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PROGRAMME OF RESEARCH AND ACTIONS ON THE DEVELOPMENT OF THE LABOUR MARKET

Inflation, employment and income distribution in the recession

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PROGRAMME OF RESEARCH AND ACTION
ON THE DEVELOPMENT OF THE LABOUR MARKET

INFLATION, EMPLOYMENT AND INCOME DISTRIBUTION IN THE RECESSION

by

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Document

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Contents :

Preface

The intention of the study was to explore likely differences in income distribution between countries and to examine in detail some of the changes taking place in the 1970s and early 1980s.

Detailed information on the economic status of individuals is collected in most countries through the Censuses of Population. The aspects covered are primarily the extent to which people participate in the labour market, and if not why not, and some dat. on living conditions. For those who work, detailed information is also available on earnings in different jobs, classified by sector, occupation and hours, at a minimum as a necessary input to the compilation of accounts of national incomes and expenditure. Where there are state systems of social security involving transfers from contributory and non contributory schemes, the administration of the schemes also generates information on incomes of recipients. But two shortcomings of these data weaken their value as an input to an analysis of income distribution. First, they are limited in their coverage of income sources in that they are restricted to wage income and self-employment income, that is direct income from labour, and transfers from state or large private sector schemes which derived income from a broad contribution or tax base. Second, data in general refer to individuals and very little information is available on households. It is not an easy matter to aggregate the individual incomes, whether from direct sources or transfers, into household incomes so that it becomes very difficult to assess the extent to which these incomes are spread across the dependent population through the implicit private transfers which must necessarily occur within households.

In Chapter 1, we outline a conceptual framework which seeks to draw attention to the shortcomings of national accounting procedures, particularly in respect of private transfers which occur between individuals and within various forms

of social organisation. How this is interpreted depends very much on the view taken of the process of social reproduction and the organisation of the labour market. The access to jobs and the earnings power of individuals in those different jobs is a crucial factor in the distribution of direct income and important in conditioning household formation and composition. Previous research indicates that there is very limited equality of opportunity in the labour market and that systems of minimum wage legislation and state social security schemes are geared only to providing some socially accepted floor to individual earnings and family incomes. They are not in any way truly independent of economic conditions but restricted by some assessment of the 'ability to pay' of the economic system, and contribute very little to the redistribution of incomes in a progressive manner. That is left largely to the direct tax system in most countries, modified by a desire to maintain economic incentives and frequently offset by the patterns of indirect taxation.

Broad indicators of economic activity and household composition for four countries, France, Germany, Italy and the U.K, are presented in Chapter 2. These are not intended to reveal a great deal about income distribution in the different countries but merely to provide some pointers to how direct incomes are obtained and what levels of dependency exist within the household sectors in the different countries.

Chapters 3 and 4 provide detailed studies of two of the countries, the U.K. and France. The two chapters are structured in such a way as to allow some comparison between countries but the diversity of data available does not allow any direct comparison without considerably more detail on the sources of information, the definitions used and the institutional framework of each country. Each country study looks at population, economic activity, employment earnings, labour turnover, unemployment, social security transfers, and

household incomes. An important feature of the two countries is the dependence on wage income and social security transfers. Prima facie, there appears to be less transfer of incomes at a community level and through other activities not covered by official statistics. But it is also apparent that the recession has had an important effect on the distribution of incomes in both countries and that the transfer systems are being put under considerable strain by the depth of recession and the shrinkage of the tax and contribution base.

Conclusions of the study are presented in Chapter 5. Three major findings can be derived from the study. First, the data available are not wholly adequate for the purpose and leave wide open many of the interesting questions about how the dependent population fare in recession periods. Second, the evidence on the distribution of households by income does show that specific groups such as the retired, one parent families and those headed by unskilled manual employees are most susceptible to low income. But the impact of recession on household incomes has two effects. On the one hand, it depresses real incomes and lengthens the low income tail of the earnings distribution. But, on the other hand, it reduces the access to employment for other members of households, or substitutes low for high earnings jobs, which compounds the effect on household income. Finally, this process of excluding certain people from earnings opportunities through employment is based on policy changes and the use of instruments, such as formal qualification levels, which are not obviously reversible and tend to push and then lock in new groups into a 'poverty trap' of low household income

Chapter 1. The Conceptual Framework

Income distribution, social reproduction and the social wage

a. National Income and National Income Accounting

The income of a system is defined as the flow of resources produced in some time period. The sectors in which resources are produced include domestic and other forms of non-market activities,[1] (the private non-market sector), the market and the state. National income as conventionally measure generally only includes the market and the state; resources created in the private non-market sectors are excluded.[2] This convention leads to many anomalies. Domestic labour is included in national accounts when undertaken by a servant but not when undertaken by a wife and food grown on the family plot is excluded whilst that grown for profits is not. Moreover as the balance between the market and the state on one hand and the private non-market sector on the other changes through time, conventional measures may either over or under-estimate the increase in national income.

