

The End of the Jobs Era

Conall Boyle

We all as statisticians have been outraged by the blatant manipulation of the statistics of the numbers of unemployed (as described by David Taylor in RadStat 45). But why do we attach so much importance to 'the numbers out of a job and claiming benefit'? The reasons for our concern are, I would contend -

- economic: unemployment represents reserve capacity in the Economy (which should be used for the benefit of society?)
- social: the experience of unemployment is generally devastating for the individual. Crime is associated with rising levels of unemployment.
- political: the published figures are considered newsworthy, so politicians take notice.

"The solution to the problem of unemployment is obvious - what we need is a return to Full Employment. So reducing the numbers of the unemployed is a measure of how close to the goal of Full Employment we are getting." This seems to be the conventional view, and is accepted without question. It underlies the "Jobs Joy" headlines, which tell of new jobs 'created' (My own favourite newspaper "Jobs Joy" story relates to all-day opening of public houses. Jobs for bar staff were, it seemed greatly to be welcomed. Never mind the dire consequences of increased alcoholism, or that the jobs are mostly for young people to become drug peddlars. Any job, it seems, is a source of joy).

Politicians too, cling to the belief in a Return to Full Employment:

"P.M. predicts end to mass unemployment"

At a breakfast to launch 'Action for jobs' Mrs Thatcher declared: "The opportunities of the Industrial Revolution eliminated jobs to start with, but afterwards they led to massive numbers of new jobs. I believe that will happen again." (reported in the Employment Gazette March 1987)

Neil Kinnock writes in a long article on Labour's re-think of its policy, that there has to be a commitment "to the objective of modern full employment." (Sunday Times 29.5.88). The qualification 'modern' is not explained.

In all the manifestoes issued for the May 1987 General Election, there is at least an implicit belief that Full Employment is still a political goal for the mainstream parties: Conservative: "The fight against Unemployment is being won" Labour: "We will reduce Unemployment by one million in two years as a first installment in beating mass unemployment."

While politicians and newspaper editors take a Return to Full Employment as a continuing policy goal which is both desirable and feasible, there are many who do not.

- Charles Handy in 'The Future of Work' (1984) says that "to put it bluntly, there are not going to be enough conventional jobs around - not full-time, lifetime jobs with an employer who pays you a pension for ten years or so of your retirement. That is true no matter which government is in power over the next twenty years." "The short answer to the question 'Will there be full employment again?' has to be 'Not in our lifetime'."

- John Keane and John Owen in 'After Full Employment' (1987) state that "Through the course of this book, doubts have been raised about the feasibility and, indeed, the desirability of 'restoring' full male employment. In particular, we argued that the conditions that made possible full male employment after 1945 are not repeatable."

Could these and other authors be wrong? Is it true that, however desirable, Full Employment is simply unattainable? (I leave aside questions of whether full employment would be environmentally sustainable or would create the sort of Society we would like). After all in the 1930's people thought that mass unemployment was ineradicable, yet by 1942 full employment had been achieved - a sort of War Dividend.

If a return to Full Employment is to have any validity, then it must include a fulltime job for every available man of working age. Whatever progress has been made by feminists, there is still a societal expectation that all men must take a job. The only exceptions to this are disablement, education or training, or retirement. Any able-bodied young man who chooses not to work will soon acquire a 'scrounger' label.

So instead of looking at the monthly reported figures for the so-called number of Unemployed, it will be more rewarding to examine what progress has been made towards the goal of Full Employment for men. The Unemployment figures are based on returns from Benefit Offices throughout the country. The numbers are a by-product of an administrative procedure, so they can be produced quickly and cheaply. They also provide a wealth of

detail about regions, towns and even constituencies. But they are not intended to give answers to questions like 'how many people are seeking employment?'

The Labour Force Survey (LFS) gives a more reliable guide to employment trends, although it too has attracted criticism:

- the figure for employees in employment includes many of those on Government training schemes.

- the numbers of self-employed is based on a standard opinion poll technique, and there have been suggestions of over-counting.

- because of the time it takes to collate the data information as published is up to a year out-of-date.

Nevertheless the LFS remains the most reliable indicator in employment statistics; if anything it slightly overstates the numbers in employment, which strengthens the argument that will be put forward in this article.

Based on the numbers derived from the Labour Force Survey the table below shows the number of male employees in fulltime employment in Great Britain (Fulltime means more than 30 hours per week. It includes men in HM forces, but does not include the self-employed)

Quarter	No of men in fulltime jobs	Change on previous 12 months
Dec 85	10 879	
Mar 86	10 781	
June	10 776	
Sept	10 828	
Dec	10 738	-141
Mar 87	10 672	-109
June	10 732	-44
Sept	10 818	-10
Dec	10 759	+21
Mar 88	10 718	+46
June	10 780	+48
Sept	10 855	+37
Dec	10 806	+47
Mar 89	10 769	+51
June	10 764	-16
Sept	10 870	+15

all figures in 1000's

from Department of Employment Gazette, May 1990.

