skills to which certificates testify, and the way those skills are tested and validated.

### Further results

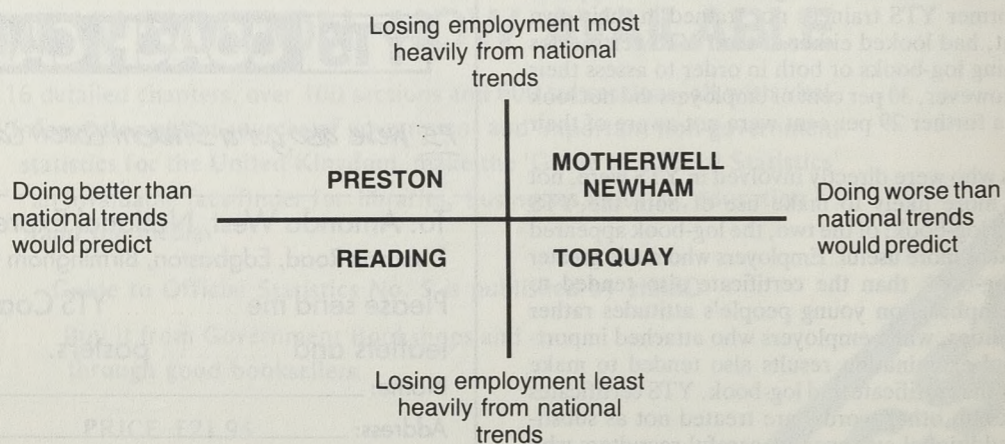
These first results from the survey give a picture of the impact and development of YTS during its first year or so of operation. Some of the features noted may simply reflect this relative novelty. When the results of the second round of interviews with the same employers are available, it will be possible to identify the longer term changes in training and recruitment brought about by YTS. It will be possible to examine the effects on the position of other groups of workers and to show the rate of further progress in the New Training Initiative.

### Technical note

As part of its strategy for evaluating the development of YTS the Manpower Services Commission (MSC), together with the Department of Employment, commissioned a survey of employers in five contrasting local labour markets—Preston, Motherwell, Reading, Torquay and the London Borough of Newham. The aim of the project has been to assess the wider impact of the one-year YTS on the recruitment and training practices of employers, including those not directly involved in the scheme. The survey looks at why employers take part and also the reasons for non-participation; employers' responses to YTS are examined in relation to their own business characteristics and within the context of the local labour market from which they recruit. In addition, comparison of findings from the two rounds of employer interviews will eventually permit

### Sample areas

The five survey areas were selected to include areas with high and low unemployment; those losing jobs more or less heavily as a result of national trends in employment; and local areas doing either worse or better than would be expected from national trends. An inner city area, Newham, was also included because of the special problems encountered in this type of area.



1,000 employer establishments of all sizes were divided into four industry groups: 1) manufacturing; 2) construction; 3) service industries with a higher than average proportion of non-manual workers ('non-manual services'); and 4) other services ('manual services').

measurement of change over time in employment and wage levels for both young people and other groups in the labour force, such as part-time women workers, for whom they may possibly be substituted. The survey was conducted when YTS was still a one-year programme. From April 1986 YTS trainees are being offered up to two-years of training. The findings of the survey are, however, highly relevant to understanding how the new programme is likely to develop.

Structured interviews were conducted with a representative sample of 1,000 employer establishments in the five areas, covering the manufacturing, construction and service industries and including both private and public sector employers.

The survey findings presented in the article reflect the industrial distribution of the local labour market on the basis of the 1981 Census of Employment. When the results of the 1984 census become available the survey data will be reweighted on this more up-to-date basis. Numbers and proportions given in this article should, therefore, be regarded as provisional and may be subject to some amendment in due course.

The five survey areas were chosen to cover a range of different and contrasting labour market conditions. They include areas with high and low unemployment; those losing jobs more or less heavily as a result of national trends in employment; and local areas doing either worse or better than would be expected from national trends. An inner city area, Newham, was also included because of the special problems encountered in this type of area.

When data for the areas are combined this is not necessarily equivalent to a nationally representative sample. On some criteria the aggregate figures are close to the national average, on others they differ from it. It would be unwise to draw inferences from sample proportions about proportions in the national population of employers; relationships between characteristics of employers found to be statistically significant, however, can probably be taken to be applicable to all employers. In this article only those relationships which were statistically significant at the five per cent level are described.

# LABOUR MARKET DATA

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### Publication dates of main economic indicators 1986

Labour Market Statistics: Unemployment, employment, vacancies, earnings, hours, unit wage costs, productivity and industrial disputes	Retail Prices Index	Tourism
June 12, Thursday July 17, Thursday Aug 14, Thursday	June 13, Friday July 11, Friday Aug 15, Friday	July 2, Wednesday July 30, Wednesday Sep 3, Wednesday
After 11.30 am on each release date, the main figures are available from the following telephone numbers:		
<b>Unemployment and vacancies:</b> 01-213 5662 (Ansafo Service) /6572	<b>Employment and hours:</b> 0928 715 151 ext. 423 [Ansafo Service].	<b>Average Earnings Index:</b> 0923 28500 ext. 408 or 412
<b>Retail Prices Index:</b> 0923 28500 ext. 456 (Ansafo Service).	<b>Tourism:</b> 01-215 6142	



## Trends in labour statistics

# Commentary

### Summary

In the first quarter of 1986 GDP (Output), on the provisional estimate, rose by nearly 1/2 per cent and, after making broad allowance for the effects of the miners' dispute, was 1 1/2 per cent higher compared with the first quarter of 1985.

Output of the production industries is provisionally estimated to have risen by 1/2 per cent in the first quarter of 1986 compared with the previous quarter, but was 1/2 per cent below the level of a year earlier after allowing for the miners' strike. Manufacturing output in the first quarter of 1986 fell by 1 per cent compared with the previous quarter and was nearly 1 per cent lower than a year earlier.

Consumers' expenditure, on the provisional estimate, was broadly unchanged in the first quarter of 1986 compared with the final quarter of 1985 but was just over 3 1/2 per cent higher than a year earlier. The volume of retail sales in the three months to April 1986, on the provisional estimate, was over 1 per cent higher than in the previous three months and was 4 1/2 per cent higher than in the corresponding period a year earlier.

Investment by the manufacturing, construction, distribution and financial industries, on provisional estimates, rose by 4 per cent in the first quarter of 1986, compared with the previous quarter but was 2 per cent higher than a year earlier.

Manufacturers' and distributors' stocks provisionally increased by about £0.2 billion in the first quarter of 1986 compared with a reduction of £0.2 billion the previous quarter.

The number of employees in em-

ployment in manufacturing industries decreased by 3,000 in March, following the exceptionally large decrease of 30,000 in February. During the first quarter of 1986, there was an average monthly fall of 12,000 a month compared with 4,000 a month during the previous quarter. Although recent monthly figures have been fluctuating erratically, the rate of decrease appears to have accelerated slightly since the autumn of 1985 after a period in the middle of last year when there was only a very slow downward

drift. The employed labour force in Great Britain is estimated to have increased by 107,000 (seasonally adjusted) in the fourth quarter of 1985, following an increase of 44,000 in the previous quarter. In the year to December 1985 the employed labour force is estimated to have increased by 269,000. This compares with an increase of 391,000 in 1984. Since spring 1983 the employed labour force is estimated to have increased by nearly 1 million.

The seasonally adjusted level of

unemployment (excluding school leavers) rose by 3,000 in the month to April. This modest rise confirms the erratic nature of the sharp rise of 38,000 in March, which was partly caused by exceptionally cold weather. However, taken together, the figures for the past few months clearly indicate an upward trend. The increase over the past six months have averaged nearly 14,000 a month.

The underlying increase in average weekly earnings in the year to March 1986 was about 7 1/2 per cent, similar to the increase in the year to February. In manufacturing industries, the underlying increase was about 8 1/4 per cent.

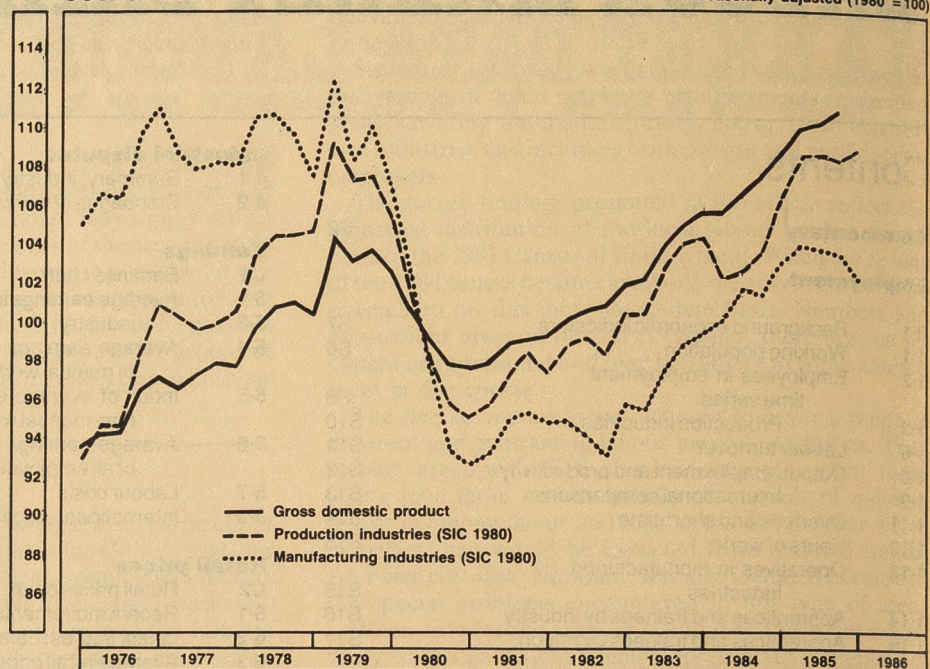
The rate of inflation, as measured by the 12 month change in the index of retail prices fell to 3.0 per cent in April 1986 compared with 4.2 per cent in February.

### Economic background

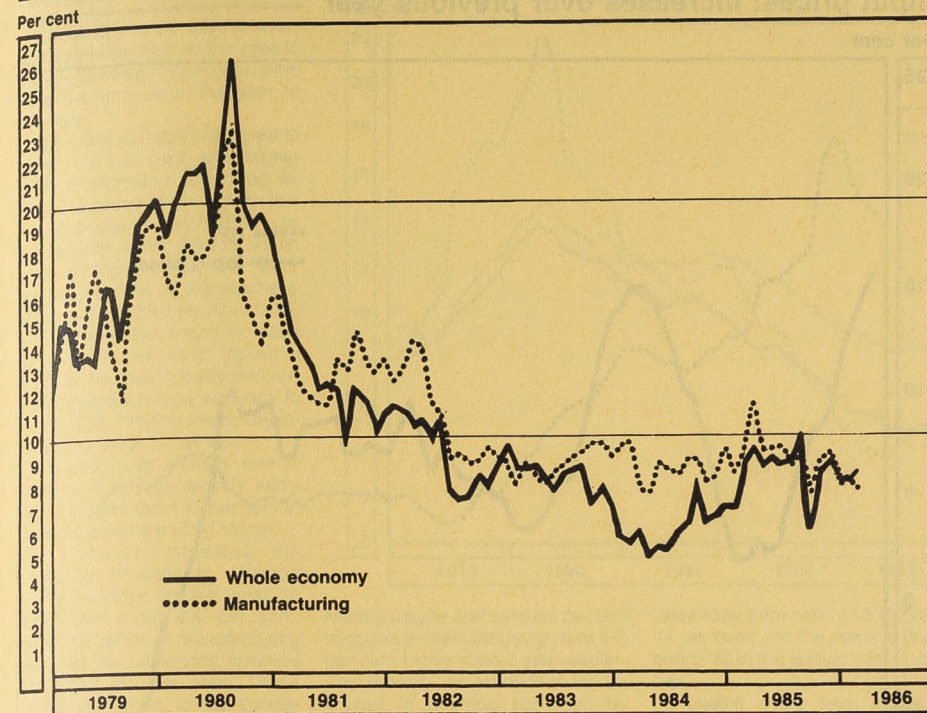
The preliminary output-based estimate of GDP, usually the best indicator of short-term movements, rose by nearly 1/2 per cent in the first quarter of 1986, compared with the previous quarter. GDP (0) in the first quarter of 1986, was some 2 1/2 per cent above its level of a year earlier or 1 1/2 per cent after adjusting for the effect of the miners' strike on the earlier period.

The CBI Industrial Trends Enquiry for April suggests that business confidence about growth during the next few months is im-

### OUTPUT INDICES



### EARNINGS: Average earnings index: increases over previous year



proving, but much of this improvement may be explained by seasonal factors; the balance of firms reporting increased optimism is lower than in the corresponding enquiry a year ago. Export optimism was higher in April than January, reflecting the easing in the value of sterling. Expectations for general, as well as export, orders, are much improved in the short-term. The balance of firms reporting increased unit costs fell for both the past four months and the next four months and the number of firms expecting domestic order price increases over the next four months decreased in April.

Output of the production industries is provisionally estimated to have risen by 1/2 per cent in the first quarter of 1986; this was 2 1/2 per cent higher than a year earlier, but after allowing for the effects of the coal strike, output was 1/2 per cent lower than a year earlier. Within the total, manufacturing output in the first three months of 1986 was 1 per cent below the previous three months and was also 1 per cent below the level of a year earlier. Energy and water supply output was 4 1/2 per cent higher than the previous quarter and was 10 per cent higher than the level of a year earlier, 9 per cent of which was due to the recovery in coal and coke output.

The preliminary estimate of the volume of consumers' expenditure was broadly unchanged in the first quarter of 1986 but was 3 1/2 per cent higher than a year earlier. The volume of retail sales in April, also provisional, was below the March figure but well above previous levels. In the three months to April the level of retail sales was over 1

per cent higher than in the previous three months, and 4 1/2 per cent higher than a year earlier.

Investment by manufacturing, construction distribution and financial industries provisionally rose by 4 per cent in the first quarter of 1986 compared with the previous quarter but was 2 per cent lower than a year earlier, reflecting the bringing forward of investment prior to the reduction in first year capital allowances in April 1985. Within the total, investment by manufacturing industries increased by 5 1/2 per cent in the first quarter of 1986 and was nearly 1 per cent higher than a year earlier.

According to the latest DTI investment intentions survey a rise of around 1 per cent in the volume of investment by the manufacturing, construction, distribution and selected service industries might be anticipated in 1986. The results of the first survey for 1987 suggest a further increase in investment compared with 1986.

Manufacturers' and distributors' stocks, on provisional estimates, rose by about £230 million in the first quarter of 1986 compared with a reduction of about £180 million in the fourth quarter of 1985. Within the total, stocks held by manufacturing industries reduced by £190 million in the first quarter, compared with a reduction of £330 million in the previous quarter.

During the banking month to mid-April Sterling M0 rose by about 0.3 per cent while Sterling M3 rose by about 3.1 per cent. In the latest 12 months M0 and M3 have risen at rates of 3.2 and 16.6 per cent respectively. The target growth ranges for the 1986/87 period are 2-6 per cent for M0 and 11-15 per

cent for M3.

Base lending rates currently stand at 10 1/2 per cent following the decrease of 1/2 percentage points on 8 April and again on 18 April. Base rate are now at their lowest since January 1985.

The public sector borrowing requirement (not seasonally adjusted) in April is provisionally estimated as £0.9 billion. It is misleading to compare a single month's figure with another, especially when the comparison is affected by the timing of public holidays such as Easter. The forecast of the PSBR for the financial year 1986/87 given in the Financial Statement and Budget Report is £7 billion. The cumulative PSBR for the financial year 1985/86 was £5.9 billion compared with £10.2 billion in 1984/85.

UK official reserves (not seasonally adjusted) rose by £153 million in April, to stand at £12,222 million. After taking account of foreign currency borrowing and repayments and valuation adjustments there was an underlying rise in the reserves during April of £170 million.

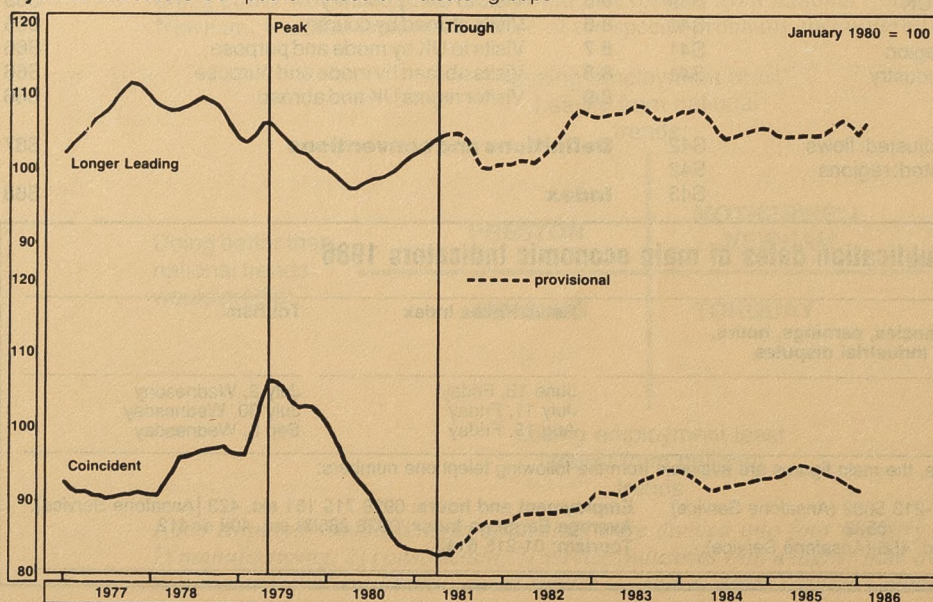
Sterling's effective exchange rate index in April increased by 2 1/2 per cent to an average of 76.3. This compares with a recent monthly trough of 74.2 per cent in February, a peak of 83.2 in July 1985 and 78.0 in April 1985. Since February, sterling has appreciated against most major currencies. However, the depreciation in sterling's exchange rate since April 1985 reflects a fall against European currencies which more than outweighed a 21 per cent appreciation against the dollar. During the week to 8 May, sterling's exchange index averaged 76.2. In the same period sterling fell by 1/2 per cent against the US dollar to an average of \$1.54; sterling's exchange rate against the German mark rose by 1/4 per cent to an average of DM 3.38.

The current account of the balance of payments is estimated to have been in surplus by £0.9 billion in the first quarter of 1986, roughly the same as in the previous quarter.

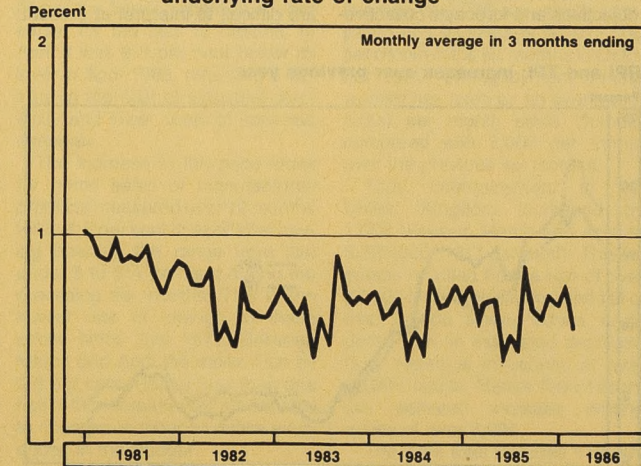
Visible trade was in deficit by £1.3 billion in the first quarter, following a deficit of £0.2 billion in the previous quarter. Within the total, the surplus on trade in oil rose by £0.2 billion to £2.1 billion and the deficit on non-oil trade increased by £1.3 billion to £3.4 billion. Invisible trade on the current account of the balance of payments is estimated to have been in surplus by £1.1 billion in the fourth quarter of 1985, compared with a surplus of £1.5 billion in the third quarter. The surplus in the first quarter of 1986 is projected at £2.2 million.

The volume of exports fell by 1 1/2 per cent in the first quarter of 1986, and was 1 per cent lower than a year earlier. The underlying level of non-oil export volume has fallen in recent months. The volume of im-

### Cyclical indicators Composite indices of indicator groups



### EARNINGS: Average earnings index: underlying rate of change \*



\* Adjusted for seasonal and temporary factors: for description see Employment Gazette, April 1981, pages 193-6

ports also fell by 1½ per cent in the first quarter and was 1 per cent lower than a year earlier. The underlying level of non-oil import volume has increased since the beginning of 1985 although there appears to have been little change over the past few months.

## World outlook

The IMF "World Economic Outlook" forecasts rises in real GNP for the industrial countries of 3 per cent in 1986 and 3.2 per cent in 1987, which compares with 2.8 per cent in 1985 and 4.7 per cent in 1984. With inflation falling, the absence of production bottlenecks, and improving terms of trade for industrial countries, it is reasonable to believe that the current expansions will be maintained. Revised projections from OECD forecast that economic growth amongst members would average 3¼ per cent in 1986 and in 1987.

The IMF draws attention to three major policy issues. Firstly, the need for some other industrial countries to adopt macroeconomic policies which might offset the contractionary impact of a reduction in the US budget deficit. (The Gramm-Rudman-Hollings Budget Deficit Reduction Act aims for a balanced budget in the United States by 1991). Secondly the problem of unemployment in Europe and thirdly, the need to avoid misalignment of exchange rates.

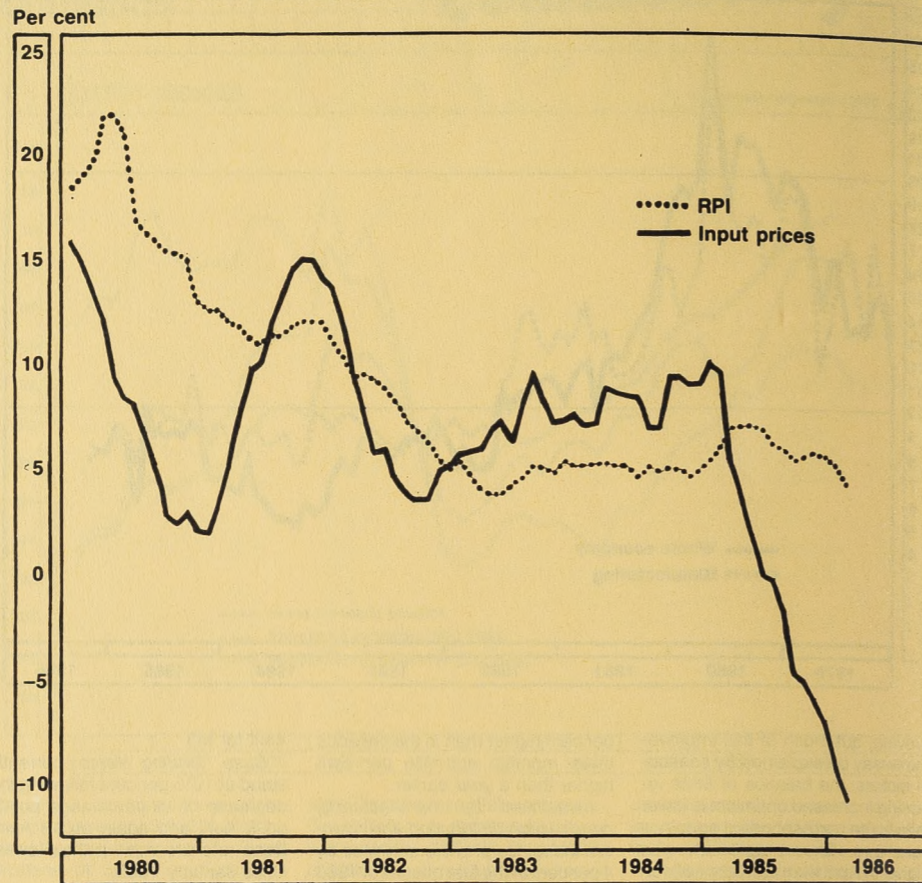
Finance Ministers of the seven main industrialised countries (US, Japan, Germany, France, UK, Italy and Canada) met during the summit in Tokyo and their published communique stressed the need for close and continuous co-ordination of economic policy amongst the seven summit countries.

The economic communique undertook to form a new Group of Seven Finance Ministers, including Italy and Canada, which might work together more closely and meet more frequently during periods between summit meetings; also, to request the seven Finance ministers to review individual economic objectives and forecasts collectively at least once a year, with a view to examining their mutual compatibility.

The pursuit of these policies would be expected to assist developing countries by strengthening the world economy, creating the conditions for lower interest rates, and generating the possibility of increased financial flows to developing countries. The communique reaffirmed a commitment to halting and reversing protectionism, and to reduce and dismantle trade restrictions.

Indicators for the US economy are difficult to interpret at present.

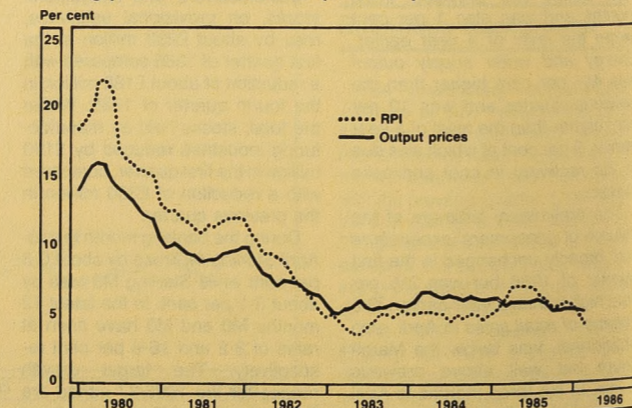
## The Retail Prices Index and movements in manufacturers' input prices: increases over previous year



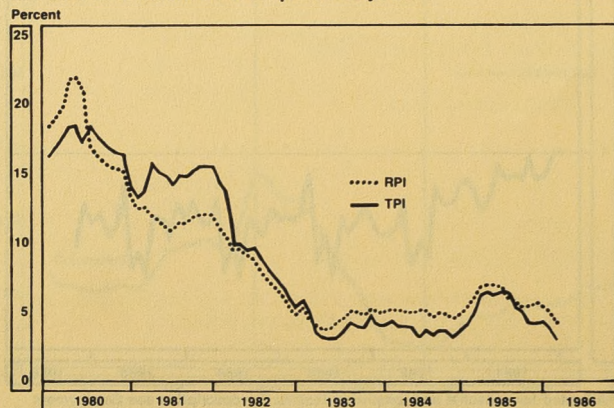
*Real GNP* is estimated to have grown (on provisional estimates) at an annual rate of 3.2 per cent during the first quarter of 1986. However, *industrial production* (seasonally adjusted) appears to have fallen by ½ per cent in March when compared with February. The decline in March was in the oil and gas sector, vehicle manufacture and steel production. By contrast, *retail sales* are provisionally estimated to have risen by ½ per cent in April.

*US banks* cut their prime rates by ½ per cent, to 8½ per cent on April 21. The Federal Reserve Board announced a cut in its discount rate by ½ per cent to 6½ per cent on April 18. The dollar then depreciated to record lows against the Yen, and also depreciated against the German mark. However, the value of the dollar on foreign exchanges recovered sharply on May 13 following statements from the Federal Reserve Board that the US authorities were uneasy about the recent pace of the dollar's decline. The value of the dollar against the Yen depreciated by 6 per cent during the first 10 days of May, to Y162.8; the rate one year earlier was Y252.37.

## The Retail Prices Index and movements in manufacturers' selling prices: increases over previous year



## RPI and TPI: increases over previous year



## Average earnings

The underlying increase in average weekly earnings in the year to March was about 7½ per cent, similar to the increase in the year to February.

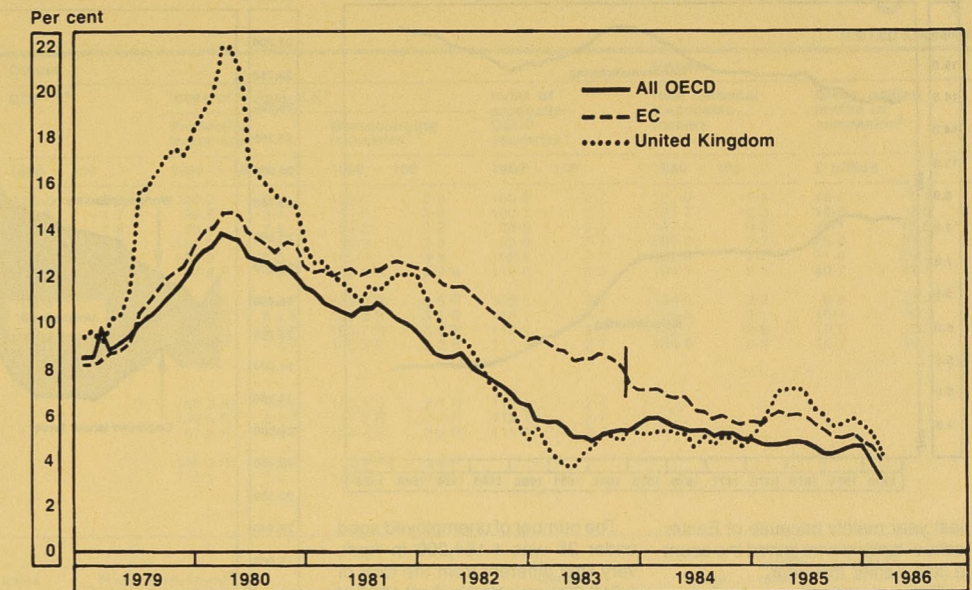
The actual increase in the year to March, 8.6 per cent, was higher than the estimated underlying increase because of temporary factors. Back pay in March 1986 was substantially higher than in March 1985, reflecting mainly the retrospective element of the teachers' settlement payable from April 1985, which inflated the actual increase by about ¾ per cent. Industrial action in the coal industry temporarily reduced average earnings in March 1985, inflating the actual increase by about ¼ per cent.

The underlying monthly rate of increase in average weekly earnings averaged about ½ per cent in the three months ending March.

In production industries, the underlying increase in average weekly earnings in the year to March was about 8½ per cent. Within this sector, in manufacturing industries the underlying increase was about 8¼ per cent. These figures are similar to the corresponding increases in the year to February (which have been revised downward) and reflect the generally lower level of overtime working in manufacturing industry in recent months. The actual increases for production industries and manufacturing industries in the year to March were 8.9 per cent and 7.7 per cent respectively. The former increase was inflated by recovery from the effects of industrial action in the coal industry in March 1985 whilst the latter increase was depressed because some employees had received no pay settlement in the latest 12 month period because of longer delays in reaching this year's pay settlements.

In the three months ending

## Consumer prices indices: increase over previous year



March, wages and salaries per unit of output in manufacturing were 8.3 per cent higher than a year earlier. This broadly corresponds to the increase in average earnings, as there was little change in productivity over this period.

## Retail prices

In April, the annual rate of inflation, as measured by the 12 month change in the retail prices index, fell to 3.0 per cent compared with 4.2 per cent recorded in March.

As is usual, the increase in the overall level of prices between March and April, at 1.0 per cent, is much greater than recent monthly increases. It is, nevertheless, substantially less than the 2.1 per cent rise recorded for the corresponding period last year when mortgage

rates rose from nearly 13 to nearly 14 per cent, and the result is thus a sharp fall in the annual rate of inflation.

Housing costs were higher in April as the increase in local authority rents and rates, water and repairs and maintenance charges together outweighed the effect of the fall in owner occupiers' costs. Some effects of the Budget increase in the duty payable on cigarettes and tobacco were recorded in the index. There were also higher prices for second hand cars and some foods and increases in bus fares. Despite the Budget increase in petrol duty, a large fall in petrol prices was recorded.

The tax and prices index increased by 1.2 per cent in the year to April compared with 3.0 per cent recorded for March. The difference in the annual rates of change between this index and the RPI is due to the effect of the reduction in the basic rate of income tax and the increase in personal income tax allowances in the 1986 Budget.

The price index for materials and fuels purchased by manufacturing industry has fallen progressively below the levels recorded a year earlier for the last 10 months. In April it was 9.0 per cent below its level in April 1985, reflecting a decline in the cost of industrial electricity and lower costs of imported materials.

The increase in the price index for home sales of manufactured products measured over 12 months fell to 4.5 per cent in April after having been in the range from just under 5 to 5¼ per cent during the preceding six months. This is the lowest rate of change in these prices since July 1972. Between March and April the index rose by 0.8 per cent. Rather less than one half of this increase was attributable to changes in tobacco duties introduced in the Budget.

In March (the latest available date) the annual rate of inflation for

the UK (4.2 per cent) fell below the average rate for the OECD countries (4.6 per cent) but remained higher than the average for EC countries (3.9 per cent). In Germany the annual rate of inflation fell to -0.2 per cent in April.

## Unemployment and vacancies

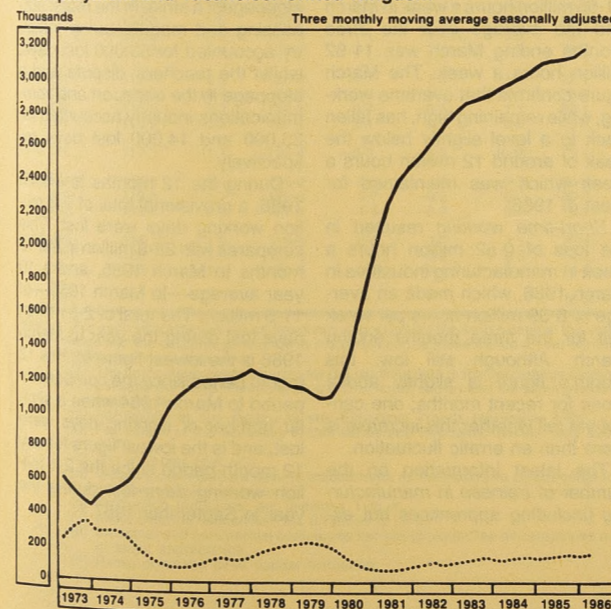
The seasonally adjusted level of unemployment in the United Kingdom (excluding school leavers) was 3,202,000 in April, an increase of 3,000 since March. This increase follows a rise of 38,000 in March and 8,000 in February. Female unemployment rose by an average of 14,000 per month compared with no change over the previous six months to October 1985 and 12,000 in the six months to April 1985.

Over the past six months male unemployment has increased by an average of 9,000 per month compared with an average fall of 2,000 per month in the six months to October 1985. Unemployment among women has risen by an average of 5,000 per month since October compared with 2,000 per month over the previous six months.

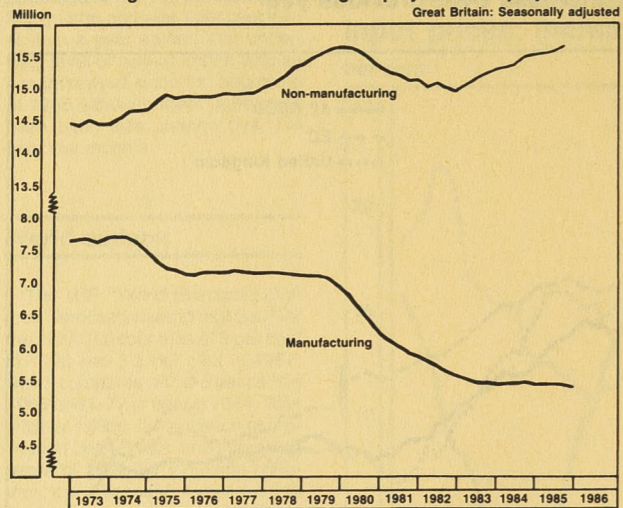
Total unemployment in the United Kingdom increased by 1,000 between March and April to 3,325,000 (13.7 per cent). This increase resulted from a rise of over 27,000 in school leavers, and fall of over 26,000 among adults, compared with an estimated decrease from seasonal influences of over 29,000 among adults, hence the seasonally adjusted increase among adults of over 3,000.

The April total included 112,000 school leavers aged under 18, some 30,000 higher than in April

## Unemployment and vacancies: United Kingdom



Manufacturing and non-manufacturing employees in employment



last year mainly because of Easter school leavers who joined the count a little earlier this year.

The regional pattern in April compared with April 1985 showed that Northern Ireland had the largest increase in the seasonally adjusted unemployment rate (1.7 percentage points).

International comparisons of unemployment indicate that seasonally adjusted unemployment rates—three months to April compared with the previous three months unless otherwise stated—

The number of unemployed aged under 25 was 1,184,000 in April, very little different from the total of 1,213,000 recorded in April 1985, if allowance is made for changes in coverage.

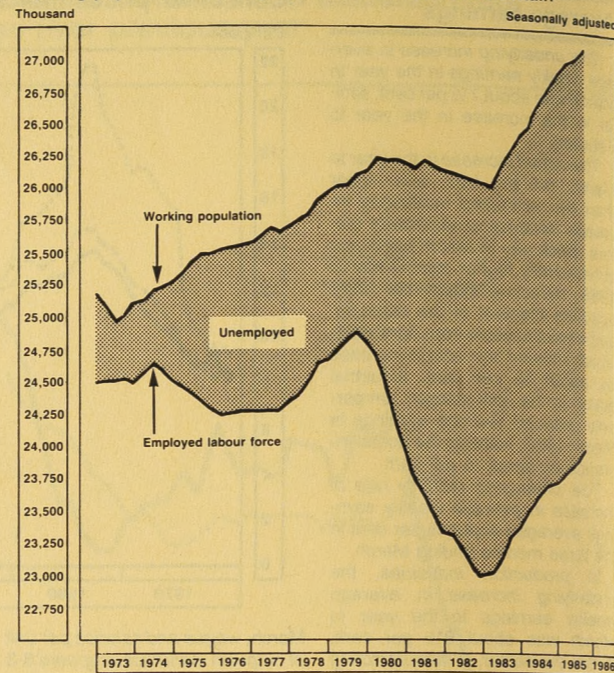
The stock of unfilled vacancies at jobcentres (seasonally adjusted and excluding Community Programme vacancies) remained virtually unchanged at 169,000 in the month to April.

Employment

The number of employees in employment in manufacturing industries in Great Britain decreased by 3,000 in March 1986 (seasonally adjusted).

In April, the number unemployed for more than a year in the United Kingdom was 1,357,000. Allowing for the change in the compilation of the figures in March, there has been very little change in the total since January, then recorded as 1,327,000.

Working population and employed labour force: Great Britain



a period in the middle of last year when there was only a very slow downward drift.

The latest period for which estimates for the employed labour force (which comprises employees in employment, the self-employed and HM Forces) are available is December 1985.

Overtime working by operatives in manufacturing industries was 11.65 million hours a week in March and the average over the three months ending March was 11.62 million hours a week.

Short-time working resulted in the loss of 0.52 million hours a week in manufacturing industries in March 1986, which made an average of 0.39 million hours per week lost for the three months ending March.

The latest information on the number of trainees in manufacturing (including apprentices but ex-

cluding those receiving training under the youth training scheme who do not have contracts of employment) shows that there were 102,000 in March 1986 compared with 112,000 in March 1985.

Industrial stoppages

It is provisionally estimated that 178,000 working days were lost through stoppages of work due to industrial disputes in March.

Of the lost working days in March 1986, nearly half were due to three stoppages; a strike in the metal processing and manufacturing industry accounted for 50,000 lost days, whilst the teachers' dispute and a stoppage in the transport and communications industry accounted for 23,000 and 14,000 lost days respectively.

During the 12 months to March 1986, a provisional total of 2.3 million working days were lost. This compares with 28.8 million in the 12 months to March 1985, and a 10 year average—to March 1985—of 11.5 million.

BACKGROUND ECONOMIC INDICATORS\* 0.1

UNITED KINGDOM

Table with multiple columns: GDP average measure, Output (GDP), Index of output U.K., Index of production OECD countries, Income (Real personal disposable income, Gross trading profits of companies), Expenditure (Consumer expenditure, Retail sales volume, Fixed investment), General government consumption, Stock changes, Base lending rates, Monetary growth, Visible trade, Balance of payments, Competitiveness, Prices (Tax and prices index, Producer prices index, Materials and fuels, Home sales).

Notes: \* For each indicator two series are given, representing the series itself in the units stated and the percentage change in the series on the same period a year earlier. (1) The percentage change series for the monthly data is the percentage change between the three months ending in the month shown and the same period a year earlier.