Measurement problems provide one possible explanation for excluding certain income item from national accounts. Market activities and those undertaken by the state are generally conducted in money terms and are therefore easily measurable whilst domestic and other private non-market activities do not usually involve cash transactions. However the division between what is included and what is not included can not be

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(1) For example, subsistent agriculture and horticulture, payments in kind, do-it-yourself activities of house repairs and decoration, car-repairs and others.

(2) The exclusion is not confined to the product of labour. Domestic capital equipment - washing machines, vacuum cleaners and the like - are regarded as consumer goods rather than the means of production of domestic services.

simply drawn in terms of cash transactions. Capital depreciation has no cash equivalent and the majority of state services do not involve and money payments although both are included in national accounts. In these examples the problems of measurement are solved for the depreciation case by the adoption of conventions about the speed by which machines are worn away in the process of production and hence lose their monetary value[1] and in the case of state provision by the assumption that the wages and salaries and other costs of services are a measure of their value. By contrast no attempts are made to adopt convention to allow the measurement of private non-market sources of income. This can be explained by the very narrow definition employed by economists of what constitutes economic activity .

b. Conceptual frameworks for national income accounting

The market

The Keynesian revolution gave a impetus to the development of national income accounting by emphasising the role of government in maintaining employment and hence the need for reliable statistics. Moreover Keynes' analysis by linking unemployment and effective demand and underlining the importance of the autonomous expenditure items in determining fluctuation in employment established the relevance of a

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(1) Measured by convention at either historical or current value but not at economical value in terms of productive potential of the machines and market potential of the machines product. The definition carries with it the implicit assumption that restoration to the owners of capital of the full monetary value of their investment in a legitimate change on national income which is quite independent of the economic value of the investment. In this respect investment is rendered riskless.

concept of national income based on market transaction, the division of the income sides into consumption, saving and taxation and the expenditure side into income determined consumption and autonomously determined investment, government expenditure and the balance of trade.

However the links in Keynes analysis between national income and employment were short term and related to involuntary unemployment. Whilst Keynes differed from these he called the classical economists in believing that involuntary unemployment could exist, he nevertheless share with them the belief that employment was ultimately supply constrained. By retaining the downward sloping demand curve for labour based on the belief that at a rate of profit necessary for firms to offer employment wages would need to decline if employment was to increase, Keynes retained the classical definition of full employment as that point where wages equalled both the marginal product of labour and the marginal disutility of work. In these terms the level of employment and the level of national income generated by the market is a function of distribution of income between wages and profits.

An alternative macro-economic theory of income distribution was evolved which abandoned the marginal productivity theory of wages but which retained a functional role for the wages share in stabilising employment and national income. If it is assumed that the propensity to save from profits is greater than the marginal propensity to save from wages then the average propensity to save becomes a function of the distribution of income. If it is further assumed that money wages are fixed and that prices are determined by the level of effective demand it can be shown that changes in the level of effective demand precipitated

by changes in autonomous expenditure will be offset by changes to consumption levels in the opposite direction caused by changes in income distribution as prices either rise or fall relative to wages. On this view the distribution of income has a functional role of restoring the macro-economic conditions for non-inflationary full employment equilibrium.

A second development from the Keynesian - and by far the more orthodox - is the incorporation of Keynes' insight on the causes of voluntary unemployment into a neo-classical framework to produce the grand neo-classical synthesis. Here the government acts to offset excess savings and guarantee full employment but at the micro-economic level the economy functions as in neo-classical theory. Relative factor prices are determined by the structure of product demand, techniques of production and relative factor supplies. In this case the distribution of income represents at the macro-level the social valuation of factors of production.

The State

The state is involved in market activity through nationalised industries and other such institution and these are treated in the national income accounts in much the same way as the private market sector. Other activities of the state are the only non-market sector included in the accounts on its expenditure side. These can be divided into the provisions of services such as health and education and income transfers in the form of various types of social security payments. On the income side of the government's non-market account includes taxation and borrowing from the private sector.