It is clear looking at these figure that the rate of job creation even at its peak was no more than 50,000 per year. The total number of men in employment in September 1989 is about the same as four years previously. In this period of time, recall, the headline figure for Unemployment had dropped from over three million to around one and a half million, by far the biggest drop ever recorded. Yet despite this THERE HAS BEEN NO INCREASE IN FULLTIME JOBS FOR MEN during this time.

The 'Workforce' is normally calculated by adding together the heterogeneous categories of full-time employees, part-time employees,

males and females, self-employed, HM forces and those registered as unemployed. I would like to get back to a simpler definition: since Society has an expectation that all men should be in a job, let us use the number of men of 'working age' as the denominator.

At the time of the introduction of National Insurance based on the Beveridge Plan of 1942, working age started at 14, the then school leaving age. Old age pensions for men began at 65, which was also close to the expected age of death at that time. A rough measure of the span of working life is then from puberty until death, which would have been 15-65 in Beveridge's time.

The table below shows the progress in Expectation of Life for Males in the United Kingdom:

YEAR	LIFE EXPECTANCY
1901	48
1931	58.4
1951	66.2
1971	68.8
1981	69.8
1983	71.9
2011	75 (projected)

(from Social Trends, 1989)

Because of the increase in Life Expectancy I show two definitions for the male Workforce - one based on the original Beveridge lifespan of 15-65, the other which takes the increase in life expectancy into account, that is to say 15-75. Although there has been much talk of a demographic timebomb, the sharp drop in the number of youngsters of working age entering the labour market - this has not happened yet. Indeed as can be seen in Figure 1, the total number of men of 'working age' (15-65) is still rising, if more slowly than before. A similar picture emerges for the 15-75 year-old age group.



TIME the best DOCTOR.

PLATE 1 Patient scepticism

POPULATION UK 1975-89

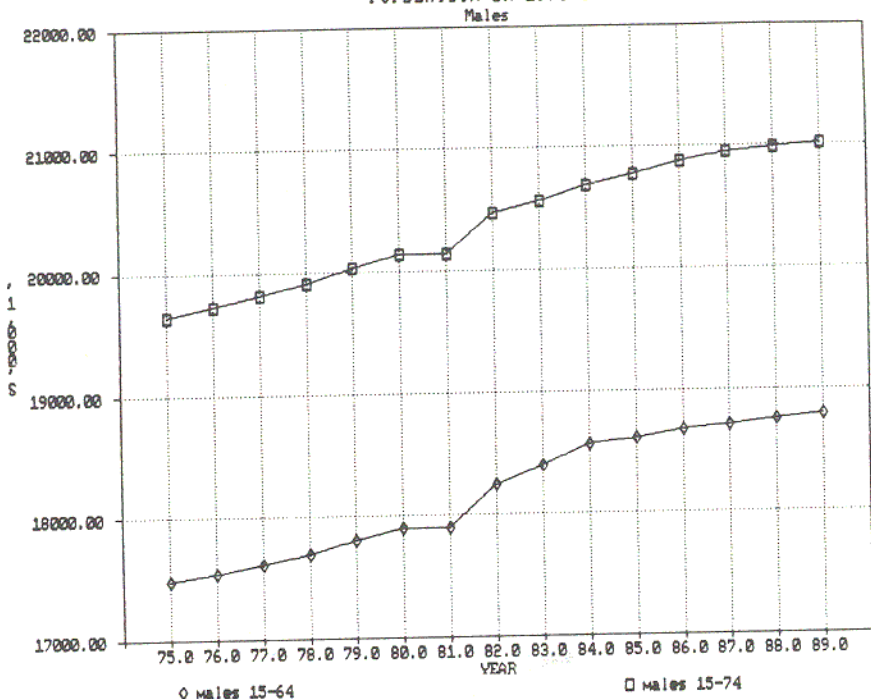


Fig 1. Male Population of Working Age, UK 1975-1989

(Source: Monthly Digest of Statistics)

Taking these two sets of statistics together, namely the number of men in fulltime jobs, and the number of men of working age, it is possible to work out the proportion of men NOT in fulltime employment. Back in 1966 Full Employment was a reality. Since then there has been a huge rise in the numbers of the unemployed, but the changes in the percentage of the NON-employed show a much more striking picture. (See Fig 2)