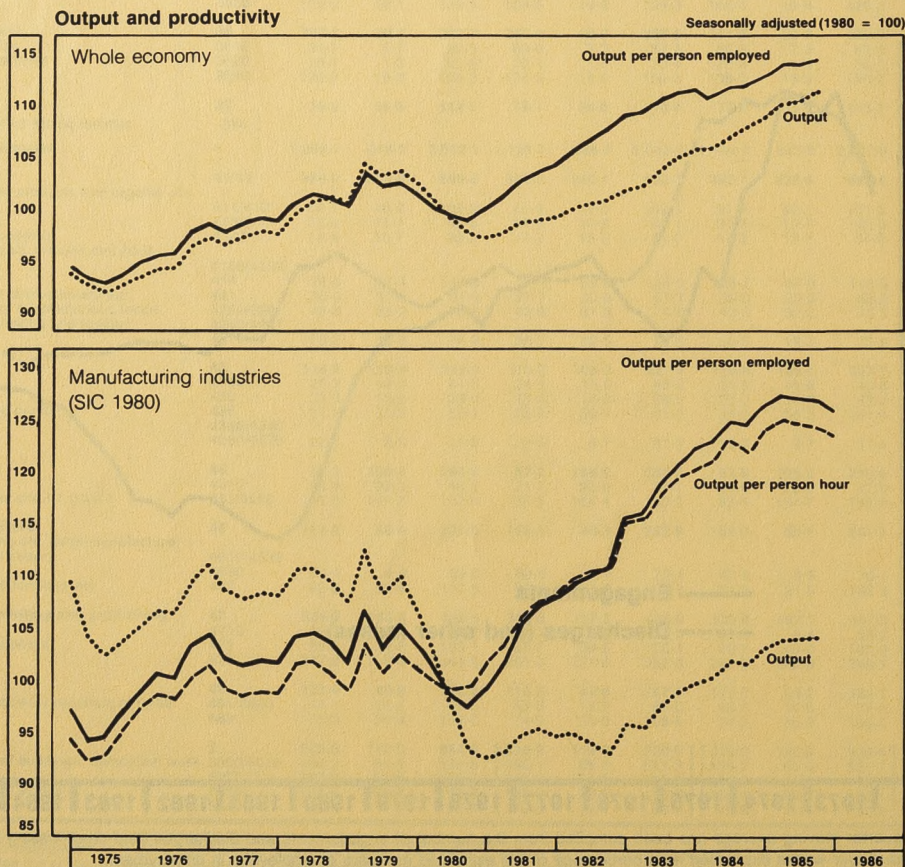
# 1.8 EMPLOYMENT Indices of output, employment and productivity

seasonally adjusted (1980 = 100)

UNITED KINGDOM	Whole economy			Production industries Divisions 1 to 4			Manufacturing industries Divisions 2 to 4			
	Output <sup>‡</sup>	Employed labour force <sup>*</sup>	Output per person employed <sup>*</sup>	Output	Employed labour force <sup>*</sup>	Output per person employed <sup>*</sup>	Output	Employed labour force <sup>*</sup>	Output per person employed <sup>*</sup>	Output per person hour
1978	99.8	99.4	100.4	103.1	105.4	97.9	109.7	106.1	103.4	100.8
1979	103.0	100.7	102.2	107.1	104.7	102.3	109.5	105.3	104.0	101.5
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	98.3	96.6	101.8	96.6	91.5	105.6	94.0	90.9 R	103.5	104.8
1982	100.1	94.7	105.8	98.4	86.7	113.5	94.2	86.0	109.7	109.7
1983	103.1	93.9	109.8	101.9	83.0	122.8	96.9	82.2	117.9	117.1
1984	106.4	95.6	111.3	103.2	82.1	125.7	100.7	81.6	123.5	121.5
1985	110.0	96.8	113.6	108.0 R	81.8	132.0 R	103.6	81.8 R	126.8 R	124.4 R
1978 Q1	97.7	98.9	98.8	100.4	105.6	95.1	108.1	106.4	101.6	98.9
Q2	99.7	99.2	100.6	103.3	105.4	98.0	110.5	106.2	104.1	101.6
Q3	100.8	99.5	101.3	104.5	105.3	99.3	110.6	106.0	104.4	101.9
Q4	101.0	100.0	101.0	104.4	105.2	99.3	109.6	105.9	103.5	100.9
1979 Q1	100.5	100.3	100.3	104.6	105.1	99.5	107.4	105.7	101.6	99.1
Q2	104.4	100.6	103.8	109.2	104.9	112.3	112.3	105.6	106.5	103.6
Q3	103.2	100.9	102.3	107.2	104.7	102.4	108.3	105.4	102.8	100.8
Q4	103.7	101.1	102.6	107.4	104.2	103.2	110.1	104.7	105.2	102.5
1980 Q1	102.6	101.0	101.6	105.2	103.1	102.1	106.8	103.5	103.3	101.3
Q2	100.7	100.6	100.1	101.2	101.5	99.7	102.4	101.6	100.8	100.0
Q3	99.1	99.8	99.3	97.8	99.0	98.9	97.5	98.9	98.6	99.2
Q4	97.7	98.7	99.0	95.8	96.4	99.3	93.4	95.9	97.4	99.5
1981 Q1	97.6	97.7	100.0	95.1	94.0	101.3	92.7	93.5	99.2	101.8
Q2	97.8	96.8	101.1	95.7	92.0	104.0	93.1	91.5	101.8	103.5
Q3	98.8	96.2	102.7	97.2	90.7	107.2	94.9	90.0	105.6	106.1
Q4	99.0	95.7	103.4	98.4	89.5	110.0	95.3	88.8	107.4	107.7
1982 Q1	99.2	95.3	104.1	97.3	88.5	110.0	94.8	87.8	108.0	108.0
Q2	100.0	95.0	105.3	98.7	87.4	113.1	94.9	86.7	109.6	109.7
Q3	100.5	94.5	106.4	99.2	86.2	115.0	94.2	85.4	110.4	110.5
Q4	100.8	93.9	107.4	98.3	84.9	115.8	93.1	84.1	110.7	110.7
1983 Q1	101.8	93.6	108.8	100.4	83.9	119.7	95.8	83.1	115.4	115.1
Q2	102.1	93.6	109.1	100.4	83.1	120.8	95.4	82.3	115.9	115.5
Q3	103.8	94.0	110.4	102.8	82.6	124.5	97.6	81.9	119.1	118.1
Q4	104.9	94.6	110.9	104.1	82.4	126.2	98.9	81.7	121.2	119.7
1984 Q1	105.6	95.0	111.2	104.3	82.1	127.1	99.5	81.5	122.2	120.3
Q2	105.6	95.4	110.7	102.2	82.1	124.5	100.1	81.6	122.8	120.8
Q3	106.7	95.7	111.6	102.7	82.1	125.1	101.7	81.6	124.7	122.9
Q4	107.6	96.2	111.9	103.6	82.2	126.1	101.5	81.8	124.2	121.9
1985 Q1	108.8	96.5	112.8	106.5 R	82.1	129.9 R	103.2 R	81.8 R	126.2 R	123.9 R
Q2	110.0	96.7	113.8	108.5 R	81.9	132.5 R	104.0 R	81.8 R	127.2	125.0 R
Q3	110.2	96.9	113.8	108.5 R	81.8	132.6 R	103.8 R	81.9 R	126.9 R	124.4 R
Q4	111.1	97.3	114.2	108.4 R	81.6	132.9 R	103.6 R	81.7 R	126.8 R	124.2 R
1986 Q1				108.9	81.2	134.1	102.3	81.4	125.8	123.4

‡ Gross domestic product for whole economy.

\* Estimates of the employed labour force include an allowance for underestimation. See article on page 161 of May 1986 *Employment Gazette*.



# 1.9 EMPLOYMENT

## Selected countries: national definitions

1

	United Kingdom (1)(2)(3)	Australia (4)	Austria (2)(5)(6)	Belgium (3)(7)(8)	Canada	Denmark (7)	France (6)(9)	Germany (FR) (6)	Greece (7)(8)	Irish Republic (7)(10)	Italy (11)	Japan (5)	Netherlands (7)(12)	Norway (5)	Spain (13)	Sweden (5)	Switzerland (2)(5)	United States
<b>QUARTERLY FIGURES: seasonally adjusted unless stated</b>																		
Thousand																		
<b>Civilian labour force</b>																		
1983 Q4	26,614	7,016	3,298	..	12,214	..	..	27,048	..	..	22,712	58,961	..	2,032	13,265	4,369	3,172	112,142
1984 Q1	26,752	7,048	3,352	..	12,283	..	..	27,057	..	..	22,902	58,926	..	2,040	13,260	4,373	3,174	112,536
Q2	26,865	7,107	3,343	..	12,350	..	..	27,055	..	..	22,666	59,168	..	2,027	13,177	4,366	3,174	113,541
Q3	27,009	7,131	3,372	..	12,460	..	..	27,107	..	..	22,784	59,435	..	2,023	13,247	4,411	3,176	113,812
Q4	27,143 R	7,151	3,384	..	12,492	..	..	27,157	..	..	22,867	59,526	..	2,035	13,283	4,412	3,184	114,235
1985 Q1	27,232 R	7,192	3,349	..	12,535	..	..	27,239	..	..	22,866	59,670	..	2,053	13,298	4,420	3,188	115,024
Q2	27,341 R	7,218	3,355	..	12,622	..	..	27,271	..	..	22,847	59,514	..	2,039	13,245	4,401	3,192	115,206
Q3	27,367 R	7,283	3,342	..	12,638	..	..	27,349	..	..	23,108	59,729	..	2,076	13,314	4,436	3,201	115,468
Q4	27,475 R	7,405	..	..	12,753	..	..	..	..	..	23,095	59,686	..	2,090	13,388	4,439	3,218	116,158
<b>Civilian employment</b>																		
1983 Q4	23,542	6,353	3,172	..	10,864	..	..	24,759	..	..	20,390	57,413	..	1,975	10,805	4,223	3,141	102,600
1984 Q1	23,636	6,372	3,211	..	10,881	..	..	24,773	..	..	20,395	57,312	..	1,977	10,592	4,233	3,136	103,671
Q2	23,720	6,472	3,220	..	10,949	..	..	24,808	..	..	20,284	57,553	..	1,966	10,503	4,225	3,138	105,024
Q3	23,797	6,501	3,254	..	11,054	..	..	24,833	..	..	20,469	57,835	..	1,961	10,507	4,278	3,142	105,368
Q4	23,932 R	6,533	3,255	..	11,108	..	..	24,873	..	..	20,523	57,953	..	1,977	10,382	4,280	3,148	105,959
1985 Q1	23,993 R	6,589	3,224	..	11,140	..	..	24,895	..	..	20,398	58,119	..	1,993	10,341	4,290	3,153	106,618
Q2	24,047	6,612	3,238	..	11,287	..	..	24,965	..	..	20,474	57,991	..	1,995	10,321	4,270	3,161	106,804
Q3	24,091 R	6,686	3,226	..	11,333	..	..	25,053	..	..	20,618	58,181	..	2,021	10,392	4,318	3,172	107,200
Q4	24,201 R	6,815	..	..	11,455	..	..	..	..	..	20,542	58,029	..	2,040	10,422	4,322	3,187	107,996
<b>LATEST ANNUAL FIGURES: 1985 unless stated</b>																		
Thousand																		
<b>Civilian Labour Force: Male</b>	16,121 R	4,461 R	2,029	2,499	7,257 R	1,460	..	..	2,510	906	..	35,960 R	3,822	1,165 R	9,224 R	2,341 R	2,009 R	64,411 R
Female	11,122 R	2,814 R	1,334	1,631	5,382 R	1,240	..	..	1,298	389	..	23,670 R	1,908	898 R	4,164 R	2,083 R	1,190 R	51,050 R
All	27,244 R	7,274 R	3,363	4,123	12,639 R	2,701	23,251 R	27,088	3,808	1,295	22,979 R	59,634 R	5,730	2,064 R	13,388 R	4,424 R	3,199 R	115,461 R
<b>Civilian Employment: Male</b>	13,925 R	4,108 R	1,949	2,239	6,508 R	1,301	..	..	2,362	765	..	35,030 R	3,272	1,141 R	7,336 R	2,277 R	1,992 R	59,891
Female	10,141 R	2,568 R	1,286	1,338	4,804 R	1,088	..	..	1,146	346	..	23,040 R	1,657	871 R	3,086 R	2,022 R	1,177 R	47,259 R
All	24,065 R	6,676 R	3,235	3,577	11,311 R	2,389	20,939 R	24,822	3,508	1,111	20,508 R	58,070 R	4,929	2,012 R	10,422 R	4,299 R	3,169 R	107,150 R
<b>Civilian employment: proportions by sector</b>																		
Per cent																		
<b>Male:</b>																		
Agriculture	3.6 R	7.4 R	8.5	3.8	6.8 R	..	..	..	25.2	..	..	7.6	..	8.9 R	17.8 R	6.8 R	7.6 R	4.5 R
Industry	42.9 R	35.7 R	48.7	40.3	34.2 R	..	..	..	34.1	..	..	39.1 R	..	39.5 R	38.5 R	43.7 R	47.0	37.2 R
Services	53.5 R	56.9 R	42.8	56.0	59.1 R	..	..	..	40.7	..	..	53.4 R	..	51.5 R	43.6 R	49.5 R	45.4 R	58.3 R
<b>Female:</b>																		
Agriculture	1.1	4.3 R	10.7	1.6	3.1 R	..	..	..	39.8	..	..	10.6 R	..	4.7 R	14.8 R	2.7 R	4.8	1.4 R
Industry	18.1 R	14.7 R	22.2	15.3	13.7 R	..	..	..	17.3	..	..	28.4 R	..	12.4 R	17.0 R	14.3 R	21.7 R	16.4 R
Services	80.8 R	81.0 R	67.0	83.1	83.2 R	..	..	..	42.9	..	..	61.0 R	..	82.7 R	68.2 R	83.1 R	73.5	82.1 R
<b>All:</b>																		
Agriculture	2.6	6.2	9.4	3.0	5.2 R	7.4	7.9	5.6	30.0	17.0	11.2 R	8.8 R	5.1	7.2 R	16.9 R	4.8 R	6.6 R	3.1 R
Industry	32.4 R	27.7 R	38.1	30.9	25.5 R	28.4	32.9 R	41.3	28.6	29.8	33.6 R	34.9 R	27.8	27.8 R	32.1 R	29.9 R	37.6 R	28.0 R
Services	65.0 R	66.2 R	52.4	66.1	69.3 R	64.3	59.3 R	53.1	41.4	53.2	55.2 R	56.4 R	67.1	65.0 R	50.9 R	65.3 R	55.8 R	68.8 R

**Sources and definitions:** The international data are taken from publications of the *Organisation for Economic Co-operation and Development* ("Labour Force Statistics" and "Quarterly Labour Force Statistics") and the *Statistical Office of the European Communities* ("Employment and Unemployment"). They are intended to conform to the internationally agreed definitions, namely: **Civilian Labour Force:** Employees in employment; the self-employed, employers and some family workers; and the unemployed. **Civilian Employment:** Civilian Labour Force excluding the unemployed. **Agriculture, Industry and Services:** Major divisions 1, 2-5, and 6-0 respectively of the International Standard Industrial Classification. However, differences exist between countries in general concepts, classification and methods of compilation, and international comparisons must be approached with caution. Some of the differences are indicated in the footnotes below, but for details of the definitions, and of the national sources of the data, the reader is referred to the OECD and SOEC publications.

**Notes:** [1] For the UK, the Civilian Labour Force figures refer to working population excluding HM Forces, civilian employment to employed labour force excluding HM Forces, and industry to production and construction industries. See also footnotes to table 1.1.

[2] Quarterly figures relate to March, June, September and December.

[3] Annual figures relate to June.

[4] Quarterly figures relate to February, May, August and November.

[5] Civilian labour force and employment figures include armed forces.

[6] Annual figures relate to 1984.

[7] Annual figures relate to 1983.

[8] Annual figures relate to second quarter.

[9] Civilian employment figures include apprentices in professional training.

[10] Annual figures relate to April.

[11] Quarterly figures relate to January, April, July and October.

[12] Annual figures relate to January.

[13] Quarterly figures not seasonally adjusted, annual figures relate to fourth quarter.















Table of unemployment statistics for regions including South East, Greater London\*, East Anglia, North, East Midlands, South West, Wales, West Midlands, Scotland, East Midlands, and Northern Ireland. Columns include duration of unemployment (2 or less, 2 and up to 4, 8, 13, 26, 52, 104, 156, 208, Over 260, All), sex (Male, Female), and age groups (Under 25, 25-54, 55 and over, All).

\* Included in South East.

Table of unemployment statistics for Great Britain and United Kingdom, broken down by age groups (Under 17, 17, 18, 19, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60 and over) and total. Columns include duration of unemployment (MALE/FEMALE: One or less, 1 and up to 2, 4, 6, 8, 13, 26, 39, 52, 65, 78, 104, 156, 208, Over 260, All) and total counts.

Note: The duration figures have been affected by industrial action in 1981 and consequential emergency computer procedures. In October 1982 it was estimated that this caused an increase in the numbers in the 39 to 52 weeks category by about 40,000 and an increase of about 10,000 in the 52 to 65 weeks category; with offsetting reductions of about 25,000 in each of the 65 to 78 and 78 to 104 weeks categories. By January 1983, the 39 to 52 weeks group was unaffected but any residual effect will have been carried forward to the longer duration categories.















# UNEMPLOYMENT 2.19

Flows: standardised, not seasonally adjusted\* THOUSAND

UNITED KINGDOM Month ending		INFLOW†												
		Male and Female				Male				Female				
		All	School leavers‡	Excluding school leavers	Change since previous year††	All	School leavers‡	Excluding school leavers	Change since previous year††	All	Married	School leavers‡	Excluding school leavers	Change since previous year††
1985	Apr 11	342.1	9.0	333.1	+13.3	219.2	5.2	214.0	+4.0	122.9	56.7	3.8	119.1	+9.3
	May 9	368.2	44.5	323.7	+18.5	231.6	25.8	205.9	+8.5	136.6	55.6	18.8	117.8	+9.9
	June 13	342.5	22.9	319.6	+16.3	216.3	13.2	203.1	+5.9	126.2	54.9	9.8	116.4	+10.3
	July 11**	451.0	23.3	427.7	+23.4	273.9	12.7	261.1	+8.5	177.1	57.7	10.6	166.6	+14.9
	Aug 8**	408.0	19.1	388.9	+38.9	251.0	11.0	240.0	+20.1	157.1	61.7	8.1	149.0	+18.9
	Sep 12	502.2	76.6	425.6	+14.9	301.9	43.9	257.9	+5.6	200.3	60.9	32.7	167.6	+9.2
	Oct 10	457.5	29.7	427.8	+13.5	285.0	16.8	268.2	+4.9	172.5	62.2	12.9	159.6	+8.6
	Nov 14	403.0	14.3	388.7	+12.7	255.9	8.2	247.7	+6.1	147.1	60.1	6.1	141.0	+6.6
	Dec 12	367.6	10.6	357.0	+13.9	241.2	6.1	235.2	+9.6	126.4	53.6	4.5	121.9	+4.3
1986	Jan 9	378.7	15.0	363.7	+34.1	238.3	8.3	230.0	-20.1	140.4	57.6	6.7	133.7	+13.9
	Feb 6	389.8	14.5	375.4	+11.4	245.2	8.1	237.1	-2.2	144.7	61.8	6.3	138.3	+13.6
	Mar 6	367.3	10.0	357.4	+41.0	241.0	5.7	235.3	+31.6	126.4	56.8	4.3	122.1	+9.4
	Apr 10	392.1	38.2	353.9	+20.8	247.0	22.0	225.0	+11.0	145.1	60.9	16.2	128.9	+9.8

UNITED KINGDOM Month ending		OUTFLOW†												
		Male and Female				Male				Female				
		All	School leavers‡	Excluding school leavers	Change since previous year††	All	School leavers‡	Excluding school leavers	Change since previous year††	All	Married	School leavers‡	Excluding school leavers	Change since previous year††
1985	Apr 11	336.7	8.7	328.0	-26.5	217.7	4.9	212.8	-22.7	119.1	48.6	3.8	115.3	-3.7
	May 9	402.4	14.2	388.3	+42.0	260.8	8.3	252.6	+26.7	141.6	59.3	5.9	135.7	+15.4
	June 13	396.6	17.5	379.0	+29.6	256.9	9.9	247.0	+14.5	139.6	59.0	7.6	132.0	+15.1
	July 11**	389.9	19.8	370.1	+40.3	252.9	11.1	241.8	+21.1	137.0	52.5	8.7	128.3	+19.2
	Aug 8**	402.2	17.4	384.8	+48.6	257.1	9.4	247.6	+26.7	145.2	51.8	8.0	137.2	+22.0
	Sep 12	410.5	25.3	385.2	+41.3	251.7	14.4	237.2	+22.7	158.8	58.5	10.9	148.0	+18.6
	Oct 10	532.6	47.0	485.6	+30.5	322.5	26.7	295.7	+15.3	210.1	62.3	20.2	189.9	+15.1
	Nov 14	418.6	24.7	393.9	+30.8	258.7	14.1	244.5	+16.5	159.9	59.0	10.6	149.3	+14.2
	Dec 12	352.2	15.5	336.7	+0.1	216.1	8.8	207.3	-2.3	136.1	52.1	6.7	129.3	+2.4
1986	Jan 9	232.8	7.3	225.5	-3.3	139.0	4.1	134.9	-5.3	93.8	41.0	3.2	90.6	+2.1
	Feb 6	417.8	15.6	402.2	+25.1	265.1	8.7	256.4	+12.6	152.7	62.7	6.9	145.9	+12.6
	Mar 6‡‡	381.4	11.8	369.6	-4.4	242.7	6.7	236.0	-10.0	138.7	65.3	5.1	133.6	+5.6
	Apr 10	391.0	9.6	381.4	+53.4	254.7	5.6	249.1	+36.3	136.4	56.7	4.1	132.3	+17.0

\* The unemployment flow statistics are described in *Employment Gazette*, August 1983, pp 351-358. A seasonally adjusted series cannot yet be estimated. Flow figures are collected for four or five week periods between count dates; the figures in the table are converted to a standard 4½ week month.

\*\* The unemployment flows for July and August have been affected by the discontinuity in the Northern Ireland figures (see notes \*\* table 2.1). Without this discontinuity the total inflow figure for July above would have been about 2,000 lower and the total outflow about 8,000 lower, and the total inflow for August would have been 500 lower.

† The flows in this table are not on quite the same basis as those in table 2.20. While table 2.20 relates to computerised records only for GB, this table gives estimates of total flows for the UK. It is assumed that computerised inflows are the best estimates of total inflows, while outflows are calculated by subtracting the changes in stocks from the inflows.

‡ While these assumptions are reasonable in most months, the inflows tend to be understated a little in September and after Easter when there are many school leavers joining the register and consequent backlogs in feeding details of new claims into the benefit computers. This also leads to some overstatement of the inflow in the following month. Therefore the imputed outflows in this table are also affected.

§ The change in the count of school leavers between one month and the next reflects some of them reaching the age of 18 as well as the excess of their inflow over their outflow.

†† Change since the same month in the previous year gives the best indication of the trend of the series' excluding school leavers.

‡‡ Comparisons of outflows for the month to March 6, 1986 and later, with previous outflows are only slightly affected by the change in the compilation of the unemployment figures from March 1986.









# 4.1 INDUSTRIAL DISPUTES Stoppages of work\*

## Stoppages: Mar 1986

United Kingdom	Number of stoppages	Workers involved	Working days lost
Stoppages in progress in month of which:	64	65,900	178,000
Beginning in month	47	36,500†	68,000
Continuing from earlier months	17	29,400‡	110,000

† Includes 35,300 directly involved.  
‡ Includes 2,000 involved for the first time in the month.

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

## Stoppages: cause

United Kingdom	Stoppages in progress			
	March 1986		First three months of 1986	
	Stoppages	Workers directly involved	Stoppages	Workers directly involved
Pay-wage-rates and earnings levels—extra-wage and fringe benefits	24	37,800	81	170,000
Duration and pattern of hours worked	5	1,400	13	2,700
Redundancy questions	9	6,800	24	16,400
Trade union matters	4	7,200	17	9,600
Working conditions and supervision	6	2,500	20	5,800
Manning and work allocation	9	2,900	29	17,600
Dismissal and other disciplinary measures	6	3,200	16	6,800
<b>All causes</b>	<b>64</b>	<b>62,000</b>	<b>205</b>	<b>231,700</b>

## Stoppages—industry

United Kingdom	Jan-Mar 1986			Jan-Mar 1985		
	Stoppages in progress			Stoppages in progress		
SIC 1980	Stoppages	Workers involved	Working days lost	Stoppages	Workers involved	Working days lost
Agriculture, forestry and fishing	—	—	—	—	—	—
Coal extraction	47	17,000	26,000	20	140,600	4,130,000
Coke, mineral oil and natural gas	—	—	—	2	400	1,000
Electricity, gas, other energy and water	1	100	†	—	—	—
Metal processing and manufacture	3	4,000	104,000	9	1,300	7,000
Mineral processing and manufacture	7	4,900	15,000	5	3,400	36,000
Chemicals and man-made fibres	3	400	1,000	5	900	2,000
Metal goods not elsewhere specified	4	600	4,000	13	2,500	23,000
Engineering	16	3,700	19,000	22	6,300	41,000
Motor vehicles	13	5,600	49,000	13	5,100	13,000
Other transport equipment	11	6,700	11,000	9	7,900	23,000
Food, drink and tobacco	9	3,100	13,000	8	2,300	21,000
Textiles	1	200	2,000	3	200	7,000
Footwear and clothing	2	400	6,000	2	200	†
Timber and wooden furniture	—	—	—	3	300	2,000
Paper, printing and publishing	5	7,000	23,000	11	4,400	33,000
Other manufacturing industries	3	500	1,000	3	400	2,000
Construction	6	1,500	5,000	9	2,400	27,000
Distribution, hotels and catering, repairs and communication	4	500	3,000	5	200	2,000
Transport services and communication	28	19,000	41,000	36	20,700	24,000
Supporting and miscellaneous transport services	4	300	5,000	13	1,400	10,000
Banking, finance, insurance, business services and leasing	4	600	2,000	2	2,500	5,000
Public administration, education and health services	38	159,500	247,000	29	128,300	235,000
Other services	2	400	†	5	400	13,000
<b>All industries and services</b>	<b>205‡</b>	<b>236,000</b>	<b>575,000</b>	<b>226‡</b>	<b>332,300</b>	<b>4,658,000</b>

§ Some stoppages which affected more than one industry group have been counted under each of the industries but only once in the total for all industries and services.  
† Less than 500 working days lost.

# INDUSTRIAL DISPUTES\* 4.2 Stoppages of work: summary

United Kingdom	Number of stoppages		Workers (thou)		Working days lost in all stoppages in progress in period (thou)	
	Beginning in period	In progress in period	Beginning in period	In progress in period	All industries and services	All manufacturing industries
1976	2,016	2,034	666‡	666‡	2,384	2,308
1977	2,703	2,737	1,155	1,166	10,142	8,057
1978	2,471	2,498	1,001	1,041	9,405	7,678
1979	2,080	2,125	4,583	4,608	29,474	22,552
1980	1,330	1,348	830‡	834‡	11,964	10,896
1981	1,338	1,344	1,499	1,513	4,266	2,292
1982	1,528	1,538	2,101‡	2,103‡	5,313	1,919
1983	1,352	1,364	573‡	574‡	3,754	1,776
1984	1,206	1,221	1,436‡	1,464‡	27,135	2,658
1985	840	855	603	737	6,372	909
1984 Mar	128	175	263	283	2,174	233
Apr	106	143	122	279	2,684	140
May	98	134	178	398	2,981	151
June	106	147	61	241	2,749	238
July	85	126	60	214	2,535	149
Aug	83	116	65	225	2,351	230
Sep	94	129	56	218	2,608	226
Oct	113	153	62	224	3,082	301
Nov	76	119	75	244	3,041	477
Dec	35	64	40	191	2,100	181
1985 Jan	58	73	19	149	2,134	45
Feb	78	108	87	210	2,001	72
Mar	75	102	92	227	523	93
Apr	83	100	76	152	189	54
May	84	105	36	124	247	73
June	54	75	16	78	159	77
July	77	94	31	65	127	67
Aug	59	79	30	40	108	60
Sep	80	100	62	188	280	141
Oct	89	114	86	196	249	110
Nov	57	82	41	155	181	68
Dec	46	69	27	134	174	49
1986 Jan	64	84	48	161	194	74
Feb	73	97	27	154	203	69
Mar	47	64	39	66	178	104

## Working days lost in all stoppages in progress in period by industry

United Kingdom	Mining and quarrying	Metal manufacture and metal goods nes	Mechanical, instrument and electrical engineering	Shipbuilding and marine engineering	Vehicles	Textiles, clothing and footwear	All other manufacturing industries	Construction	Transport and communication	THOUSAND	
										All other non-manufacturing industries	Total
SIC 1968	II	VI-XII	VII, VII and IX	X	XI	XII-XV	III-V, XVI-XIX	XX	XXII	I, XXI	XXIII-XXVII
1975	56	564	1,737	509	1,121	350	720	247	422	286	3,390
1976	78	478	543	62	895	65	266	570	132	196	2,990
1977	97	981	1,895	163	3,095	264	1,680	297	301	360	5,500
1978	201	585	1,193	160	4,047	179	1,514	416	360	1,419	4,541
1979	128	1,910	13,341	303	4,836	110	2,053	834	1,419	367	12,993
1980	166	8,884	586	195	490	44	698	281	253	359	12,933
1981	237	113	433	230	956	39	522	86	359	1,293	13,010
1982	374	199	486	116	656	66	395	44	1,675	1,301	13,010
SIC 1980	Coal, coke, mineral oil and natural gas	Metal manufacture and metal goods nes	Engineering	Motor vehicles	Other transport equipment	Textiles, footwear and clothing	All other manufacturing industries	Construction	Transport and communication	All other non-manufacturing industries and services	
	(11-14)	(21, 22, 31)	(32-34, 37)	(35)	(36)	(43, 45)	(23-26, 41, 42, 44, 46-49)	(50)	(71-79)	(01-03, 15-17, 61-67, 81-85, 91-99 & 00)	
1982	380	197	538	551	172	61	400	41	1,675	1,299	
1983	591	177	507	545	191	32	324	68	295	1,024	
1984	22,484	90	422	1,046	497	66	537	334	666	992	
1985	4,223	109	154	70	256	31	289	50	196	994	
1984 Mar	1,808	6	63	33	47	9	75	35	53	45	
Apr	2,403	11	65	18	8	2	35	43	24	74	
May	2,604	8	25	55	19	5	39	24	40	162	
June	2,303	9	20	105	38	3	63	30	58	120	
July	2,103	1	17	10	83	4	35	28	218	37	
Aug	2,004	5	24	21	158	1	20	24	69	24	
Sep	2,203	30	37	56	81	2	20	22	122	34	
Oct	2,606	6	58	179	15	1	41	46	8	121	
Nov	2,404	6	21	377	26	3	45	50	19	91	
Dec	1,802	1	16	138	—	—	25	22	16	79	
1985 Jan	2,008	8	12	—	—	2	22	13	15	53	
Feb	1,815	17	18	2	2	4	29	13	8	92	
Mar	308	5	11	10	20	1	45	1	11	110	
Apr	19	3	7	6	25	5	8	—	45	71	
May	22	8	34	9	4	—	17	13	3	136	
June	4	1	15	2	13	—	46	4	4	70	
July	5	4	8	4	17	—	32	1	6	49	
Aug	11	2	13	—	10	1	34	—	8	28	
Sep	20	1	9	7	101	4	19	2	11	106	
Oct	7	18	19	16	45	6	5	3	43	87	
Nov	3	27	3	4	17	3	14	1	12	97	
Dec	1	13	5	10	—	4	16	—	29	95	
1986 Jan	6	37	3	1	2	3	27	2	10	103	
Feb	6	22	2	29	—	3	13	3	11	114	
Mar	14	49	13	19	8	1	14	—	25	35	

\* See page S67 for notes on coverage. The figures from 1985 are provisional.  
‡ Figures exclude workers becoming involved after the end of the year in which the stoppages began.

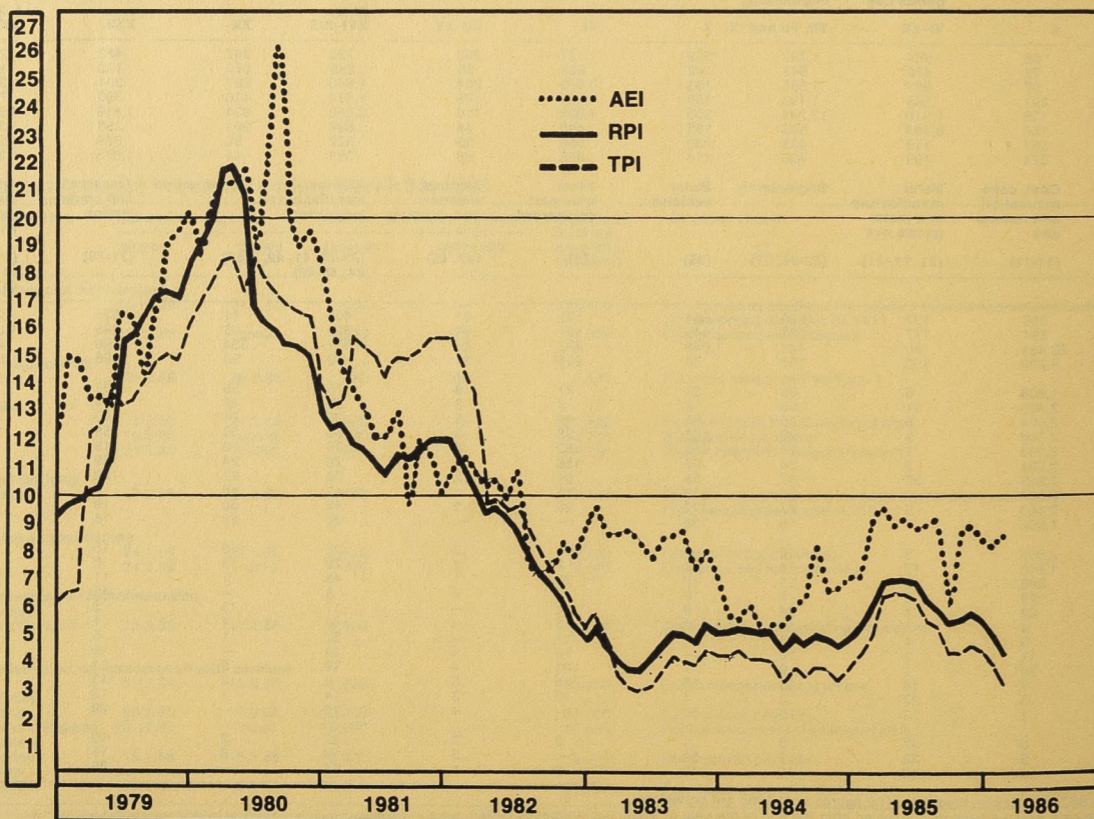
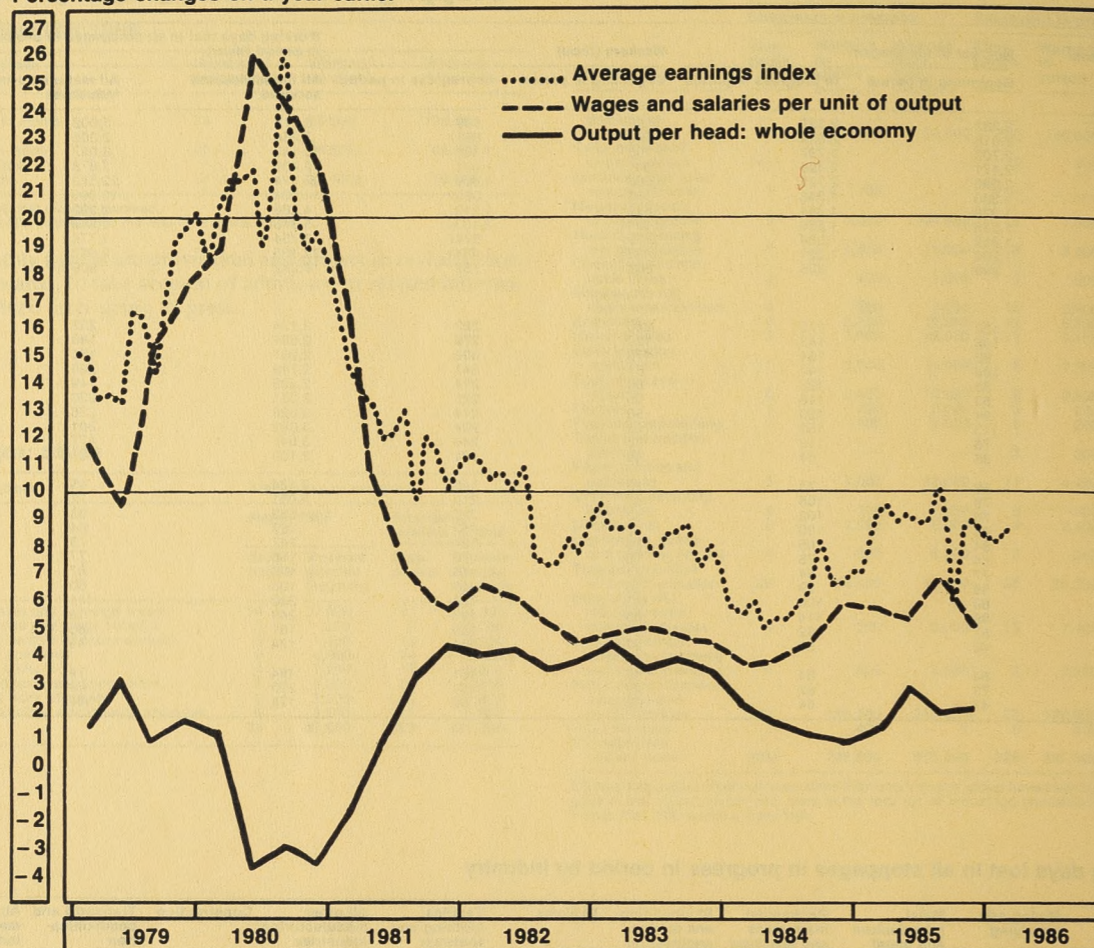
## Prominent stoppages in quarter ending March 31, 1986

Industry and location	Date when stoppage		Number of workers involved†		Number of working days lost in quarter	Cause or object
	Began	Ended	Directly	Indirectly		
<b>Metal processing and manufacturing</b> Sheffield	14.10.85	31.1.86	1,600	—	35,220	For increased pay offer and protection of terms and conditions of employment. (Total working days lost 70,140.) Over proposed redundancies.
Lanarkshire	16.2.86	contd.	2,250	130	70,310	
<b>Mechanical engineering</b> Huddersfield	24.2.86	26.3.86	140	760	6,580	For withdrawal of shift working.
<b>Motor vehicles</b> Halewood	3.2.86	21.2.86	1,500	—	20,400	Over a claim for the upgrading of work.
Coventry	19.2.86	contd.	520	—	13,780	In support of pay claim.
Shipley	24.2.86	contd.	280	—	6,720	Over unspecified disciplinary action.
<b>Footwear and clothing</b> South Shields	17.9.85	21.3.86	100	—	5,330	For union recognition and reinstatement of dismissed workers. (Total working days lost 13,710.)
<b>Paper, printing and publishing</b> London	24.1.86	29.1.86	5,500	—	12,490	Over feared redundancies.
Glasgow	24.2.86	contd.	730	—	9,370	Over proposed redundancies.
<b>Transport services and communication</b> Various areas in England and Scotland	13.3.86	17.3.86	7,100	—	14,000	Over changes to negotiating procedures.
<b>Public administration, education and health services</b> Scotland	5.12.84	13.3.86	41,000	—	89,150	For an independent pay review.
England, Wales and N. Ireland	26.2.85	7.3.86	100,000	—	98,000	For improved pay offer.
Various areas in England	25.11.85	contd.	10,680	—	10,680	For the recruitment of additional staff.
Various areas in United Kingdom	15.1.86	15.1.86	6,000	—	6,000	For improved pay offer.
Various areas in United Kingdom	15.1.86	15.1.86	22,000	—	22,000	For improved pay offer and conditions.

† The figures shown are the highest number of workers involved during the quarter.