Conventional economics explains the division between the market and

the state in the "efficient" production of services in terms of the state role in offsetting the effect of market imperfection in knowledge and foresight (for example, to ensure the supply and adequately trained and healthy workers), of significant economies and diseconomies which the market does not take into account, increasing returns to scale which in the absence of state control could lead to the exploitation of private monopoly power in the market. The provision of social security is accounted for in terms of the state providing effective and comprehensive insurance schemes (in the case of welfare provision based on contribution) and where social provision is non-contributory, in terms of redistribution based on welfare rather than efficiency criteria. Economists argue that individual income from market activity should reflect economic worth and the question of need should be dealt with by redistributive fiscal measures.

In the treatment of services such as health and education and income transfers significant anomalies arise from the exclusion of the non-market private sector. Education health and social security is provided by the market (in fee paying schools, private health schemes and insurance), the state and by the family and the community. The exclusion of the latter from national income means that the costs of these in terms of resources are seriously underestimated to a degree which varies between countries.

Labour and Capital

A further anomalous aspect of national income accounting is the different treatment given to labour and capital. The cost of producing capital appears in the accounts as investment and the depreciation of capital is regarded as a first charge on gross national product to be

deducted to give national income. By contrast the production and reproduction of the factor of production labour power is not treated separately. Part of the expenditure in producing labour power appears as consumption, part as state expenditure and a part, contributed by the non-market private sector, is not recorded. Nor is any attention paid to the cost of labour used up in the process of production. The part of labour eroded by the production is not regarded as first charge on the gross national product unlike the depreciation of capital. There is no logical basis for this difference and the consequence is that measured net national income is significantly higher than actual net national income.

Conclusion

There are serious shortcomings in the system of national income accounts resulting from the narrowness of definition given to economic activity by economists and national income accountants. The justification for excluding the private non-market sector goes beyond problems of measurement and it is excluded on the one hand because Keynesians' primary interest in employment in the labour market, and on the other because of the neo-classical view that exclusion from the market in predominantly a matter of individual (or family) choice so that non-market activity is of a different kind to market activity. A second major weakness in the systems of national accounts are differences in the treatment of labour and capital - this is indefensible even in terms of orthodox economic analysis which regards differences in labour productivity as resulting from differences in investment on human capital.

c. An alternative approach

To facilitate a comparison between countries in which the balance between the private non-market sector on the one hand and the market and state sector on the other might be quite different, it is necessary to develop and more inclusive form of national accounts. It would also be desirable if such a system provided for a more symmetrical treatment of labour and capital. A proposed alternative framework rests on the following five postulates

1. Labour and capital are complements in production rather than substitutes therefore output is the outcome of joint effort. There there is consequently no objective way of determining the separate contribution of labour and capital and hence income distribution.
2. When engaged in production labour and capital reproduce themselves in resource terms and in addition produce a surplus.
3. The conditions for maintaining the system is that the resources necessary to reproduce capital and labour are a first call on national output.
4. The distribution of the surplus depends on power relationships.
5. The reproduction of the system is dependent on the market, the state and the private non-market sector, consequently the measurement of the surplus or its distribution cannot proceed without the inclusion of each of these sectors.

An alternative national income accounting based on the above five postulates might be:

Table 1.

Output and Expenditure Account

Output (income)	Expenditure
Market	Reproduction of capital
State	Reproduction of labour power
Private non-market	Net investment in capital
	Net investment in labour power
	Consumption of surplus

Income Distribution	
Profit	Wages
Reproduction of capital	Reproduction of labour power
Surplus	Surplus

The minimum conditions for maintaining the system is that the lower limit to share of wages and profits is the cost of reproducing labour and the capital but the share of the surplus is determined by power relationships and might be zero. Therefore the wage share might be equal to the cost of reproducing labour power.

d. The social wage

As defined above the wage includes all elements contributing to the reproduction of labour power and therefore includes resources provided by the state and the private non- market sector. This will be defined as the social wage to differentiate it from the narrower term relating to labour market activities which will be defined as the industrial wage.

The social wage is defined as the total resources available to labour and consists of the wage from the sale of labour power, state

provision less taxation, domestic and other non-market activities and private transfers from property incomes. Table 2 itemizes in summary form the social wage.

Table 2 The Social Wage: Income and Expenditure Account

Income	Expenditure
Marketed labour Formal Informal	Reproduction of Labour power
Private non-market domestic	Net investment in labour power
Others	Consumption of the surplus
State provisions minus taxation on wage income and expenditure on wage goods*	Savings from surplus
Private Transfers from property income	

* Which equals transfers from property income by state agencies.