% OF MEN OF WORKING AGE NOT IN A JOB
In a Job = fulltime employ + HM forces

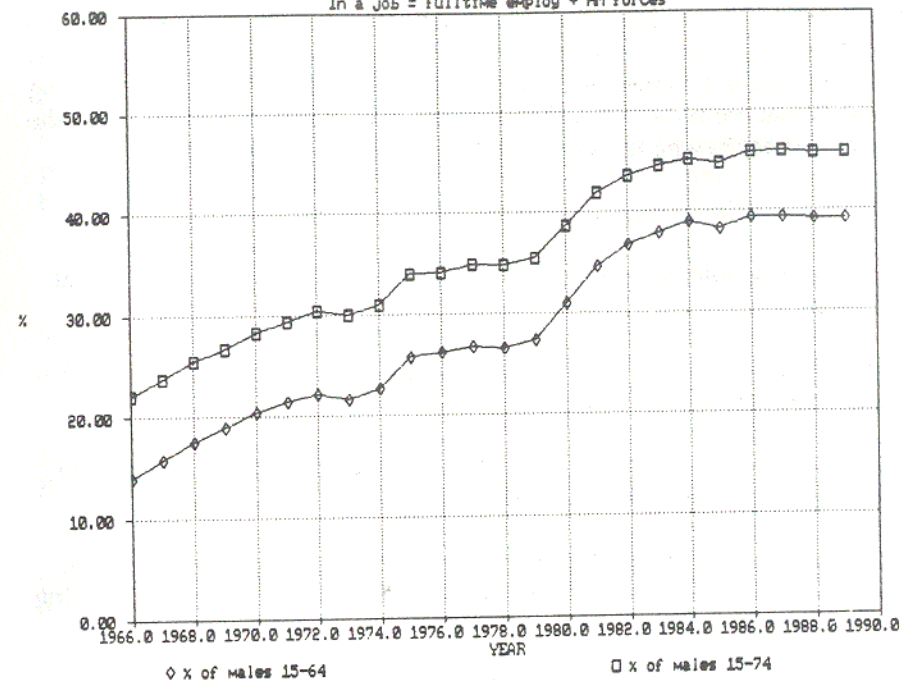


Fig 2. Percentage of men of working age not in a job.

In a job = employees in fulltime employment + HM forces

Great Britain, 1966-1989.

(Source: Derived from various official statistics)

Starting from a low point of 14.0% in 1966, the figure has crept up to just under 40% (on the Beveridge basis) in 1989. There has been some levelling off in the trend for the latest figures, but with reported unemployment rising again in 1990, no doubt the figures for the number of non-employed men will soon resume its longer-term trend.

The upper line for the 'contemporary' working life (15-75) shows a similar picture. Perhaps the most surprising feature of this trend is that it looks as if it may not be long before it reaches 50% - THAT SOON, MOST MEN OF WORKING (and voting) AGE WILL NOT BE IN FULLTIME EMPLOYMENT.

This change, largely unnoticed, represents a 'Blind Victory', to use the title of M.P David Howell's thoughtful book. For years we have been obsessed with one statistical series, namely the numbers out of work and claiming benefit. What we have missed is the real state of affairs. Just think of the benefits of not having to worry about Unemployment statistics:

- there would be no more need to fiddle the figures.
- that jobs would no longer be used as an excuse for environmental vandalism.
- that the distortion of training schemes into dumping grounds for the young unemployed can cease.
- that schemes to get rid of mature but active people - so-called 'premature retirement' can be abandoned.
- that we stop pretending that for men the only acceptable alternatives to a job are education and retirement, that is preparing for and resting from a job.

The graphs in this article could redirect us towards more fruitful lines of enquiry:

- How soon before politicians accept that there will not, indeed should not be a return to Full Employment?
- Can we achieve social acceptance for the idea that many men (like women) may, without censure, spend part of their lifetime not in a job?
- Can we accept that we can produce sufficient goods and services with a smaller workforce?
- Can we think of ways in addition to employment of distributing wealth?

It is this last question which has led to an interest in the idea of a Basic Income - a fixed sum of money paid to everyone regardless of sex, marital or other status, whether in a job or not, varying only with age. The introduction of a Basic Income scheme would be the clearest signal that politicians have come to accept that the jobs era is over, and they have begun to think about what comes next.

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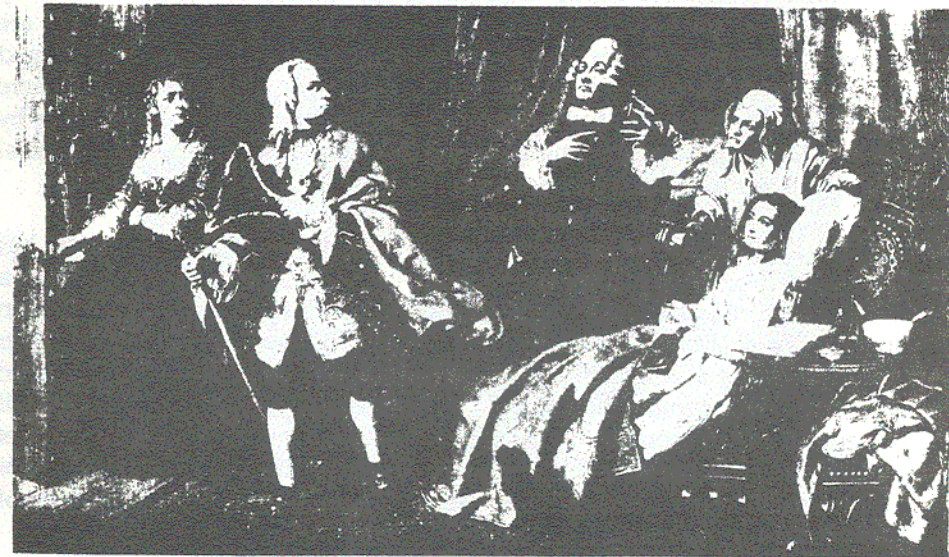


PLATE 6 Patient power. Goldsmith, the physician, leaves in a huff because the patient prefers to follow the advice of the apothecary.