**C1 EARNINGS: earnings, prices: whole economy**

Percentage changes on a year earlier



**EARNINGS 5.1**

**Average earnings index: all employees; main industrial sectors**

GREAT BRITAIN	Whole economy (Divisions 0-9)				Manufacturing industries (Revised definition) (Divisions 2-4)				Production industries (Revised definition) (Divisions 1-4)				
	Actual	Seasonally adjusted	% change over previous 12 months	Underlying % change over previous 12 months†	Actual	Seasonally adjusted	% change over previous 12 months	Underlying % change over previous 12 months†	Actual	Seasonally adjusted	% change over previous 12 months	Underlying % change over previous 12 months†	
													JAN 1980 = 100
SIC 1980													
1980	111.4				109.1				109.4				
1981	125.8				123.6				124.1				
1982	137.6				137.4				138.2				
1983	149.2				149.7				150.0				
1984	158.3				162.8				158.5				
1985	171.7				177.6				176.2				
Annual averages													
1981 Jan	118.2	119.7	18.4	17	115.7	116.5	15.9	14½	116.4	117.3	16.6	15	
Feb	119.3	120.7	16.4	15½	117.3	118.2	16.0	14	117.8	118.7	16.6	14½	
Mar	121.2	121.3	14.5	15½	118.9	118.9	14.0	14	119.9	119.4	13.6	14½	
April	121.9	122.6	13.8	14	118.4	119.2	12.3	14	119.1	119.7	12.6	14½	
May	123.5	123.6	13.2	13½	121.0	120.0	11.8	13½	121.5	120.5	12.1	14	
June	126.0	124.8	12.0	12½	124.5	122.6	11.5	13½	125.2	123.5	12.1	14	
July	126.9	125.8	12.1	11½	125.4	124.2	11.4	13½	126.2	124.8	11.8	14	
Aug	129.0	128.9	13.0	11½	126.0	126.9	13.4	13½	126.3	127.3	13.6	13¾	
Sep	129.4	129.5	9.7	11½	126.2	127.4	12.9	13½	126.6	127.9	13.1	13¾	
Oct	130.0	130.2	12.0	11½	128.6	129.4	14.5	13½	128.9	129.9	14.6	13¾	
Nov	131.4	130.8	11.5	11	130.8	129.9	13.4	13½	130.9	130.0	13.5	13½	
Dec	133.1	131.7	10.1	11	130.8	130.2	12.7	13	130.9	130.5	13.0	13	
1982 Jan	131.2	132.8	10.9	11	131.1	132.0	13.3	12¾	131.6	132.6	13.0	13	
Feb	132.8	134.3	11.3	10¾	131.8	132.8	12.4	12	133.7	134.7	13.5	12½	
Mar	134.6	134.7	11.0	10¾	134.4	134.4	13.0	11¾	135.2	134.6	12.7	12	
April	134.5	135.4	10.4	10½	134.8	136.0	14.1	11¾	135.2	136.1	13.7	11¾	
May	136.5	136.7	10.6	10½	137.5	136.5	13.8	11½	137.8	136.9	13.6	11½	
June	138.3	137.0	9.8	9½	138.8	136.7	11.5	11¼	139.6	137.6	11.4	11	
July	140.7	139.5	10.9	9½	139.2	137.8	11.0	11	140.1	138.5	11.0	11	
Aug	138.8	138.6	7.5	8¾	137.6	138.4	9.1	9½	138.4	139.3	9.4	9½	
Sep	138.7	138.9	7.3	8¾	137.9	139.3	9.3	9¼	138.7	140.2	9.6	9½	
Oct	139.6	139.8	7.4	8¾	140.0	140.9	8.9	9¼	139.9	141.1	8.6	9½	
Nov	142.4	141.7	8.3	8½	142.5	141.6	9.0	9	143.7	142.8	9.8	9½	
Dec	143.6	142.0	7.8	8	143.2	142.7	9.6	9	144.0	143.8	10.2	9	
1983 Jan	142.6	144.5	8.8	8	142.9	144.0	9.1	9	143.5	144.6	9.0	8¾	
Feb	145.4	147.2	9.6	8	143.7	144.8	9.0	8¾	144.1	145.2	7.8	8¾	
Mar	146.1	146.3	8.6	7¾	145.1	145.0	7.9	8½	145.9	145.3	7.9	8½	
April	146.0	147.0	8.6	7½	146.7	148.1	8.9	8½	147.4	148.5	9.1	8½	
May	148.3	148.6	8.7	7½	149.2	148.2	8.6	8½	149.3	148.4	8.4	8½	
June	149.7	148.2	8.2	7½	150.2	147.8	8.1	8½	150.4	148.2	7.7	8	
July	151.7	150.3	7.7	7½	151.2	149.7	8.6	8¾	151.8	150.0	8.3	8½	
Aug	150.4	150.2	8.4	7¾	149.9	150.8	9.0	8¾	150.4	151.3	8.6	8½	
Sep	150.5	150.7	8.5	7¾	150.9	152.4	9.4	9¼	151.4	153.0	9.1	9	
Oct	151.7	152.0	8.7	7¾	153.3	154.4	9.6	9½	154.1	155.4	10.1	9½	
Nov	152.8	152.1	7.3	7¾	155.5	155.6	9.9	9¾	155.7	154.7	8.3	9¼	
Dec	155.1	153.4	8.0	8	157.0	156.6	9.7	9¾	155.9	155.8	8.3	9¼	
1984 Jan	152.7	154.7	7.1	7¾	155.9	157.0	9.0	9½	154.9	156.0	7.9	9	
Feb	153.8	155.6	5.7	7¾	157.5	158.7	9.6	9½	156.5	157.8	8.7	9	
Mar	154.2	154.4	5.5	7¾	159.3	159.2	9.8	9½	154.3	153.7	5.8	9	
April	154.7	155.8	6.0	7¾	158.0	159.5	7.7	9¼	153.4	154.5	4.0	8¾	
May	155.7	156.0	5.0	7¾	160.6	159.5	7.6	9¼	155.7	154.7	4.2	8¾	
June	157.5	156.0	5.3	7¾	163.8	161.1	9.0	9¼	158.4	156.1	5.3	8¾	
July	159.6	158.2	5.3	7½	164.6	162.9	8.8	9	159.5	157.6	5.1	8½	
Aug	159.2	159.0	5.9	7½	162.8	163.7	8.6	8¾	157.7	158.7	4.9	8¾	
Sep	159.9	160.2	6.3	7½	164.5	166.1	9.0	8¾	159.7	161.4	5.5	8¾	
Oct	164.2	164.5	8.2	7½	167.2	168.3	9.0	8½	162.2	163.6	5.3	8	
Nov	162.8	162.0	6.5	7½	169.1	168.1	8.0	8½	164.4	163.4	5.6	8	
Dec	165.3	163.5	6.6	7½	170.0	169.5	8.2	8½	164.9	164.7	5.7	8	
1985 Jan	163.4	165.5	7.0	7½	170.5	171.7	9.4	8½	165.9	167.1	7.1	8¼	
Feb	164.6	166.5	7.0	7½	170.6	172.0	8.4	8½	166.3	167.6	6.2	8¼	
Mar	168.1	168.3	9.0	7½	173.9	173.8	9.2	8¾	171.7	171.0	11.3	8¼	
April	169.4	170.6	9.5	7½	176.0	177.6	11.3	8¾	174.3	175.5	13.6	8¼	
May	169.4	169.7	8.8	7½	175.6	174.4	9.3	9	174.2	173.2	12.0	8½	
June	171.9	170.2	9.1	7½	179.1	176.2	9.4	9	178.1	175.6	12.5	8½	
July	173.7	172.2	8.8	7½	180.2	178.3	9.5	9	179.9	177.8	12.8	8¾	
Aug	173.4	173.1	8.9	7½	177.0	178.1	8.8	9	176.6	177.8	12.0	8¾	
Sep	176.1	176.4	10.1	7¾	179.8	181.5	9.3	9	179.8	181.7	12.6	8¾	
Oct	173.9	174.3	6.0	7½	179.7	180.9	7.5	8¾	179.3	180.8	10.5	8¾	
Nov	176.8	175.9	8.6	7½	184.0	182.9	8.8	8¾	183.5	182.4	11.6	8¾	
Dec	180.0	178.1	8.9	7½	185.3	184.7	9.0	8¾	184.4	184.2	11.8	8¾	
1986 Jan	176.9	179.1	8.2	7½	184.1	185.5	8.0	8½	184.1	185.5	11.0	8¾	
Feb	177.9	180.0	8.1	7½	184.5	186.0	8.1	8½	184.5	185.9	10.9	8½	
[Mar]	182.5	182.7	8.6	7½	187.3	187.2	7.7	8¼	187.1	186.3	8.9	8½	

Note: The seasonal adjustment factors currently used for the SIC 1980 series are based on data up to December 1982 with data prior to January 1980 from the corresponding SIC 1968 series.  
 † For the derivation of the underlying change, please see item in "Employment Topics" in this issue of *Employment Gazette*.

# 5.3

## EARNINGS Average earnings index: all employees: by industry

GREAT BRITAIN	Agriculture and forestry	Coal and coke	Mineral oil and natural gas	Electricity, gas, other energy and water supply	Metal processing and manufacturing	Mineral extraction and manufacturing	Chemicals and man-made fibres	Mechanical engineering	Electrical and electronic engineering	Motor vehicles and parts	Other transport equipment	Metal goods and instruments	Food, drink and tobacco	Textiles
SIC 1980 CLASS	(01-02)	(11-12)	(14)	(15-17)	(21-22)	(23-24)	(25-26)	(32)	(33-34)	(35)	(36)	(31,37)	(41-42)	(43)
1980	117.7	106.1	104.4	116.2	**	109.1	109.8	106.9	109.0	100.5	111.4	103.7	109.0	107.3
1981	131.8	118.6	119.8	133.5	125.0	121.6	124.8	117.3	123.4	111.4	124.0	116.8	123.9	107.3
1982	144.2	131.1	135.8	147.8	137.3	136.8	138.9	130.6	139.2	125.3	137.3	129.3	136.7	120.2
1983	157.5	134.7	147.8	159.2	150.7	148.5	152.0	142.3	152.9	138.6	143.2	140.3	149.6	131.8
1984	169.6	167.7	162.5	170.4	167.1	159.5	164.9	156.1	167.1	149.0	157.4	151.9	160.9	143.5
1985	184.4	135.3	178.6	182.7	181.6	172.4	179.1	172.3	182.3	168.9	170.9	164.1	174.9	154.4
1981 Jan	118.1	120.5	114.0	120.4	110.1	113.3	114.8	111.3	115.8	102.8	116.3	109.7	117.4	114.4
1981 Feb	119.9	118.5	116.7	121.9	116.6	113.4	115.8	112.3	116.6	109.5	118.9	110.8	116.8	116.8
1981 Mar	125.9	120.7	116.4	130.5	118.4	116.0	119.2	114.0	119.6	109.7	118.4	113.3	117.3	117.1
1981 April	132.9	117.0	116.9	128.9	118.3	116.0	117.4	113.7	118.9	108.2	119.5	111.1	118.7	112.8
1981 May	130.2	113.7	120.2	132.4	121.6	119.7	120.9	115.7	121.7	101.9	124.0	114.4	121.7	118.0
1981 June	131.7	116.3	117.9	140.7	123.0	125.3	124.3	117.0	123.9	112.1	123.8	116.3	126.0	122.6
1981 July	130.0	118.8	123.3	140.6	131.8	123.7	123.7	117.0	126.5	114.6	126.7	116.7	125.2	122.4
1981 Aug	143.8	117.5	121.0	135.5	128.4	124.1	134.4	117.7	124.5	112.3	129.2	117.7	125.9	122.7
1981 Sep	147.7	118.4	121.1	136.7	131.3	123.9	126.9	119.9	125.3	112.2	123.5	119.7	126.1	122.5
1981 Oct	143.0	120.3	121.1	138.1	133.8	125.0	131.0	122.0	127.8	113.7	133.9	121.1	126.9	124.8
1981 Nov	131.4	121.0	123.0	138.5	133.9	127.2	133.2	122.9	129.3	121.4	127.7	126.4	131.6	126.1
1981 Dec	126.5	120.2	126.2	138.3	132.2	131.9	135.6	123.8	131.3	117.8	126.1	124.8	132.6	122.6
1982 Jan	125.1	120.6	133.8	141.7	136.4	126.7	132.5	123.9	131.8	120.4	130.2	123.2	129.9	127.2
1982 Feb	134.6	146.6	131.7	142.0	134.3	130.4	131.1	125.7	132.5	121.4	131.0	125.2	129.9	127.5
1982 Mar	138.9	132.7	132.7	140.7	134.6	134.6	133.0	128.0	136.7	123.7	133.4	128.6	131.5	130.0
1982 April	144.2	128.8	132.0	139.3	137.4	134.8	134.4	127.7	136.9	119.7	137.4	127.3	133.6	130.0
1982 May	140.6	130.7	132.8	141.3	136.9	137.6	135.0	130.1	137.6	124.9	137.8	131.0	139.3	133.2
1982 June	144.0	128.0	135.6	153.2	135.7	141.6	140.8	131.6	140.5	125.7	141.4	129.5	137.9	134.1
1982 July	152.2	129.1	142.4	154.5	145.9	138.9	140.9	132.9	140.7	128.3	137.4	129.8	136.5	133.2
1982 Aug	154.0	130.2	135.3	150.0	136.3	137.2	139.0	130.8	139.6	124.8	136.3	128.7	137.8	131.6
1982 Sep	160.8	128.6	137.4	151.5	135.0	138.5	139.0	131.1	140.2	121.7	138.9	130.0	139.4	131.3
1982 Oct	152.8	117.6	137.0	151.8	140.8	139.2	140.8	133.2	143.2	125.7	141.2	131.0	139.1	133.1
1982 Nov	143.4	139.6	138.2	157.2	136.1	140.5	149.5	135.5	144.1	129.5	142.3	133.9	142.7	135.5
1982 Dec	139.5	140.5	140.7	150.4	138.1	142.0	150.9	136.5	146.3	137.8	140.0	132.9	143.0	134.7
1983 Jan	138.0	141.3	146.3	146.2	140.9	141.2	143.7	135.1	147.0	133.9	138.5	133.5	142.2	137.9
1983 Feb	145.2	139.5	146.1	145.9	140.4	141.9	145.0	136.0	147.1	134.6	139.5	134.1	142.6	139.0
1983 Mar	145.1	139.0	146.1	156.0	141.8	142.7	143.3	138.1	150.1	134.7	143.7	137.3	144.1	140.6
1983 April	155.1	136.5	147.3	158.9	146.2	144.9	146.2	138.8	150.6	133.7	142.7	136.4	146.6	141.7
1983 May	151.0	131.2	146.3	158.2	147.4	146.5	149.4	141.7	152.2	139.0	144.0	141.0	149.4	144.0
1983 June	156.7	133.7	148.6	160.1	147.6	152.3	150.3	143.2	154.0	139.0	144.5	139.2	150.9	144.6
1983 July	167.2	135.4	156.7	164.9	166.3	147.7	151.9	143.4	154.8	140.1	141.5	140.3	151.1	145.1
1983 Aug	162.7	135.5	149.0	161.8	151.7	149.7	157.1	141.8	152.8	137.1	137.9	140.7	149.7	143.7
1983 Sep	178.0	137.0	150.9	162.6	152.1	151.3	152.9	143.2	153.3	137.8	142.4	142.1	150.8	145.5
1983 Oct	173.6	140.1	143.9	169.7	163.8	150.2	153.1	145.3	157.5	139.8	146.1	144.1	152.0	146.6
1983 Nov	160.4	123.9	140.9	165.1	154.3	156.8	164.7	148.6	146.0	150.6	147.9	155.5	147.2	146.1
1983 Dec	156.7	123.6	151.9	161.5	155.8	156.6	166.1	158.7	147.2	147.4	146.6	159.7	146.1	146.1
1984 Jan	155.3	121.5	158.1	162.7	167.3	151.4	155.8	148.8	158.3	145.7	148.4	145.2	153.9	149.8
1984 Feb	158.6	125.2	159.9	163.0	159.3	153.8	158.1	151.3	160.0	147.4	154.5	149.0	155.5	151.6
1984 Mar	156.6	54.4	161.6	164.9	162.6	155.5	158.2	153.7	163.4	147.0	154.2	151.2	155.5	153.4
1984 April	165.2	55.7	164.0	167.0	171.2	154.1	157.6	150.5	166.9	148.0	151.9	147.9	155.7	145.2
1984 May	163.1	51.0	158.4	171.1	161.4	158.5	159.9	153.6	165.1	149.6	152.3	151.4	158.2	155.1
1984 June	171.2	51.6	162.0	170.1	162.6	162.3	164.8	157.0	167.5	147.7	163.4	151.7	162.1	156.7
1984 July	177.4	51.3	167.2	175.8	181.6	160.0	164.2	158.8	169.6	152.2	153.7	153.0	162.4	157.0
1984 Aug	186.1	51.0	162.1	172.3	164.6	158.6	171.3	155.3	166.2	147.0	152.6	150.6	159.4	152.6
1984 Sep	188.6	57.5	163.9	174.0	163.7	164.2	164.8	156.5	168.3	151.3	158.3	153.0	162.8	155.5
1984 Oct	181.3	57.6	162.7	177.0	176.1	162.6	166.0	161.2	170.7	147.7	174.1	154.7	164.2	158.2
1984 Nov	168.2	67.1	164.3	176.6	164.4	165.2	179.0	162.7	172.9	153.1	174.1	157.3	169.5	159.5
1984 Dec	163.5	68.5	165.7	170.7	167.4	167.4	179.5	163.9	176.8	151.4	163.8	157.6	171.6	158.3
1985 Jan	163.9	74.0	170.5	174.9	177.5	163.0	170.8	164.2	173.8	171.0	161.8	156.7	167.5	163.1
1985 Feb	170.3	78.2	173.1	175.9	169.7	165.5	170.4	165.5	175.6	162.3	164.6	158.7	170.0	164.2
1985 Mar	170.4	122.5	173.6	175.9	175.8	168.5	173.1	169.1	181.4	167.8	168.5	161.9	167.9	166.6
1985 April	175.4	137.9	173.5	173.8	188.0	170.0	173.8	168.9	185.3	167.2	168.1	161.6	171.9	167.0
1985 May	173.6	139.5	178.3	175.9	174.9	170.4	174.6	170.6	181.2	168.7	167.0	164.5	173.5	168.9
1985 June	188.2	148.0	177.1	182.5	175.7	175.2	178.8	173.4	183.1	168.3	183.3	164.5	176.5	172.1
1985 July	193.6	149.5	178.5	193.2	198.8	173.0	181.6	174.7	183.5	172.8	172.1	164.8	176.4	172.0
1985 Aug	203.1	150.7	177.2	184.8	176.7	172.1	180.8	171.7	181.0	166.8	167.8	163.1	173.0	168.5
1985 Sep	206.3	152.9	183.7	194.5	196.5	176.5	179.8	174.4	182.7	165.6	170.8	165.5	175.8	171.3
1985 Oct	200.5	153.6	181.7	187.1	176.7	175.6	180.4	175.5	184.5	167.2	174.4	166.5	177.0	172.5
1985 Nov	182.9	159.3	185.5	188.4	177.1	176.6	195.3	180.1	186.3	175.6	173.3	171.6	182.6	174.5
1985 Dec	184.5	157.8	190.0	184.9	192.0	182.0	190.1	179.7	189.6	173.2	178.6	169.7	186.7	174.5
1986 Jan	179.5	172.0	185.1	185.4	188.3	176.3	183.4	177.7	189.5	172.5	179.7	169.7	185.0	177.2
1986 Feb	177.9	166.4	187.3	189.7	179.9	177.0	184.2	180.8	189.7	176.5	178.2	170.6	183.3	176.7
1986 Mar	170.1	188.2	189.6	184.5	179.2	186.8	183.5	193.0	187.2	181.4	174.0	183.6	178.3	178.3

\* England and Wales only.  
† Excluding sea transport.  
‡ Excluding private domestic and personal services.

# EARNINGS 5.3

## Average earnings index: all employees: by industry (not seasonally adjusted)

Leather, footwear and clothing	Timber and wooden furniture	Paper products printing and publishing	Rubber, plastics and other manufacturing	Construction	Distribution and repairs	Hotels and catering	Transport and communication†	Banking, finance and insurance	Public administration	Education and health services	Other services ‡	Whole economy	GREAT BRITAIN
(44-45)	(46)	(47)	(48-49)	(50)	(61-65, 67)	(66)	(71-72, 75-77, 79)	(81-82, 84pt.)	(91-92pt.)	(93,95)	(97pt.-98pt.)	(99pt.-100pt.)	JAN 1980 = 100
107.6	105.9	110.4	107.6	111.5	107.2	108.0	108.4	112.7	114.2	123.8	113.3	111.4	1980
121.4	115.2	128.2	121.1	125.8	120.3	120.5	120.6	128.9	129.6	140.8	129.6	125.8	1981
134.1	126.9	142.8	134.0	137.6	132.6	127.6	132.2	144.6	140.0	147.9	143.7	137.6	1982
145.2	139.9	156.6	144.0	148.0	143.6	137.9	144.3	157.5	149.5	163.6	156.0	149.2	1983
155.6	150.2	170.1	157.1	156.7	153.9	148.0	154.1	170.4	159.3	170.3	169.4	158.3	1984
168.4	161.0	184.8	169.7	169.5	165.2	157.2	166.2	184.8	169.0	178.3	182.3	171.7	1985
115.1	115.9												

## 5.4 EARNINGS AND HOURS

### Average earnings and hours: manual employees: by industry†

UNITED KINGDOM October SIC 1980 CLASS	Metal processing and manufacturing (21-22)	Mineral extraction and manufacturing (23-24)	Chemicals and man-made fibres (25-26)	Mechanical engineering (32)	Electrical and electronic engineering, etc (33-34)	Motor vehicles and parts (35)	Other transport equipment (36)	Metal goods and instrument engineering (31,37)	Food, drink and tobacco (41-42)	Textiles (43)
<b>MALE (full-time on adult rates)</b>										
<b>Weekly earnings</b>										£
1983	156.30	152.57	162.13	139.45	137.78	146.96	146.82	137.93	148.17	120.66
1984	168.84	162.96	173.63	152.37	145.73	159.01	159.05	148.45	161.86	128.59
1985	180.15	172.96	187.19	167.86	160.26	170.94	174.76	156.56	173.18	140.50
<b>Hours worked</b>										
1983	41.7	45.1	42.8	41.7	41.9	41.0	41.1	42.4	45.2	43.9
1984	42.2	45.1	43.0	42.4	41.9	41.3	41.6	42.8	45.3	44.0
1985	41.9	45.3	42.7	43.0	42.3	40.4	42.1	42.9	45.1	44.2
<b>Hourly earnings</b>										pence
1983	374.7	338.6	379.1	334.3	328.5	358.0	357.6	325.3	327.5	274.7
1984	400.3	361.4	403.5	359.3	347.9	385.1	382.4	347.0	356.9	292.2
1985	429.6	382.2	438.5	390.6	379.2	422.8	414.8	364.9	383.7	317.9
<b>FEMALE (full-time on adult rates)</b>										
<b>Weekly earnings</b>										£
1983	92.82	92.40	101.21	97.96	97.18	109.56	101.72	94.00	99.58	77.56
1984	103.02	99.79	110.09	106.16	102.51	117.14	110.70	99.41	106.35	82.97
1985	111.45	106.43	118.44	118.10	109.74	126.39	126.63	105.55	114.20	89.52
<b>Hours worked</b>										
1983	38.5	38.4	38.2	38.7	38.1	38.5	37.7	38.3	39.1	38.1
1984	38.8	38.5	38.5	38.5	38.3	38.5	38.3	37.9	38.8	38.4
1985	38.5	38.4	38.5	39.0	38.6	38.1	38.2	38.1	38.7	37.9
<b>Hourly earnings</b>										pence
1983	240.8	240.7	264.7	253.1	254.8	284.7	269.8	245.7	254.9	203.7
1984	265.4	259.0	286.1	275.6	267.9	304.6	288.9	262.4	274.2	215.8
1985	289.2	277.0	308.0	302.9	284.3	331.6	331.2	277.3	295.0	235.9
<b>ALL (full-time on adult rates)</b>										
<b>Weekly earnings</b>										£
1983	154.05	145.59	149.79	136.85	122.74	144.12	144.76	128.18	134.32	102.01
1984	166.50	155.58	161.37	149.78	129.34	156.22	156.85	137.66	146.47	108.56
1985	177.90	165.23	174.30	165.16	142.68	167.87	172.71	145.58	156.17	118.15
<b>Hours worked</b>										
1983	41.6	44.3	41.8	41.5	40.5	40.9	40.9	41.5	43.5	41.4
1984	42.1	44.3	42.2	42.2	40.5	41.1	41.4	41.7	43.5	41.6
1985	41.8	44.5	41.9	42.8	41.0	40.3	42.0	41.9	43.3	41.5
<b>Hourly earnings</b>										pence
1983	370.3	328.8	357.9	329.6	302.8	352.8	353.9	309.0	308.9	246.4
1984	395.9	351.0	382.8	355.1	319.3	380.1	378.5	330.1	336.5	261.2
1985	425.4	371.6	416.0	386.2	348.1	416.9	411.6	347.8	360.8	285.0

† For more detailed results see articles in February issues of *Employment Gazette*.

## EARNINGS AND HOURS 5.4

### Average earnings and hours: manual employees: by industry†

Leather, footwear and clothing (44-55)	Timber and wooden furniture (46)	Paper products printing and publishing (47)	Rubber, plastics and other manufacturing (48-49)	All manufacturing industries (21-49)	Electricity, gas, other energy and water supply (15-17)	Construction (50)	Transport and communication* (71-72, 75-77,79)	All industries covered SIC 1980
								£
113.94	133.35	184.22	140.51	146.19	169.13	139.99	162.43	148.63
119.69	139.92	198.43	151.41	157.50	179.77	147.80	173.32	159.30
129.72	154.00	214.42	162.57	170.58	193.34	160.37	..	..
								pence
42.0	43.0	42.1	43.1	42.5	40.8	43.6	46.5	43.3
41.8	42.9	42.5	43.3	42.8	40.7	43.3	46.7	43.4
42.0	44.1	42.4	43.4	43.0	41.1	44.0	..	..
271.6	309.8	437.7	325.9	343.6	415.0	321.2	349.5	343.5
286.5	326.3	467.1	349.7	367.7	441.5	341.4	371.2	366.7
309.0	348.9	506.1	374.5	397.1	470.0	364.8	..	..
								£
73.60	97.36	112.07	87.52	90.32	112.46	77.98	118.08	91.26
78.58	102.63	119.71	92.48	96.30	126.00	87.81	126.69	97.34
85.22	113.18	129.16	98.23	103.21	124.17	95.86	..	..
								pence
37.1	38.4	38.6	38.6	38.1	36.1	39.2	40.8	38.2
37.0	38.4	38.8	38.6	38.1	37.5	38.8	41.5	38.2
37.1	38.7	38.5	38.6	38.1	36.9	38.3	..	..
198.6	253.7	290.6	226.6	237.2	311.4	199.0	289.4	239.1
212.6	267.2	308.3	239.8	252.9	336.1	226.6	305.4	254.9
229.9	292.4	335.9	254.5	271.0	336.4	250.4	..	..
								£
82.96	129.37	170.39	127.29	132.98	168.43	139.80	160.58	138.74
88.13	136.00	182.49	136.87	143.09	179.22	147.59	171.39	148.69
95.10	149.83	198.21	145.72	155.04	192.65	160.11	181.06	160.39
								pence
38.2	42.5	41.4	42.0	41.5	40.7	43.6	46.2	42.4
38.1	42.4	41.7	42.1	41.7	40.7	43.3	46.5	42.5
38.2	43.6	41.6	42.2	41.8	41.1	43.9	46.4	42.8
217.2	304.2	411.4	303.1	320.5	413.9	320.9	347.3	327.3
231.4	320.7	437.2	324.9	343.0	440.5	341.0	368.7	349.5
249.2	343.8	476.2	345.7	370.6	468.9	364.4	390.0	374.7

\* Except sea transport.

## 5.5 EARNINGS

### Index of average earnings: non-manual workers

Full-time adults\*

Great Britain April of each year	Manufacturing Industries								
	Weights	1978	1979	1980	1981	1982	1983†	1984‡	1985‡
Men	689	287.3	328.5	404.0	451.4	506.2	547.3	604.5	657.5
Women	311	353.4	402.4	494.1	559.5	625.3	681.4	743.9	807.2
Men and women	1,000	298.1	340.6	418.7	469.1	525.6	569.3	627.3	682.0

\* Men aged 21 and over, and women aged 18 and over, whose pay was not affected by absence.  
 † Adjusted for change in Standard Industrial Classification.  
 ‡ Source: New Earnings Survey.

## EARNINGS 5.5

### Index of average earnings: non-manual workers

Fixed weighted: April 1970 = 100

All Industries and Services									
	Weights	1978	1979	1980	1981	1982	1983	1984	1985
Men	575	287.2	322.4	403.1	465.2	510.4	556.0	604.4	650.1
Women	425	334.5	373.5	468.3	547.4	594.1	651.6	697.5	750.9
Men and women	1,000	300.0	336.2	420.7	487.4	533.0	581.9	629.6	677.4

Note: These series were published in *Employment Gazette* as Table 124 until September 1980, and are described in detail in articles in the issues of May 1972 (pages 431 to 434) and January 1976 (page 19).

# 5.6 EARNINGS AND HOURS

## Average weekly and hourly earnings and hours: manual and non-manual employees

GREAT BRITAIN	MANUFACTURING INDUSTRIES*				ALL INDUSTRIES AND SERVICES					
	Weekly earnings (£)		Hours		Hourly earnings (pence)		Hours		Hourly earnings (pence)	
			excluding those whose pay was affected by absence				excluding those whose pay was affected by absence			
	including those whose pay was affected by absence	excluding those whose pay was affected by absence	including overtime pay and overtime hours	excluding overtime pay and overtime hours	including those whose pay was affected by absence	excluding those whose pay was affected by absence	including overtime pay and overtime hours	excluding overtime pay and overtime hours		
April of each year										
<b>FULL-TIME MEN†</b>										
Manual occupations										
1979	94.5	97.9	46.0	212.8	208.7	90.1	93.0	46.2	201.2	197.5
1980	111.2	115.2	45.0	255.5	250.0	108.6	111.7	45.4	245.8	240.5
1981	119.3	124.7	43.5	286.0	279.8	118.4	121.9	44.2	275.3	269.1
1982*	134.4	138.1	43.8	315.1	307.9	131.4	133.8	44.3	302.0	294.7
1983†	134.4	137.8	43.9	313.7	306.7	131.4	133.8	44.3	302.0	294.7
1984	142.8	147.4	43.7	336.7	329.2	140.3	143.6	43.9	326.5	319.0
1985	141.0	145.5	43.6	333.0	325.5	138.4	141.6	43.8	322.7	315.2
Non-manual occupations										
1979	153.6	158.9	44.4	358.1	348.5	148.8	152.7	44.3	345.0	336.1
1980	167.5	172.6	44.6	386.8	373.8	159.8	163.6	44.5	368.0	356.8
1981	116.8	117.7	39.6	293.8	294.7	112.1	113.0	38.8	288.6	289.5
1982*	143.6	144.8	39.4	362.3	362.0	140.4	141.3	38.7	360.8	361.3
1983†	159.6	161.8	38.8	411.9	411.5	161.2	163.1	38.4	419.1	419.7
1984	180.1	181.4	38.8	457.9	457.0	177.9	178.9	38.2	462.5	462.3
1985	178.5	179.8	38.9	453.4	452.5	177.9	178.9	38.2	462.5	462.3
All occupations										
1979	100.5	103.7	44.2	233.1	231.8	98.8	101.4	43.2	232.2	232.4
1980	120.3	124.3	43.4	284.1	281.8	121.5	124.5	42.7	288.2	287.6
1981	131.3	137.1	42.0	323.5	320.8	136.5	140.5	41.7	332.0	331.2
1982*	148.8	152.6	42.2	357.0	354.0	151.5	154.5	41.7	365.6	364.6
1983†	147.9	151.8	42.3	354.2	351.4	151.5	154.5	41.7	365.6	364.6
1984	158.6	163.3	42.2	383.0	380.0	163.8	167.5	41.5	399.1	398.0
1985	156.4	161.2	42.2	378.1	375.0	161.1	164.7	41.4	392.6	391.2
FULL-TIME WOMEN†										
Manual occupations										
1979	55.4	57.9	39.9	145.4	144.2	53.4	55.2	39.6	139.9	138.7
1980	66.4	69.5	39.8	174.5	172.8	65.9	68.0	39.6	172.1	170.4
1981	72.5	76.3	39.6	192.8	191.4	72.1	74.5	39.4	189.8	188.2
1982*	79.9	82.9	39.6	209.5	207.1	78.3	80.1	39.3	205.0	202.7
1983†	79.6	82.6	39.6	208.9	206.6	78.3	80.1	39.3	205.0	202.7
1984	86.7	90.3	39.7	227.3	224.9	85.6	87.9	39.3	224.3	222.0
1985	86.7	90.4	39.7	227.7	225.3	85.8	88.1	39.3	224.9	222.6
Non-manual occupations										
1979	91.9	96.0	39.9	240.9	238.1	90.8	93.5	39.4	238.0	235.1
1980	100.1	104.5	40.0	261.7	257.3	98.2	101.3	39.5	256.9	252.9
1981	62.3	62.8	37.2	168.5	168.0	65.3	66.0	36.7	176.8	176.6
1982*	76.7	77.1	37.3	205.8	204.9	82.0	82.7	36.7	221.2	220.7
1983†	86.4	87.3	37.1	234.2	233.4	95.6	96.7	36.5	259.7	259.2
1984	97.2	97.6	37.2	260.3	259.0	104.3	104.9	36.5	283.0	282.2
1985	97.0	97.4	37.2	259.8	258.5	114.2	115.1	36.5	310.0	309.0
All occupations										
1979	57.9	60.0	38.8	154.6	153.7	61.8	63.0	37.5	166.0	165.7
1980	70.3	72.8	38.7	187.3	186.1	77.3	78.8	37.5	207.0	206.4
1981	78.1	81.5	38.4	211.6	210.6	89.3	91.4	37.2	241.8	241.2
1982*	87.1	89.7	38.5	232.1	230.4	97.5	99.0	37.1	263.1	262.1
1983†	86.8	89.4	38.5	231.4	229.7	97.5	99.0	37.1	263.1	262.1
1984	94.5	97.6	38.6	251.8	250.1	106.9	108.8	37.2	288.5	287.5
1985	94.7	97.9	38.6	252.7	251.0	107.6	109.5	37.2	290.6	289.5
FULL-TIME ADULTS										
(a) MEN, 21 years and over AND WOMEN, 18 years and over										
All occupations										
1979	90.4	93.7	43.0	216.7	214.2	87.4	89.6	41.5	213.6	212.4
1980	108.4	112.4	42.3	263.3	259.6	107.7	110.2	41.1	264.8	262.8
1981	118.6	124.3	41.2	299.0	295.6	121.6	124.9	40.3	305.1	303.2
1982*	134.0	138.0	41.3	329.6	325.4	134.1	136.5	40.2	334.6	332.1
1983†	133.3	137.2	41.4	327.2	323.1	134.1	136.5	40.2	334.6	332.1
(b) MALES AND FEMALES, 18 years and over										
All occupations										
1979	89.1	92.5	43.0	213.9	211.3	86.2	88.4	41.5	210.7	209.3
1980	106.9	110.9	42.3	259.8	256.2	106.3	108.7	41.1	261.1	259.0
1981	116.8	122.5	41.2	294.7	291.2	119.8	123.1	40.3	300.4	298.4
1982*	132.0	135.9	41.3	324.6	320.3	132.1	134.5	40.2	329.3	326.7
1983†	131.2	135.2	41.4	322.3	318.2	132.1	134.5	40.2	329.3	326.7
(c) MALES AND FEMALES on adult rates										
1983	142.2	147.0	41.4	351.5	347.3	144.5	147.4	40.1	362.6	360.0
1984	155.2	160.8	41.9	380.6	375.4	155.8	159.3	40.3	389.9	386.7
1985	169.2	174.7	41.9	411.8	404.8	167.4	171.0	40.4	416.8	412.7

Notes: New Earnings Survey estimates.

\*Results for manufacturing industries for 1979-81 inclusive and the first row of figures for 1982 relate to orders III to XIX inclusive of the 1968 Standard Industrial Classification (SIC). Results for manufacturing industries for 1983 to 1985 inclusive and the second row of figures for 1982 relate to divisions 2, 3 and 4 of the 1980 SIC.

†Results for 1979-82 inclusive and the first row of figures for 1983 relate to men aged 21 and over or women aged 18 and over. Results for 1984 and 1985 and the second row of figures for 1983 relate to males or females on adult rates.

# LABOUR COSTS 5.7

## All employees: main industrial sectors and selected industries

SIC 1968		1975	Manu- facturing	Mining and quarrying	Construction	Gas, electricity and water	Index of production industries	Whole economy	
			Pence per hour						
Labour costs		1975	161.68	249.36	156.95	217.22	166.76	166.76	
		1978	244.54	365.12	222.46	324.00	249.14	249.14	
		1979	295.1	431.1	263.9	377.1	298.9	298.9	
		1980	361.0	532.7	333.6	495.1	368.6	368.6	
		1981	394.34	603.34	357.43	595.10	405.57	405.57	
		1982	432.8	691.1	386.8	682.0	446.6	446.6	
		1983	466.1	736.4	416.1	731.6	480.5	480.5	
		1984	503.5	...	441.5	760.7	...	...	
Percentage shares of labour costs *								Percent	
Wages and salaries		1978	84.3	76.2	86.8	78.2	83.9	83.9	
		1981	82.1	73.3	85.0	75.8	81.6	81.6	
		1982	82.7	72.3	85.5	75.8	82.0	82.0	
		1983	83.1	71.4	86.0	75.5	82.3	82.3	
		1984	83.9	...	86.3	76.6	...	...	
of which Holiday, sickness, injury and maternity pay		1978	9.2	9.3	6.8	11.2	9.0	9.0	
		1981	10.0	8.7	7.8	11.5	9.7	9.7	
		1982	10.2	8.5	7.9	11.9	9.9	9.9	
		1983	10.4	8.4	8.0	11.8	10.1	10.1	
		1984	10.5	...	8.0	12.0	...	...	
Statutory National Insurance contributions		1978	8.5	6.7	9.1	6.9	8.4	8.4	
		1981	9.0	7.0	9.9	7.0	8.9	8.9	
		1982	8.3	6.3	9.1	6.4	8.1	8.1	
		1983	7.6	5.7	8.4	5.8	7.5	7.5	
		1984	7.3	...	8.1	5.6	...	...	
Private social welfare payments		1978	4.8	9.4	2.3	12.2	5.1	5.1	
		1981	5.2	10.1	2.8	13.1	5.6	5.6	
		1982	5.3	10.3	3.0	13.5	5.9	5.9	
		1983	5.5	10.7	3.1	13.9	6.0	6.0	
		1984	5.8	...	3.3	14.6	...	...	
Payments in kind, subsidised services, training (excluding wages and salaries element) and other labour costs ‡		1978	2.3	7.7	1.9	2.6	2.6	2.6	
		1981	3.7	9.6	2.3	4.1	3.9	3.9	
		1982	3.7	11.1	2.4	4.3	4.0	4.0	
		1983	3.8	12.2	2.5	4.8	4.1	4.1	
		1984	3.0	...	2.3	3.2	...	...	
SIC 1980			Manufacturing	Energy and water supply	Production industries	Construction	Production and Construction industries††	Whole economy	
Labour costs per unit of output §			% change over a year earlier					% change over a year earlier	
								1980 = 100	
		1979	82.2	17.3	78.8	82.7	81.0	82.3	81.5
		1980	100.0	21.7	100.0	100.0	100.0	100.0	100.0
		1981	107.2	7.2	106.1	105.6	115.9	107.2	110.4
		1982	112.3	4.8	106.5	109.0	118.4	110.5	115.6
		1983	112.8	0.4	101.5	108.3	121.6	110.5	120.4
		1984	116.2	3.0	85.0	110.5	126.1	113.0	124.4
		1985	...	...	...	...	...	...	130.7
		1983 Q2	...	...	...	...	...	...	120.2

## Selected countries: wages per head: manufacturing (manual workers)

**EARNINGS**  
5  
6

	Great Britain	Austria	Belgium	Canada	Denmark	France	Germany (FR)	Greece	Irish Republic	Italy	Japan	Netherlands	Norway	Spain	Sweden	Switzerland	United States	
	(1)(2)	(2)(5)(6)	(7)(8)	(8)	(6)(8)	(4)	(8)	(8)	(8)	(4)	(2)(5)	(4)	(3)(8)	(2)(8)(9)	(6)(8)	(5)	(8)(10)	
<b>Annual averages</b>																		
1975	49.9	70.0	65	62	58.9	53.0	74	34	46	38.2	67.2	78	64	..	62.4	87.1	66	Indices 1980 = 100
1976	58.2	76.3	73	70	66.4	60.4	79	44	54	46.2	75.5	81	75	..	73.6	88.5	72	
1977	64.2	82.9	79	78	73.2	68.1	84	53	62	59.1	81.9	87	82	..	78.5	90.0	78	
1978	73.4	87.6	85	83	80.7	76.9	89	65	71	68.6	86.8	92	89	..	85.3	93.1	85	
1979	84.9	92.1	92	91	89.9	86.9	94	79	83	81.9	93.0	96	91	..	91.9	95.1	92	
1980	100.0	100.0	100	100	100.0	100.0	100	100	100	100.0	100.0	100	100	100.0	100.0	100.0	100	
1981	113.3	106.2	110	112	109.5	112.3	105	127	116	123.1	105.6	103	110	122.6	110.5	105.1	110	
1982	126.0	112.7	117	125	120.4	131.9	110	170	133	144.1	110.7	110	121	142.0	119.2	111.6	117	
1983	137.4	117.8	122	130	128.3	146.7	114	203	149	172.3	115.0	113	132	163.4	128.6	119.2	121	
1984	149.3	123.7	128	136	134.4	156.7	117	256	164	192.0	120.3	114	143	182.5	140.9	..	126	
1985	162.9	131.2	132	142	141.0	..	122	..	..	212.8	125.1	120 R	..	..	151.5	..	131	
<b>Quarterly averages</b>																		
1985 Q1	158.2	128.5	129	140	137.2	162.7	119	289	171	206.2	123.5	119 R	149	196.9	148.6	..	130	
Q2	161.5	131.5	131	141	140.6	165.1	123	304	175	210.8	125.6 R	119	153	200.8	152.6	..	130	
Q3	164.4	130.8	132	141	142.4	167.4	123	311	178	216.1	125.1 R	120	155	199.9	151.0	..	131	
Q4	167.7	133.3	136	144	143.9	169.2	124	..	..	218.3	126.2 R	120	..	..	153.7	..	132	
<b>Monthly</b>																		
1985 Sep	166.4	130.7	132	142	141.5	..	..	178	178	217.4	125.9	120	..	..	151.5	..	131	
Oct	165.9	136.1	..	144	143.0	169.2	124	..	..	217.4	125.8	120	..	..	151.9	..	131	
Nov	167.7	131.2	136	144	142.6	..	..	..	..	218.8	126.6 R	120	..	..	153.2	..	132	
Dec	169.4	132.6	..	145	146.0	..	..	..	..	218.8	126.3 R	120	..	..	156.0	..	134	
Jan	170.1	..	..	146	..	..	..	..	..	..	..	120	..	..	154.6	..	133	
Feb	170.6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	133	
<b>Increases on a year earlier</b>																		
<b>Annual averages</b>																		
1975	26	13	20	16	19	17	9	25	28	27	11	14	20	..	15	7	9	Per cent
1976	17	9	11	14	13	14	7	29	17	21	12	9	17	..	18	2	8	
1977	10	9	9	11	10	13	7	21	15	28	9	7	10	..	7	2	9	
1978	14	6	7	7	10	13	5	24	15	16	6	5	8	..	9	3	8	
1979	16	6	8	9	11	13	6	20	15	19	7	4	3	..	8	2	9	
1980	18	8	9	10	11	15	6	27	21	22	7	4	10	..	9	5	9	
1981	13	6	10	12	9	12	5	27	16	24	6	3	10	20	11	5	9	
1982	11	6	11	12	10	17	5	33	15	17	5	7	10	15	8	6	7	
1983	9	5	4	4	7	11	3	19	12	20	4	3	9	15	8	7	4	
1984	9	5	5	5	5	8	3	26	10	11	4	..	11	12	10	..	4	
1985	9	6	3	4	5	..	4	..	..	11	4	4	..	..	8	..	4	
<b>Quarterly averages</b>																		
1985 Q1	9	6	3	4	5	6	3	23	8	11	4	4	10	14	8	..	4	
Q2	10	7	3	4	4	6	6	20	7	12	4 R	4	9	12	8	..	4	
Q3	9	7	5	3	5	6	4	18	7	12	5 R	4	6	8	7	..	4	
Q4	8	6	2	4	5	6	5	..	..	11	4	4	..	..	6	..	3	
<b>Monthly</b>																		
1985 Sep	9	8	5	3	5	..	..	..	7	11	4	4	..	..	7	..	3	
Oct	8	6	..	5	5	6	5	..	..	11	4	4	..	..	7	..	3	
Nov	9	5	3	4	5	..	..	..	..	10	4	4	..	..	7	..	3	
Dec	9	8	..	4	5	..	..	..	..	11	4	4	..	..	6	..	3	
Jan	8	..	..	4	..	..	..	..	..	..	..	..	..	..	6	..	3	
Feb	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3	

Source: OECD—Main Economic Indicators.