Published national account are generally concerned with market transaction, the state sector and easily measurable private transfers such as official charities. However even here the coverage is less than complete because there is a large and growing informal market where transactions go largely unrecorded and where incomes are difficult to measure officially and to tax. Domestic and other non-market activities consist of housework and child-rearing, food growing on small plots, labour for payment in kind, and do-it-yourself activities such as house repairs and decorating, car repairs and many other such tasks. Private transfers from property income include organised charities but also traditional forms of social welfare provision and some are, and some are

not, recorded official.

The relative importance of the components of the social wage varies between social groups, inter regionally and internationally and have important social, economic and political causes and consequences. In Britain labour was early dispossessed of the land and traditional forms of social welfare by the enclosure of the common land, the development of capitalistic agriculture and by the 1834 Poor Law Reforms. Consequently British labour is highly dependent on the sale of labour power and the traditional sector is small. Other European Countries have not undergone the same degree of social transformation and so non-market activities and private transfers from property are more important in determining the social wage. Domestic labour is extremely important in all countries although the family is probably much more important and stronger in the traditional sectors.

The surplus is defined as the excess of production over that necessary to produce sufficient labour power and means of production necessary to maintain the productive system in operation. Consequently the lower limit to the social wage is the cost of producing the required labour power but this bears no necessary relationship with the price paid by capital for labour power: the industrial wage. The extent to which the industrial wage falls short of that necessary to produce labour power measures the expropriation by capital of resources produced in the non-market sector or provided by the state. Conversely the extent to which the industrial wage is higher than the cost of reproducing labour power measures the share of the surplus labour derives from market relations.

Shares in the social wage

e. The elements of the social wage included in the National Accounts are employment income, government expenditure on education and health and other services directly bearing on the reproduction of labour power, social security provision and private charities, less direct and indirect tax.

This section consider the elements in the social wage and how differential access to forms of income within and between social groups and a different phase of the cycle influences the distribution of the social wage between individuals and groups. As far as the information is available this process has been charted in the statistical section of this report. But as argued above important elements of the social wage are not officially documented and so discussion of the income generated in the private non-market sector and its distribution is necessarily more speculative.

Access to industrial wages

The access to industrial wage is structured by factors on both the supply and the demand side of the labour market. Levels of skill depend on inherent ability, socialisation and education and training. Access to these skills and their use may be limited by the organisation of education and by professional associations and trade unions. Consequently "skills" should be regarded as social classification as well as denoting technical abilities. Participation in the labour market and the terms of participation (the hours of work and the degree of mobility, for example) are influenced by legal restriction and social attitudes controlling the employment of women and children and other classes of workers, by responsibility for domestic and other forms of

non-market activities and the availability of out-of-market resources. On the supply side, the range of jobs available to individuals depends on the overall, and regional variation in, the level of employment, the structure of industry which defines the range of skills and the demand for the various classes of workers and the hiring and labour organisation policies of firms. These may lead to discrimination against certain classes of workers in both the external and internal labour markets. These discriminatory practices may partly reflect the pressure from the incumbent labour forces or the efforts of professional association and trade unions to control entry and are based on educational and training attainment, social class, race and sex (which, of course, may be mutually reinforcing).

Access to education, training, health and social welfare

Individuals have access to education, training, health and social welfare provisions which serve partly to ensure an adequately trained and maintained labour force, partly to sustain those incapable of work because of extremes of age and physical and other disabilities, and partly for more general consumption. Such services are provided by the state, the market and the non-market sector.

i. State provision.

The extent of, and access to, state provision depends on the nature of the scheme and the rules for exclusion. Generally state education is free (although the provision of some forms of higher education are often means tested), health services are either free or based on state insurance schemes (although the state generally provides a safety net for those without insurance) and social security is based on insurance with additional provision for those who are not insured but who are able

to demonstrate destitution and the incapacity for work. This section will concentrate on cash transfers.

The state provides cash transfers for the young - in the form of child allowances - the old, the sick, the short term unemployed and those unable to work over a longer period either because they are incapacitated or because jobs are not available. Generally child allowances and long period support for the unwaged who are not of retiring age are provided as a right whilst old age pensions, sickness pay and unemployment benefit are more usually organised on an insurance basis and access depends on contributions. However, access is not unrestricted. Eligibility for unemployment benefit usually depends on evidence that the claimants did not contribute to their own dismissal (in which case benefit may be temporarily suspended) and are genuinely seeking work (if not benefit may be suspended). Financial support for claimants of working age but with no entitlement to unemployment pay usually depends on a means test (and this may be extended to include the means of near relatives) and evidence that the recipient is, if capable, genuinely seeking work.

The existence of a two tier system on different bases means that the extent of state provision may vary widely between individuals and families. In some countries unemployment pay is earnings related (although this element was eliminated from the British scheme in 1982), and is generally higher than the alternative form of social security. Moreover unemployment pay is paid for a limited period and so a prolonged period of unemployment means an eventual reduction in the level of state support. Casual workers find it difficult maintaining their contributions and this impairs their access to the higher levels

of social security based on the insurance principle. In this respect women with family responsibilities and less in a position to hold down a permanent job are relatively disadvantaged; this disadvantage is reinforced because their child care responsibility may make it difficult for them to demonstrate their availability for work and by their status of dependency on men, whether actual or ficticious, may mean an inability to establish need. Moreover the stringency by which the rules for exclusion from eligibility for social welfare are applied will effect both the level and distribution of cash transfers from the State. One important response of European Governments to the current high levels of state expenditure on social welfare, resulting from the high levels of unemployment, has been to reduce the real value of social security by various means including the tightening up of the rules for exclusion to reduce the number of claimants.

ii. Market provision

In addition to state provision and usually pre-dating state involvement, the market provides education, health and social welfare in the form of private schools, private hospitals, other medical facilities and sickness payments. Market health provision is usually financed by an insurance basis organised by private insurance companies.

iii. Non-market provision

The early education and socialisation of children is generally the responsibility of the family and the community and, in addition many basic skills are acquired in the private non-market sector. The family and community also provide material and financial support for the unwaged - the young, old, sick and those incapable of work. No estimates are made of the extent of this provision but it is to be

expected that it will vary inversely with the extent of state social welfare programmes and
will be more likely to exist where traditional social and family organisation persists. Consequently it is to be expected that there will be significant inter-regional and international variation in private non-market provision.

Relationship between the industrial wage, social security payments and labour flows

Generally social security payments are perceived as alternative forms of income to the industrial wage. In fact, neo-classical theory regards labour market activity of individuals as being inversely related to the level of social welfare payments and traditionally British levels of provision have been pitched at a level sufficiently low as not to be an alternative to an industrial wage. However more recently various forms of means tested benefits - rent rebate, rate rebates, school meals etc. - have been introduced which are available to families whose head may be in full time employment. More generally the Family Income Supplement has been introduced to compensate families whose income including earned income which, taking into account family size, falls below the officially determined subsistence level. However under the latter scheme the incentive to work element is retained in part because the Family Income Supplement make-up is only half the shortfall below the subsistence.

The existence of these income related supplements means the effective marginal tax on low income is very high and their existence is interpreted by many economists as a disincentive to work. An alternative interpretation is possible if it is supposed that the

standard of living and the pattern of family expenditure is socially determined and that the marginal income is particularly valuable becauae it is spent on relative luxuries. In this case the existence of social provision below what is customary regarded as a necessary level of expenditure - which might be quite different from the officially define subsistence levels - may induce family members - particularly women and children - to work for whatever they can get and if this earning capability is threatened by the exclusion rules of social provisional they will resort to undeclared employment in the black economy. Thus parsimony in social welfare provision may induce employment at very low levels of pay in circumstances which officialdom would interpret as "fraud". In periods when the levels of social welfare are being reduced the pressure on families to find employment in the black economy will be increased. Moreover as pressure on social welfare is a feature of low levels of economic activities when firms are under severe pressure the number of firms resorting to the "black" labour market will be on the increase and so the opportunity for such employment will be enhanced. This means that reduction in social welfare will be accompanied by an attempted increase in labour market participation as the level of desperation amongst poor families increases and a reduction in the industrial wage which will not necessarily be recorded in official statistics because it takes place in the "submerged" economy.