Notes: 1 Wages and salaries on a weekly basis (all employees).  
2 Seasonally adjusted.

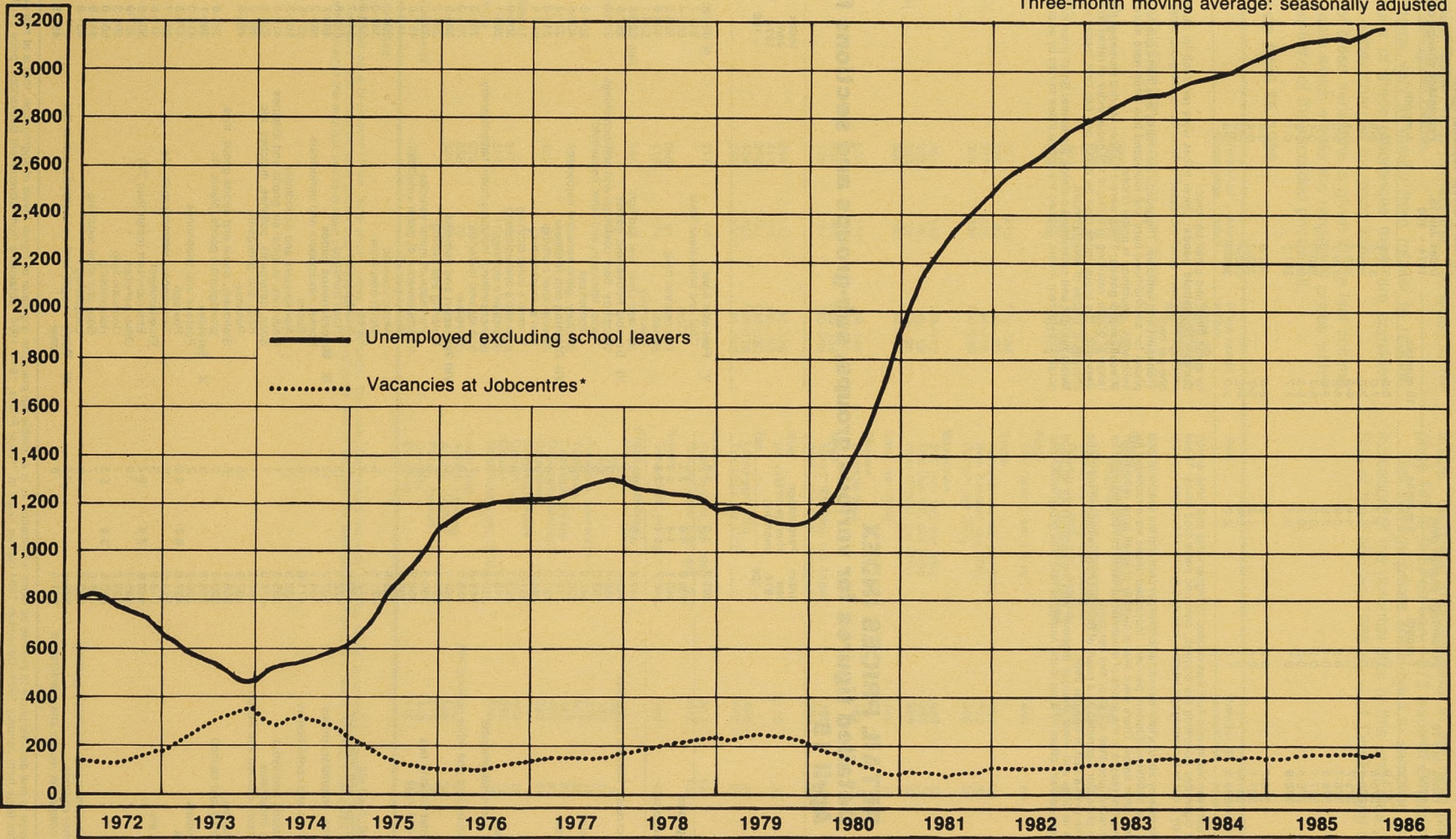
3 Males only.  
4 Hourly wage rates.  
5 Monthly earnings.  
6 Including mining.

7 Including mining and transport.  
8 Hourly earnings.  
9 All industries.  
10 Production workers.

Unemployment and vacancies: United Kingdom 1972—1986

Thousand

Three-month moving average: seasonally adjusted



\* Vacancies at Jobcentres are only about a third of total vacancies.

## 6.1 RETAIL PRICES

### Recent movements in the all-items index and in the index excluding seasonal foods for April 15

	All items			All items except seasonal foods				
	Index Jan 15, 1974 = 100	Percentage change over			Index Jan 15, 1974 = 100	Percentage change over		
		1 month	6 months	12 months		1 month	6 months	12 months
1985 Apr	373.9	2.1	4.5	6.9	375.5	2.1	4.3	
May	375.6	0.5	4.7	7.0	377.3	0.5	4.4	
June	376.4	-0.2	5.0	7.0	378.1	0.2	4.7	
July	375.7	-0.2	4.4	6.9	378.5	0.1	4.6	
Aug	376.7	0.3	3.9	6.2	379.7	0.3	4.1	
Sep	376.5	-0.1	2.8	5.9	379.5	-0.1	3.2	
Oct	377.1	0.2	0.9	5.4	380.0	0.1	1.2	
Nov	378.4	0.3	0.7	5.5	381.1	0.3	1.0	
Dec	378.9	0.1	0.7	5.7	381.3	0.1	0.8	
1986 Jan	379.7	0.2	1.0	5.5	381.9	0.2	0.9	
Feb	381.1	0.4	1.2	5.1	383.3	0.4	0.9	
Mar	381.6	0.1	1.4	4.2	383.4	0.0	1.0	
Apr	385.3	1.0	2.2	3.0	387.0	0.9	1.8	

The rise in the index between March and April was caused by higher rates and rents, and by increased prices for cigarettes (following the Budget), cars and some food items. These were partially offset by a cut in the mortgage interest rate and further reductions in petrol prices.

**Food:** The food index rose by about a little over a half of one per cent and the seasonal food index rose by about one and three-quarters per cent. Increased prices were recorded for lamb, fruit, coffee and other items. There were also a number of small price reductions.

**Alcoholic drink:** Small increases in the prices of a number of items caused the index for this group to rise by rather less than a half of one per cent.

**Tobacco:** Increased prices for cigarettes as a result of Budget changes caused the group index to rise by a little over a half of one per cent.

**Housing:** Increases in rates and water charges together with increased rents for Local Authority housing were partially offset by a cut in the mortgage rate. The group index rose

by about three and a half per cent.

**Durable household goods:** Lower prices were recorded for radios and television sets. Although there were small increases in other items, the group index fell by nearly a half of one per cent.

**Transport and vehicles:** The group index fell by less than a quarter of one per cent. Higher prices for second-hand cars and increased bus fares were more than offset by further substantial reductions in petrol prices.

**Miscellaneous goods:** There were a number of price increases this month across a wide range of goods, resulting in a rise in the group index of rather less than one per cent.

**Services:** The group index rose by about one per cent mainly as a result of increased charges to places of entertainment.

**Meals bought and consumed outside the home:** Small price increases for most items, notably restaurant meals, caused the group index to rise by about one per cent.

## 6.2 RETAIL PRICES INDEX

### Detailed figures for various groups, sub-groups and sections for April 15\*

	Index Jan 1974 = 100	Percentage change over (months)		Index Jan 1974 = 100	Percentage change over (months)	
		1	12		1	12
		1	12		1	12
<b>All items</b>	<b>385.3</b>	<b>1.0</b>	<b>3.0</b>			
<b>All items excluding food</b>	<b>395.6</b>	<b>1.0</b>	<b>3.2</b>			
<b>Seasonal food</b>	<b>343.7</b>	<b>1.8</b>	<b>3.0</b>			
<b>Food excluding seasonal</b>	<b>348.7</b>	<b>0.4</b>	<b>2.6</b>			
<b>I Food</b>	<b>347.4</b>	<b>0.6</b>	<b>2.5</b>			
Bread, flour, cereals, biscuits and cakes	363.6	5	3			
Bread	356.4	9	3			
Flour	283.0	5	1			
Other cereals	442.9	5	1			
Biscuits	326.6	0	0			
Meat and bacon	274.0	1	0			
Beef	320.3	0	0			
Lamb	284.7	2	0			
Pork	251.3	1	0			
Bacon	253.1	0	0			
Ham (cooked)	245.2	2	0			
Other meat and meat products	250.8	1	0			
Fish	308.8	7	1			
Butter, margarine, lard and other cooking fats	358.5	-2	0			
Butter	442.1	0	0			
Margarine	267.5	-4	0			
Lard and other cooking fats	250.3	-4	0			
Milk, cheese and eggs	356.9	4	0			
Cheese	388.2	1	0			
Eggs	206.9	7	0			
Milk, fresh	431.5	5	0			
Milk, canned, dried etc	413.7	2	0			
Tea, coffee, cocoa, soft drinks etc	420.0	0	0			
Tea	472.3	-12	0			
Coffee, cocoa, proprietary drinks	507.2	12	0			
Soft drinks	354.7	2	0			
Sugar, preserves and confectionery	471.0	6	0			
Sugar	432.3	1	0			
Jam, marmalade and syrup	335.8	1	0			
Sweets and chocolates	474.3	1	0			
Vegetables, fresh, canned and frozen	407.2	7	0			
Potatoes	467.9	15	0			
Other vegetables	366.5	0	0			
Fruit, fresh, dried and canned	333.6	0	0			
Other food	355.8	3	0			
Food for animals	290.9	2	0			
<b>II Alcoholic drink</b>	<b>427.6</b>	<b>0.3</b>	<b>4.5</b>			
Beer	514.9	6	0			
Spirits, wines etc	318.0	3	0			
<b>III Tobacco</b>	<b>580.8</b>	<b>5.0</b>	<b>9.4</b>			
Cigarettes	585.4	10	0			
Tobacco	539.2	7	0			
<b>IV Housing</b>	<b>483.5</b>	<b>3.4</b>	<b>5.5</b>			
Rent	438.8	7	0			
Owner-occupiers' mortgage interest payments	452.0	-3	0			
Rates and water charges	606.5	14	0			
Materials and charges for repairs and maintenance	441.6	6	0			
<b>V Fuel and light</b>	<b>506.8</b>	<b>0.0</b>	<b>1.9</b>			
Coal and smokeless fuels	544.7	3	0			
Smokeless fuels	552.4	2	0			
Gas	526.2	2	0			
Electricity	408.6	1	0			
Oil and other fuel and light appliances	526.1	4	0			
Pottery, glassware and hardware	624.3	-13	0			
<b>VI Durable household goods</b>	<b>267.6</b>	<b>-0.4</b>	<b>2.0</b>			
Furniture, floor coverings and soft furnishings	243.8	1	0			
Radio, television and other household appliances	295.3	5	0			
204.6	-2	0				
403.5	4	0				
<b>VII Clothing and footwear</b>	<b>227.4</b>	<b>-0.2</b>	<b>2.6</b>			
Men's outer clothing	243.8	1	0			
Men's underclothing	314.5	-3	0			
Women's outer clothing	164.6	4	0			
Women's underclothing	306.9	6	0			
Children's clothing	268.1	1	0			
Other clothing, including hose, haberdashery, hats and materials	261.5	5	0			
Footwear	235.0	3	0			
<b>VIII Transport and vehicles</b>	<b>386.3</b>	<b>-0.1</b>	<b>-2.1</b>			
Motoring and cycling	369.6	-3	0			
Purchase of motor vehicles	322.0	2	0			
Maintenance of motor vehicles	457.0	7	0			
Petrol and oil	412.8	-15	0			
Motor licences	398.2	0	0			
Motor insurance	382.0	11	0			
Fares	530.8	9	0			
Rail transport	544.7	7	0			
Road transport	526.8	10	0			
<b>IX Miscellaneous goods</b>	<b>408.7</b>	<b>0.7</b>	<b>4.7</b>			
Books, newspapers and periodicals	583.2	5	0			
Books	651.5	10	0			
Newspapers and periodicals	562.3	3	0			
Medicines, surgical etc goods and toiletries	419.3	7	0			
Soap, detergents, polishes, matches, etc	420.6	3	0			
Soap and detergents	367.2	3	0			
Polishes	498.3	3	0			
Stationery, travel and sports goods, toys, photographic goods, plants etc	333.9	4	0			
<b>X Services</b>	<b>399.1</b>	<b>1.1</b>	<b>4.5</b>			
Postage and telephones	415.0	5	0			
Postage	470.5	-2	0			
Telephones, telexmessages, etc	391.7	6	0			
Entertainment	317.8	3	0			
Entertainment (other than TV)	502.9	8	0			
Other services	497.9	6	0			
Domestic help	504.3	6	0			
Hairdressing	504.0	6	0			
Boot and shoe repairing	447.8	3	0			
Laundering	451.8	4	0			
<b>XI Meals bought and consumed outside the home</b>	<b>434.3</b>	<b>1.0</b>	<b>6.3</b>			

Note: Indices are given to one decimal place to provide as much information as is available but precision is greater at higher levels of aggregation, that is at sub-group and group levels.  
\* A time series of this table from January 1974-December 1984 can be found in "Retail Prices, 1914-1984" obtainable from Government Bookshops, price £4.50.

## RETAIL PRICES 6.3

### Average retail prices of items of food

Average retail prices on April 15, for a number of important items of food, derived from prices collected for the purposes of the General Index of Retail Prices in more than 180 areas in the United Kingdom, are given below.

Many of the items vary in quality from retailer to retailer, and partly because of these differences there are considerable variations in prices charged for many items.

An indication of these variations is given in the last column of the following table which shows the ranges of prices within which at least four-fifths of the recorded prices fell.

Average prices on April 15, 1986

Item*	Number of quotations	Average price	Price range within which 80 per cent of quotations fell	Item*	Number of quotations	Average price	Price range within which 80 per cent of quotations fell
<b>Beef: home-killed</b>				<b>Bread</b>			
Sirloin (without bone)	444	290	230-360	White, per 800g wrapped and sliced loaf	534	43	35-52
Silverside (without bone) †	536	215	198-240	White, per 800g unwrapped loaf	347	54	50-57
Best beef mince	568	118	88-149	White, per 400g loaf, unsliced	416	34	31-38
Fore ribs (with bone)	397	145	115-179	Brown, per 400g loaf, unsliced	265	36	34-38
Brisket (without bone)	496	155	130-176	Brown, per 800g loaf, unsliced	307	54	47-58
Rump steak †	550	291	246-328				
Stewing steak	552	149	130-170	<b>Flour</b>			
				Self-raising, per 1½ kg	444	44	37-49
<b>Lamb: home-killed</b>				<b>Butter</b>			
Loin (with bone)	421	219	170-288	Home-produced, per 250g	431	52	48-58
Breast †	366	62	40-90	New Zealand, per 250g	372	50	48-54
Shoulder (with bone)	377	126	94-158	Danish, per 250g	408	56	53-60
Leg (with bone)	399	200	160-240	<b>Margarine</b>			
				Soft (low fat), per 250g	435	35	31-43
<b>Lamb: imported</b>				Soft (full fat), per 250g	386	26	18-36
Loin (with bone)	261	149	128-172	Hard (block), per 250g	354	22	16-29
Breast †	262	40	30-58	<b>Lard, per 250g</b>	462	18	15-24
Shoulder (with bone)	304	82	69-99	<b>Cheese</b>			
Leg (with bone)	300	146	134-160	Cheddar type	464	125	103-144
<b>Pork: home-killed</b>				<b>Eggs</b>			
Leg (foot off)	503	111	89-148	Size 2 (65-70g), per dozen	350	107	90-116
Belly †	514	83	70-98	Size 4 (55-60g), per dozen	295	94	80-100
Loin (with bone)	534	138	126-154	<b>Milk</b>			
Fillet (without bone)	379	181	130-260	per pint	1,115	24	-
<b>Bacon</b>				<b>Tea</b>			
Collar †	244	113	97-128	Loose per 125g	895	42	34-52
Gammon †	411	171	140-198	Tea bags per 125g	473	97	84-116
Back, smoked	316	161	140-182	<b>Coffee</b>			
Back, unsmoked	438	152	130-176	Pure, instant, per 100g	811	142	96-169
Streaky, smoked	243	103	90-118	Ground (filter fine), per ½ lb	372	153	135-175
<b>Ham (not shoulder), per ¼ lb</b>	511	54	39-67	<b>Sugar</b>			
<b>Sausages</b>				Granulated, per kg	466	47	45-50
Pork	558	81	68-94	<b>Fresh vegetables</b>			
Beef	412	74	59-88	Potatoes, old loose			
<b>Pork luncheon meat, 12 oz can</b>	364	48	39-56	White	353	9	7-12
<b>Corned beef, 12 oz can</b>	421	78	65-97	Red	192	10	7-12
<b>Chicken: roasting</b>				Potatoes, new loose	312	19	17-22
Frozen, oven ready	486	63	48-82				



# 6.4 RETAIL PRICES

## General index of retail prices†

# RETAIL PRICES 6.4

## General index of retail prices

UNITED KINGDOM	ALL ITEMS	FOOD*							All items except food	All items except items of food the prices of which show significant seasonal variations	UNITED KINGDOM	
		All										
		Items the prices of which show significant seasonal variations	All items other than those the prices of which show significant seasonal variations	Items mainly manufactured in the United Kingdom			Items mainly home-produced for direct consumption	Items mainly imported for direct consumption				All
				Primarily from home-produced raw materials	Primarily from imported raw materials	All						
Weights 1974	1,000	253	47.5-48.8	204.2-205.5	39.2-40.0	57.1-57.6	96.3-97.6	48.7	59.2	747	951.2-952.5	
1975	1,000	232	33.7-38.1	193.9-198.3	40.4-41.6	66.0-66.6	106.4-108.2	42.3-45.3	42.9-46.1	768	961.9-966.3	
1976	1,000	228	39.2-42.0	186.0-188.8	35.9-36.9	56.9-57.3	92.8-94.2	50.7	42.1-43.9	772	958.0-960.8	
1977	1,000	247	44.2-46.7	200.3-202.8	38.0-39.0	62.0-62.2	100.0-101.2	53.0	47.0-48.7	753	953.3-955.8	
1978	1,000	233	30.4-33.5	199.5-202.6	38.5-39.7	63.3-63.9	101.8-103.6	51.4	46.1-48.0	767	966.5-969.6	
1979	1,000	232	33.4-36.0	196.0-198.6	37.7-38.9	60.9-61.5	98.6-100.4	52.5	44.7-46.2	768	964.0-966.6	
1980	1,000	214	30.4-33.2	180.9-183.6	34.5-35.9	59.1-59.7	93.6-95.6	48.0	38.8-40.6	786	966.8-969.6	
1981	1,000	207	28.1-30.8	176.2-178.9	34.3-35.3	56.8-57.2	91.1-92.5	48.4	36.2-38.2	793	969.2-971.9	
1982	1,000	206	32.4-34.3	171.7-173.6	33.9-34.9	52.9-53.3	87.0-88.2	47.7	36.7-38.4	794	965.7-967.6	
1983	1,000	203	25.9-28.5	174.5-177.1	35.8-36.5	56.7-57.0	92.7-93.6	46.8	35.0-36.9	797	971.5-974.1	
1984	1,000	201	31.3-33.9	167.1-169.8	33.7-34.3	54.9-55.3	88.6-89.4	45.4	33.1-34.9	799	966.1-968.7	
1985	1,000	190	26.8-29.7	160.3-163.2	31.7-32.4	52.8-55.3	84.7-85.6	42.0	33.6-35.5	810	970.3-973.2	
1986	1,000	185	[25.6]	[159.4]	[35.7]	[57.4]	[93.1]	[37.2]	[29.2]	815	[974.4]	
<b>Jan 15, 1974 = 100</b>												
1974	108.5	106.1	103.0	106.9	111.7	115.9	114.2	94.7	105.0	109.3	108.8	
1975	134.8	133.3	129.8	134.3	140.7	156.8	150.2	116.9	120.9	135.3	135.1	
1976	157.1	159.9	177.7	156.8	161.4	171.6	167.4	147.7	142.9	156.4	156.5	
1977	182.0	190.3	197.0	189.1	192.4	208.2	201.8	175.0	175.6	179.7	181.5	
1978	197.1	203.8	180.1	208.4	210.8	231.1	222.9	197.8	187.6	195.2	197.8	
1979	223.5	228.3	211.1	231.7	232.9	255.9	246.7	224.6	205.7	222.2	224.1	
1980	263.7	255.9	224.5	262.0	271.0	293.6	284.5	249.8	226.3	265.9	265.3	
1981	295.0	277.5	244.7	283.9	296.7	317.1	308.9	274.8	241.3	299.8	296.9	
1982	320.4	299.3	276.9	303.5	315.8	331.9	325.4	299.6	258.3	326.2	322.0	
1983	335.1	308.8	282.8	313.8	330.0	346.3	339.7	306.5	264.4	342.4	337.1	
1984	351.8	326.1	319.0	327.8	342.2	362.4	354.3	317.2	280.7	358.9	353.1	
1985	373.2	336.3	314.1	340.9	354.0	380.4	369.9	325.4	294.5	383.2	375.4	
1975 Jan 14	119.9	118.3	106.6	121.1	128.9	143.3	137.5	98.1	113.3	120.4	120.5	
1976 Jan 13	147.9	148.3	158.6	146.6	151.2	162.4	157.8	137.3	132.4	147.9	147.6	
1977 Jan 18	172.4	183.1	214.8	177.1	178.7	189.7	185.2	169.6	165.7	169.3	170.9	
1978 Jan 17	189.5	196.1	173.9	200.4	202.8	222.4	214.5	186.7	183.9	187.6	190.2	
1979 Jan 16	207.2	217.5	207.6	219.5	220.3	240.8	232.5	212.8	197.1	204.3	207.3	
1980 Jan 15	245.3	244.8	223.6	248.9	256.4	277.7	269.1	236.5	218.3	245.5	246.2	
1981 Jan 13	277.3	266.7	225.8	274.7	286.7	308.2	299.6	264.2	232.0	280.3	279.3	
1982 Jan 12	310.6	296.1	287.6	297.5	306.2	323.4	316.4	296.1	255.4	314.6	311.5	
1983 Jan 11	325.9	301.8	256.8	310.3	325.6	341.0	334.8	305.8	260.8	332.6	328.5	
1984 Apr 10	349.7	327.3	343.8	324.5	341.0	358.6	351.5	312.9	277.5	355.9	350.1	
May 15	351.0	329.4	347.7	326.2	342.0	361.1	353.4	313.4	280.2	357.0	351.3	
June 12	351.9	330.6	339.9	329.2	342.8	363.2	355.0	320.1	282.1	357.8	352.5	
July 17	351.5	328.5	325.3	329.5	342.5	364.9	355.9	319.8	281.6	358.0	352.7	
Aug 14	354.8	328.9	311.5	330.3	344.2	365.6	357.0	319.8	282.9	362.5	356.5	
Sep 11	355.5	324.9	295.8	330.9	344.6	365.9	357.3	320.5	283.8	364.0	357.9	
Oct 16	357.7	326.2	296.9	332.1	347.3	367.0	359.1	320.8	284.8	366.4	360.0	
Nov 13	358.8	326.6	294.0	333.2	347.1	367.7	359.4	321.4	287.8	367.6	361.3	
Dec 11	358.5	327.6	292.6	334.4	346.7	369.1	360.1	322.8	289.7	367.0	361.0	
1985 Jan 15	359.8	330.6	306.9	335.6	348.7	371.6	362.4	321.6	291.7	367.8	361.8	
Feb 12	362.7	332.5	313.3	336.6	349.6	373.7	364.0	320.6	293.7	371.0	364.7	
Mar 12	366.1	335.4	325.8	337.6	350.5	375.6	365.5	320.9	294.4	374.6	367.8	
Apr 16	373.9	338.8	333.7	340.0	352.6	376.9	367.1	326.1	295.6	383.5	375.5	
May 14	375.6	339.3	333.2	340.8	351.8	379.2	368.2	326.3	296.2	385.5	377.3	
June 11	376.4	340.1	334.5	341.5	352.3	380.6	369.3	326.8	296.4	386.3	378.1	
July 16	375.7	335.3	303.6	341.9	355.0	381.6	370.9	325.8	295.7	386.7	378.5	
Aug 13	376.7	335.5	299.1	342.7	355.2	383.1	371.9	327.2	295.5	388.0	379.7	
Sep 10	376.5	335.8	298.2	343.4	356.7	384.0	373.1	328.4	294.9	387.6	379.5	
Oct 15	377.1	335.5	299.7	342.7	357.8	383.5	373.2	326.3	294.2	388.4	380.0	
Nov 12	378.4	337.6	305.3	343.9	359.4	387.4	376.2	326.9	292.6	389.5	381.1	
Dec 10	378.9	339.4	315.7	344.3	358.9	388.1	376.4	328.0	292.7	389.6	381.3	
1986 Jan 14	379.7	341.1	322.8	344.9	359.6	391.4	378.7	327.4	290.8	390.2	381.9	
Feb 11	381.1	343.6	328.2	346.9	360.9	393.4	380.4	331.9	290.8	391.4	383.3	
Mar 11	381.6	345.2	337.5	347.3	361.3	394.2	381.1	331.8	291.1	391.5	383.4	
Apr 15	385.3	347.4	343.7	348.7	362.9	396.8	383.2	332.9	291.1	395.6	387.0	

Note: The General Index covers almost all goods and services purchased by most households, excluding only those for which the income of the head of household is in the top 3-4 per cent and those one and two-person pensioner households of limited means covered by separate indices. For those pensioners, national retirement and similar pensions account for at least three-quarters of income.

\* The items included in the various sub-divisions are given on page 191 of the March 1975 issue of *Employment Gazette*.  
† These are coal, coke, gas, electricity, water (from August 1976), rail and bus fares, postage and telephones. Excludes telephones from December 1984.  
‡ Indices prior to 1974 are published in "Retail Prices Indices - 1914-1984" obtainable from Government Bookshops, price £4.50.

Goods and services mainly produced by nationalised industries†	Alcoholic drink	Tobacco	Housing	Fuel and light	Durable household goods	Clothing and footwear	Transport and vehicles	Miscellaneous goods	Services	Meals bought and consumed outside the home	UNITED KINGDOM
80	70	43	124	52	64	91	135	63	54	51	1974
77	82	46	108	53	70	89	149	71	52	48	1975
90	81	46	112	56	75	84	140	74	57	47	1976
91	83	46	113	58	63	82	139	71	54	45	1977
96	85	48	113	60	64	80	140	70	56	51	1978
93	77	44	120	59	64	82	143	69	59	51	1979
93	82	40	124	59	69	84	151	74	62	41	1980
104	79	36	135	62	65	81	152	75	66	42	1981
99	77	41	144	62	64	77	154	72	65	38	1982
109	78	39	137	69	64	74	159	75	63	39	1983
102 Feb-Nov	75	36	149	65	69	70	158	76	65	36	1984
87 Dec-Jan	75	37	153	65	65	75	156	77	62	45	1985
86	82	40	153	62	63	75	157	81	58	44	1986
83											
<b>Jan 15, 1974 = 100</b>											
108.4	109.7	115.9	105.8	110.7	107.9	109.4	111.0	111.2	106.8	108.2	1974
147.5	135.2	147.7	125.5	147.4	131.2	125.7	143.9	138.6	135.5	132.4	1975
185.4	159.3	171.3	143.2	182.4	144.2	139.4	166.0	161.3	159.5	157.3	1976
208.1	183.4	209.7	161.8	211.3	166.8	157.4	190.3	188.3	173.3	185.7	1977
227.3	196.0	226.2	173.4	227.5	182.1	171.0	207.2	206.7	192.0	207.8	1978
246.7	217.1	247.6	208.9	250.5	201.9	187.2	236.4	236.4	213.9	239.9	1979
307.9	261.9	290.1	269.5	313.2	236.3	205.4	288.7	276.9	262.7	290.0	1980
359.0	306.1	358.2	318.2	380.0	283.2	208.3	322.6	300.7	300.8	318.0	1981
417.6	341.0	413.3	358.3	433.3	343.5	210.5	343.5	325.8	331.6	341.7	1982
440.9	366.5	440.9	367.1	465.4	250.4	214.8	366.3	345.6	342.9	364.0	1983
454.9	387.7										

## 6.5 RETAIL PRICES General index of retail prices: Percentage increases on a year earlier

UNITED KINGDOM	All items	Food	Alcoholic drink	Tobacco	Housing	Fuel and light	Durable household goods	Clothing and footwear	Transport and vehicles	Miscellaneous goods	Services	Meals bought and consumed outside the home	Goods and services mainly produced by nationalised industries*	Per cent
1974 Jan 15	12	20	2	0	10	6	10	13	10	7	12	21	5	
1975 Jan 14	20	18	18	24	10	25	18	19	30	25	16	19	20	
1976 Jan 13	23	25	26	31	22	35	19	11	20	22	33	23	44	
1977 Jan 18	17	23	17	19	14	18	12	13	14	16	8	18	15	
1978 Jan 17	10	7	9	15	7	11	12	10	11	13	12	16	11	
1979 Jan 16	9	11	5	4	16	6	7	8	10	9	8	10	7	
1980 Jan 15	18	13	21	17	25	19	15	12	23	20	22	22	17	
1981 Jan 13	13	9	15	10	20	28	7	5	12	13	17	15	27	
1982 Jan 12	12	11	16	32	23	13	4	0	10	7	13	7	11	
1983 Jan 11	5	2	10	9	-1	16	3	-2	7	8	4	7	15	
1984 Jan 10	5	6	6	6	10	1	3	-0	5	5	4	7	1	
1985 Jan 15	5	3	6	13	9	4	2	3	2	7	5	6	5	
Apr 16	7	4	6	9	17	5	3	4	6	7	7	6	5	
May 14	7	3	6	8	18	4	3	3	6	8	8	5	5	
June 11	7	3	6	8	19	4	3	4	6	8	8	5	5	
July 16	7	2	6	8	19	5	3	3	6	8	7	6	6	
Aug 13	6	3	7	8	13	5	3	4	5	8	7	6	6	
Sep 10	6	3	7	8	9	5	3	4	5	8	7	6	6	
Oct 15	5	3	7	7	9	5	3	6	4	7	7	6	6	
Nov 12	5	3	7	7	9	4	4	6	4	7	6	6	5	
Dec 10	6	4	6	8	11	4	3	4	4	7	6	6	5	
1986 Jan 14	6	3	7	7	11	4	3	4	4	6	6	6	6	
Feb 11	5	3	7	7	9	4	3	4	2	6	7	6	5	
Mar 11	4	3	6	8	8	3	3	3	0	5	6	6	4	
Apr 15	3	3	4	9	5	2	2	3	-2	5	5	6	4	

\*These are coal, coke, gas, electricity, water (from August 1976), rail and bus fares, postage and telephones. Excluding telephones from December 1984.

## 6.6 Indices for pensioner households: all items (excluding housing)

UNITED KINGDOM	One-person pensioner households				Two-person pensioner households				General index of retail prices (excl. housing)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1974	101.1	105.2	108.6	114.2	101.1	105.8	108.7	114.1	101.5	107.5	110.7	116.1
1975	121.3	134.3	139.2	145.0	121.0	134.0	139.1	144.4	123.5	134.5	140.7	145.7
1976	152.3	158.3	161.4	171.3	151.5	157.3	160.5	170.2	151.4	156.6	160.4	168.0
1977	179.0	186.9	191.1	194.2	178.9	186.3	189.4	192.3	176.8	184.2	187.6	190.8
1978	197.5	202.5	205.1	207.1	195.8	200.9	203.6	205.9	194.6	199.3	202.4	205.3
1979	214.9	220.6	231.9	239.8	213.4	219.3	231.1	238.5	211.3	217.7	233.1	239.8
1980	250.7	262.1	268.9	275.0	248.9	260.5	266.4	271.8	249.6	261.6	267.1	271.8
1981	283.2	292.1	297.2	304.5	280.3	290.3	295.6	303.0	279.3	289.8	295.0	300.5
1982	314.2	322.4	323.0	327.4	311.8	319.4	319.8	324.1	305.9	314.7	316.3	320.2
1983	331.1	334.3	337.0	342.3	327.5	331.5	334.4	339.7	323.2	328.7	332.0	335.4
1984	346.7	353.6	353.8	357.5	343.8	351.4	351.3	355.1	337.5	344.3	345.3	348.5
1985	363.2	371.4	371.3	374.5	360.7	369.0	368.7	371.8	353.0	361.8	362.6	365.3
1986	378.2				375.3				367.4			

JAN 15, 1974 = 100

## 6.7 Group indices: annual averages

UNITED KINGDOM	All items (excluding housing)	Food	Alcoholic drink	Tobacco	Fuel and light	Durable household goods	Clothing and footwear	Transport and vehicles	Miscellaneous goods	Services	Meals bought and consumed outside the home	
<b>INDEX FOR ONE-PERSON PENSIONER HOUSEHOLDS</b>												
1981	294.3	269.2	307.5	358.9	381.6	241.4	208.0	363.3	333.6	276.6	313.6	JAN 15, 1974 = 100
1982	321.7	291.5	341.6	414.1	430.6	248.2	211.6	398.8	370.8	305.5	336.3	
1983	336.2	300.7	366.7	441.6	462.3	255.3	215.3	422.3	393.9	311.5	358.2	
1984	352.9	320.2	386.6	489.8	479.2	263.0	215.5	438.3	417.3	321.3	384.3	
1985	370.1	330.7	410.2	533.3	502.4	274.3	223.4	458.6	451.6	343.1	406.8	
<b>INDEX FOR TWO-PERSON PENSIONER HOUSEHOLDS</b>												
1981	292.3	265.5	314.5	358.1	383.4	242.3	216.8	343.9	327.3	284.1	313.6	
1982	318.8	287.8	350.7	413.1	430.5	249.4	219.9	369.6	362.3	314.1	336.3	
1983	333.3	296.7	377.3	440.6	461.2	257.4	223.8	393.1	383.9	320.6	358.2	
1984	350.4	315.6	399.9	488.5	479.2	264.3	223.9	407.0	405.8	331.1	384.3	
1985	367.6	325.1	425.5	531.6	503.1	275.8	232.4	429.9	438.1	353.8	406.7	
<b>GENERAL INDEX OF RETAIL PRICES</b>												
1981	291.2	277.5	306.1	358.2	380.0	237.2	208.3	322.6	300.7	300.8	318.0	
1982	314.3	299.3	341.0	413.3	433.3	243.8	210.5	343.5	325.8	331.6	341.7	
1983	329.8	308.8	366.5	440.9	465.4	250.4	214.8	366.3	345.6	342.9	358.2	
1984	343.9	328.1	387.7	489.0	478.8	256.7	214.6	374.7	364.7	357.3	390.8	
1985	360.7	336.3	412.1	532.5	499.3	263.9	222.9	392.5	392.2	381.3	413.3	

Note: The General Index covers almost all goods and services purchased by most households, excluding only those for which the income of the head of household is in the top 3-4 per cent and those one-and-two person pensioner households of limited means covered by separate indices. For these pensioners, national retirement and similar pensions account for at least three-quarters of income.

# RETAIL PRICES Selected countries: consumer prices indices

	United Kingdom	Australia	Austria	Belgium	Canada	Denmark	France	Germany (FR)	Greece	Irish Republic	Italy	Japan	Netherlands	Norway	Spain	Sweden	Switzerland	United States	All OECD (1)
																			Indices 1980 = 100
<b>Annual averages</b>																			
1975	51.1	60.5	77.3	73.5	65.8	61	60.8	81.8	47.1	51.8	46.9	72.9	74.7	67	42.6	61	89.1	65.3	63.2
1976	59.6	68.7	83.0	80.2	70.7	66	66.7	85.5	53.3	61.1	54.8	79.7	81.3	73	50.2	67	90.7	69.1	68.7
1977	69.0	77.1	87.6	85.9	76.4	74	72.9	88.6	59.8	69.4	64.1	86.1	86.6	80	62.5	75	91.8	73.5	74.8
1978	74.7	83.2	90.7	89.8	83.2	81	79.5	91.0	67.3	74.7	71.9	89.4	90.1	86	74.8	82	92.8	79.2	80.7
1979	84.8	90.8	94.0	93.8	90.8	89	88.1	94.8	80.1	84.6	82.5	92.6	93.9	90	86.6	88	96.1	88.1	88.6
1980	100.0	100.0	100.0	100.0	100.0	100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100.0	100	100.0	100.0	100.0
1981	111.9	109.6	106.8	107.6	112.5	112	113.4	106.3	124.5	120.4	117.8	104.9	106.7	114	114.6	112	106.5	110.4	110.5
1982	121.5	121.8	112.6	117.0	124.6	123	126.8	111.9	150.6	141.1	137.3	107.7	113.1	127	131.1	122	112.5	117.1	119.1
1983	127.1	134.2	116.3	126.0	131.9	132	139.0	115.6	181.0	155.8	157.3	109.7	116.2	137	147.0	133	115.9	120.9	125.4
1984	133.4	139.4	122.9	134.0	137.6	140	149.3	118.4	214.4	169.3	174.3	112.1	120.0	146	163.7 R	143	119.3	126.1	131.8 R
1985	141.5	148.8	126.9	140.5	143.1	146	158.0	121.0	255.8 R	178.5	190.3	114.4	122.7	154	178.1 R	154	123.3	130.5	137.7 R
<b>Quarterly averages</b>																			
1985 Q1	137.6	143.9	126.0	138.6	140.9	144	154.8	120.5	238.4	175.3	184.9	113.4	121.6	151	173.8	151	122.7	128.6	135.4 R
Q2	142.3	147.3	126.8	140.4	142.4	147	157.6	121.2	249.1	177.6	189.3	114.3	122.8	155	178.9 R	154	123.3	130.2	137.4 R
Q3	143.7	150.6	127.1	141.4	143.7	147	159.1	120.9	255.5	180.2	191.5	115.5	123.4	157	182.3	156	124.2	131.1	138.3 R
Q4	143.4	153.6	127.5	141.7	145.0	148	160.1	121.3	280.4	180.5	195.7							132.3	139.8 R
<b>Monthly</b>																			
1985 Oct	143.0	..	127.2	141.5	144.4	147	159.8	121.1	272.9	..	194.3	116.3	123.5	156	181.1	155	123.7	131.9	139.5 R
Nov	143.5	153.6	127.5	141.8	145.0	148	160.1	121.3	279.6	180.5	195.8	115.1	123.5	157	182.5 R	156	124.5	132.3	139.8 R
Dec	143.7	..	127.8	141.9	145.7	148	160.3	121.4	288.8	..	196.9	115.2	123.2	157	183.3	157	124.6	132.7	140.1 R
1986 Jan	144.0	..	129.0	142.0	146.3	148	160.4	121.6	295.6	..	..	115.4	122.8 R	159	188.5	159	124.5 R	133.1	140.7 R
Feb	144.5	..	129.1 R	142.1	146.9 R	147	160.0	121.3	293.5 R	..	..	114.9	123.0	159	..	159	124.5	132.7	140.5 R
Mar	144.7	..	128.9	141.9	147.2	148	160.5	121.0	302.9	183.3	..	114.6	123.2	160	190.2	159	124.7	132.2	140.6
Apr	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Increases on a year earlier</b>																			
<b>Annual averages</b>																			
1975	24.2	15.1	8.4	12.8	10.8	9.6	11.8	6.0	13.4	20.9	17.0	11.8	10.2	11.7	16.9	9.8	6.7	9.1	11.3
1976	16.5	13.6	7.3	9.2	7.4	9.0	9.7	4.5	13.3	18.0	16.8	9.3	8.8	9.1	17.7	10.3	1.8	5.8	8.7
1977	15.8	12.3	5.5	7.1	8.1	11.1	9.4	3.7	12.1	13.6	17.0	8.1	6.5	9.1	24.5	11.4	1.3	6.5	8.9
1978	8.3	7.9	3.6	4.5	8.9	10.0	9.1	2.7	12.6	7.6	12.1	3.8	4.1	8.1	19.8	10.0	1.1	7.7	8.0
1979	13.4	9.1	3.7	4.5	9.1	9.6	10.8	4.1	19.0	13.3	14.8	3.6	4.2	4.8	15.7	7.2	3.6	11.3	9.8
1980	18.0	10.2	6.4	6.6	10.1	12.3	13.6	5.5	24.9	18.2	21.2	8.0	6.5	10.9	15.5	13.7	4.0	13.5	12.9
1981	11.9	9.6	6.8	7.6	12.5	11.7	13.4	6.3	24.5	20.4	17.8	4.9	6.7	13.6	14.6	12.1	6.5	10.4	10.5
1982	8.6	11.1	5.5	8.7	10.8	10.1	11.8	5.3	20.9	17.1	16.6	2.7	6.0	11.2	14.4	8.6	5.6	6.1	7.8
1983	4.6	10.2	3.3	7.7	5.9	6.9	9.6	3.3	20.5	10.5	14.6	1.9	2.7	8.6	12.1	8.9	3.0	3.2	5.3
1984	5.0	3.9	5.7	6.3	4.3	6.1	7.3	2.4	18.1	8.7	10.8	2.2	3.3	6.6	11.3	7.5	2.8	4.3	5.1 R
1985	6.1	6.7	3.3	4.9	4.0	4.3	5.8	2.2	9.3 R	5.4	9.2	2.1	2.3	5.5	8.8	7.7	3.4	3.5	4.5 R
<b>Quarterly averages</b>																			
1985 Q1	5.5	4.4	3.4	5.4	3.8	5.1	6.5	2.4	18.5	6.2	9.3	2.0	2.4	5.6	9.6	7.9	3.8	3.6	4.7
Q2	7.0	6.7	3.6	5.2	3.9	5.8	6.4	2.5	17.3	5.2	9.4	2.1	2.5	5.5	9.7	8.5	3.6	3.7	4.6 R
Q3	6.3	7.6	3.0	4.8	3.9	4.3	5.6	2.2	18.2	5.5	9.1	2.1	2.3	5.4	7.9	7.1	3.3	3.4	4.2 R
Q4	5.5	8.3	2.7	4.1	4.2	3.5	4.8	1.8	22.9	4.9	8.9	1.9	1.7	6.1	8.3	6.1	3.1	3.5	4.2 R
<b>Monthly</b>																			
1985 Oct	5.4	..	2.7	4.0	4.2	3.7	4.9	1.8	21.1	..	8.9	2.3	1.9	5.6	8.1	6.8	3.0	3.2	4.1 R
Nov	5.5	8.3	2.6	4.2	4.0	3.4	4.8	1.8	22.7	4.9	8.9	1.9	1.7	5.8	8.5	6.9	..	3.6	4.3 R
Dec	5.7	..	2.8	4.0	4.4	3.6	4.7	1.8	25.0	..	8.8	1.8	1.7	5.6	8.1	5.6	3.2	3.8	4.6
1986 Jan	5.5	..	2.9	3.5	4.4	2.8	4.2	1.3	25.0	..	..	1.4	1.3	6.0	9.2	6.2	2.3	3.9	4.1 R
Feb	5.1	..	2.5	2.5	4.1	2.1	3.4	0.7	24.4	..	..	1.8	1.2	6.7 R	..	5.3	1.3	3.2	3.8
Mar	4.2	..	1.8	1.5	4.1	1.7	3.0	0.1	24.8	4.6	..	1.1	0.7	5.5	8.7	4.3	0.9	2.3	3.1
Apr	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Sources: OECD—Main Economic Indicators.  
OECD—Consumer Prices Press Notice.

Note: 1 The index for the OECD as a whole is compiled using weights derived from private final consumption expenditure and exchange rates for previous year.

## 7.1 HOUSEHOLD SPENDING

All expenditure: per household and per person

UNITED KINGDOM	Average weekly expenditure per household				Average weekly expenditure per person			
	At current prices		At constant prices		At current prices		At constant prices	
	Actual	Seasonally adjusted	Seasonally adjusted		Actual	Seasonally adjusted	Seasonally adjusted	
	£	Percentage increase on a year earlier	£	Index (1975=100)	Percentage increase on a year earlier	£	Index (1975=100)	Percentage increase on a year earlier
<b>Annual averages</b>								
1980	110.60	17.4	104.9	0.6	40.81	17.1	108.7	0.1
1981	125.41	13.4	105.5	0.5	45.96	12.6	108.7	0.0
1982*	134.01	6.9	103.3	-2.1	49.73	8.2	107.8	-0.8
	(142.58)				(53.65)			
1983*	141.03	6.4	103.3	—	53.06	8.0	109.3	1.4
1984*	151.92	7.7	106.4	3.0	57.96	9.2	114.3	4.5
<b>Quarterly averages</b>								
1982 Q3	137.56	9.4	137.4	1.2	50.95	9.5	50.6	109.6
	(138.51)		(134.8)		(53.44)		(51.6)	
Q4*	138.11	5.3	134.4	-3.7	53.28	9.9	51.4	-0.6
1983 Q1*	132.61	...	138.0	...	49.30	...	51.5	107.8
Q2*	138.87	...	137.1	...	52.60	...	52.0	108.5
Q3*	141.90	...	142.6	...	53.39	...	53.7	110.1
Q4*	150.36	8.9	145.8	3.7	56.89	6.8	54.8	1.7
1984 Q1*	140.14	5.7	146.3	1.3	53.19	7.9	55.8	111.6
Q2*	156.90	13.0	154.3	7.0	60.86	15.8	59.8	118.6
Q3*	147.49	3.9	148.5	103.7	-0.2	55.99	4.9	56.5
Q4*	163.48	8.7	158.3	109.2	4.1	62.02	10.8	59.7
1985 Q1*	151.14	7.8	158.0	107.2	3.1	58.09	9.2	61.1
Q2*	160.80	2.5	157.9	104.5	-2.9	62.59	2.8	61.3

Source: Family Expenditure Survey \*\*

\* See note to table 7.2.

\*\* For a brief note on the Survey, the availability of reports and discussion of response rates see *Employment Gazette* for Dec 85 (pp. 485-493).

## 7.2 HOUSEHOLD SPENDING

Composition of expenditure

£ per week per household

UNITED KINGDOM	All items	Commodity or service											
		Housing*	Fuel, light and power	Food	Alcoholic drink	Tobacco	Clothing and footwear	Durable household goods	Other goods	Transport and vehicles	Services	Miscellaneous**	
													Gross
<b>Annual averages</b>													
1980	110.60	...	16.56	6.15	25.15	5.34	3.32	8.99	7.70	8.75	16.15	11.96	0.53
1981	125.41	...	19.76	7.46	27.20	6.06	3.74	9.23	9.40	9.45	18.70	13.84	0.58
1982*	134.01	23.31	22.39	8.35	28.19	6.13	3.85	9.69	9.65	10.06	19.79	15.37	0.53
	(142.58)		(23.98)										
1983*	141.03	25.34	22.43	9.22	29.56	6.91	4.21	10.00	10.26	10.81	20.96	16.09	0.58
1984*	151.92	27.41	24.06	9.42	31.43	7.25	4.37	11.10	11.57	11.89	22.77	17.41	0.64
<b>Quarterly averages</b>													
1982 Q3	137.56	24.72	23.83	7.39	28.12	6.27	3.96	9.21	9.94	10.08	21.19	17.04	0.53
	(138.51)		(23.03)										
Q4*	138.11	24.04	22.63	7.66	28.24	6.90	3.99	12.11	11.56	12.05	19.29	12.95	0.74
1983 Q1*	132.61	24.02	22.13	9.72	28.26	6.08	4.15	8.05	9.87	9.44	19.42	14.97	0.53
Q2*	138.87	24.59	21.38	10.41	29.16	6.81	4.36	9.05	10.01	10.22	20.66	16.36	0.47
Q3*	141.90	26.05	22.83	8.35	29.61	6.86	4.12	9.80	9.10	10.28	22.24	18.24	0.47
Q4*	150.36	26.64	23.33	8.46	31.17	7.86	4.19	13.01	12.05	13.21	21.46	14.78	0.83
1984 Q1*	140.14	26.12	22.72	10.20	30.25	6.21	4.08	8.55	11.12	10.26	21.05	15.08	0.63
Q2*	156.90	29.79	26.37	10.28	31.38	6.94	4.26	11.31	10.38	10.86	22.13	22.53	0.47
Q3*	147.49	26.74	23.39	8.77	31.05	7.16	4.40	9.93	10.25	11.45	23.62	16.91	0.55
Q4*	163.48	27.52	23.92	8.38	33.10	8.75	4.74	14.65	14.55	15.02	24.38	15.07	0.92
1985 Q1	151.14	27.45	24.00	10.66	31.92	6.92	4.37	9.64	11.55	10.96	22.70	17.90	0.52
Q2	160.80	30.32	26.59	10.77	32.10	7.87	4.28	11.70	10.67	11.50	24.03	20.81	0.49
<b>Standard error†: percent</b>													
1985 Q2	2.1	4.2	4.8	1.3	1.5	3.7	3.8	4.1	7.7	2.6	4.0	7.1	11.7
<b>Percentage increase in expenditure on a year earlier</b>													
1982	6.9	...	13.3	11.8	3.6	1.3	3.0	5.0	2.7	6.5	5.8	11.1	-18.6
1983	6.4	8.7	7.1	10.5	4.9	12.7	9.3	3.2	6.3	7.4	5.9	4.7	8.3
1984	7.7	8.2	7.3	2.2	6.3	4.9	3.8	10.9	12.7	10.0	8.7	8.2	11.5
1985 Q1	7.8	5.1	5.6	4.5	5.5	11.4	7.1	12.7	3.9	6.8	7.8	18.7	-17.5
Q2	2.5	1.8	0.8	4.8	2.3	13.4	0.5	3.4	2.8	5.9	8.6	-7.6	4.3
<b>Percentage of total expenditure</b>													
1982	100		16.7	6.2	21.0	4.6	2.9	7.2	7.2	7.5	14.8	11.5	0.4
1983	100		16.8	6.5	20.7	4.8	3.0	7.0	7.2	7.6	14.7	11.3	0.4
1984	100		15.8	6.2	20.7	4.8	2.9	7.3	7.6	7.8	15.0	11.5	0.4

Source: Family Expenditure Survey.

\* Under the Housing Benefit Scheme introduced in stages from November 1982, some cash transactions previously recorded in the survey by households receiving supplementary benefit were eliminated, leading to identically reduced levels of both recorded expenditure and income. For the period up to 1983 Q4 a series was produced covering the same transactions as in earlier periods whether or not expressed as cash expenditure to indicate the underlying level of housing expenditure. From the beginning of 1984, net housing expenditure has been calculated net of allowances, benefits and rebates, with comparable figures for 1983 to indicate the scale of discontinuity. Figures are also given back to 1982 of gross expenditure, ie. before deducting net of allowances, benefits and rebates. The latter series is unaffected by changes in the administration of housing benefits although it includes a significant element of estimation. The net figure is included in the "all items" figure of household expenditure.

\*\* A discontinuity in miscellaneous expenditure occurred in 1980 when the classification of credit card expenditure was revised (see *Employment Gazette*, Nov 81, p. 469 or annex A of the 1984 FES Report).

† For notes on standard errors see *Employment Gazette*, Mar 83, p. 122 or annex A of the 1984 FES Report.

## TOURISM 8.1

Employment in tourism-related industries in Great Britain

THOUSANDS

SIC group	Restaurants cafes etc	Public houses	Night clubs and	Hotel trade	Other tourist etc	Libraries, museums	Sports and other
	661	662	licensed clubs	665	accommodation	art galleries etc	recreational services
	661	662	663	665	667	977	979
<b>Self employed</b> <sup>1</sup>							
1981	48.1	51.7	1.6	32.6	3.8	0.6	19.7
<b>Employees in employment</b> <sup>2</sup>							
1982 1st qtr	176.1	223.5	139.7	210.3	16.3	52.9	253.9
2nd qtr	187.4	233.6	141.7	235.0	43.2	64.6	269.1
3rd qtr	186.1	230.7	138.9	233.4	49.0	60.1	263.3
4th qtr	173.5	226.5	140.0	210.8	16.0	53.1	251.9
1983 1st qtr	161.2	221.6	137.4	205.4	18.3	54.3	248.0
2nd qtr	182.8	231.1	140.2	234.5	52.0	61.1	246.3
3rd qtr	186.5	238.6	143.5	242.5	50.7	60.5	268.2
4th qtr	181.2	236.3	147.6	225.1	16.9	54.3	253.0
1984 1st qtr	179.3	231.1	146.9	217.4	19.3	55.3	248.5
2nd qtr	189.7	242.5	148.9	252.6	51.6	63.1	262.3
3rd qtr	190.6	249.7	149.2	257.4	46.5	61.7	259.3
4th qtr	182.1	249.2	151.9	238.6	24.8	56.8	251.0
1985 1st qtr	176.6	244.6	151.6	233.0	27.3	58.4	249.3
2nd qtr	192.8	258.3	155.8	263.2	54.3	66.1	263.4
3rd qtr	195.3	259.9	152.7	270.4	51.4	65.7	263.5
4th qtr	189.8	256.7	156.9	252.1	25.1	60.0	257.7
<b>Change Q4 1985 Q4 1984</b>							
Absolute (thousands)	+7.7	+7.5	+5.0	+13.5	+0.3	+3.2	+6.7
Percentage	+4.2	+3.0	+3.3	+5.7	+1.2	+5.6	+2.7

1. Based on Census of Population.

In addition the Labour Force Survey showed the following estimates (thousands) of self employment in Hotels and Catering (SIC Class 66): (1982 not available.)

1981	156
1983	147
1984	174
1985	175

2. These are comparable with the estimates for all industries and services shown in Table 1.4.

## TOURISM 8.2

Overseas travel and tourism: earnings and expenditure

£ million at current prices

	Overseas visitors to the UK		UK residents abroad		Balance (a) less (b)	
	(a)	(b)	(b)	(a)		
1974	898	703			+195	
1980	2,961	2,738			+223	
1981	2,970	3,272			-302	
1982	3,188	3,640			-452	
1983	4,003	4,090			-87	
1984	4,614	4,663			-49	
1985 P	5,451	4,877			+574	
Percentage change 1985/1984	+18	+5				
	Overseas visitors to the UK		UK residents abroad		Balance	
	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted
1984 1st qtr	727	1,079	715	1,110	+12	-31
2nd qtr	1,075	1,115	1,182	1,197	-107	-82
3rd qtr	1,751	1,195	1,835	1,148	-84	+47
4th qtr	1,061	1,224	932	1,213	+129	+11
1985 P 1st qtr	903	1,347	846	1,266	+57	+81
2nd qtr	1,331	1,375	1,153	1,140	+178	+235
3rd qtr	2,066	1,411	1,879	1,162	+187	+249
4th qtr	1,150	1,317	998	1,309	+152	+8
1986 1st qtr (e)	905	1,340	895	1,396	+10	-56
1985 P						
January	322	423	277	423	+45	—
February	247	429	244	425	+3	+4
March	334	495	325	418	+9	+77
April	376	429	324	382	+52	+47
May	459	491	350	382	+109	+109
June	496	455	480	376	+16	+79
July	641	443	530	391	+111	+52
Aug	823	521	677	378	+146	+143
Sept	602	447	671	39		

### 8.3 TOURISM Overseas travel and tourism: Visits to the UK by overseas residents

THOUSANDS

	All areas		North America	Western Europe	Other areas
1974	8,543		1,810	5,217	1,516
1975	9,490		1,907	5,847	1,736
1976	10,808		2,093	6,816	1,899
1977	12,281		2,377	7,770	2,134
1978	12,646		2,475	7,865	2,306
1979	12,486		2,196	7,873	2,417
1980	12,421		2,082	7,910	2,429
1981	11,452		2,105	7,055	2,291
1982	11,636		2,135	7,082	2,418
1983	12,464		2,836	7,164	2,464
1984	13,644		3,330	7,551	2,763
1985 P	14,483		3,797	7,904	2,782
		Seasonally adjusted			
1984 1st quarter	2,156	3,229	396	1,327	436
2nd quarter	3,582	3,386	892	1,989	699
3rd quarter	5,179	3,467	1,390	2,715	1,073
4th quarter	2,728	3,562	653	1,521	554
1985 1st quarter P	2,351	3,549	489	1,379	483
2nd quarter P	3,957	3,731	1,138	2,171	649
3rd quarter P	5,419	3,615	1,545	2,798	1,076
4th quarter P	2,755	3,587	625	1,557	574
1986 1st quarter (e)	2,580	3,912	560	1,540	480
1985 P January	824	1,182	164	451	209
February	656	1,150	134	405	117
March	872	1,217	191	523	158
April	1,207	1,186	236	798	173
May	1,282	1,267	383	674	225
June	1,467	1,278	519	697	251
July	1,823	1,166	541	976	306
August	2,145	1,252	586	1,144	415
September	1,451	1,197	418	678	355
October	1,141	1,158	290	612	239
November	804	1,133	172	457	175
December	811	1,296	163	488	160
1986 January (e)	910	1,298	190	510	210
February (e)	740	1,315	140	470	130
March (e)	930	1,299	230	560	140

Notes: See 8-2.

### 8.4 TOURISM Visits abroad by UK residents

THOUSANDS

	All areas		North America	Western Europe	Other areas
1974	10,783		433	9,503	847
1975	11,992		514	10,468	1,010
1976	11,560		579	9,954	1,027
1977	11,525		619	9,866	1,040
1978	13,443		782	11,517	1,144
1979	15,466		1,087	12,959	1,420
1980	17,507		1,382	14,455	1,670
1981	19,046		1,514	15,862	1,671
1982	20,611		1,299	17,625	1,687
1983	20,994		1,023	18,229	1,743
1984	22,072		919	19,371	1,781
1985 P	21,771		914	19,105	1,752
		Seasonally adjusted			
1984 1st quarter	3,256	5,471	155	2,632	469
2nd quarter	5,980	5,582	232	5,268	479
3rd quarter	8,599	5,404	329	7,846	424
4th quarter	4,238	5,618	204	3,625	408
1985 1st quarter P	3,324	5,450	158	2,707	459
2nd quarter P	5,613	5,128	200	4,993	420
3rd quarter P	8,314	5,129	350	7,486	477
4th quarter P	4,521	6,064	206	3,919	396
1986 1st quarter (e)	3,710	6,314	180	3,000	530
1985 P January	1,056	1,811	75	781	200
February	883	1,723	44	715	124
March	1,384	1,916	40	1,209	135
April	1,653	1,710	57	1,400	196
May	1,661	1,688	61	1,490	109
June	2,300	1,730	82	2,103	114
July	2,293	1,684	110	2,080	103
August	3,172	1,695	138	2,864	170
September	2,849	1,750	103	2,542	204
October	2,064	1,773	94	1,841	129
November	1,435	2,167	63	1,232	140
December	1,022	2,124	49	846	127
1986 January	1,130	1,955	80	860	190
February	1,010	2,079	50	810	150
March (e)	1,570	2,280	50	1,330	190

Notes: See 8-2.

### TOURISM 8.5 Overseas travel and tourism: Visits to the UK by country of residence

THOUSANDS

	1983	1984	1985 P	1984				1985 P			
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Total all countries	12,484	13,644	14,483	2,156	3,582	5,179	2,728	2,351	3,957	5,419	2,755
North America											
Total	2,836	3,330	3,797	396	892	1,390	653	489	1,138	1,545	625
USA	2,317	2,764	3,166	322	729	1,162	551	412	927	1,308	519
Canada	519	567	631	73	163	228	102	78	211	237	105
European Community											
Total	5,725	5,940	6,185	1,045	1,576	2,169	1,150	1,090	1,742	2,190	1,163
Belgium/Luxembourg	430	426	503	90	99	148	89	104	136	156	107
France	1,516	1,632	1,620	274	498	560	299	332	528	507	253
Federal Republic of Germany	1,374	1,485	1,484	246	412	547	279	232	445	540	267
Italy	458	475	494	86	92	112	78	112	112	233	72
Netherlands	735	741	762	144	198	243	156	122	185	266	196
Denmark	219	192	201	46	42	59	46	37	52	65	47
Greece	85	81	118	23	14	23	21	23	38	31	26
Irish Republic	908	909	1,001	136	222	374	177	162	245	399	195
Other Western Europe											
Total	1,439	1,611	1,719	280	413	546	371	289	429	608	394
Spain	298	293	342	56	59	110	68	57	72	143	69
Austria	88	111	108	14	31	43	23	11	26	54	17
Switzerland	310	313	339	51	77	93	92	57	96	101	84
Norway	194	216	237	44	57	71	44	45	59	75	58
Sweden	288	402	380	68	122	123	89	59	105	125	91
Finland	62	72	70	8	19	32	12	13	16	30	12
Others	199	204	243	39	48	74	43	48	55	80	63
Other countries											
Total	2,464	2,763	2,782	436	699	1,073	554	483	649	1,076	574
Middle East	616	610	588	110	131	259	110	110	126	241	112
North Africa	125	132	119	27	28	53	24	22	24	50	23
South Africa	147	182	147	28	46	70	38	27	37	54	28
Eastern Europe	50	57	68	10	16	22	8	15	8	30	15
Japan	170	201	211	55	45	60	40	49	49	65	48
Australia	331	456	473	58	143	170	85	73	118	192	89
New Zealand	76	95	83	8	30	37	19	15	18	29	21
Latin America	109	165	166	23	39	69	34	31	37	65	33
Rest of World	840	865	927	117	221	333	196	141	232	350	205

Notes: See 8-2.

### TOURISM 8.6 Overseas travel and tourism: Visits abroad by country visited

THOUSANDS

	1983	1984	1985 P	1984				1985 P			
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Total all countries	20,994	22,072	21,771	3,256	5,980	8,599	4,238	3,324	5,612	8,314	4,521
North America											
Total	1,023	919	914	155	232	329	204	158	200	350	206
USA	780	719	722	130	185	226	178	134	163	243	182
Canada	243	200	193	25	47	102	26	24	37	108	24
European Community											
Total	11,387	11,340	11,707	1,521	3,127	4,513	2,179	1,586	3,108	4,620	2,394
Belgium/Luxembourg	831	776	755	90	238	262	187	148	199	191	216
France	5,058	4,482	4,523	597	1,271	1,700	915	622	1,118	1,725	1,058
Federal Republic of Germany	1,091	1,294	1,321	203	317	493	281	180	366	499	275
Italy	1,154	1,184	1,066	186	326	523	149	178	269	472	147
Netherlands	784	868	949	180	274	228	187	156	346	247	201
Denmark	128	126	151	22	39	49	26	37	34	56	34
Greece	869	1,048	1,319	14	284	615	134	12	378	782	146
Irish Republic	1,472	1,552	1,623	230	379	642	301	262	397	648	316
Other Western Europe											
Total	6,842	8,031	7,398	1,111	2,141	3,333	1,446	1,121	1,885	2,886	1,525
Yugoslavia	293	477	566	5	165	265	44	10	177	318	61
Spain	4,278	5,022	4,175	609	1,337	2,092	984	577	1,089	1,557	951
Portugal	547	573	709	79	136	236	122	86	191	263	170
Austria	490	609	557	178	148	236	47	185	121	188	62
Switzerland	474	519	488	146	126	173	74	132	106	175	74
Norway/Sweden/Finland	285	302	346	54	89	95	63	57	84	124	81
Gibraltar/Malta/Cyprus	434	475	475	37	128	203	61	93	201	201	119
Other	40	53	82	3	12	33	4	13	24	40	7
Other countries											
Total	1,743	1,781	1,752	469	479	424	408	459	419	477	396
Middle East	219	227	189	49	58	68	47	41	57	44	47
North Africa	224	253	273	52	92	49	61	60	59	81	72
Eastern Europe	149	164	237	16	41	77	21	37	79	105	16
Australia/New Zealand	147	167	154	70	41	23	33	64	35	24	31
Commonwealth Caribbean	147	140	122	40	32	29	38	29	28	38	27
Rest of World including Cruise	856	830	777	242	215	178	208	228	161	185	203

Notes: See 8-2.

## 8.7 TOURISM Overseas travel and tourism: Visits to the UK by mode of travel and purpose of visit

THOUSANDS

	Total visits	Mode of travel		Purpose of visit			
		Air	Sea	Holiday	Business	Visits to friends and relatives	Other purposes
1978	12,646	7,580	5,067	5,876	2,295	2,193	2,283
1979	12,486	7,614	4,872	5,529	2,395	2,254	2,308
1980	12,421	7,323	5,098	5,478	2,565	2,319	2,058
1981	11,452	6,889	4,563	5,037	2,453	2,287	1,675
1982	11,636	6,911	4,724	5,265	2,393	2,410	1,568
1983	12,464	7,661	4,803	5,818	2,556	2,560	1,530
1984	13,644	8,515	5,129	6,385	2,863	2,626	1,770
1985	14,483	9,396	5,086	6,663	3,009	2,898	1,912
% change 1985/1984	+6	+10	-1	+4	+5	+10	+8
1982 1st qtr	2,012	1,338	673	727	524	486	275
2nd qtr	3,174	1,777	1,398	1,568	656	593	358
3rd qtr	4,254	2,343	1,910	2,196	594	832	632
4th qtr	2,196	1,453	743	774	620	498	303
1983 1st qtr	2,013	1,356	657	776	537	485	225
2nd qtr	3,200	1,831	1,369	1,568	676	621	335
3rd qtr	4,715	2,730	1,987	2,546	633	900	635
4th qtr	2,537	1,747	790	938	711	553	335
1984 1st qtr	2,156	1,452	704	819	622	475	240
2nd qtr	3,582	2,093	1,489	1,751	744	614	473
3rd qtr	5,179	3,039	2,140	2,750	728	978	723
4th qtr	2,728	1,931	796	1,066	769	558	334
1985 1st qtr P	2,351	1,625	726	866	655	530	299
2nd qtr P	3,957	2,458	1,499	1,985	791	737	444
3rd qtr P	5,419	3,326	2,092	2,812	755	1,045	807
4th qtr P	2,755	1,987	769	1,000	807	586	362

Notes: See 8.2.

## 8.8 TOURISM Overseas travel and tourism: Visits abroad by mode of travel and purpose of visit

THOUSANDS

	Total visits	Mode of travel		Purpose of visit			
		Air	Sea	Holiday	Business	Visits to friends and relatives	Other purposes
1978	13,443	8,416	5,028	8,439	2,261	1,970	774
1979	15,466	9,760	5,706	9,827	2,542	2,166	931
1980	17,507	10,748	6,759	11,666	2,690	2,317	834
1981	19,046	11,374	7,672	13,131	2,740	2,378	797
1982	20,611	12,031	8,580	14,224	2,768	2,529	1,090
1983	20,994	12,361	8,634	14,568	2,886	2,559	982
1984	22,072	13,934	8,137	15,246	3,155	2,689	982
1985	21,771	13,805	7,967	14,942	3,268	2,612	949
% change 1985/1984	-1	-1	-2	-2	+4	-3	-3
1982 1st qtr	2,939	2,047	892	1,681	606	510	141
2nd qtr	5,455	3,299	2,226	3,738	797	606	314
3rd qtr	8,257	4,383	3,864	6,438	611	926	282
4th qtr	3,960	2,363	1,598	2,367	754	486	353
1983 1st qtr	2,978	2,073	905	1,684	640	489	164
2nd qtr	5,404	3,104	2,300	3,794	778	613	220
3rd qtr	8,576	4,679	3,897	6,711	655	946	264
4th qtr	4,037	2,504	1,532	2,379	813	511	334
1984 1st qtr	3,256	2,344	912	1,892	706	512	146
2nd qtr	5,980	3,633	2,347	4,198	885	659	238
3rd qtr	8,599	5,202	3,396	6,615	689	1,001	293
4th qtr	4,238	2,755	1,483	2,541	875	517	305
1985 1st qtr P	3,324	2,395	929	1,957	714	518	136
2nd qtr P	5,612	3,518	2,094	3,888	905	614	205
3rd qtr P	8,314	5,013	3,301	6,343	752	965	253
4th qtr P	4,521	2,878	1,642	2,753	897	514	356

Notes: See 8.2.

## 8.9 TOURISM Visitor nights

MILLION

	Overseas visitors to the UK		UK residents going abroad		
	Nights	Nights	Nights	Nights	
1978	149.1	176.4			
1979	154.6	205.0			
1980	146.0	227.7			
1981	135.4	251.1			
1982	136.3	261.7			
1983	145.0	264.4			
1984	154.5	277.5			
1985	167.7	270.9			
% change 1985/1984	+8.5	-2.4			
1982 1st qtr	22.2	39.2	1983 1st qtr	22.0	40.0
2nd qtr	30.9	61.6	2nd qtr	31.4	62.7
3rd qtr	58.1	114.0	3rd qtr	62.4	117.0
4th qtr	25.1	46.9	4th qtr	29.2	44.8
1984 1st qtr			1984 1st qtr	22.2	41.3
2nd qtr			2nd qtr	35.3	71.8
3rd qtr			3rd qtr	67.2	117.0
4th qtr			4th qtr	29.7	47.5
1985 1st qtr P			1985 1st qtr P	26.0	42.8
2nd qtr P			2nd qtr P	38.2	63.2
3rd qtr P			3rd qtr P	72.0	115.0
4th qtr P			4th qtr P	31.5	49.8

Notes: See 8.2.

## DEFINITIONS

The terms used in the tables are defined more fully in periodic articles in Employment Gazette relating to particular statistical series.

### BASIC WEEKLY WAGE RATES

Minimum entitlements of manual workers under national collective agreements and statutory wages orders. Minimum entitlements in this context means basic wage rates, standard rates, minimum guarantees or minimum earnings levels, as appropriate, together with any general supplement payable under the agreement or order.

### EARNINGS

Total gross remuneration which employees receive from their employers in the form of money. Income in kind and employers' contributions to national insurance and pension funds are excluded.

### EMPLOYED LABOUR FORCE

Employees in employment plus HM forces and self-employed.

### EMPLOYEES IN EMPLOYMENT

Civilians in the paid employment of employers (excluding home workers and private domestic servants).

### FULL-TIME WORKERS

People normally working for more than 30 hours a week except where otherwise stated.

### GENERAL INDEX OF RETAIL PRICES

The general index covers almost all goods and services purchased by most households, excluding only those for which the income of the head of household is in the top 3-4 per cent and those one and two person pensioner households of limited means covered by separate indices. For these pensioners, national retirement and similar pensions account for at least three-quarters of income.

### HM FORCES

All UK service personnel of HM Regular Forces, wherever serving, including those on release leave.

### HOUSEHOLD SPENDING

Expenditure on housing (in the Family Expenditure Survey) includes, for owner-occupied and rent-free households, a notional (imputed) amount based on rateable values as an estimate of the rent which would have been payable if the dwelling had been rented; mortgage payments are therefore excluded.

### INDEX OF PRODUCTION INDUSTRIES (SIC 1968)

Orders II-XXI: Manufacturing industries plus mining and quarrying, construction, gas, electricity and water.

### INDUSTRIAL DISPUTES

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

Workers involved and working days lost relate to persons both directly and indirectly involved (thrown out of work although not parties to the disputes) at the establishments where the disputes occurred. People laid off and working days lost elsewhere, owing for example to resulting shortages of supplies, are not included.

There are difficulties in ensuring complete recording of stoppages, in particular those near the margins of the definitions; for example, short disputes lasting only a day or so. Any under-recording would particularly bear on those industries most affected by such stoppages, and would affect the total number of stoppages much more than the number of working days lost.

### MANUAL WORKERS (OPERATIVES)

Employees other than those in administrative, professional, technical and clerical occupations.

### MANUFACTURING INDUSTRIES

SIC 1968 Orders III-XIX. SIC 1980 Divisions 2 to 4.

### Conventions

The following standard symbols are used:

- ... not available
- nil or negligible (less than half the final digit shown)
- [ ] provisional
- break in series

Where figures have been rounded to the final digit, there may be an apparent slight discrepancy between the sum of the constituent items and the total as shown. Although figures may be given in unrounded form to facilitate the calculation of percentage changes, rates of change, etc. by users, this does not imply that the figures can be estimated to this degree of precision, and it must be recognised that they may be the subject of sampling and other errors.

### NORMAL WEEKLY HOURS

The time which the employee is expected to work in a normal week, excluding all overtime and main meal breaks. This may be specified in national collective agreements and statutory wages orders for manual workers.

### OVERTIME

Work outside normal hours for which a premium rate is paid.

### PART-TIME WORKERS

People normally working for not more than 30 hours a week except where otherwise stated.

### PRODUCTION INDUSTRIES (SIC 1980)

Divisions 1 to 4 inclusive, i.e. excluding construction.

### SEASONALLY ADJUSTED

Adjusted for regular seasonal variations.

### SELF-EMPLOYED PEOPLE

Those working on their own account whether or not they have any employees.

### SERVICE INDUSTRIES

SIC 1968 Orders XXII-XXVII. SIC 1980 Divisions 6 to 9.

### SHORT-TIME WORKING

Arrangements made by an employer for working less than regular hours. Therefore, time lost through sickness, holidays, absenteeism and the direct effects of industrial disputes is not counted as short-time.

### STANDARD INDUSTRIAL CLASSIFICATION (SIC)

The classification system used to provide a consistent industrial breakdown for UK official statistics. It was revised in 1968 and 1980.

### TAX AND PRICE INDEX.

Measures the increase in gross taxable income needed to compensate taxpayers for any increase in retail prices, taking account of changes to direct taxes (including employees' National Insurance contributions). Annual and quarterly figures are averages of monthly indices.

### TEMPORARILY STOPPED

People who at the date of the unemployment count are suspended by their employers on the understanding that they will shortly resume work and are claiming benefit. These people are not included in the unemployment figures.

### UNEMPLOYED

People claiming benefit (that is unemployment benefit, supplementary benefits or national insurance credits) at Unemployment Benefit Offices on the day of the monthly count, who on that day were unemployed and able and willing to do any suitable work. (Students claiming benefit during a vacation and who intend to return to full-time education are excluded.)

### UNEMPLOYED PERCENTAGE RATE

The number of unemployed expressed as a percentage of the latest available mid-year estimate of all employees in employment, plus the unemployed at the same date.

### UNEMPLOYED SCHOOL LEAVERS

Unemployed people under 18 years of age who have not entered employment since terminating full-time education.

### VACANCY

A job opportunity notified by an employer to a Jobcentre or Careers Office (including Community Programme vacancies; and 'self employed' opportunities created by employers) which remained unfilled on the day of the count.

### WEEKLY HOURS WORKED

Actual hours worked during the reference week and hours not worked but paid for under guarantee agreements.

### WORKING POPULATION

Employed labour force plus the unemployed.

R revised

e estimated

MLH Minimum List Heading of the SIC 1968

n.e.s. not elsewhere specified

SIC UK Standard Industrial Classification, 1968 or

1980 edition

EC European Community

# Regularly published statistics

Employment and working population	Frequency	Latest issue	Table number or page	Earnings and hours (cont.)	Frequency	Latest issue	Table number or page
Working population: GB and UK				New Earnings Survey (April estimates)			
Quarterly series	M (Q)	June 86:	1-1	Latest key results	A	Oct 85:	385
Labour force estimates, projections		May 86:	135	Time series	M (A)	June 86:	5-6
Employees in employment				Average weekly and hourly earnings and hours worked (manual workers)			
Industry: GB				Manufacturing and certain other industries			
All industries: by Division class or group	Q	May 86:	1-4	Summary (Oct)	M (A)	June 86:	5-4
: time series, by order group	M	June 86:	1-2	Detailed results	A	Feb 85:	47
Manufacturing: by Division class or group	M	June 86:	1-3	Manufacturing			
Occupation				Indices of hours	D	Apr 84:	5-8
Administrative, technical and clerical in manufacturing	A	Nov 85:	1-10	International comparisons	M	June 86:	5-9
Local authorities manpower	Q	Mar 86:	1-7	Aerospace	A	Aug 85:	335
Occupations in engineering	D	Oct 82:	421	Agriculture	A	Feb 85:	281
Region: GB				Coal mining	A	Feb 84:	82
Sector: numbers and indices, Self employed: by region	Q	May 86:	1-5	Average earnings: non-manual employees	M (A)	June 86:	5-5
: by industry		May 86:	165	Basic wage rates, (manual workers)			
Census of Employment: Sep 1981		May 86:	164	wage rates, and hours (index)	D	Apr 84:	5-8
GB and regions by industry on SIC 1980 (provisional)		Feb 83:	61	Normal weekly hours	A	Feb 86:	57
GB and regions by industry on SIC 1980 (final)		Dec 83:	Supp 2	Holiday entitlements	A	Feb 86:	58
UK by industry on SIC 1980 (final)				Overtime and short-time: manufacturing			
International comparisons	M	June 86:	1-9	Latest figures: industry	M	June 86:	1-11
Apprentices and trainees by industry:		Dec 83:	Supp 2	Region: summary	Q	Nov 85:	1-13
Manufacturing industries	A	June 86:	1-14	Hours of work: manufacturing	M	June 86:	1-12
Apprentices and trainees by region:				Output per head			
Manufacturing industries	A	June 86:	1-15	Output per head: quarterly and annual indices	M (Q)	June 86:	1-8
Employment measures	M	May 86:	174	Wages and salaries per unit of output			
Registered disabled in the public sector	A	Feb 85:	73	Manufacturing index, time series	M	June 86:	5-7
Exemption orders from restrictions to hours worked: women & young persons		July 83:	315	Quarterly and annual indices	M	June 86:	5-7
Labour turnover in manufacturing	Q	June 86:	1-6	Labour costs			
Trade union membership	A	Jan 86:	16	Survey results 1981	Triennial	May 83:	188
Unemployment and vacancies				Recent trends	A	July 85:	280
Unemployment				Per unit of output	M	June 86:	5-7
Summary: UK	M	June 86:	2-1	Retail prices			
GB	M	June 86:	2-2	General index (RPI)			
Age and duration: UK	M (Q)	June 86:	2-5	Latest figures: detailed indices	M	June 86:	6-2
Broad category: UK	M	June 86:	2-1	percentage changes	M	June 86:	6-2
Broad category: GB	M	June 86:	2-2	Recent movements and the index			
Detailed category: GB, UK	Q	June 86:	2-6	excluding seasonal foods	M	June 86:	6-1
Region: summary	Q	June 86:	2-6	Main components: time series			
Age time series UK	M (Q)	June 86:	2-7	and weights	M	June 86:	6-4
: estimated rates	Q	June 86:	2-15	Changes on a year earlier: time series	M	June 86:	6-5
Duration: time series UK	M (Q)	June 86:	2-8	Annual summary	A	Mar 86:	95
Region and area				Revision of weights	A	Mar 86:	103
Time series summary: by region	M	June 86:	2-3	Pensioner household indices			
: assisted areas, travel-to-work areas	M	June 86:	2-4	All items excluding housing	M (Q)	June 86:	6-6
: counties, local areas (formerly table 2-4)	M	June 86:	2-9	Group indices: annual averages	M (A)	June 86:	6-7
: Parliamentary constituencies	M	June 86:	2-10	Revision of weights	A	May 86:	167
Age and duration: summary	Q	June 86:	2-6	Food prices	M	June 86:	6-3
Flows:				London weighting: cost indices	D	May 82:	267
GB, time series	D	Mar 84:	2-19	International comparisons	M	May 86:	6-8
UK, time series	M	May 86:	2-19	Household spending			
GB, Age time series	M	May 86:	2-20	All expenditure: per household	Q	June 86:	7-1
GB, Regions and duration	Q	May 86:	2-23/24/26	: per person	Q	June 86:	7-1
GB, Age and duration	Q	May 86:	2-21/22/25	Composition of expenditure			
Students: by region	M	June 86:	2-13	: quarterly summary	Q	June 86:	7-2
Minority group workers: by region	D	Sep 82:	2-17	: in detail	Q (A)	Mar 86:	7-3
Disabled workers: GB	M	June 86:	229	Household characteristics	Q (A)	Mar 86:	7-3
International comparisons	M	June 86:	2-18	Industrial disputes: stoppages of work			
Ethnic Origin		Dec 86:	467	Summary: latest figures	M	June 86:	4-1
Temporarily stopped: UK				: time series	M	June 86:	4-2
Latest figures: by region	M	June 86:	2-14	Latest year and annual series	A	Aug 85:	296
Vacancies (new definition)				Industry			
UK Unfilled, inflow outflow and placements seasonally adjusted	M	June 86:	3-1	Monthly			
Region unfilled excluding Community Programme seasonally adjusted	M	June 86:	3-2	Broad sector: time series	M	June 86:	4-1
Region unfilled unadjusted	M	June 86:	3-3	Annual			
Vacancies (previous definition)				Detailed	A	Aug 85:	297
Industry UK	Q	Aug 85:	3-3	Prominent stoppages	A	Aug 85:	301
Occupation by broad sector and unit groups: UK	(Q)	Sep 85:	3-4	Main causes of stoppage			
Occupation region summary	Q	Sep 85:	3-6	Cumulative	M	June 86:	4-1
Redundancies				Latest year for main industries	A	Aug 85:	299
Confirmed: GB latest month	M	June 86:	2-30	Size of stoppages	A	Aug 85:	300
Regions	M	June 86:	2-30	Days lost per 1,000 employees in recent years by industry	A	Aug 85:	298
Industries	M	June 86:	2-31	International comparisons	A	Apr 85:	149
Detailed analysis	A	May 85:	202	Tourism			
Advance notifications	Q (M)	May 86:	172	Employment in tourism: industries GB	M	June 86:	8-1
Payments: GB latest quarter	Q	July 85:	287	Overseas travel: earnings and expenditure	M	June 86:	8-2
Industry	A	May 85:	202	Overseas travel: visits to the UK by overseas residents	M	June 86:	8-3
Earnings and hours				Visits abroad by UK residents	M	June 86:	8-4
Average earnings				Overseas travel and tourism: visit to the UK by country of residence	Q	June 86:	8-5
Whole economy (new series) index				: visits abroad by country visited	Q	June 86:	8-6
Main industrial sectors	M	June 86:	5-1	: visits to the UK by mode of travel and purpose of visit	Q	June 86:	8-7
Industry	M	June 86:	5-3	: visits abroad by mode of travel and purpose of visit	Q	June 86:	8-8
Underlying trend		Feb 84:	82	: visitor nights	Q	June 86:	8-9

Notes: \* Frequency of publication, frequency of compilation shown in brackets (if different). A Annual. Q Quarterly. M Monthly. D Discontinued.