Access to non-market private income

The level of non-market income will depend on the nature of the families and social organisation. The traditional family organisation with a low level of labour market participation and traditional social organisation in which subsistence agriculture plays an important part

will provide a high level of private non-market income the access to which may have an important bearing on labour flows. For example, heavy responsibility for household duties and subsistence agriculture may inhibit labour market participation whilst the existence of traditionally determined intra-family and intra-community transfers may preclude labour market activities and provide a shield from the rigours of the wage labour market and by so doing increase bargaining power to raise the industrial wage. On the other hand the argument made in the previous section about low levels of social welfare provision will apply with equal force to the private non-market sector. If income generated in the latter is insufficient for some socially recognised basic subsistence then wage labour may be induced at a very low price.

f. Conclusion

The inter-relationship between the market, state and private non-market sectors in determining the overall share of the social wage in total income and in the distribution both within and between social groups has important implications for international and intertemporal comparisons. Moreover these questions cannot be separated from more general questions of the level and structure of product market demand and to social change. The increasing labour market participation by married women has been accompanied by changes in family organisation and in the structure of demand, and it cannot be assumed that the direction of causation is one way. The increase in the number of women working has been accompanied by an increase in the number of consumer durables owned by the family which have reduced the labour intensity of household work. Whether aids to housework released women or whether women acquired household equipment to be released is an important question but

whichever the causal direction the increase in married women participation in the labour market and in the product market had a fundamental effect on the structure of demand. Increasingly the pattern of expenditure of the family has been restructured around the needs of a working wife and mother and it has become dependent on the labour market earnings of that working wife and mother for its standard of living. Thus services many of the traditionally provided by women within the non-market sector are now provided by the market but in the process both the markets for labour and products have been radically transformed.

There is more debate about the extent to which the structure of power within the family has been changed, for example how much the traditional male dominance has been eroded by the sharing with his wife of traditional financial responsibility. But there can be little doubt that labour market participation of women has reduced the resources available for tradition non-market services such as the care of the elderly and, where alternative provision is available, the care of very young children. But again an alternative system has evolved based on state provision and this has been financed by the increased taxation, particularly at the lower levels of income.

The changes discussed above are not confined to the family. The growing participation in the non-rural labour market by workers previously engaged in subsistence farming has been accompanied by a growing mechanisation of agriculture and its increasing dependence on wage labour. This transformation of the traditional sector has been accompanied by a break down of traditional forms of inter-community and inter-family transfers which formed the basis of traditional forms of social welfare. This reorganisation means that the rural sector can no

longer be regarded as a sponge ready to absorb surplus industrial labour and maintain it until it is next required by the non-rural sector. The migration from the land precipitated long period changes which made it unable to fullfill such a role. Meanwhile the newly urbanised workers and particularly their children have become habituated to urban living, have contributed to the growth and the restructuring of market in line with their consumption needs and have become dependent on state for social welfare and tax payers to finance its provision. The same story can be told about the many services which used to provide the sponge to absorb the reserve army of industrial labour and provide for some measure of subsistence. The combination of labour mobility, technical progress, changing patterns of consumption and social reorganisation means that they have now largely disappeared.

Moreover these changes are largely irreversible. In terms of the set of accounts presented in an earlier section of this paper there has been a significant shift in the source of the social wage - in the supply of resources, the provision of social services and its transfers for social welfare - between the non-market private sector and both the market and the state[1]. Accompanying this has been a corresponding reorganisation on the structure of demand for good and labour and the allocation of income between private and public provision as taxation has increased and extended to encompass lower and lower income levels.

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(1) This means, of course, that the recorded increase in real income significantly overstates the actual increase.

This has important implications for current policies. Firstly, a cut in state provision of a given magnitude has a much larger impact on income than it would have had say 50 years ago, because of the increased dependence on state provision and, moreover, a cut in services without a corresponding cut in taxation has more distributional consequences because the ones most dependent on State provision, the relatively poor, are the ones whose taxation have increased in the greater proportion to their income to finance that expenditure. Secondly, the growth of State provision of education, health and social welfare has been particularly beneficial to the relatively poor because the relatively rich have traditionally, and to an important extent, still do, depend on market provision and their own massed resources. The poor have traditionally depended on communal provision and a cut in its modern version - state expenditure - will concentrate the costs where they can be least easily borne. Thirdly, the permanent disappearance of traditional forms of education, health and social welfare provision means that cuts in state expenditure may seriously erode the quality of the labour force. Finally, the movement of labour from the traditional to the modern industrial sectors has frequently meant long distant migration between regions within countries and between European countries. The reverse flows of people with changed life styles and expectations as the level of European unemployment grows to economies and societies which have at least partly adjusted to their absence has serious short- and long-term implications for those area not least for the demand for state provision.

Chapter 2 Broad Indicators in Four Countries

This chapter describes the main features of the composition of the population, economic activity and household-type in the four main countries of the EEC (West Germany; France; Italy; UK). The first set of tables describe the population and the pattern of economic activity, thereby indicating both the structure and level of labour supplies available to the wage economy and the size and composition of the population that has to be funded through state or private transfers or through informal economic activity. The second set describes household composition and the relationship between household-type and economic activity. This provides information on the sources of wage income available by household-type and the number of dependents to be funded from wage income or other sources, which are the two main factors determining the structure of income distribution by household.

Table 1 provides basic information on the structure and changes in population between 1960 and 1981. The UK has had the slowest growing population (only 5 per cent increase between 1961 and 1981, compared to 14 to 19 per cent for the other countries between 1960 and 1981). France has had the largest increase in the 14 to 64 year old population (22 per cent), which provides the main supplies of wage labour. Italy and Germany experienced much faster increases in their 65+ population than France, although in Germany and France the share of the under 14 population fell by a similar percentage (-6 per cent for men, -4 per cent for women). Overall the UK and Italy experienced similar changes in the share of the dependent population (<14, and 65+) with that for men remaining relatively constant at around 32 per cent, and that for women rising from 32 to 34.6 per cent in Italy and from 34.4 to 36 per

cent in the U.K. In both countries the increased share for women was due to the increase in the over 65 population; again in both countries this increase was partly offset by a decline in the under 14 population, but this decline was of the order of 3 per cent in Italy and 2 per cent in the UK. In france the decline in the under 14 population resulted in an overall decline of the share of the dependent population, from 36.3 to 32.5 for men, and from 38 to 36.3 per cent for women, but in Germany the increase in the female 65+ population was such as to outweigh the fall in the under 14s, so that whereas the dependent share fell by 2.7 per cent for men to 29.6 per cent, it rose by 3.2 per cent for women to 34.1 per cent. The result of these changes was to leave Germany with the highest shares of older people and the lowest shares of young people, France and Italy with the highest shares of young and lowest share of older people, and the UK in the middle of both ranges.

The other major change in population structure over this period was a decline in the female share of the population in all four countries; whereas in 1960 females outnumbered men by between 3 and 14 per cent, by 1981 the female population was very close to that of the male population in all four countries, ranging from 2 per cent below to 2 per cent above. The UK recorded the smallest change, but from the lowest female share in 1961, at 3 per cent more than the male population. By 1981 the male and female populations were exactly equal. The share of married women in the female over 14 population was very similar in all four countries (57 to 62 per cent in 1979) with little evidence of a systematic trend in changes over time in any country.

Table 2 describes the principal characteristics of the activity of the 14+ population for men, women and married women. France, with the fastest growth in population in the 14 to 64 age group also recorded the fastest growth in employment for both men and women, at 11 per cent for men and 26 per cent for women between 1960 and 1979. However population change is by no means simply related to employment change. Italy with a relatively fast rate of growth of population recorded a fall in the number of employed men at 7 per cent, and only a 1 per cent rise for women after a sharp fall of 20 per cent up to 1973. The UK with its slow population growth also recorded a fall of -8 per cent in employed men but a rise of 21 per cent in employed women. Germany followed the pattern of a larger rise in employment for women, at 21 per cent, but also recorded a rise of 9 per cent in employed men.

The difference between changes in population and changes in the number employed results from changes in activity rates and changes in unemployment. In Italy the fall in the number of men employed resulted entirely from a steep fall in activity rates 89 to 75 per cent of the 14-64 year old population.(1) The share of unemployed in the economically active hardly rose despite the relative fall in activity. However some of the men displaced into the economically inactive sector were either seeking work or had an occasional occupation; these men accounted for 5 per cent of the 14 to 64 year old population, compared to less than 2 per cent in the 3 other countries. This suggests that formal economic activity and registered unemployment is a less good indicator of economic activity for men in Italy than in other countries.

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(1) These activity rates overstate the level of activity as those over 64 are included among the employed and unemployed.

The UK[1] also experienced a large fall in male economic activity but from a much higher level of 95 per cent, dropping to 85 per cent. Unemployment had also increased in the UK, France and West Germany but less steeply, and unemployment rose. However in all countries changes in activity rates were more important than changes in unemployment levels at least up until 1979. The consequent higher inactivity rates among the 14-64 population were primarily due to the rise in the student population. The numbers of male students more than doubled in France between 1960 and 1979 and rose at even higher rates rates in the other three countries, up to nearly four times in the UK. The main effect of these variations in the rate of growth of the student population was to equalise the share of students in the total population of 14+. In 1979 these ranged from 9.7 in the UK to 12.7 per cent in Italy.