## SPECIAL FEATURE



### Unemployment and less qualified urban youth

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In 1981 the Department of Employment commissioned a two stage study to assess changes over time in the social and psychological effects of unemployment among disadvantaged young people. An earlier *Employment Gazette* article in August 1984 reported on findings from the first stage. This article summarises the second stage of the project, and assesses changes occurring between the first and second years out of school.

Public concern about the plight of the young unemployed has always been high. But accurate information is hard to come by, and opinion is divided on many questions about young people's motivation to work, whether or not life without employment results in real hardship, and other related questions.

In order to find out how unemployment affects the well-being of young people and the way they look at the labour market, the Department of Employment commissioned a study of changes over time in the circumstances of young people who had left school when they were aged 16, selected from 11 urban sites in England\*. The sample included males and females, blacks (of Afro-Caribbean descent) and whites, and none had more than two GCE O-level passes. In summer-autumn 1982 (roughly a year after school leaving) 1,150 young people were interviewed, of these 64 per cent were successfully re-interviewed in summer-autumn 1983 (roughly two years after school leaving). Also in 1983 a boost sample of 550 unemployed young people was added to the study. Fieldwork interviews were carried out by MAS Survey Research Ltd.

In 1982 all those interviewed were unemployed, but in 1983 three in ten of that group were in employment. This means, therefore, that comparisons could be made between those moving from unemployment to employment and those remaining unemployed in addition to analysing change and stability within these two groups.

An earlier article in *Employment Gazette* for August 1984† summarised the first stage results and a forthcoming Department of Employment Research Paper will cover in greater detail the results presented here. Even within this specific sample of poorly qualified urban youth some clear trends and variations have been identified.

#### Labour market experience and unemployment

Detailed histories of the respondents' experiences of employment, unemployment, Youth Opportunities Programme‡ (YOP) schemes and further education (FE) during the previous 12 months were obtained at each interview. By combining the histories a quantitative account of

The authors are grateful to the Department of Employment for financial support and to the Department's Liaison Committee for advice and guidance in the conduct of this study. The views expressed in this article are the authors' and are not necessarily those of the Department of Employment. Dr Ullah is now working in the Department of Psychology, University of Nottingham.

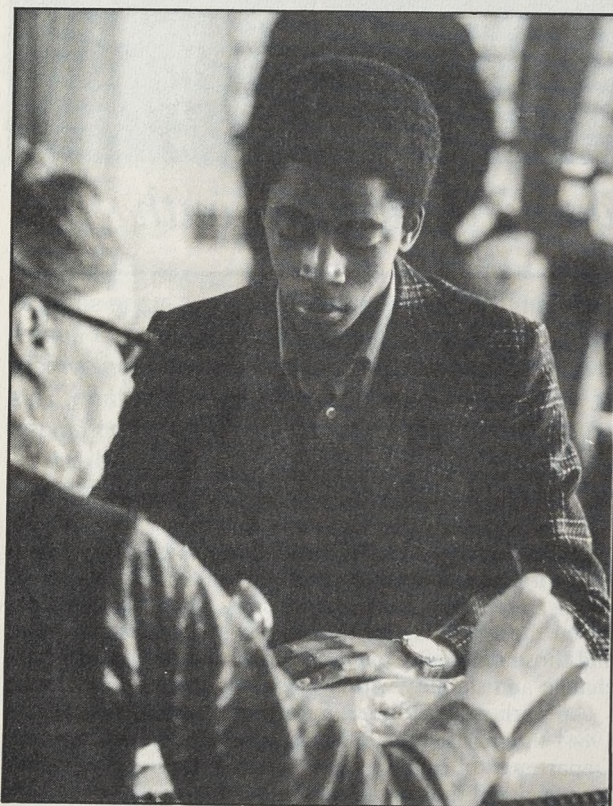
\* The sampling areas were South London (Lewisham), North London (Willesden), Home Counties (including Luton, Reading and Slough), S.E. Essex, Bristol, East Midlands, West Midlands, South Yorkshire, West Yorkshire, Merseyside, and Greater Manchester.  
† 'Unemployment and less qualified urban young people' by Michael Banks, Philip Ullah and Peter Warr, *Employment Gazette*, August 1984 pp 343-346.  
‡ The Youth Opportunities Programme began to be phased out from April 1, 1983 with the introduction of the Youth Training Scheme.

labour market experience over the first two years out of school was created, and this forms the background for interpreting the main findings of the study.

Members of the sample experienced extensive periods of unemployment in the two years since leaving school. Those who were unemployed in 1983 had spent, on average, almost 70 per cent of this time out of work; the average length of their current spell of unemployment was just over one year. Those in employment in 1983 had been unemployed, on average, for half of their time since leaving school.

The disadvantage of those unemployed in 1983 was also reflected in their limited experience of employment. On average only ten per cent of their two years in the labour market had been spent in a job, compared with 17 per cent for those employed. For 13 per cent of those unemployed at this time there had been nothing but continuous unemployment since leaving school.

Spells on YOP or in FE made up the balance between jobs and unemployment. They accounted for 21 per cent of the time of both the employed and the unemployed.



Within this pattern of labour market activity there were clear signs that black people in the sample were more disadvantaged than white people, even though both groups possessed few or no educational qualifications. Both male and female blacks had started fewer jobs than their white counterparts. The greater uptake of YOP/FE by blacks tended to mask their disadvantage. Thus, although black respondents did not differ significantly from whites in the proportion of time spent unemployed, they spent half as much time as whites in employment.

Comparisons of the first year out of school with the second suggested that there was a close correspondence in labour market experiences, such that those who got off to a bad start continued to fare badly. Thus only 16 per cent of those continuously unemployed during the first year out

of school were employed in 1983 compared with 37 per cent of those who had a job during the first year, 21 per cent of those who had been on a YOP course, and 29 per cent of those who had experience of both YOP and employment. Combined with this, a minority of the sample (13 per cent) begins to emerge as the longer-term unemployed (unemployed continuously for two years).

It was expected that there would be area differences in the indices of employment and unemployment. In fact only the former were in evidence, a finding that can be explained largely by area differences in the level of take-up of YOP/FE.

### Job search and aspirations

Aspirations among unemployed people were not particularly high. For example, almost 40 per cent reported looking for any kind of job, and over half said they were prepared to accept any job that they were offered. The minimum wage for which they were prepared to work (reservation wage) in 1983 was on average £43.11. Forty per cent were not looking for training opportunities in a job, and only seven per cent expected to obtain a skilled job in the near future.

In 1982 there was evidence of lower levels of job seeking among blacks (see Warr, Banks and Ullah, 1985). By 1983 these ethnic differences were no longer present, due largely to the whites applying for fewer jobs, using fewer job search methods, being less likely to accept any job offer, and only looking for certain kinds of work. Between 1982 and 1983 there was also a decline among whites in the numbers actively looking for work, in their expectations of obtaining a job in the near future and in their self-reports of the strength of job search.

Thus there appears to be a lagged effect for unemployment on these variables, with whites requiring longer periods of unemployment before they reflect the pessimism found among blacks after just one year in the labour market.

There were few significant sex differences in these variables, although there were predictable differences in terms of the kinds of jobs being sought or expected, and in the types of training or part-time courses sought. Females were prepared to work for lower rates of pay than males, and the proportion of young women no longer looking for a job doubled from 1982 to 1983 among blacks, and trebled among whites.

### Training courses

Twelve per cent of the sample at both interview points had attended part-time courses, both general educational and vocational, in the previous year. Blacks, both males and females, were more likely than whites to have attended such courses, although there were no significant sex differences. The two most common reasons cited for attending courses were to learn a skill and to obtain further qualifications, accounting for three-quarters of all reasons given. Over one-third of all unemployed respondents in 1983 planned to start a course soon, with blacks being more likely to do so than whites.

Significant area differences were found in many of these variables. There was a tendency for these differences to reflect differences in the local unemployment rate, with those respondents living in the areas of highest unemployment having lower expectations of obtaining a job, making fewer job applications and reporting a lower reservation wage.

### Attitudes to the labour market

It was considered important to assess young people's attitudes to employment and various features of the labour market, as one way of finding out if discouragement sets in with prolonged periods of unemployment. Four separate multi-item measures of attitude were used:

- Employment commitment: the overall importance attached to paid employment was high among unemployed people. For example, in 1983 over 90 per cent agreed with the statement: "Even if I could find plenty to do when unemployed, I'd prefer to have a job", and almost three-quarters agreed that: "Once you've got a job it's important to hang onto it, even if you don't really like it".
- Unemployment orientation: that is, attitudes towards remaining unemployed. Few young people expressed positive attitudes towards remaining unemployed. For example, only six per cent of the unemployed in 1983 agreed that "All things considered, being unemployed is usually better than having to go to work".
- Disaffection with the youth labour market: that is, negative attitudes to the labour market and its official agencies. On most items the proportions agreeing and disagreeing were similar, although three-quarters agreed that "most employers look upon people like me simply as a form of cheap labour".
- Attitude to job-seeking. Job search attitude was generally positive, with 82 per cent disagreeing that "I can't be bothered looking for a job any more".

### Attitudes and unemployment duration

Increasing spells of unemployment were found to be associated with greater disaffection and a less positive job search attitude. However, long periods of unemployment (up to two years) were not associated with a reduction in commitment to obtaining a job (employment commitment) or with changes in unemployment orientation. It appeared that young people experiencing long spells of continuous unemployment after leaving school became more disaffected and increasingly negative in their attitude towards looking for work, although fundamentally they were still committed to obtaining a job and showed little sign of growing to like unemployment.

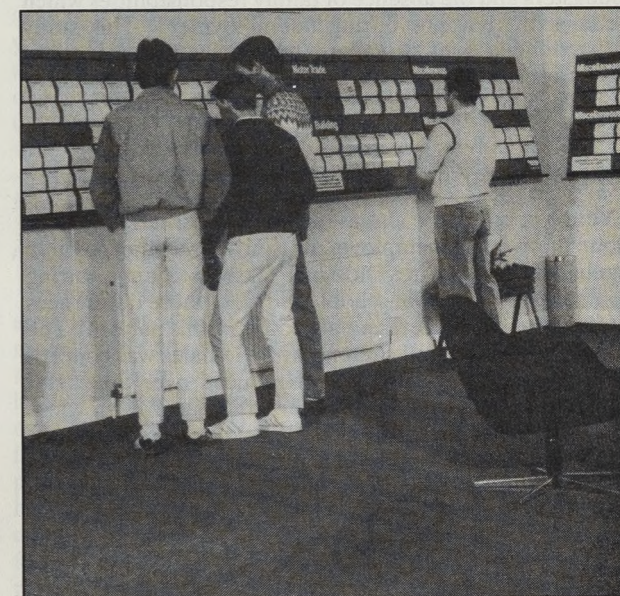
White respondents who were continuously unemployed between the two interviews showed a significant decline in their job search attitude, although no such change was found among blacks. Hence, although whites did have a more positive attitude than blacks towards looking for work in 1982, the two groups did not differ in 1983. This is further evidence that the lower level of commitment to job seeking found among blacks in 1982 was reached by whites in 1983.

### Psychological aspects of labour market withdrawal

Our results suggest that respondents experiencing long spells of unemployment become increasingly negative about their chances of finding a job and about the usefulness of continued job hunting. Largely as a result of this some began to withdraw from the labour market. How-

ever, there appear to be subtle differences between males and females in this respect. Among this subsample of males, withdrawal from job seeking appears to reflect increased discouragement, since it is accompanied by a fall in employment commitment and an increasingly negative attitude towards looking for work. Among females, withdrawal is associated with lower expectations of obtaining a paid job, and hence may reflect a change of plans for the future and alternative aims being sought.

There is evidence of a core of about 100 people (18 per cent) within the longitudinal unemployed sample who, by 1983, had withdrawn from seeking work. The psychological characteristics of such people are a lower level of employment commitment, a more positive attitude towards being unemployed, and a less positive attitude towards the utility of job search, than those still looking for work. They also have significantly lower expectations of getting a job, report being more able to fill their time, spend their time with a higher proportion of unemployed young people, and report being less concerned about being unemployed than those still looking for a job.



In 1982 there were few reliable ways of predicting those who were likely to have withdrawn from seeking work by 1983. Females are more likely than males to subsequently withdraw, and low expectations are another significant indicator.

### Predicting success in job hunting

By comparing those who had obtained jobs since 1982 with those who had not, it was possible to discover which of the variables measured in 1982 predicted whether or not a person went on to get a job. Positive attitudes towards employment and job seeking were important, but only if they led to higher levels of job seeking activity. People making most job applications in 1982 were more successful in finding work by 1983. However, being prepared to accept any job or to work for low rates of pay did not significantly increase a person's chances of finding a job. Although no one in this sample had more than two O levels, better educational qualifications significantly predicted success in finding a job. In contrast, being black, and living in an area of high unemployment, both served to significantly decrease a person's chances of obtaining work, irrespective of how hard they were looking for a job or their level of educational qualifications.



## General psychological distress, depression and anxiety

Three well validated self-report measures of psychological well-being were used in this study—the General Health Questionnaire (measuring general psychological distress), the Zung Depression Scale, and the Zung Anxiety Scale. Comparing results in 1982 with those of 1983 showed most clearly the improvements in well-being as a direct result of gaining employment. This was so for both sexes and both ethnic groups, but it is notable that the beneficial effect was more marked for women. Among those unemployed both in 1982 and 1983, however, there was no evidence of progressive decline in psychological well-being. Neither did those continuously unemployed or experiencing longer durations of unemployment report greater distress, depression or anxiety. It seems, therefore, that within the time limits of this study the effects of unemployment and of employment on well-being occur quite rapidly and then level off. The reason for this is likely to be a combination of factors, most notably the resilience of youngsters and the absence of family responsibilities which create extra burdens during unemployment. This study only extended over two years, and it could be that those with extensive histories of unemployment will in future years display increasingly serious psychological impairment.

## Concern about and stigma from unemployment

Young people were also asked how concerned they were about their own unemployment, and about the possible stigma arising from it. Did such features change during their second year out of school, and were there differences between the sex and ethnic subgroups in this pattern? The results showed that only among white females was concern about their own unemployment reduced over time. But there was no change among other subgroups. Both white males and females changed in their attitudes to stigma over time, with less felt stigma being reported in 1983 than in 1982. There were no important differences between the sexes or between the ethnic groups either in 1982 or in 1983.

## Health

Respondents were also asked to rate their current level of health, and to say how they felt this compared with their health 12 months earlier. Current health ratings did not change significantly between the two interviews, either for those unemployed on both occasions or for those in jobs in 1983. Neither was there a significant difference between the employed and the unemployed. Those employed, however, reported a greater improvement in their health over the last 12 months than they did in 1982. As a result they reported more improvement over the last year than those who were still unemployed. Lower standards of health during unemployment may therefore only be perceived in retrospect, once a job has been obtained.

## Personality

Two personality measures, of sociability (that is, getting on with people) and achievement orientation (that is, getting things done) were associated with unemployment, such that longer duration went with less sociability and less achievement orientation. Subgroup analyses indicated that these effects were largely accounted for by female whites. Longitudinal analyses indicated no significant personality changes for the unemployed in 1983 but for the employed there was a significant increase in achievement orientation with no change in sociability. Further comparisons in 1982

supported the conclusion that gaining employment led to higher achievement orientation, rather than the converse.

## Other psychological changes

Open-ended questions were used to encourage respondents to talk about the disadvantages and possible advantages of being unemployed. They were also asked if they thought their experience of unemployment had had any lasting effects on them. Replies were later coded into positive and negative changes.

Lack of money was the most frequently cited disadvantage of unemployment, followed by boredom and lack of structure in their daily lives. A large number, around 40 per cent of unemployed people, could not think of any way in which the unemployed were better off than the employed. Of the cited advantages of unemployment the most frequent were: more time to look for jobs, not getting up early and sympathetic understanding from others. Around 40 per cent of unemployed people reported no lasting changes which could be attributed to unemployment. Of those reporting lasting negative changes, the most frequently cited were personality changes (e.g. becoming more lazy, aimless, disinterested) and emotional changes (e.g. unhappy, miserable, moody). Interestingly, 73 per cent of replies by the currently employed referred to positive changes, compared with just over 20 per cent of replies of the unemployed. Unemployed people referred to personality changes (more mature, independent, responsible) and changes in attitudes (more eager to succeed, plan to work harder), while employed people also added to this list changes in emotional feelings (e.g. happier now in a job, understand the plight of the unemployed).

## Moderators of the response to unemployment

One of the aims of this study was to identify the factors associated with relatively good and relatively poor psychological health during unemployment. The longitudinal design of the study enabled us to distinguish those people who experienced a deterioration in health over the two interviews from those who experienced an improvement. Four groups of variables were found to be associated with such changes.

## Support from others

Support from others often enables people to cope with stressful periods in their lives. The study examined various kinds of support, ranging from practical help with everyday concerns, to emotional support during times of need. Respondents who possessed the latter exhibited a decline in general distress, while those who had someone to provide practical information on jobs and benefits showed a decrease in depression. Having someone to turn to for financial support was associated with a fall in anxiety. Among unemployed people, a higher level of support was found in 1983 than in 1982, particularly financial support. There were no significant ethnic differences although there were differences between males and females, with the latter being more likely to have both financial and emotional support.

## Pressure from others to get a job

Reports of being under pressure from others to get a job were found to be associated with an increase in general distress, depression and anxiety among females, though not among males. Where pressure was perceived, it was seen as coming mainly from parents and, to a lesser extent, from friends and the Careers Service. Very few respon-

dents reported feeling under pressure from other official labour market agencies. Furthermore, for unemployed people in 1983 there was an overall decline in reported pressure from parents and the Careers Service, who might well be more sympathetic to youngsters experiencing long periods of unemployment.

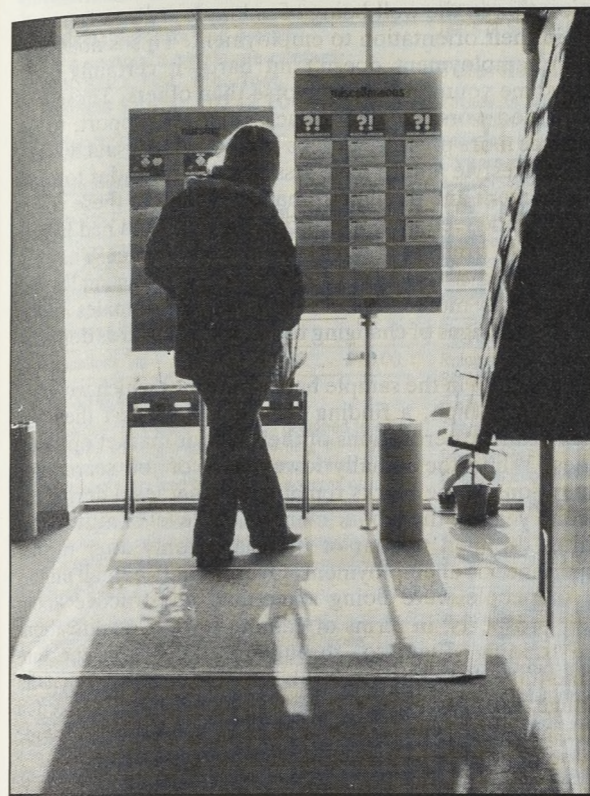


Photo: Financial Times

## Activities while unemployed

Measures were also taken of activities while unemployed. Just over half of the unemployed in 1983 reported finding it easy to fill their time; three-quarters said they spent a lot or a moderate amount of time out of the house; and most reported spending much of their time with friends. However, 70 per cent reported the same routine from day-to-day, and a similar proportion reported little or no forward planning in their lives.

In general, a more active life was associated with better mental health. Our results suggest that those respondents who found difficulty filling the time, varying their daily routines, or planning events in advance, were those who tended to show the largest deterioration in psychological health over the course of the two interviews.

## Labour market attitudes

Labour market attitudes also appear to mould the experience of unemployment. Those young people with strong employment commitment tended to suffer greater psychological harm as a result of not having a job. Similarly those most disaffected with the labour market and its official agencies became more distressed over the 12 months between interviews.

Results also suggest that improvements in mental health during spells of unemployment may often be achieved through adapting to a state of joblessness rather than trying one's utmost to secure employment. Those respondents who held negative attitudes towards looking for work, and

those who had a more favourable unemployment orientation, tended to exhibit lower levels of depression and anxiety.

## Living arrangements, social contacts and activities during unemployment

One of the topics considered in this study was whether unemployed teenagers were withdrawing into a "subculture" based upon the shared experience of unemployment. We examined whether unemployment is associated with young people living away from the parental home and with other young people, with having children of their own, and with mixing with unemployed as opposed to employed young people. Also examined are activities while unemployed and area differences in the levels of job seeking.

## Living arrangements

There was some evidence that unemployed people in the sample were more likely to be living away from the parental home than were their employed counterparts. This was associated with greater contact with other unemployed young people, lower levels of job seeking, less positive attitudes towards looking for work, and a greater sense of disaffection with the youth labour market. There is, therefore, some evidence that some unemployed respondents were beginning to move into "unemployed subcultures" where there is less pressure to maintain a commitment to finding a job.

## Family formation

Although living away from the parental home was associated with greater social support in terms of help with money and with day-to-day problems, it was also associated with more anxiety. As these respondents were more likely to have financial dependents, or children of their own, it is likely that many had left the parental home to form their own family. Hence moving away from one's parents at a relatively young age, living with a partner and having children may represent a particular type of sub-cultural response to unemployment. It is possible, therefore, that some unemployed young people are adopting the roles of parent or head of household at an earlier age than they might otherwise do if they had a regular job.

Although there were differences between areas in terms of the proportion of unemployed people living away from the parental home (27 per cent in West Yorkshire and the Home Counties, compared with less than ten per cent in Greater Manchester, Merseyside, South Yorkshire and the two London sites) these differences were unrelated to differences in local unemployment rates. However, respondents with children of their own were more likely to be living in the areas of relatively low unemployment (e.g. 13 per cent of unemployed respondents in the East Midlands) than in those areas of higher unemployment (e.g. two per cent and four per cent of those on Merseyside and the West Midlands, respectively).

## Mixing with other unemployed

Unemployed respondents were more likely to report spending their time with other unemployed people than were employed respondents, even during non-working hours. Among the unemployed there was a tendency for those living in the areas of highest unemployment to mix with other unemployed rather than employed people. Once again, this finding was found with reference to evenings and weekends, when both employed and unemployed contacts are in principle possible.

#### 4. Area differences

There were signs that those young people living in areas of high unemployment were adapting to a state of joblessness, more so than their counterparts in areas where unemployment was less pervasive. The former did not feel under so much pressure to get a job, and were not expending as much effort in terms of job applications, though this may partly reflect the small number of vacancies likely to be available. However, the views held about future job prospects by those in areas of high unemployment were particularly bleak. Actually obtaining a job was seen as significantly more difficult and more unlikely by those people, who also expressed the most negative attitudes towards job-seeking.



Photo: Illustrated London News

Respondents on Merseyside emerged as being particularly affected by unemployment. They reported the least amount of variety in their day-to-day lives, and displayed the greatest sense of disaffection with the youth labour market. Unemployed blacks on Merseyside reported spending the least amount of time out of the house of all the 11 areas sampled. There was no general tendency for these features to be associated with other areas of high unemployment rates, and so they may reflect circumstances peculiar to Merseyside.

#### Conclusions

This is a complex study that has generated a large amount of data. By necessity, this paper presents only generalised findings and more detail is available in the forthcoming DE research paper (Banks and Ullah, 1986).

But what are the main conclusions? For this sample of disadvantaged urban youth the first two years out of school were characterised by extensive periods of unemployment, sometimes punctuated by short spells of employment or training. A minority emerged as the victims of long-term continuous unemployment. Against this background it is perhaps surprising not to report serious progressive deterioration in the well-being of unemployed young people and in their orientation to employment. This is not to say that unemployment doesn't hit hard—it certainly does. And some youngsters react worse than others. Those who responded worse tended to lack personal support, to experience more pressure to get a job, to lead a less active and varied lifestyle and to have less positive attitudes towards employment and the labour market. Many of these young people had given up hope of finding work and had largely withdrawn from contact with the labour market. They can be regarded as discouraged workers. Among males this process was more obvious, while among females it was mixed with signs of changing future plans towards domestic roles.

Indeed, all in the sample had aspirations which were not particularly high, a finding that would suggest they had quite realistic perceptions of their labour market opportunities. While the initially lower level of job search and aspirations of the blacks remained at that level during the second year on the labour market, the level of attitudes of whites dropped to that of the blacks only after further experience of unemployment. Overall, only a small minority of people were doing something constructive about their prospects, in terms of gaining further qualifications and training. Even so, throughout the study, the fundamental value of having a job remained strong. What did change with increasing unemployment was disaffection with labour market agencies, which increased, and attitude to looking for work, which became more negative.

For some people these results may not be particularly alarming or surprising. This should not lead to complacency, however. It cannot be stressed enough how distressing an experience unemployment is for most young people. Many people in their late teens are now experiencing the transition from school pupil to adult without the employment role, normally regarded as one of the benchmarks of reaching adult status. The proper significance of unemployment at this age may only become apparent when the normal progression into and adjustment to adulthood and family formation are seriously halted by the continued absence of status, income, structure and purpose that eventually result from being jobless.

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## COIC PRODUCTS-YOUR 1986 GUIDE

Listed below are some of the materials currently available from the Careers and Occupational Information Centre. The list is not comprehensive and is intended only to show the range of subjects, formats and prices. For a complete catalogue contact: COIC Sales, MSC, Moorfoot, Sheffield S1 4PQ. 0742 704563

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Also available is the 'Guide to the Production and Use of Computer Based Learning Materials' which explains the model used by the Coventry unit in developing and using courseware LM01 £5.95

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# Labour costs in 1984

This article presents some of the results of the Great Britain 1984 labour costs survey. The survey looks at the full range of labour costs, not just pay, and is the first detailed survey since 1981.

Wages and salaries in manufacturing were around 84 per cent of total labour costs in 1984, about two percentage points higher than in 1981. Voluntary social welfare payments (mainly pensions fund contributions) edged up slightly from 5.2 per cent in 1981 to 5.3 per cent in 1984, although the substantial proportionate growth seen up to 1981 appears to have levelled off. Other costs were proportionately lower in 1984, mainly because of considerably lower levels of redundancy payments which were only partly offset by reduced levels of government subsidies.

The main development in labour costs between 1981 and 1984 was the substantial reduction of the share in total labour costs taken by statutory National Insurance contributions, following the phasing out of the national insurance surcharge. National Insurance contributions amounted to just under 7½ per cent of total labour costs in

manufacturing in 1984, compared with around nine per cent in 1981. This reversed the trend over the past two decades.

These are some of the results of the detailed Great Britain survey of labour costs in 1984. Along with other member states of the European Community detailed surveys have been carried out at three-yearly intervals.

In addition to the detailed surveys, estimates of changes in labour costs are made each year based on various sources of information, and the latest figures for the period between 1981 and 1984 were published in *Employment Gazette* in July 1985 (p 280). Estimates for 1985 linked to the results of the detailed survey for 1984 which are now available will be published shortly.

The 1984 survey covered the full range of labour costs, not just pay. The industrial sectors covered were broadly the same as in the 1981 survey, although because of the industrial dispute in the coal industry during most of 1984, no details were obtained for part of the energy industries covered in earlier surveys (viz class 11, coal extraction and manufacture of solid fuels, and class 12, coke ovens). The tables presented in this article cover all manufacturing industries, construction, energy (other than coal) and water industries, distribution and insurance, banking and finance.

## Production industries

Table 1 summarises the results for the main production industries covered in the 1984 survey and Table 2 indicates the longer-term trends in labour costs in production industries up to 1981, and between 1981 and 1984 for manufacturing industries. The absence of figures for the coal and related industries in 1984 prevents the continuation of the earlier series in Table 2, but the changes for manufacturing industry between 1981 and 1984 give a broad indication of recent trends in production industries.

Table 1 Labour costs per hour in 1984: summary by industrial sector

Division/class	Great Britain								
	Manufacturing industries (d)								Energy supply (excluding coal)
	Minerals, metals and chemicals		Metal goods, engineering and vehicles		Other manufacturing		Total manufacturing		
2	3	4	2-4	13-16					
Category of labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)
Total wages and salaries	475.90	81.8	442.63	84.3	392.24	84.8	428.39	84.0	645.88
Statutory national insurance contributions	39.57	6.8	38.90	7.4	35.48	7.7	37.69	7.4	45.15
Provision for redundancy (net) (c)	8.79	1.5	6.23	1.2	5.62	1.2	6.38	1.3	13.36
Liability insurance	2.40	0.4	1.70	0.3	1.17	0.3	1.60	0.3	1.27
Voluntary social welfare payments	42.66	7.3	27.35	5.2	20.99	4.5	27.19	5.3	106.60
Benefits in kind	1.01	0.2	0.34	0.1	0.91	0.2	0.66	0.1	1.02
Subsidised services	9.82	1.7	6.24	1.2	5.48	1.2	6.48	1.3	15.52
Training (excluding apprentice wages) (b)	1.88	0.3	2.17	0.4	0.95	0.2	1.66	0.3	7.24
Training (including apprentice wages) (b)	5.54	1.0	9.04	1.7	3.54	0.8	6.43	1.3	13.46
Government contributions	-0.17	—	-0.26	-0.1	-0.24	—	-0.24	—	-0.39
<b>Total labour costs</b>	<b>581.85</b>	<b>100</b>	<b>525.29</b>	<b>100</b>	<b>462.59</b>	<b>100</b>	<b>509.80</b>	<b>100</b>	<b>835.65</b>

Footnotes—see table 6 on p 216.

## Distribution

In distribution there was also a substantial fall in the proportion of labour costs accounted for by national insurance contributions from 9.2 per cent in 1981 to 7.2 per cent in 1984. However, wages and salaries made up a similar proportion of total labour costs in both years and there was a significant increase in the share of voluntary social welfare payments in total labour costs, probably due to the widening in the coverage of pension schemes in these sectors.

Table 2 Components of labour costs as percentages of labour costs

	Production and construction industries						Manufacturing industries	
	1964	1968	1973	1975	1978	1981	1981	1984
Wages and salaries	91.8	90.2	89.3	87.5	83.9	81.6	82.1	84.0
Statutory National Insurance contributions	3.6	4.3	4.9	6.4	8.4	8.9	9.0	7.4
Voluntary social welfare payments	3.1	3.2	3.7	4.2	5.1	5.6	5.2	5.3
Benefits in kind	0.1	0.1	0.3	0.3	0.3	0.3	0.1	0.1
Subsidised services	0.8	0.9	1.1	1.1	1.3	1.3	1.3	1.3
Training (excluding wages)	0.5	0.6	0.4	0.3	0.4	0.3	0.3	0.3
All other costs	0.1	0.7	0.3	0.2	0.6	2.0	2.0	1.6
<b>Total labour costs</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Finance

National Insurance contributions formed a lower proportion of total labour costs in the banking, insurance and finance sector, falling from 6.5 per cent in 1981 to 5.3 per cent in 1984. Wages and salaries made up a higher proportion of total costs in 1984—just over 73 per cent, compared with just over 70 per cent in 1981. On the other hand, voluntary social welfare payments and subsidised services formed a somewhat lower proportion of total costs in 1984, falling by about one percentage point in each of the two categories to 13.8 per cent and 6.2 per cent, respectively. However, in both cases the figures shown in the 1981 survey were exceptionally high. Also, these costs are still proportionately more important in the finance sector than in other sectors.

## Industrial analysis

Tables 3 and 4 provide more detailed figures for the main industries covered in the survey, broadly at two-digit class level based on the Standard Industrial Classification, 1980.

Table 5 looks in greater detail at the components of wages and salaries, showing separately the wages and salaries of apprentices and full-time trainees. The analysis of wages and salaries in respect of holidays, etc. (see Technical Note) includes a larger element of estimation than in earlier surveys. For manufacturing as a whole, wages and

salaries in respect of holidays, etc., are estimated to comprise about 11.1 per cent of total wages and salaries in 1984, compared with 10.7 per cent in 1981.

## Size analysis

Table 6 analyses total labour costs in manufacturing industry by size of establishment. Most of the trends evident from the 1984 survey continue those shown in the previous survey. In general, the proportion of total labour costs represented by voluntary social welfare payments (pension contributions, etc) increases with the size of establishment, from just over three per cent of establishments with between ten and 49 employees to just under seven per cent for establishments with 1,000 or more employees. The propor-

As percentage of total labour costs	Great Britain								
	Water supply		Construction		Distribution		Banking, finance and insurance		Division/Class
	17	5	6 (part)		81 and 82 (part)				
Category of Labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Average expenditure per employee total pence per hour (a)	As percentage of total labour costs	Category of Labour costs
77.3	549.38	80.4	408.87	86.0	354.71	83.8	533.65	73.1	Total wages and salaries
5.4	41.04	6.0	36.72	7.7	30.48	7.2	38.64	5.3	Statutory national insurance contributions
1.6	26.04	3.8	2.70	0.6	1.36	0.3	3.36	0.5	Provision for redundancy (net) (c)
0.2	0.97	0.1	2.37	0.5	0.63	0.1	0.13	—	Liability insurance
12.8	53.66	7.9	19.42	4.1	29.22	6.9	100.72	13.8	Voluntary social welfare payments
0.1	0.07	—	1.10	0.2	1.15	0.3	2.95	0.4	Benefits in kind
1.9	7.62	1.1	2.80	0.6	4.87	1.2	45.62	6.2	Subsidised services
0.9	4.67	0.7	1.98	0.4	0.82	0.2	4.66	0.6	Training (excluding apprentice wages) (b)
1.6	7.61	1.1	12.56	2.6	3.54	0.8	5.25	0.7	Training (including apprentice wages) (b)
—	-0.21	—	-0.31	-0.1	-0.17	—	-0.02	—	Government contributions
<b>100</b>	<b>683.24</b>	<b>100</b>	<b>475.64</b>	<b>100</b>	<b>423.07</b>	<b>100</b>	<b>729.71</b>	<b>100</b>	<b>Total labour costs</b>

**Table 3 Labour costs per hour in 1984: Manufacturing, construction, energy (except coal) and water industries.**  
Average expenditure per employee, percentage of total labour costs

Industry group	SIC 1980 Div/class	Great Britain			
		All labour costs	Wages and salaries	Statutory national insurance contributions	Provision for redundancy (net)
		Pence per hour	Per cent	Per cent	Per cent
<b>All manufacturing industries</b>	<b>2-4</b>	<b>509.80</b>	<b>84.0</b>	<b>7.4</b>	<b>1.3</b>
Minerals, metals and chemicals	2	581.85	81.8	6.8	1.5
Metal manufacture	22	612.56	81.8	6.6	1.9
Extraction of metals, ores, minerals n.e.s.	21/23	491.28	85.4	7.6	0.5
Non-metallic mineral products	24	484.90	84.5	7.4	1.5
Chemical industry	25	648.83	79.9	6.4	1.7
Man-made fibres	26	511.08	86.0	8.1	1.6
Metal goods, engineering and vehicles	3	525.29	84.3	7.4	1.2
Metal goods n.e.s.	31	463.82	84.8	7.7	0.9
Mechanical engineering	32	521.70	84.6	7.6	1.1
Office machinery	33	782.31	85.9	7.0	0.1
Electrical and electronic equipment	34	532.82	84.6	7.6	1.1
Motor vehicles and parts	35	537.86	83.5	7.0	1.9
Other transport equipment	36	585.77	83.3	6.6	1.5
Instrument engineering	37	507.58	83.6	7.8	0.8
Other manufacturing industries	4	462.59	84.8	7.7	1.2
Food, drink and tobacco	41/42	479.23	83.1	7.3	1.7
Textiles	43	357.29	87.1	8.6	0.4
Leather and leather goods	44	368.92	87.1	8.7	0.4
Footwear and clothing	45	311.32	87.2	8.7	0.7
Timber and wooden furniture	46	431.67	86.6	8.6	0.3
Paper, printing and publishing	47	596.44	84.7	7.1	1.4
Rubber and plastics	48	473.15	84.4	7.9	1.7
Other manufacturing	49	434.03	85.5	7.8	0.2
Construction	5	475.64	86.0	7.7	0.6
Energy (excluding coal)	13-16	835.65	77.3	5.4	1.6
Water supply	17	683.24	80.4	6.0	3.8

Footnotes—see table 6 on p 216.

tion of total costs represented by redundancy payments (net) and subsidised services also tends to increase with the size of establishment.

#### Additional analyses

Further tables, for which a charge is payable, are available on request from Statistics A1, Department of Employment, Orphanage Road, Watford WD1 1DJ.

#### Technical note

##### Scope and coverage of the survey

The reference period used was the calendar year 1984. However, employers were permitted to use an alternative 12-month period (for example, tax year or company accounting year) which ended between April 6, 1984 and April 5, 1985. Most firms which did not report in respect of the calendar year covered later periods, mainly the year ending March 31. The reported figures will tend to be slightly higher than those corresponding strictly to the calendar year, although the same is broadly true of the

**Table 4 Labour costs per hour in 1984: distribution, banking, insurance and finance.**  
Average expenditure per employee (a), percentage of total labour costs

Industry group	SIC 1980 Class/Group	Great Britain						
		All labour costs	Wages and salaries	Statutory national insurance contributions	Provision for redundancy (net) (c)	Voluntary social welfare payments	Liability insurance, benefit in kind, subsidised services and training	Government contributions (negative) costs
		Pence per hour	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Wholesale distribution	61	527.61	83.6	7.0	0.4	7.0	1.9	—
Retail distribution	64/65	360.75	84.0	7.3	0.3	6.8	1.7	—
Total distribution	6 (part)	423.07	83.8	7.2	0.3	6.9	1.8	—
Banking	814	751.57	72.2	5.1	0.4	15.1	7.2	—
Finance	815	613.01	75.5	5.9	0.8	10.3	7.5	—
Insurance	82 (part)	748.18	74.0	5.5	0.5	12.6	7.4	—

Footnotes—see table 6 on p 216.

**Table 3 continued**

Voluntary social welfare payments	Training excluding wages (b)	Liability insurance, benefits in kind and subsidised services	Government contributions (negative) costs	SIC 1980 Div/class	Industry group				
						Per cent	Per cent	Per cent	Per cent
						Per cent	Per cent	Per cent	Per cent
5.3	0.3	1.7	—	2-4	<b>All manufacturing industries</b>				
7.3	0.3	2.3	—	2	Minerals, metals and chemicals				
7.5	0.4	1.8	—	22	Metal manufacture				
4.3	0.2	2.0	—	21/23	Extraction of metals, ores, minerals n.e.s.				
4.5	0.1	2.0	—	24	Non-metallic mineral products				
9.0	0.4	2.6	—	25	Chemical industry				
2.1	0.2	2.0	—	26	Man-made fibres				
5.2	0.4	1.6	-0.1	3	Metal goods, engineering and vehicles				
4.8	0.2	1.6	—	31	Metal goods n.e.s.				
4.9	0.4	1.5	-0.1	32	Mechanical engineering				
4.9	0.6	1.5	—	33	Office machinery				
4.7	0.5	1.6	-0.1	34	Electrical and electronic equipment				
5.8	0.4	1.5	-0.1	35	Motor vehicles and parts				
6.6	0.5	1.5	—	36	Other transport equipment				
5.9	0.4	1.5	—	37	Instrument engineering				
4.5	0.2	1.9	-0.1	4	Other manufacturing industries				
5.5	0.2	2.2	—	41/42	Food, drink and tobacco				
2.7	0.1	1.1	—	43	Textiles				
2.5	0.1	1.3	-0.1	44	Leather and leather goods				
2.1	0.1	1.3	-0.1	45	Footwear and clothing				
3.0	0.2	1.3	—	46	Timber and wooden furniture				
5.4	0.2	1.3	-0.1	47	Paper, printing and publishing				
4.3	0.3	1.5	-0.1	48	Rubber and plastics				
4.7	0.2	1.6	—	49	Other manufacturing				
4.1	0.4	1.3	-0.1	5	Construction				
12.1	0.9	2.1	—	13-16	Energy (excluding coal)				
7.9	0.7	1.3	—	17	Water supply				

previous survey and should not significantly affect comparisons between 1981 and 1984.

The survey was conducted under the Statistics of Trade Act 1947 for the discharge by the Department of a European Community obligation arising from EEC Regulation 3149/83. A comparable survey was carried out in Northern Ireland by the Department of Economic Development, and results in respect of the United Kingdom are being supplied to the European Community and will be published shortly as part of a Community-wide analysis of labour costs in all member countries.

As the questionnaires were lengthy and detailed, specimen copies were sent to employers early in 1984. As in previous surveys, firms with less than ten employees were not covered in the survey. The survey of manufacturing industries (Divisions 2 to 4 of Standard Industrial Classification, 1980) was conducted on an establishment basis to enable analyses by region to be prepared. For other sectors the reporting unit was the company or organisation and no analyses by region were prepared.

#### Changes in the 1984 Questionnaire

Although the industrial coverage of the 1984 survey was broadly the same as in the 1981 survey, a number of significant changes were made to the questionnaire used in the 1984 survey to reduce the form-filling burden on firms.

In earlier surveys, firms in production industries were asked to report separately in respect of manual and of non-manual employees, but in the 1984 survey firms were asked to cover all employees as a single category, that is,

covering both male and female, manual and non-manual, full-time and part-time. However, as in previous surveys, separate details of the numbers and wages and salaries of apprentices and full-time trainees were requested. People working at home and female cleaners working only a few hours a week, together with directors paid by fee only, were excluded. Employers were asked to state the average number of employees during the year.

In previous surveys, firms in production industries were asked to analyse wages and salaries between amounts paid for hours not worked because of holidays and because of absences for sicknesses, maternity leave, etc. This information was not sought in the 1984 survey, and the estimates on the make-up of wages and salaries in the tables are based on the 1981 figures, extrapolated to 1984 using information on changes in annual holiday entitlements shown by national collective agreements and assuming that absences for sickness, etc., are the same proportion of total hours in 1984 as in 1981.

To reduce the form-filling burden on smaller firms, some of the cost questions in the survey were only asked of firms with more than 100 employees. These questions were the amounts of periodical bonuses and the wages and salaries of apprentices and full-time trainees, and the amounts of labour costs representing benefits in kind and subsidised services. In making estimates for these categories, it was assumed that the relationship between these items and total wages and salaries for firms with 100 or fewer employees was the same as in the next size category.

**Table 5 Analysis of wages and salaries in 1984: manufacturing and construction industries.**  
Average expenditure per employee per hour (a)

Industry group	Total wages		Holidays and other time off with pay		Sickness, injury or maternity pay		Periodical bonuses		Wages and salaries of apprentices and full-time trainees (b)	
	Pence	Percentage of total wages	Pence	Percentage of total wages	Pence	Percentage of total wages	Pence	Percentage of total wages	Pence	Percentage of total wages
<b>All manufacturing industries</b>	<b>428.39</b>	<b>11.1</b>	<b>47.54</b>	<b>11.1</b>	<b>6.13</b>	<b>1.4</b>	<b>5.56</b>	<b>1.3</b>	<b>224.29</b>	<b>52.4</b>
Minerals, metals and chemicals	475.90	10.6	50.66	10.6	7.56	1.6	11.53	2.4	244.62	51.4
Metal manufacturing	501.08	10.4	51.99	10.4	3.61	0.7	2.91	0.6	235.20	46.3
Extraction of metals, ores, minerals	419.57	10.3	43.36	10.3	6.25	1.5	8.02	1.9	209.15	49.8
Non-metallic mineral products	409.57	10.0	40.98	10.0	4.01	1.0	7.15	1.7	224.25	54.8
Chemical industry	518.19	11.2	57.83	11.2	12.02	2.3	19.46	3.8	277.13	53.5
Man-made fibres	439.26	9.7	42.64	9.7	7.85	1.8	7.62	1.7	249.25	56.7
Metal goods, engineering and vehicles	442.75	11.7	51.71	11.7	6.88	1.6	5.16	1.2	238.82	53.9
Metal goods n.e.s.	393.38	11.8	46.37	11.8	4.01	1.0	6.78	1.7	219.03	55.7
Mechanical engineering	441.11	11.5	50.85	11.5	5.62	1.3	3.87	0.9	243.05	55.1
Office machinery	670.49	11.7	78.36	11.7	14.67	2.2	2.03	0.3	309.42	46.1
Electrical and electronic equipment	451.22	11.6	52.49	11.6	7.32	1.6	4.90	1.1	229.58	50.9
Motor vehicles and parts	449.00	12.4	55.58	12.4	4.74	1.1	7.52	1.7	290.16	64.6
Other transport equipment	487.80	11.5	56.15	11.5	12.94	2.7	4.14	0.8	235.41	48.3
Instrument engineering	424.36	11.4	48.45	11.4	8.31	2.0	9.35	2.2	209.99	49.5
Other manufacturing industries	392.24	10.5	41.19	10.5	4.64	1.2	4.84	1.2	192.21	49.0
Food, drink and tobacco	398.31	10.6	42.38	10.6	7.12	1.8	6.91	1.7	251.78	63.2
Textiles	311.18	10.4	32.45	10.4	2.13	0.7	3.39	1.1	160.91	51.7
Leather and leather goods	321.45	9.7	31.25	9.7	0.84	0.3	8.99	2.8	205.71	64.0
Footwear and clothing	271.37	10.6	28.88	10.6	1.01	0.4	2.33	0.9	143.13	52.7
Timber and wooden furniture	373.91	9.4	35.04	9.4	2.62	0.7	3.06	0.8	144.29	38.6
Paper, printing and publishing	504.90	10.7	53.96	10.7	6.09	1.2	4.93	1.0	257.61	51.0
Rubber and plastics	399.10	10.8	43.19	10.8	3.35	0.8	4.23	1.1	242.42	60.7
Other manufacturing	371.29	9.8	36.30	9.8	5.02	1.4	4.61	1.2	199.73	53.8
Construction	408.87	8.7	35.60	8.7	2.41	0.6	4.38	1.1	205.11	50.2

Footnotes—see table 6, below.

**Table 6 Labour costs per hour in 1984; by size of establishment in manufacturing.**  
Average expenditure per employee per hour (a)

Category of labour costs	Great Britain											
	10-49 employees		50-99 employees		100-199 employees		200-499 employees		500-999 employees		1,000 or more employees	
	Pence	Percentage of total	Pence	Percentage of total	Pence	Percentage of total	Pence	Percentage of total	Pence	Percentage of total	Pence	Percentage of total
Total wages and salaries	360.69	86.4	394.46	85.1	400.06	85.4	416.07	84.1	457.11	82.7	492.97	82.7
Statutory national insurance contributions	34.94	8.4	36.90	8.0	36.64	7.8	36.76	7.4	38.99	7.1	40.30	6.8
Redundancy provision (net) (c)	1.19	0.3	2.27	0.5	3.64	0.8	6.92	1.4	10.83	2.0	9.74	1.6
Liability insurance	1.95	0.5	1.43	0.3	1.40	0.3	1.37	0.3	1.35	0.2	1.88	0.3
Voluntary social welfare payments	13.28	3.2	21.78	4.7	19.85	4.2	25.18	5.1	32.70	5.9	40.38	6.8
Benefits in kind	0.54	0.1	0.59	0.1	0.65	0.1	0.49	0.1	0.89	0.2	0.76	0.1
Subsidised services	4.59	1.1	5.21	1.1	5.14	1.1	6.40	1.3	9.05	1.6	7.46	1.3
Training (excluding wages) (b)	0.50	0.1	1.41	0.3	1.28	0.3	1.47	0.3	2.00	0.4	2.66	0.4
Government subsidies	-0.26	-0.1	-0.41	-0.1	-0.18	-	-0.15	-	-0.19	-	-0.28	-
<b>Total labour costs</b>	<b>417.42</b>	<b>100</b>	<b>463.64</b>	<b>100</b>	<b>468.48</b>	<b>100</b>	<b>494.51</b>	<b>100</b>	<b>552.72</b>	<b>100</b>	<b>595.88</b>	<b>100</b>

Notes: (a) The averages quoted refer to all employees—males, females, full-time and part-time, manual and non-manual workers. Not all employees would have been affected by every type of expenditure.  
(b) Data on apprentices includes full-time trainees and employees under the Youth Training Scheme. Wages paid to training administrators and instructors, as well as apprentice wages, are included in "Total wages and salaries" and not in "Training costs excluding wages".  
(c) Provision for redundancy includes both statutory and voluntary payments less any rebates due under the Redundancy Payments Act.  
(d) Data on manufacturing was collected from selected establishments but for all other industries data was obtained in respect of the whole company or organisation.

Also to reduce the form-filling burden, separate information on the hours worked by part-time employees in distribution was not sought in 1984, and small firms (100 or fewer employees) were not asked for information on hours worked by apprentices and full-time trainees.

The reduction in the amount of information collected in the 1984 survey will have added slightly to the degree of uncertainty surrounding some of the estimates, but is not thought to be significant at the broad industry level at which figures are shown in this article.

#### Sampling arrangements

The sampling arrangements for the 1984 survey were broadly the same as in the previous survey. For manufacturing industry, forms were sent to all establishments with 500 or more employees based on details from the latest (1981) Census of Employment register. A sample of establishments employing less than 200 employees was drawn from the same register, ranging from 1 in 30 for establishments with 10 to 49 employees to 1 in 2 for establishments with 200 to 499 employees. However, it was arranged that firms with less than 200 employees which had been approached in the two previous surveys should not be approached in the 1984 survey.

For the construction industry, forms were sent to all enterprises with 500 or more employees, based on groupings of establishments in the Census of Employment register. For smaller enterprises, samples were drawn ranging from 1 to 50 for those employing 10 to 49 persons to 1 in 3 for those employing 200 to 499 persons. As with manufacturing, small firms covered in earlier surveys were deleted from the 1984 sample.

For the main energy sectors (gas, electricity and water) much of the information was available from central sources in the industries.

In the distribution and finance sectors the inquiry was conducted on a company basis. The sample for wholesale and retail distribution was obtained from the Business Statistics Office, Newport, using the register based on Value Added Tax (VAT) records and classified by value of sales. All companies in wholesale distribution with 200 or more employees and in retail distribution with 500 or more employees (based on an estimated relationship between numbers of employees and sales) were approached. A sample of smaller companies was approached, although as in other sectors, it was arranged that firms approached in earlier surveys were not approached in the current survey. The sampling fractions were:

Number of employees	Wholesale distribution	Retail distribution
10-19	1 in 50	1 in 50
20-49	1 in 25	1 in 25
50-99	1 in 5	1 in 5
100-199	1 in 2	1 in 2
200-499	1 in 1	1 in 2

In the finance sector, a considerable amount of information was supplied through central sources such as the British Bankers' Association and the British Insurance Association. In the insurance sector, brokers and home service agents and other employees remunerated wholly or partly on commission were excluded. The details for financial institutions other than banking and insurance cover only building societies and finance houses (part of group 815 in Standard Industrial Classification, 1980).

#### Components of labour costs

Employers were asked to give details under eight broad categories of labour costs.

#### Wages and salaries

Wages and salaries comprise the gross amount paid to employees in respect of wages and salaries before deduction of income tax and national insurance contributions and superannuation contributions, including payments for overtime, shift supplements, earnings under payments-by-results schemes and bonuses and gratuities, including production, profit sharing and cost of living bonuses. Payments in lieu of notice, commission payments and payments under a guaranteed wage agreement were also included.

Employers (except for firms employing 100 or fewer employees) were also asked to list under wages and salaries:

- bonuses not payable regularly at each pay period (such as, Christmas, holiday, half-yearly);
- wages and salaries of apprentices and full-time trainees, including employees in Youth Training Schemes, but not trainees in Youth Training Schemes (that is, those without contracts of employment).

#### Statutory National Insurance Contributions

These comprise employers' total National Insurance contributions for the year.

#### Provision for redundancy

Separate information was obtained about:

- redundancy payments of all kinds, statutory or voluntary, paid to redundant employees; and
- rebates received by employers from the Redundancy Fund under the Redundancy Payments Act.

#### Employers' liability insurance

This comprises premiums paid to insurance companies, employers' liability mutual associations, etc. in respect of the risk of incurring damages at Common Law for accidents at work and diseases caused by work.

#### Voluntary social welfare payments

Employers were asked to specify:

- amounts paid into superannuation and other private pension funds, including group life insurance premiums;
- amounts paid into funds to provide for sickness and industrial accidents payments;
- lump sum *ex-gratia* payments and marriage gratuities paid directly to employees and not through funds.

#### Benefits in kind

Benefits in kind include the cost of luncheon and other meal vouchers and the net cost to employers for goods provided free or below cost to employees.

### Subsidised services to employees

Employers were asked to show the net cost incurred in providing specified services for their employees. The services specified were:

- Assistance with housing
- All other services, including:
  - Canteens, staff restaurants, etc
  - Medical and health services
  - Recreational, cultural and educational services
  - Transport of employees to and from work
  - Provision of working clothes
  - Removal of household effects.

### Vocational training

This comprises expenditure on training by employers, excluding all wages and salaries. The wages and salaries of those engaged in training were included under the general heading "wages and salaries", the earnings of apprentices and full-time trainees being separately distinguished.

Amounts of levies paid to industrial training boards during the year were included, while grants received from the boards were deducted to show the net cost.

### Receipts

In addition to the above costs, employers were asked to report any amounts received from government in respect of their employees. This mainly covered amounts received in respect of employees (but not trainees without a contract of employment) under Youth Training Schemes, and amounts received under the Temporary Short-time Working Compensation Scheme, Young Workers Scheme and Job Sharing Subsidy.

### Hours

Information was obtained about the number of hours worked during the year. This comprised as far as possible the number of hours worked. Overtime hours actually worked (not the hours paid for at e.g. time and a half) were

to be recorded. Hours not worked through sickness, attendance at training classes or other courses were excluded, except that any hours during which employees were available for work and for which a guaranteed payment was made were counted as hours worked. Meal times such as the mid-day break were excluded.

It was, however, recognised that information on occasional paid absences, for example, for sickness or bereavement, might not always be readily available and in such cases an estimate was accepted of annual hours that employees would normally be expected to work (that is, normal weekly hours excluding main meal breaks multiplied by the number of weeks worked each year allowing for annual and public holidays).

Costs per hour worked were obtained by dividing labour costs by the total hours worked in the year.

### Industrial Classification

The results of the 1984 survey are analysed according to the 1980 Standard Industrial Classification.

### Response

In manufacturing industries about 4,030 establishments provided returns suitable for tabulation—about 80 per cent of those approached which were in scope of the survey. The number of people in employment in reporting establishments was about 1,872,000, about 34 per cent of the total estimated number of employees in manufacturing.

In construction, returns were received from 340 firms—about three-quarters of those approached which were in scope of the survey. The number employed in reporting firms was about 150,000, about 16 per cent of the total estimated number of employees in construction.

In the distributive sector, about 1,830 firms provided returns suitable for tabulation—about 80 per cent of those approached which were in scope of the survey. Reporting firms employed 1,137,000 people, about 38 per cent of the total estimated number of employees in distribution.

In the other sectors where information was obtained mainly via trade associations, the number of employees covered by returns in banking, insurance and finance was 599,000. ■

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## SPECIAL FEATURE

# Labour market statistics—100 years on

It is just 100 years since a Resolution of the House of Commons gave the go-ahead to the regular and systematic collection of statistics in the UK labour market. This article by the Director of Statistics, Paul Dworkin, presents a perspective on the main developments and describes the current work of the Department of Employment Statistics Division. It also contains a hitherto unpublished description of leading statisticians and their achievements compiled by A R Thatcher, currently Registrar General, previously Director of Statistics in the DE, who has kindly given permission for its inclusion.

The collection of statistics relating to the labour market has a long history. The publication *British Labour Statistics—Historical Abstract 1886–1968* gives examples of series of wages for particular trades going back to 1780, although monitoring wage levels goes back well into the Middle Ages. Information on employment was first collected in the Census of Population for 1841. But 1886 is a year of special significance since it can be thought of as the starting point for the systematic collection and publication by government of a wide range of statistics relating to the labour market.

On March 2, 1886 a Resolution was adopted by the House of Commons:

"That, in the opinion of this House, immediate steps should be taken to ensure in this country the full and accurate collection and publication of labour statistics."

The role of putting this Resolution into effect was given to the Board of Trade. A separate Labour Department within the Board was set up in 1893, but it was not until 1917 that responsibility for labour statistics was transferred to the newly-created Ministry of Labour. Thus, the Statistics Division of the Department of Employment can be said to pre-date the Department (and its predecessors under various descriptions) by three decades! More recently, some activities previously dealt with directly by the Department in the areas of public employment and training, and health and safety at work, have been carried out by separate Commissions (the Manpower Services Commission and the Health and Safety Commission). Although the statistical activities of these bodies are no longer the direct responsibility of Statistics Division, there remain strong professional ties.

### Ambitious programme

In the early days, labour statistics primarily concentrated on the "wages-receiving classes", that is, manual employees. Wages were the focus of attention and the first general survey of the earnings and hours of manual workers (the Census of Wages) was held in 1886. However, the Board set itself an ambitious programme of work which included:

- "the savings and general conditions of the same class, the prices of commodities and other matters in which the masses of the country are vitally interested" (which led in time to the Retail Prices Index and the Family Expenditure Survey)

- "a fuller record of wages, with special reference to hours of labour, slackness or abundance of employment" (which led to the current estimates of employment, unemployment, overtime and short-time working, etc)
- "to make arrangements for . . . the regular publication of such statistics" (which led to the publication of Labour Gazette in 1893, the forerunner of *Employment Gazette*).

Although much of the current scope and coverage of labour market statistics can be glimpsed in embryo in the early plans, they have been considerably extended and modified over the past century in response to changing social attitudes and policy interests. The early concern about the "wages-receiving classes" has been widened to recognise the labour market as a whole, in which distinctions between occupations, between employed and self-employed, between full-time and part-time employment and between paid work and leisure are constantly changing. The early emphasis on periodical Censuses (for example, of wages) and on pay rates in collective agreements has been widened to provide continuous monitoring of labour market developments through monthly and quarterly sample surveys, both of firms and of individuals.

The growth in the scope of labour market statistics has been mirrored in the number of staff involved. One labour correspondent and two lower division clerks were added to the Department "on account of Labour Statistics" in 1886. By 1900 the number of staff involved had grown to around 40. Currently there are just under 300 staff.

The current work of Statistics Division was expanded last year by the transfer of responsibility for small firms and tourism to the Department of Employment with the associated statistical activities.

### The role of Statistics Division

The general aim of Statistics Division is to produce, publish, interpret and advise upon the UK system of labour statistics and related Departmental concerns such as small firms and tourism. This means ensuring that the statistics are:

- relevant to the identified needs of Government, and adapted to changes in those needs;
- brought to bear on policy and other issues by clear presentation and proper interpretation;

- produced regularly, to a given timetable, and to acceptable levels of quality and reliability;
- professionally up to date and sound;
- produced as economically and efficiently as is consistent with the above.

The organisation of Statistics Division is shown on page 223. There is a Director of Statistics with overall control of statistical activities and four Chief Statisticians, each responsible for a particular range of labour market statistics, yet having close links where particular surveys impinge on more than one subject. The following describes some of the major blocks of work in each branch, concentrating on those of particular historical or current interest.

### Branch A—Earnings and hours

The Census of Wages in 1886, as mentioned earlier, was one of the first events to follow the Resolution on labour statistics, and the **October survey of manual employees' earnings and hours** is a direct descendant of the 1886 Census with its restriction to manual employees and emphasis on production industries. Although the October survey remains a valuable source of information on earnings and hours at detailed industry level, relatively greater attention is now given to the **New Earnings Survey (NES)** which is carried out each April and covers a one per cent sample of employees who are members of pay-as-you-earn (PAYE) schemes. Despite its title, the NES dates from 1968 when a ½ per cent sample survey was carried out before moving to an annual one per cent survey in 1970. The main advantages of the NES over earlier earnings surveys are that it covers all sections of the economy and all occupations, both manual and non-manual; and it enables earnings to be analysed into their principal components (overtime, bonuses, basic and other pay). Also, as a survey of individuals rather than firms, the information can be analysed more readily by occupation, by negotiating groups, by age, etc.

As well as forming the basis of a detailed published report, the results of the NES are widely used within government in assessing pay developments. The survey is also used periodically to obtain information on conditions of employment, etc., other than earnings, for example, annual leave entitlements, collective bargaining arrangements and training.

The **average earnings index** provides a broad monthly indicator of changes in total pay, covering all forms of remuneration, including overtime, bonus and shift premia payments as well as basic pay for normal hours. Currently based on a sample of 8,000 firms in all sectors of the economy, it began in 1963 with a more limited coverage of production and a few related sectors before being extended to the whole economy in 1976. It is used primarily as a macro-economic indicator and cannot provide the degree of industry and other detail of the annual earnings surveys.

### Labour costs and wage rates

**Surveys of labour costs**, covering both wages and salaries and the various statutory and voluntary costs involved in employing labour (such as national insurance, pension contributions and subsidised services), were first carried out in the UK in 1964. These are only carried out periodically as they are both time-consuming for employers and cover items, many of which either change relatively slowly or can be estimated in other ways. For the past decade or so, triennial labour cost surveys have been required under European Community regulations, although after the 1984

survey (the results of which have been published in *Employment Gazette* (see p 212-8) a four year gap will occur.

One activity of the branch which spans the past century concerns the publication of details on **wage rates and hours of work**. Although the index of wage rates was discontinued\* in 1983, details of rates, hours and other conditions of service taken from national collective agreements affecting manual workers are still published in *Time Rates of Wages and Hours of Work*. This moved to a loose-leaf, more expensive (but self-financing) format in 1984.

### Family expenditure

The branch is also responsible for the Department's role in respect of the **Family Expenditure Survey**. Concern about the expenditure patterns of families goes back nearly a century since by 1889 information on expenditure by working men was being published. As explained in the February 1986 issue of *Statistical News*, the original objective of developing a family expenditure survey to provide expenditure weights for a retail prices index remains, but the survey now serves a variety of purposes, particularly on the effect of taxes and benefits on households. The branch shares with other user departments the responsibility for developing the survey and for liaising with the Office of Population Censuses and Surveys (OPCS).

### Tourism

Recently the branch has acquired responsibility for **tourism statistics**. The major part of this responsibility concerns the **International Passenger Survey** which provides estimates of the number and expenditure of foreign visitors to the UK (a major and growing part of the demand for tourist facilities in the UK and consequently for jobs). As with the Family Expenditure Survey, OPCS is responsible for the field-work on the survey which currently covers a stratified random sample of around 175,000 passengers entering and leaving the UK on the principal air and sea routes. Other departments have an interest in its results, although the branch is responsible for the computer analyses.

A special feature on tourism statistics appeared in the January 1986 issue of *Employment Gazette* (pages 19-20).

### Branch B—Unemployment

Regular **unemployment statistics** go back to 1888, when the Board of Trade started to collect returns from some trade unions on their members unemployed at the end of each month, together with their total membership. Although the coverage was very limited, these early data were independent of the unemployment insurance system.

Unemployment insurance was first introduced in 1910 and extended to be fairly comprehensive in 1920, since when it has been used as the main source of unemployment statistics. Changes in the coverage of the administrative system naturally make comparisons over time very difficult. In addition, comparisons between countries are influenced by differences between their administrative systems.

In the UK the major changes in the monthly statistics since 1920 came in 1948, with the introduction of the National Insurance Scheme, and in 1982. This latter change was itself a result of legislation in 1973, which established the Jobcentre networks of the Manpower Services Commission (then the Employment Services Agency). Responsibility for the unemployment benefit system fell to new

\* Following the Rayner Review in 1981, which also proposed that two other earnings surveys on non-manual employees and manual employees in selected occupations should be discontinued.

Unemployment Benefit Offices. From October 1982, adult claimants were no longer required to register at Jobcentres as well as at Benefit Offices. The count at Jobcentres, with its origins in the work-finding function of the pre-war Employment Exchanges, has therefore been transferred to Benefit Offices. The new system excludes people seeking work who are not claiming benefit but includes one group previously excluded from the register, the severely disabled unemployed.

This major change to the main system of counting unemployment in the UK has highlighted the problems of using an administrative system as a proxy for an economic and social concept such as unemployment. There is no single definition of unemployment best suited in all contexts. However, data collected by means of household surveys on the numbers without work and seeking a job are an internationally accepted approach to measuring unemployment. In the UK such data are now regularly produced from the Labour Force Survey (LFS), described in more detail under Branch C.

The availability of reliable household estimates has had major implications for the work of monitoring unemployment, not only in comparing the results with the claimant count, but in studying characteristics of the unemployed which could not be provided by the administrative system. For instance data on the ethnic origin of the labour force has enabled, for the first time, unemployment rates for different ethnic groups to be calculated.

During the next year or so the Department's statisticians will continue to seek how best to integrate the two approaches to measuring unemployment. The Labour Force Survey based on a sample of households will never provide detailed local information of the type which arises naturally from the claimant count and which can be processed and published at little extra cost. However, at the national level, and for international comparisons, the LFS definitions come much closer to the public perception of unemployment, and are likely to form a more prominent role in public debate in future.

### Industrial disputes

Statistics on **industrial disputes** also go back to 1888, with a consistent series on strikes and lock-outs being established in 1893. For this series we have always been dependent on the voluntary provision of data. In 1888 the reporters were described as local correspondents. Now some information is obtained through the Unemployment Benefit Offices but most data still comes direct from the firms, employers' organisations and trade unions as 100 years ago.

Until last year the record keeping on the industrial dispute statistics was entirely manual and occupied large numbers of clerical staff. However, a micro-computer database has now been introduced, which has resulted in staff savings and allows a wider range of tabulations to be produced more quickly.

### Branch C—Employment

This Branch is concerned with all aspects of employment (although the operation of the Census of Employment is the responsibility of Branch D), the labour force and statistics on small firms.

Comprehensive employment statistics have been available since 1841 from the decennial **Census of Population**. From 1923, statistics of the number of employees were also derived annually from the administrative records of the various national unemployment insurance schemes. These estimates did not cover the self-employed and reflected, of

necessity, the changing coverage of the insurance provisions. A major discontinuity in the estimates arose in 1948 when the present national insurance scheme was introduced.

Since 1950, a monthly sample survey of **employees in manufacturing industry** has been conducted. This enabled more detailed employment figures analysed by industry to be compiled and published each month, instead of annually. The same returns also collect information on engagements and discharges, and on overtime and short-time working. The latter estimates, as well as being published in their own right, have been used since 1962 to compile an index of total weekly hours worked in manufacturing industry, and an index of average weekly hours per operative, by combining them with data on normal weekly hours of work collected by Branch A.

In 1971, a direct survey of employers, the annual **Census of Employment**, was introduced to replace the national insurance card count as the principal source of employment data, although the latter continued to be used for quarterly estimates of non-manufacturing employment up to 1974. When the use of national insurance cards was discontinued in 1974, the Department introduced a quarterly survey of employers in non-manufacturing to replace this data source. Together with the existing survey of manufacturing industry, and some data available centrally on, for example, nationalised industries, this forms the basis of the present **quarterly series of employment estimates** analysed by industry.

With the introduction of less frequent Censuses of Employment after 1978 the quarterly employment surveys have shown a tendency to underestimate the change in employment between the full censuses because they do not fully reflect the effect of the creation of new establishments. Since 1983, the Labour Force Survey (LFS) has been used to make a preliminary estimate of the extent of this undercounting until the next Census results are available, and the current employment figures are adjusted to take account of this. The LFS is also used to give estimates of the change in self-employment between Censuses of Population.

### Labour Force Survey

The Branch is responsible for the Department's role in respect of the **Labour Force Survey**, which is sponsored by the Department, although the fieldwork and processing is carried out by the Office of Population Censuses and Surveys (OPCS). The LFS was first conducted in 1973, in the first instance for the Statistical Office of the European Communities. It now serves a wide range of departmental needs, particularly in this Department but also in the Home Office and the Population Statistics Division of OPCS. It was conducted biennially from 1973 to 1983, but since 1984 has been continuous.

Results are currently published annually while the quality of the quarterly results is being assessed. Currently some 100,000 interviews of private households are conducted each year in Great Britain. The survey also provides information on a number of topics of interest: the labour market experience of ethnic minorities, persons with marginal attachment to the labour market, comparisons of survey-based and claimant unemployment to give just a few recent examples.

The LFS is the major source for the mid-year estimate of the civilian labour force (those either in, or seeking paid work). On the basis of these estimates, and using population projections produced by the Government Actuary's Department, future projections of the labour force are

compiled, both for Great Britain and its constituent countries and regions.

### Training

The Branch also has a co-ordinating role in the provision of statistics on **training**. This is currently an area of great interest, but the available data are fragmentary and come from a wide variety of sources. By developing the use of existing sources, such as the Labour Force Survey, and, where appropriate, new ones such as the Manpower Services Commission's Youth Cohort Survey, a more coherent picture should emerge.

### Branch D—Retail prices

The first official index of retail prices was published in 1904. This index was based on the prices in London of nine articles of food and gave figures back to 1877. Although during the following decade, various indices were published covering prices of some items other than food, it was not until July 1914 that a regular monthly inquiry into the retail prices of the principal items of working class family expenditure was begun, and the **Cost of Living Index** was published each month.

This index was replaced by the Interim Index of Retail Prices in 1947 which used the results of the 1937-38 survey of household budgets, and in 1956 by a new **index of retail prices** using the 1953-54 household budget survey results. Since 1962 the index of retail prices has used the results of the Family Expenditure Survey, carried out annually since 1957, to revise the weighting basis each year.

The uses of the index have expanded greatly from the initial concern at the turn of the century with the effect of

changing food prices on the living standards of manual employees. The general index of retail prices is now very broadly based, covering the expenditure of all private households (other than those in the top three to four per cent of the income distribution and one or two-person pensioner households of limited means). It is extensively used within government as a key economic indicator of the level of inflation, and now occupies a crucial role in the index-linking of many government payments, including social security benefits, public sector occupational pensions, some national savings and gilt-edged securities and personal tax allowances. It is also widely used outside government in the context of pay negotiations, private sector pension schemes and private contractual arrangements for which a widely accepted measure of general inflation is required.

To ensure that the index retains its reputation, its basis is under continuous review. The "basket" of goods and services which the index measures includes the full range of consumers' expenditure. A selection of about 600 representative items is made for pricing so as to provide indicators of price movements within specific expenditure categories. These items are kept under review as consumer fashions and habits change and new items become available.

About 150,000 price quotations are collected each month from shops of different types in 180 areas spread throughout the UK to reflect the actual buying habits of households. Also, periodically, the method of construction of the index is reassessed in the light of changing circumstances and requirements by an Advisory Committee of representatives from employers' organisations, trade unions, academic bodies etc. The Committee which last reported in 1979 was reconvened in 1984 to re-examine the

treatment of housing costs, to consider the possibility of rebasing the index and to consider certain points on the index's coverage and construction. Among the latter are those associated with the growth of leisure expenditure outside the home, including package holidays and other forms of expenditure associated with tourism. The Advisory Committee is expected to report later this year.

### Purchasing power parities

Branch D co-operates with various international bodies, including the European Community, in international surveys of consumer prices in order to produce estimates of **purchasing power parities (PPPs)** between various national currencies. These surveys have been carried out in London and other European capitals in 1975, 1980 and 1985, and also cover a number of other developed and developing countries. PPPs can be regarded as retail price indices which measure differences in purchasing power between countries rather than changes over time in a single country. Their use is appropriate when equivalent values in national currencies of various economic aggregates are required, for example, by international organisations comparing national accounts aggregates and companies comparing earnings levels in different countries.

### Census of employment

The Branch is also responsible for the **Census of Employment** operation which has undergone major changes in processing arrangements over the past five years. Following the Rayner Review in 1981 it was decided to move from annual to triennial censuses. This is now considered to be too long an interval and, following the 1984 Census (the results of which will appear shortly), there will be only a two year gap with Censuses now being planned for 1986 and 1988.

The move to less frequent Censuses, combined with processing problems with the annual Censuses up to 1978, led to consideration being given to developing a radically new computer system for future Censuses, the **Employment Statistics System (ESS)**. Work on the ESS began in 1981 and was largely operational for the 1984 Census. The new system, which is a data-base system, is more efficient through the centralisation and automation of despatch, receipt, follow-up and reminder activities, and the streamlining of some clerical operations and the automation of others. The new system provides for a continuous register update linked to about 1 million pay offices in the UK, although greater use of sampling now occurs in the Census itself.

Although geared to the Census, ESS has been designed as a generalised facility for conducting large-scale simple postal surveys of employers, and for processing, storing and using the data which are held in an IDMS data-base. There are a number of central services around this data-base which, in combination, will meet any likely statistical or operational requirement, including online access, batch update, extraction, printing and tabulation. Specialised features include the postcoding of records to support a variety of area analyses (for example, travel to work areas) and automatic coding to industries on the basis of standardised business descriptions.

### Conclusion

Over the past century, there has been continuity in some areas of labour market statistics, accompanied by a considerable widening in others as the spotlight has moved in response to policy needs. Now more than ever it is vital to view the labour market as a whole and to ensure that all

## STATISTICS DIVISION: DEPARTMENT OF EMPLOYMENT

April 1986

### STATISTICS A: EARNINGS, FAMILY EXPENDITURE AND TOURISM

- Statistics A1** Earnings statistics: short-term and related statistics (monthly index, October manual earnings and hours survey, labour costs, wage rates and conditions of employment)
- Statistics A2** Earnings statistics: New Earnings Survey
- Statistics A6** Family Expenditure Survey
- Statistics A7** Tourism statistics

### STATISTICS B: UNEMPLOYMENT, VACANCIES AND INDUSTRIAL DISPUTES

- Statistics B1** Unemployment and vacancies: briefing and analysis
- Statistics B2** Unemployment and vacancy statistics: operations and developments
- Statistics B3** Industrial disputes, redundancies and general Divisional topics (e.g. publications and budgets)

### STATISTICS C: LABOUR FORCE, EMPLOYMENT AND SMALL FIRMS STATISTICS

- Statistics C1** Labour force: analysis, estimates and projections
- Statistics C2** Employment statistics: operation of monthly and quarterly surveys
- Statistics C3** Employment statistics: policy and briefing
- Statistics C4** Labour force: Labour Force Survey and statistics from population censuses and other household surveys
- Statistics C5** Labour force—special groups; training statistics
- Statistics C6** Small firms

### STATISTICS D: RETAIL PRICES AND CENSUS OF EMPLOYMENT

- Statistics D1** Retail Prices Index: analysis and development, including Advisory Committee
- Statistics D2** Retail Prices Index: operations
- Statistics D3** Census of Employment: methodology and strategy; Purchasing power parities
- Statistics D4** Census of Employment: operations

relevant data can be readily integrated to illustrate how patterns of work are changing.

Interest in some subjects waxes and wanes. In the light of the reference to profit sharing schemes in the recent Budget Statement, it is of interest that even in 1894 when the first Abstract of Labour Statistics was issued, there was a section on profit sharing going back to 1829! No doubt during the next century, new emphases in labour market statistics will emerge and present a continuing challenge to labour market statisticians.

## The Family Expenditure Survey 1984

The Family Expenditure Survey provides a wealth of information about private households and how they spend their money. The survey, which is based on a representative sample of private households in the United Kingdom, has been in continuous operation since 1957, and represents a unique and reliable source of household data, providing a perspective of the changes and developments in household circumstances and characteristics over the past two and a half decades. The survey provides an invaluable supply of economic and social data.

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## Historical note, prepared in September 1973

by A R Thatcher, Registrar General

The Statistics Division of the Department of Employment is the successor of the Statistics Department of the Ministry of Labour, which was the successor of the Labour Statistics Department of the Board of Trade, which in turn had a long history.

### Sir Robert Giffen, Chief of Statistical Department, 1876

In 1876 Sir Robert Giffen was appointed chief of the Statistical Department of the Board of Trade. In 1882 the Commercial Department was united to the Statistical Department under Giffen, who became an Assistant Secretary to the Board. In 1893 a third department, the Labour Department, was added and Giffen became Controller of the Commercial, Labour and Statistical Departments until his retirement in 1897.

Giffen, one of the great Victorian statisticians, was born in Lanarkshire in 1837. He was educated at the village school and then apprenticed to a lawyer. In 1860 he decided to become a journalist, and in 1868 became assistant editor of *The Economist* under Bagehot. It was from this point that he was appointed to the Board of Trade in 1876. He was one of the founders of *The Statist* in 1878, edited the *Journal of the Royal Statistical Society* (of which he was President) from 1876 to 1891, was a founder of the Royal Economic Society in 1890 and wrote numerous articles and books on statistics, finance and economics. He died in 1910.

On March 2, 1886, on the motion of Charles Bradlaugh, the House of Commons adopted a resolution that full and accurate labour statistics should be collected and published. As a result Mr John Burnett, formerly General Secretary of the Amalgamated Society of Engineers, was appointed "Labour Correspondent" and began the collection of statistics of strikes and lock-outs, trade unions and the state of the labour market. Meanwhile the Statistical Department carried out the 1886 Census of Wages, a real pioneering effort.

### Labour Gazette

In 1893 the Labour Department was formed, its first head (reporting to Giffen) being known as the Commissioner for Labour. He was Hubert Llewellyn Smith (see below). Three additional Labour Correspondents (one a lady) were appointed and the monthly *Labour Gazette*, the predecessor of *Employment Gazette*, was first issued in May 1893. Local correspondents were paid by fee to report on labour conditions in their districts and in other countries. The first Abstract of Labour Statistics of the United Kingdom was published in 1894. From 1893 onwards the compilation of labour statistics was separated from that of statistics, generally, "as requiring a very different technique".

### Sir Hubert Llewellyn Smith, first Labour Commissioner, 1903

Sir Robert Giffen was succeeded as Controller General of the Commercial Labour and Statistical Department by Sir Alfred Bateman, who in turn was succeeded in 1903 by Sir Hubert Llewellyn Smith, the first Labour Commissioner. Born at Bristol in 1864, Llewellyn Smith took a first in mathematics at Oxford, and then engaged in social work until he entered the Board of Trade in 1893. In 1907 he became Permanent Secretary to the Board of Trade and in 1919-27 was Chief Economic Adviser to the Government.

Under Sir Winston Churchill he planned the new system of unemployment insurance and with Sir William Beveridge he set up the labour exchanges. He was primarily responsible for the economic preparations for war, organised, under Lloyd George, the Ministry of Munitions and took a leading part in the League of Nations. After his retirement in 1927 he returned to social work and wrote several books. He died in 1945.

### F H McLeod, First Director of Statistics, 1910

While Sir Alfred Bateman was Controller General, in 1897-1903, the Labour Commissioner was Llewellyn Smith and the Assistant Labour Commissioner was A Wilson Fox. There was also a Principal for Statistics (G H Simmonds, later succeeded by H R Bence Jones) and a part-time translator who was Sir Edmund Gosse, the author. When Llewellyn Smith became Controller, his deputy was A Wilson Fox (former Assistant Labour Commissioner), who in turn succeeded Llewellyn Smith in 1907 in the combined post of Controller General and Labour Commissioner. At this period there was a Principal of the Labour Department (F H McLeod) and a Principal for Statistics (H Fountain). Finally, in 1910, the Commercial, Labour and Statistical Department was headed by an Assistant Secretary (G R Askwith), later G S Barnes and F H McLeod was appointed Director of Statistics in the Labour Department, the first appearance of this title. McLeod remained Director until 1919.

In 1903 the Labour Department published a Report on Wholesale and Retail Prices, which included an index of wholesale prices back to 1871, and was also the starting point of the indices of retail prices and the cost of living.

In 1906 the second Census of Wages was carried out by the Labour Department. A special section was set up for this purpose. Sir Arthur Bowley, being then a lecturer at Reading, acted as a consultant. Also in the Department at this time were E C Ramsbottom and R B Ainsworth, later to be Directors of Statistics; and G H Wood, who compiled the unpublished volume on Rates of Wages and Hours of Labour which was used in Table 1 of *British Labour Statistics: Historical Abstract 1886-1968*.

### The Ministry of Labour

Although the Labour Department of the Board of Trade was first set up to collect and publicise statistics, the force of events (notably the several strikes, lock-outs and unemployment in the late 1890's) caused it to intervene in industrial negotiations and later to set up the Labour Exchanges (1909) and establish unemployment insurance (1911). This made it necessary to create a separate "Labour Exchanges and Unemployment Insurance Department", while the Labour Department proper "reverted to its original function as a Department of Labour Statistics". All were transferred to the Ministry of Labour when it was set up in 1917.

### John Hilton, Director of Statistics, 1919

McLeod was succeeded in 1919 by John Hilton, who was born at Bolton in 1880. After various jobs he became a lecturer for the Free Trade Union, worked with Norman Angell, became secretary of a committee which included Ernest Bevin and Sidney Webb, and wrote a Report on Trusts and Combines. As Director of Statistics he carried out several studies of the characteristics of the unemployed and was an active worker with the International Labour Office (particularly on international wage comparisons) and the International Statistical Office. His colleagues included Humbert Wolfe the poet, who was Principal Assistant Secretary of the General Department, which included Statistics Division. In 1931 Hilton left the civil service to become the Montague Burton Professor of Industrial Relations at Cambridge. During the War he became Director of Home Publicity at the Ministry of Information and a noted broadcaster ("John Hilton Talking"). He died in 1943.

### E C Ramsbottom, Director of Statistics, 1930

Hilton was succeeded as Director of Statistics by E C Ramsbottom in 1930. Born in 1881 and educated at Manchester Grammar School, Ramsbottom joined the Admiralty as a Second Division Clerk in 1899 and the Labour Department in 1905. He was in charge of the Statistics Department throughout the Second World War, when it was dispersed to Southport.

One of his colleagues was Mr J H Wilson, later Prime Minister, who for a time was head of the Manpower Statistics Branch which

was responsible for the policy interpretation of the statistics.

Ramsbottom played a prominent part in the Census of Wages in 1906 and was the author of a major paper on wage rates in 1935. He instituted the family budget enquiry of 1938, the regular enquiries on weekly earnings in 1940 and introduced the comprehensive wage rates index. He was also prominent in the field of international statistics. He was a perfectionist known for his meticulous accuracy. After his retirement in 1945 he was for 12 years statistical adviser to the British Employers' Confederation. He died in 1959.

### R B Ainsworth, Director of Statistics, 1945

Ramsbottom was succeeded in 1945 by R B Ainsworth, who was born in 1887, educated at Manchester Grammar School, joined the civil service as a Second Division Clerk in 1906 and the Labour Department in 1907. Commissioned in the Durham Light Infantry, he was wounded at Arras and awarded the Military Cross in 1917. He was involved in the earnings surveys, the enquiry into working class budgets in 1937-38 and the introduction of the interim index of retail prices in 1947. He contributed papers to the Royal Statistical Society, was responsible for the preparation of the "Guide to Official Sources, No. 1, Labour Statistics", took a leading part in international conferences and was Chairman of the Committee on the International Standard Classification of Occupations. He retired in 1950 and remained active until his death in 1971.

### R F Fowler, Director of Statistics, 1950

Ainsworth was succeeded as Director of Statistics in 1950 by R F Fowler, a former lecturer at LSE who joined the Offices of

the War Cabinet in 1940. He was one of the first members of the Central Statistical Office, where he was influential in developing the system of employment statistics based on quarterly counts of national insurance cards.

Fowler's major achievements included the establishment of the Index of Retail Prices in its present form and the institution of the Family Expenditure Survey and the monthly Index of Average Earnings. He also introduced other surveys of salaries, occupations and labour costs, and took an active part in international conferences. In 1968 he was appointed Director of Statistical Research, in which capacity he published notable papers on the duration of unemployment and problems of index number construction.

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# Employment Gazette

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# QUESTIONS IN PARLIAMENT

A selection of Parliamentary questions put to Department of Employment ministers on matters of interest to readers of *Employment Gazette* is printed on these pages. The questions are arranged by subject matter, and the dates on which they were answered are given after each answer.

## Enterprise Allowance Scheme

*Barry Sheerman (Huddersfield) asked the Paymaster General, how much money is allocated for the training provision for recipients of Enterprise Allowance in 1986-87.*

Mr Lang: People on the Enterprise Allowance Scheme can take advantage of both public and private sector training including the provision made available through the Manpower Services Commission's Training for Enterprise Programme. In addition the Commission has introduced a revised system of induction and follow up of Enterprise Allowance participants. This new system will include a one day self-employment awareness session to replace the present two hour information session attended by all applicants to the scheme.

One of the main purposes of the revised system is to highlight the importance of enterprise training and its benefits to the participants' businesses as well as providing an introduction to basic business concepts. Follow up monitoring by MSC staff will be enhanced to reinforce the emphasis on training and business counselling for participants. A total of £1.8 million has been provided in 1986-87 specifically to fund these enhanced arrangements.

(May 1)

## TVEI

*Mr Clement Freud (North East Cambridgeshire) asked the Paymaster General, what proportion of participants in Technical and Vocational Education Initiative schemes were girls; and how this compares with the overall secondary school population at the latest available date.*

Mr Trippier: Across the 74 projects in Great Britain currently operating under the Technical and Vocational Education Initiative, 43 per cent of students starting projects were girls. This compares with 49 per cent for the population in maintained secondary schools as at January 1985.

(May 21)

## Graduate unemployment

*Mr Nigel Forman (Carshalton and Wallington) asked the Paymaster General, if he would publish information available to him from surveys of the total workforce which show graduate unemployment rates as compared with the average for the population as a whole in each of the years from 1970 to the latest available date.*

Mr Lang: The available information derived from Censuses of population and Labour Force Surveys is set out below:

### Unemployment rates in Great Britain

	Census of population		Labour Force Survey		Per cent
	Rate among economically active* population	Rate among economically active* graduates†	Rate among economically active** population	Rate among economically active** graduates†	
1971	4.9	2.0	—	—	
1981	9.4	3.4	9.7	4.0	
1983	—	—	11.7	4.9	
1984	—	—	11.2	4.4	
1985	—	—	10.7	4.2	

\*1971: those aged 18-69, 1981: those aged 18 and over.  
\*\*1981: those aged 16-59, 1983: those aged 16 and over 1984 and 1985: men aged 16-64; women aged 16-59.  
†those with University degrees or equivalent qualifications.

(May 14)

Kenneth Clarke



## Jobclubs

*Mr John Maples (Lewisham West) asked the Paymaster General, what results are being achieved by the Jobclub network; and if he would make a statement.*

Mr Lang: The results achieved by Jobclubs are very encouraging. Two-thirds of people passing through Jobclubs have found work. A recent Manpower Services Commission report shows that Jobclubs are cost effective and compare very favourably with other ways Jobcentres help long term unemployed people.

We have agreed that the Manpower Services Commission should work to establish about 200 Jobclubs by the end of the year, and 450 as soon as possible thereafter. This will mean a Jobclub for each main Jobcentre area.

(April 29)

## Department of Employment Ministers

Secretary of State: Lord Young

Paymaster General: Kenneth Clarke

Parliamentary Under-Secretaries of State: David Trippier and Ian Lang

## Enterprise agencies

*Mr Roger Freeman (Kettering) asked the Paymaster General, if he would give the latest number of enterprise agencies in active existence.*

Mr Trippier: There are currently 336 local enterprise agencies in active existence in the United Kingdom of which 246 meet the requirements of the Finance Act 1982, which allows business sector sponsors tax relief on their contributions to such bodies.

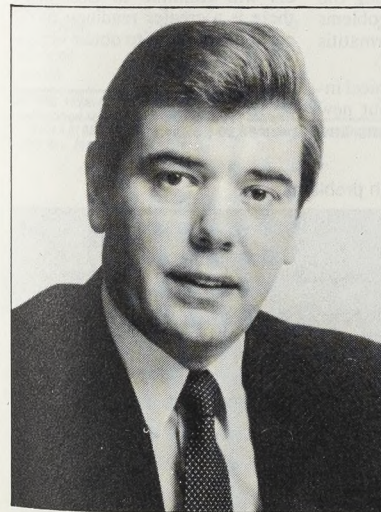
(May 13)

## Long-term unemployment

*Mr Robert Parry (Liverpool, Riverside) asked the Paymaster General, what plans he has to reduce long-term unemployment in England and Wales; and if he would make a statement.*

Mr Lang: We shall be spending £1,200 million this year on specific measures to give practical help to long-term unemployed people. This includes the Restart programme under which, from July, every long-term unemployed person will be offered individual positive help towards employment.

David Trippier



The full range of measures to encourage employment, training and enterprise are described in our booklet "Action for Jobs—opening more doors".

(May 20)

## Accidents at work

*Mr David Atkinson (Bournemouth East) asked the Paymaster General, if he would list the numbers of recorded fatalities and injuries at work since 1970; and if he would make a statement.*

Mr Trippier: The available information is as follows: figures for 1985 are not yet available.

Reported occupational injuries to employees and self-employed persons at work in Great Britain, resulting in:

Year	Death	Major injury*	Over 3 day absence from work (thousands)
1970	821	..	685**
1971	780	..	622**
1972	671	..	630**
1973	765	..	623**
1974	651	..	577**
1975	620	..	..
1976	584	..	553**
1977 a	524	..	579**
1978	622	..	581**
1979	615	..	509**
1980 b	579	..	..
1981	503	12,406	435*
1982	516	12,402	390*
1983	507	12,561	..
1984 c	496	12,624	..

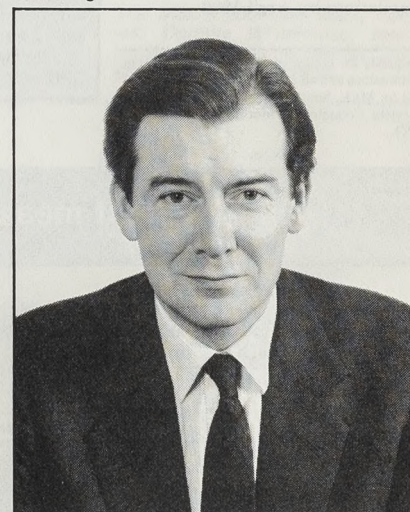
.. not available.  
\* as defined under the Notification of Accidents and Dangerous Occurrences Regulations [NADOR], 1980.  
\*\* Claims for industrial injury benefit from DHSS in year starting on 1st Monday in June [employees only].  
a) 1970-77 fatalities to employees only.  
b) 1978-80 fatalities include those voluntarily reported to non-employees.  
c) 1981-84 fatalities and major injuries to employees and self-employed as reported under NADOR.  
Over 3 day injuries to employees only.

(April 29)

## Asbestos

*Mr Robert Litherland (Manchester Central) asked the Paymaster General, what controls have been introduced on the manufacture, sale and resale, and use in the United Kingdom of all asbestos products; and if he would make a statement.*

Ian Lang



Mr Trippier: The Asbestos (Prohibitions) Regulations 1985 prohibit the manufacture, use and supply, including sale and resale of products containing crocidolite and amosite asbestos in the workplace. Similarly the sale and resale of such products not intended for use at work is prohibited by the Asbestos Products (Safety) Regulations 1985. Other types of asbestos are not prohibited but are subject to strict legislative controls including the tightest control limits in Europe.

I await proposals from the Health and Safety Commission on new regulations designed to place comprehensive controls on all work with asbestos. I hope regulations can be made in time to come into operation at the beginning of 1987.

(April 30)

## Community Programme

*Mr Barry Sheerman (Huddersfield) asked the Paymaster General, what sums are being allocated for the training component of the Community Programme for 1986-87 over and above that allowed for operating costs and wages.*

Mr Lang: In 1986-87 £5.5 million will be spent on additional training to that already provided from the programmes operating and other costs.

(May 1)

# Employment topics

## Study of training funds

□ The workplan for a major study into the funding of vocational educational and training (VET) has been published by the MSC. It has been agreed by the government and work on the study is to start immediately.

Views are now invited from interested organisations on the implementation of the workplan, together with comments on key problems affecting the present system of training funding. Submissions should reach the MSC by 4 July 1986.

The study will lead to recommendations on ways of improving the financing of VET and meeting market needs more effectively.

## Wider debate

"It is to the benefit of us all that we have an effective system for the funding of vocational education and training, and this study will range over all the issues," said Bryan Nicholson, Chairman of the MSC. "The publishing of the workplan will widen the debate and we hope to receive comments from a considerable variety of organisations."

Under Mr Nicholson's chairmanship, a group of commissioners representing the CBI, TUC and education interests will study current mechanisms and make recommendations by April 1988.

Requests for copies of the workplan, written submissions and all enquiries should be addressed to: Ms L. Smith, Room W827, Manpower Services Commission, Moorfoot, Sheffield S1 4PQ.

## Employment measures

□ The table below sets out the numbers of people benefiting from Government employment measures at the end of April 1986. We shall be including an updated table each month.

Measure	Great Britain		of which: Scotland		Wales	
	Apr	Mar	Apr	Mar	Apr	Mar
Enterprise Allowance Scheme	56,000	55,000	4,947	4,746	3,739	3,612
Community Industry	8,000	8,000	1,672	1,699	944	961
Community Programme	208,000	200,000	28,772	27,820	15,540	14,342
Job Release Scheme	40,000	43,000	3,002	3,192	1,555	1,679
Job Splitting Scheme	271	270	32	31	27	8
Young Workers Scheme	43,000	51,000	4,903	5,403	6,421	3,327

## Career break scheme for childcare

□ Barclays Bank has launched a Career Break Scheme to allow eligible employees to care for their young children by taking or continuing on a temporary part-time basis for up to two years.

The scheme has been launched to encourage women with management potential to return to work after having children, and to keep Barclays competitive in the recruitment market.

Open to both men and women, the scheme offers all participants employment on return at the grade they held on leaving the bank. Staff who take the full break will be required to work at least two weeks each year and will receive a monthly information pack to enable them to keep in touch. Those who choose to take the part-time option will have to work a minimum of 14 hours a week, paid on a pro-rata basis. They

will retain their existing staff benefits.

Two 'Career Breaks' may be taken under the scheme, but there should be at least one year's full-time working in between. The 'Career Break' begins on the expiry of maternity leave for women, and a similarly agreed date for men.

Mr John Kerslake, a general manager of Barclays Bank, said: "Barclays currently has 500 women in management positions—but there are thousands more working

for the bank who have that potential. With a scheme like this we hope more women will be encouraged to become qualified and pursue their careers. "At the same time the Scheme introduces a new concept—temporary part-time working at senior levels as part of career progression."

Both aspects of the scheme are open to management and senior clerical and secretarial staff with five years' service and established career prospects.

## Health at risk in small firms?

□ "Safeguarding the health of people at work is both a responsibility of the employer and a means of ensuring that the enterprise functions efficiently," says Dr J T Carter, the Health and Safety Executive's Director of Medical Services in a biennial report published by HSE. The report, entitled *Health at Work*, deals with the activities and development of HSE's Medical Division and its field force, the Employment Medical Advisory Service (EMAS).

Dr Carter added, 'Good health is indeed good business' but much of the Division's work arises because industry fails to deal effectively with known risks. Included among the many common health problems which result are asthma, dermatitis and repetitive strain injuries.

New technology and technical innovation have brought about new occupational health problems and

created new fears. These are covered by the report which describes, for example, the Division's recent work concerning health problems associated with Visual Display Units (VDUs) and its work in the field of genetic manipulation.

## Advice needed

A section of the report deals with occupational health advisory services and describes the inadequacies of the provision in small workplaces. With the continued growth in the number of small firms it is likely that it is this area where the greatest risks to health of workers will continue to exist unless there is a greater readiness on the part of such firms to obtain occupational health advice.

*Health at work—Medical Division Biennial Report 1983-85* from HMSO or booksellers, price £7.50 (ISBN 0 11 8838687).

VDUs—HSE studying health problems.



# topics

## Disabled jobseekers

□ Registration as a disabled person under the Disabled Persons (Employment) Acts 1944 and 1958 is voluntary. People eligible to register are those who, because of injury, disease or congenital deformity, are substantially handicapped in obtaining or keeping employment of a kind which would otherwise be suited to their age, experience and qualifications.

The tables below relate to both registered disabled people and to those people who, although eligible, choose not to register. At April 15, 1985, the latest date for which figures are available, the number of people registered under the Acts was 404,170.

On October 18, 1982, the compulsory requirement to register for employment as a condition for the receipt of unemployment benefit was removed for people aged 18 years and over. The figures below relate to those disabled people who have chosen to register for employment at MSC jobcentres including those seeking a change of job.

Every quarter (June, September, December and March) *Employment Gazette* will provide updated information about disabled registrants at both MSC jobcentres and local authority careers offices, and more detailed information about their placings into employment.

## Returns of disabled jobseekers at jobcentres (April 4, 1986)

Registered for employment at April 4, 1986	66,850
Employment registrations taken from March 7, 1986 to April 4, 1986	6,479
Placed into employment by jobcentre advisory service March 7, 1986 to April 4, 1986	2,896

These numbers do not include placings through displayed vacancies or on the Community Programme.

## Placed into employment by jobcentres and local authority careers services from January 6, 1986 to April 4, 1986§

	Open	Sheltered	Total
Section I	8,343	—	8,343
Section II	249	756	1,005
<b>Total</b>	<b>8,592</b>	<b>756</b>	<b>9,348</b>

§ Section I classifies those disabled people suitable for open or ordinary employment while Section II classifies those unlikely to obtain employment other than under sheltered conditions. Only registered disabled people can be placed in sheltered employment. These numbers do not include placings through displayed vacancies or on the Community Programme. Placings into Community Enterprise Programmes were included in the figures before 1963 but were not separately identified.

## Disabled jobseekers and unemployed disabled people—jobcentres and local authority careers offices (quarterly)

Great Britain	Disabled people			
	Suitable for ordinary employment		Unlikely to obtain employment except under sheltered conditions	
	Registered disabled	Un-registered disabled	Registered disabled	Un-registered disabled
1985 March of whom unemployed	31.3	53.6	4.8	2.6
July§ of whom unemployed	27.6	43.8	4.3	2.2
Oct of whom unemployed	30.0	52.4	4.6	3.0
1986 Jan of whom unemployed	26.3	43.1	4.2	2.6
April of whom unemployed	28.4	51.4	4.7	2.8
July of whom unemployed	24.8	41.3	4.2	2.2
1986 Jan of whom unemployed	26.4	48.5	4.5	2.7
April of whom unemployed	23.2	37.9	4.1	2.1
July of whom unemployed	25.8	47.0	4.4	2.5
1986 April of whom unemployed	22.5	37.2	3.9	2.0

§ From April 1, 1985 MSC Employment Division's quarterly statistical dates changed to April, July, October and January.

## Jobfinder scheme on TV

□ An experiment in the Midlands puts job vacancies and employment and training advice on the television screen every weekday after the close of normal ITV programmes.

From MSC's regional headquarters in Birmingham, the programme of "Ceefax-style" pages are made up and transmitted by land line the few hundred yards to Central TV's studios.

It is the last link in a chain which starts in the Midlands 135 Jobcentres and others around the country when every day they send vacan-

cies in by a messageswitch teleprinter ready for MSC staff to make up the pages on their own colour television screens.

When people see the vacancies on their TV all they have to do is jot down a reference number and go to their local Jobcentre the following day to apply for the particular post or training course.

The MSC's Jobfinder team, from left: Dorothy Whitehouse, team leader Jackie Adams, Dee McCaul, and Samantha Fensome.



## BIM Gold Medal

□ Sir John Harvey-Jones, Chairman of Imperial Chemical Industries, has been awarded the BIM Gold Medal for outstanding management achievement.

The award was made in recognition of his outstanding achievements in the management of Imperial Chemical Industries and BIM commended his distinctive qualities of leadership demonstrated in carrying through fundamental

changes in the philosophy and organisations of ICI. According to the citation "His ability to communicate his ideas and explain his objectives in a way which gets results has made him a major influence throughout industry."

The gold medal has been awarded since 1967 and previous recipients include Sir Terence Beckett, Sir Arnold Hall, Sir Austin Bide and Lord Sieff of Brimpton.

## Changes in average earnings

□ The following table shows recent changes in the underlying index of average earnings. This series incorporates adjustments for certain temporary influences like arrears of pay, variations in the timing of settlements, industrial disputes, the incidence of public holidays in relation to the survey period, and regular seasonal factors. The series remains, however, a measure of changes in average weekly earnings and the underlying series still reflects changes in hours worked and in bonuses and similar payments which are linked to the level of economic activity.

The underlying index was described in an article in the April 1981 issue of *Employment Gazette* (page 193). The time series in that article has been regularly updated in later issues of the *Gazette* the most recent issue being February 1986. The figures over the previous 12 months are included in table 5-1 of the Labour Market Data section of *Employment Gazette* with separate figures for the whole economy, manufacturing industries and production industries. Each month the most recent figures for the underlying increases over the latest 12 months are included in the *Commentary on Trends in Labour Statistics* (page S2 *et seq* of *Employment*

*Gazette*) together with the underlying monthly increase for average earnings in the whole economy, averaged over the latest three months, which is also shown on an accompanying chart.

### Recent temporary factors

During the first quarter of 1986, the annual increase in actual average earnings continued to be inflated because coal-miners' earnings a year earlier were depressed by industrial action, but this effect became much smaller in March because the strike ended in March 1985 (although the overtime ban continued). Changes in the timing of pay settlements had little net effect in the quarter. With the payment in March of the delayed teachers settlement there were no large outstanding settlements at the end of the quarter. Back pay in March was at a high level mainly reflecting the retrospective element of the teachers settlement, but between January and March it was only slightly above its level in the same period of 1985.

The underlying annual increase for the whole economy in the first quarter remained at its fourth quarter 1985 level of 7½ per cent. Overtime working for operatives in

manufacturing in the first quarter was below its level in the fourth quarter of 1985. Changes in overtime working for operatives are estimated to have reduced the increase in average weekly earnings in manufacturing industry by between nil and ¼ per cent in the year to the first quarter, whereas they added about ¼ per cent to the average earnings increase in the year to the fourth quarter of 1985. In the economy as a whole, changes in overtime working seem likely to have reduced average weekly earnings by between nil and ¼ per cent in the year to the first quarter compared with a negligible effect in the year to the fourth quarter of 1985. This reduced effect from overtime working on changes in average earnings is likely to have been the main factor in reducing the underlying annual increase in manufacturing earnings from 8¾ per cent in the fourth quarter of 1985 to 8¼ per cent in February and March. However in production industries the reduction in the underlying increase has been smaller, from 8¾ per cent to 8½ per cent, because the reduced overtime effect in manufacturing has been partly offset by an increase in average earnings in coal and coke. In the whole economy the reduced overtime effect has been further offset by the effect of the payment of settlements to some public service employees which are higher than the previous settlement (eg the delayed April 1985 settlement for teachers paid in March 1986), leaving the underlying annual earnings increase unchanged.

The monthly rate of increase in the underlying index between the fourth quarter of 1985 and the first quarter of 1986 was between ½ per cent and ¾ per cent, similar to the increase between the previous two quarters.

### Whole economy average earnings index: "underlying" series

	Month	Seasonally adjusted index	Further adjustments (index points)		Underlying index	Underlying (per cent) increase	
			Arrears	Timing* etc		Average in latest 3 months	Over latest 12 months
1984	Jan	154.7	-0.1	-0.1	154.5	¾	7¾
	Feb	155.6	-0.4	+0.4	155.6	¾	7¾
	Mar	154.4	-0.5	+2.3	156.2	½-¾	7¾
	Apr	155.8	-0.2	+1.7	157.3	½-¾	7¾
	May	156.0	-0.4	+3.2	158.8	½-¾	7¾
	June	156.0	-0.3	+2.2	157.9	½	7¾
	July	158.2	-1.0	+2.5	159.7	½	7½
	Aug	159.0	-1.4	+3.0	160.6	¼-½	7½
	Sep	160.2	-1.6	+3.0	161.6	¾	7½
1985	Oct	164.5	-3.8	+2.0	162.7	½-¾	7½
	Nov	162.0	-0.6	+2.3	163.7	½-¾	7½
	Dec	163.5	-0.3	+2.0	165.2	¾	7½
	Jan	165.5	-0.7	+1.1	165.9	½-¾	7½
	Feb	166.5	-1.1	+1.9	167.3	¾	7½
1986	Mar	168.3	-0.7	+0.3	167.9	½	7½
	Apr	170.6	-0.5	-0.9	169.2	½-¾	7½
	May	169.7	-0.6	+1.6	170.7	½-¾	7½
	June	170.2	-1.1	+0.6	169.7	½	7½
	July	172.2	-0.6	+0.1	171.7	½	7½
	Aug	173.1	-1.1	+0.8	172.8	½	7½
1986	Sep	176.4	-2.0	-0.4	174.0	¾	7¾
	Oct	174.3	-0.6	+1.2	174.9	½-¾	7½
	Nov	175.9	-0.9	+0.8	175.8	½-¾	7½
	Dec	178.1	-0.6	+0.2	177.7	¾	7½
1986	Jan	179.1	-0.4	-0.4	178.3	½-¾	7½
	Feb	180.0	-0.5	+0.3	179.8	¾	7½
	Mar	182.7	-2.1	-0.1	180.5	½	7½

( ) Provisional. \* Includes the effect of industrial action. Note: The adjustments are expressed here to the nearest tenth of an index point in order to avoid the abrupt changes in level which would be introduced by further rounding, but they are not necessarily accurate to this degree of precision.

## New uses for advanced robotics

□ Organisations are being sought by the Department of Trade and Industry to investigate Advanced Robotics (AR) in the areas of space and medical and health care.

This follows the successful collaboration now taking place with organisations concerned with fire fighting and rescue tunnelling, civil engineering, and nuclear and underwater operations. The invitation is open to industrial organisations, research and development groups and academics.

At a recent international forum for AR, Canada, Japan and the USA said they would like to collaborate with the UK in the development of advanced robotics for medical and health care applications. Such developments may prove beneficial in prosthetics for the elderly and physically handicapped and assisting with certain surgical tasks. The DHSS will be closely involved with discussions resulting from the initiative.

### Robots in space

In respect of space applications, the British National Space Centre (BNSC) will be taking an active interest in respect of BNSC's existing sponsorship activities, space policy responsibility and close association with the European Space Agency (ESA).

Space robotics have been demonstrated by the shuttle arm developed as part of Canada's space effort. In the future, the prospect of increased construction and maintenance activity in space would suggest that robotics will play a key part in pushing back this most hostile and yet potentially most rewarding frontier.

## Safe use of pesticides

□ Practical advice on how to use pesticides safely is given in three leaflets published by the Health and Safety Executive (HSE).

The free leaflets give advice on training, protective clothing and crop spraying in time for this year's spraying seasons.

Carl Boswell, Chief Agricultural Inspector says: "Crop spraying can be a risky business. It is essential that operators know how to protect themselves and how to keep pesti-

cides on target crops, where they belong."

Last year HSE's Agricultural Inspectorate issued 114 notices requiring action to be taken in the safe use of pesticides. Nineteen people were prosecuted and fines totalling almost £6,000 were imposed by the courts.

All the leaflets plus a free wallchart are available from HSE public enquiry points in Sheffield (0742) 752539, Boteley, 051-951 4381 and London, 01-221 0416/0870.

## Top ten for tourists

□ The Tower of London, the British Museum, London Zoo and Blackpool Pleasure Beach were the most popular attractions for visitors according to the four "top ten" lists published by the British Tourist Authority.

Visits to British heritage and leisure attractions in 1985 increased by five per cent over 1984, which was itself a record year.

The report lists visitor numbers under four broad categories. The Tower of London headed the historic properties and gardens category with 2,430,323 visitors, and Kew Gardens was second with 1,112,177. Top of the museums and galleries category was the British Museum, which recorded 3,822,277 visitors. In second place was the National Gallery with 3,156,725. The third category, for wildlife attractions, was topped by London Zoo with 1,254,212 visitors in 1985. The fourth group, covering "other" attractions such as theme and leisure parks, saw Blackpool Pleasure Beach, an estimated 6,500,000, in

first place and Madame Tussaud's, with 2,312,534, second.

Total attendances at attractions covered by the report were 126 million in 1985 compared with 119 million in 1984 for the same set of attractions. Historic properties and gardens attracted 36 million visits, up five per cent on 1984. Museums and galleries (50 million visits) and wildlife attractions (ten million visits), increased attendances by four per cent. "Other" attractions, such as theme parks, with a total attendance of 29 million, drew six per cent more visitors.



## US tourist confidence returns

□ "Britain has always been a favourite place for Americans to visit and I can see no valid reason why this should change," Duncan Bluck, British Tourist Authority Chairman, told BTA Overseas Managers.

"However, it must be pointed out that, important though the American market is to our tourist business, 75 per cent of all overseas visitors' spending in Britain does not come from North America but from other markets around the world."

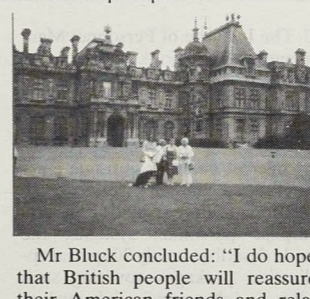
Mr Bluck, who recently opened a new BTA office in Atlanta, Georgia, and had meetings with top-level representatives of the American travel trade in New York and Chicago, said that he came back encouraged that US confidence in Britain as a tourist destination was returning and that the rate of cancellations was slowing down.

"Of course it is a worrying situation and we must not be complacent," he said. "In conjunction with the trade, BTA is taking vigorous action in North America to reassure American visitors that Britain continues to offer outstanding attractions and a friendly welcome.

"It is the package and cruise traffic that has suffered most from recent events—but 80 per cent of

leisure travel to Britain is independent, not packaged, and 50 per cent of Americans are repeat travellers."

Mr Bluck said he was most encouraged by recently published figures, which showed that overseas visitors spent £590 million in the UK during the first two months of 1986, four per cent more than in the same period of 1985, which was itself an all-time record. The number of overseas visitors, at 1,650,000, was 11 per cent higher than the first two months of last year. The visitor numbers from Western Europe were up 14 per cent and from North America up 11 per cent.



Mr Bluck concluded: "I do hope that British people will reassure their American friends and relations that Britain is a desirable destination both for business and pleasure.

# TOURISM AND TRAVEL REPORTS

## Britain for all seasons

□ Hobbies and special interest activities which are linked to holidays or weekend breaks and can be taken at any time of the year are becoming increasingly popular—and are being promoted as part of the British Tourist Authority's major overseas campaign 'Britain for all seasons'.

This year, for the first time, hobbies and special interests linked to selected locations are included in the 1986 *BTA Commended Guide*—a listing of more than 300 British country hotels, restaurants and guesthouses offering the highest standards of welcome, food, service and comfort to their guests.

Although the guide is published annually—it is distributed free through BTA offices overseas and sold through the book trade in Britain—new commendations are awarded throughout the year to proprietors whose establishments fulfil the strict criteria required in terms of service, value for money and a warm welcome.

Three hotels, two guesthouses and two restaurants are the latest establishments to receive the coveted BTA commendation. Only

about one-third of the applications considered receive an award entitling them to display a silver, blue and red plaque.



The award scheme was introduced in 1973, and each year all commended establishments are subject to an anonymous reassessment visit—if standards fall, or the establishment changes hands, the award is withdrawn.

*BTA Commended Guide* is available free of charge through BTA's overseas offices; from leading bookshops in Britain price £2.75 or by post from Finance Department, BTA, Thames Tower, Black's Road, London W6 9EL (price £3.15 including post and packing).

## Hotel industry code updated

□ The hotel industry's Voluntary Code of Booking Practice, introduced in 1977 with the aim of protecting the customer has been revised and up-dated.

Since its inception, the Code has been kept under constant review by the British Tourist Authority's Hotels and Restaurants Committee. The Code now asks proprietors to clarify the position regarding cancellation of accommodation, and to indicate special charges for telephone calls.

The principal feature of the revised Code is simplification—particularly in terms of the documentation given to the customer. Proprietors are still required to give in writing the total obligatory charge—and rules are laid down as to how this should be presented. The revisions have taken into account the

existence of the Sleeping Accommodation Price Display Order introduced in 1978.

The revised Code, drawn up in consultation with the Department of Trade and Industry, has the endorsement of the English Tourist Board and a number of major organisations in the travel world.

In order to monitor the effectiveness of the revised Code for the visitor, the BTA's Hotels and Restaurants Committee will be keeping it under review—and those bodies supporting the Code will reserve the right to exclude from their publications those establishments not abiding by the Code.

Hotel Industry Voluntary Code of Booking Practice is available free from the British Tourist Authority, Information Services Division, Thames Tower, Black's Road, London W6 9EL.

## Publications



### IT skill shortages ahead?

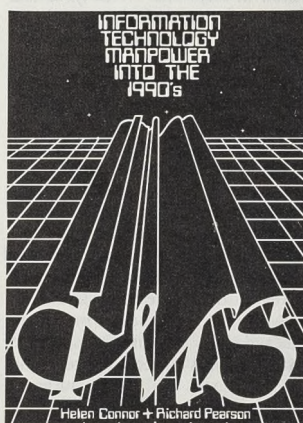
□ "The development and application of Information Technology (IT) is a vital ingredient of economic success, yet the UK is likely to continue to suffer skill shortages to the end of the decade. There are now 200,000 IT professionals in the UK, covering both hardware and software, and demand could grow by 25 per cent over the period to 1990," says Richard Pearson, IMS Associate Director and co-author of a new report, *Information Technology Manpower into the 1990s*.

Helen Connor, IMS Research Fellow and co-author of the report, said: "Initiatives are underway to boost the supply of IT skills, including the growth of conversion courses, the Engineering and Technology Programme, and the growing industrial support for higher education. But further attention and resources need to be given to training and staff development, if IT skill shortages are to be minimised."

Key points arising from the report include:

- Of the 200,000 IT professionals in the UK, one-third have electronics based, and two-thirds computing based skills. The majority are aged under 30, women accounting for less than ten per cent of the total.
- The electronics based companies account for one in three IT professionals; IT services companies (computer bureaux, software consultancies etc) one in five; and just under half are employed by the users of IT in industry, commerce and the public sector.
- The majority of employers try to recruit ready trained, experienced staff. Half suffer skill shortages.
- Higher education is the main source of new entrants to IT occupations. The recruitment of school leavers and retraining rarely occur outside the users in the service sector and the public sector.
- The major electronics groups dominate the recruitment of electronics and computer science

graduates; they recruited over 3,000 in 1985, over half the UK output.



- While some companies suffered severe labour turnover problems, the majority did not see this as a significant problem.
- Business growth was the main factor causing the electronics and IT services companies to take on more staff.
- There is little evidence that employers are expanding their re-training or restructuring jobs as a solution to long term skill shortages.
- The output of IT graduates, currently totalling 6,000 per annum, will increase to 7,500 or more by 1990. Women still only account for under ten per cent of IT graduates.
- Higher education is suffering from a shortage of IT lecturers and resources, although the growing support from industry is seen as valuable.

Contact Helen Connor or Richard Pearson at the Institute of Manpower Studies (Brighton (0273) 686751) for information.

*Information Technology Manpower into the 1990s—IMS Report No 117*, by Helen Connor and Richard Pearson. IMS Report supported by the DTI, DES, Department of Employment, MSC and the SERC. ISBN 1-85184-014-1. 230 pages. £16.00 (IMS subscribers, £10.65) plus 75p post and packing.

### The cost of working abroad

□ Maintaining an office abroad is an exercise fraught with surprises. For instance, did you know that a Geneva-based executive has to earn five times the salary of his counterpart in Lisbon to enjoy a comparable standard of living; office accommodation in London is twice as expensive as in Stockholm and three times as expensive as in Frankfurt; and a company car purchased in New York costs half of what it does in Helsinki?

These facts emerge from a table compiled for *International Transfers 1986*, a 240-page reference manual which contains detailed figures on costs in 29 European, Middle Eastern and Pacific Basin cities.

This same table reveals that the manager's salary is, in each instance, the most significant element involved in running an office. Depending on the location, this item can represent from over one-half to two-thirds of total company costs.

Obviously, this is an area of concern to firms which must offer suffi-

cient inducement, ie an attractive compensation package, to the expatriate executive and must strive to keep costs down, or their profits will diminish.

*International Transfers* complements its tables with examples of current policies and practices in staff relocation. It also provides do-it-yourself charts such as a candidate appraisal for foreign assignment sheet and a specimen compensation calculation form.

A companion volume—*Taxation and Social Security—Europe 1986*—describes the personal tax and social security structure of 17 European countries. It explains the various allowances and relief measures, expenses and benefits, forms of deferred compensation and other incentive plans currently in effect.

*International Transfers 1986* (£275.00, including mid-year update); *Taxation and Social Security—Europe 1986* (£140.00).

Both volumes are published by *The Economist Publications Limited*, 40 Duke Street, London W1A 5DW, tel: (01) 493 6711, telex 266353.

### The cost of an executive unit Total company costs

US Dollars

	National head of dept.	Bi-lingual secretary	Office accommodation	Company car	Total company
1 New York	93,860	35,400	21,188	2,617	153,065
2 Geneva	100,767	36,805	10,656	3,371	151,499
3 Paris	79,167	27,719	11,988	4,449	123,323
4 Frankfurt	80,197	27,926	6,933	3,297	118,353
5 Vienna	79,617	28,169	4,636	3,996	116,418
6 Brussels	80,410	25,925	4,613	3,841	114,789
7 The Hague	74,918	26,784	4,359	3,774	109,835
8 Stockholm	68,302	22,426	9,134	3,393	103,255
9 Copenhagen	67,383	22,667	4,826	4,599	99,475
10 Rome	65,659	22,641	5,875	3,640	97,815
11 Oslo	60,458	22,233	6,912	4,205	93,808
12 Luxembourg	61,736	20,719	5,074	2,821	90,350
13 London	52,194	14,366	18,634	3,692	88,886
14 Helsinki	57,146	21,073	5,243	4,729	88,191
15 Madrid	47,675	15,928	4,594	3,077	71,274
16 Dublin	43,228	14,342	5,839	4,713	68,122
17 Athens	28,503	11,462	2,427	4,793	47,185
18 Lisbon	22,542	7,630	3,666	4,647	38,485

### Computerising personnel systems

□ The Institute of Personnel Management's latest book in the computer field, *Computerising Personnel Systems—A Basic Guide*, describes nearly 70 different packages available for personnel managers, covering micros, minis, mainframe computers and bureaux services. In addition to listing around 50 general purpose personnel systems, the guide describes nearly 20 special application packages covering such fields as job analysis, job evaluation, manpower planning, performance appraisal and recruitment selection.

In addition to providing a comprehensive directory of personnel software packages, *Computerising Personnel Systems* also includes an introduction to computing for the non-expert, describes some of the cost benefits, potential uses and applications of computers to personnel work and sets out a step-by-step approach to the establishment of a computerised personnel system.

*Computerising Personnel Systems—A Basic Guide*, Author: Alastair Evans (Institute of Personnel Management). ISBN 0 85292 361 9. 160 pages. Demy paperback. Price: Non IPM members—£10.50 + 67p p&p; IPM members—£8.40 + 67p p&p. Tel: 01-946 9100, Telex 947203.

# DE Research papers

The Department of Employment carries out a considerable programme of research, both internally and through external commissions with academic researchers and research institutes, on employment and industrial relations issues. The results of much of this research are published in the Department's Research Papers Series. Some recent and forthcoming titles are listed below.

Copies of research papers can be obtained, free of charge, on request from: Department of Employment, Research Administration, Steel House, 11 Tothill Street, London SW1H 9NF (telephone 01-213 4662). Papers will be sent as soon as they are available.

**No. 54: Codetermination, communication and control in the workplace: A study of participation in four Midlands companies**

*Ray Loveridge, Paul Lloyd and Geoffrey Broad, Aston University Management Centre*

The research paper reports on a study of the attitudes of shop-floor employees and management and on the role of stewards in four companies where participative initiatives had been introduced alongside a traditional collective bargaining structure. The study examined the awareness of and commitment to the existing industrial relations arrangements and the impact on management and employees' frames of reference of the participative innovations. (Now available.)

**No. 44: Employers' use of outwork: A study based on the 1980 Workplace Industrial Relations Survey and the 1981 National Survey of Homeworking**

*Dr C Hakim, Department of Employment*

An analysis of data from two surveys on employers' use of outworkers and home-based workers, setting the results in the context of other studies and the Department's research programme on homeworking. (Now available.)

**No. 29: Worker directors in private industry in Britain**

*B Towers and D Cox, University of Nottingham, and Dr E Chell, University of Salford*

Based on detailed case studies of seven organisations, this paper investigates the role, needs and problems of the worker director in private sector organisations and explores the relationship between the worker director and other participatory machinery within the same organisation.

**No. 50: Graduate Shortages in Science and Engineering**

*J Tarsh, Department of Employment*

This paper reports the results of a survey of employers with shortages of graduate employees in science and engineering. The survey consisted of interviews with around 100 employers drawn from the full range of sizes and various activities. The report assesses the extent and reasons for shortages, and sets out the background to this part of the graduate labour market. The final chapter reports a follow-up telephone survey of these same companies some 12 months later in mid-1984. (Now available.)

**No. 48: Payment structures and smaller firms: women's employment in segmented labour markets**

*F Wilkinson, Mrs C Craig, Mrs J Rubery and Mrs E Garnsey, Department of Applied Economics, University of Cambridge*

This study, conducted in three localities amongst employers and employees in small establishments, examines the intra-organisational and extra-organisational factors that shape payment structures and compares the position of different groups of employees within them. (Now available.)

**No. 53: Unfair dismissal law and employment practices in the 1980's**

*S Evans, Professor J Goodman, L Hargreaves, University of Manchester Institute of Science and Technology*

Based on case studies conducted in three localities this paper explores the recruitment, discipline and dismissal practices of 81 private sector firms of different sizes. It considers the effect of unfair dismissal legislation, including the changes made in 1979-80, and the factors affecting the way employers deal with unfair dismissal claims and industrial tribunal cases. (Now available.)