The substantial increases in female employment in West Germany, France and the UK were accompanied by rises in the female activity rates of between 6 and 9 per cent. In Italy the female activity rate first fell and then rose again to only slightly below its 1960 level, a pattern similar to that found for female employment. Female activity rates however were lower in Italy in 1960 than in other 3 countries and the gap has since widened, with the female economically active population equalling 31 per cent of the 14 to 64 year old population in Italy in 1979, compared to 46 per cent in West Germany, and 53 per cent in France and the UK. This gap in the patterns of economic activity for women is narrowed if account is taken of those within the formally

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(1) Data for 1961 for the UK come from the Census and not EEC data; this may result in problems of comparison over time and between countries.

economically inactive population but who also in practice either have an occasional occupation or were seeking work. This category is more important for women than men in all countries, accounting for 2 to 3 per cent in France, Germany and the UK, but for 6 per cent in Italy. It is also possible that the size of the informal sector is underestimated in all countries, with a consequently more significant impact on estimates of activity in Italy. Female unemployment had risen along with and indeed faster than female employment in all countries. In all countries but the UK female unemployment was higher than male unemployment, both in 1960 and 1979. The rise in student numbers was even more marked for women than for men, offsetting to some extent the fall in the inactive population. In all countries but France the female student population more than quadrupled. The effect of these changes was not only to narrow the differences in female student population shares between countries but also that between men and women, with the female shares ranging from 8.5 to 10.8 per cent. The reductions in the share of inactive housewives in the 14+ population more than outweighed the increases in the female student population. By 1979 the housewife share was no more than 27 to 30 per cent in France, Germany and the UK, with Italy again out of line with 46 per cent. However the share of inactive housewives among married women showed more variation between countries: Italy again had the higher share at 63 per cent, followed by Germany with 51 per cent, France with 43 per cent and the UK with 39 per cent. These ratios of housewives in the population are reflected in the married women's activity rates for the 14 to 64 population which stood st 25, 37, 46 and 46 per cent for the four countries respectively. Unemployment rates for married women tended to be lower than for all

women, particularly in 1979, probably because of the higher share of young women in the female population as a whole and the increasing share of youth unemployment in the 1970s.

Table 3 gives information on the structure of activity rates by age for the four countries for men and women. The lower overall activity rate for men in Italy is primarily a result of lower activity rates in the younger and the older age groups. It is in these age-groups that there is most variation between countries and most change over time. All countries have had a steep fall in the activity rates of the 14-19 age-group since 1960 because of the rise in the student population. The already relatively large student population in France in 1960 is reflected in a lower participation rate, at 50 per cent, but by 1979 the Italian participation rate had dropped slightly below the French at 21.4 compared to 21.6 per cent. UK and German participation rates for under 19s were higher at 33 and 31 per cent. In the 20-24 age group Italy retains a low participation rate of 64 per cent but French and the German rates are similar, at around 79 per cent, but the UK participation rate for the age group is a whole 10 per cent higher, reflecting the less extensive and shorter higher education system in the UK. The UK also has much higher participation rates in the older age category, particularly for the 60-64 age group because of the still common retirement age of 65. Substantial falls in participation in this age category had occurred in all 3 other categories. Participation rates for the over 70s had fallen from levels of 15 to 23 per cent (excluding the UK) to only 4 to 5 per cent in all countries.

The pattern of female participation rates by age vary more between and over time than those for men. West Germany, France and Italy have a

peak participation rate for women in the 20 to 29 age groups, followed by a fairly steady fall in participation by age. Only the UK has a two peak participation rate pattern, the first coming in the 20-24 age category followed by a steep fall up to age 35 and a subsequent rise to a new peak in the 40-44 bracket followed by a gradual decline. Participation in the 55-99 bracket is higher than in the 25-29 age bracket in the UK, but much lower in the other 3 countries. As with men there have been sizeable falls in the activity rates of the 14-19 age group but resulting in a wider spread of activity rates (from 17 to 37 per cent). Falls in activity in the older age groups have also occurred, but as these were at a much lower level in 1960 than for men, the effect is less dramatic.

Table 4 gives more detail on the nature of economic activity by age in 1979. Using the extended labour force concept (including inactive people with an occasional occupation or seeking work) serves to raise activity rates more in the younger and older age brackets for men, although in Italy there is a sizeable impact throughout the age structure with only a small dip in the 30-44 age range. For women there is least effect on activity rates for women over 50, and most affect for prime-aged women, and for young women in Italy and the UK. Activity rates are based on employment and unemployment: table 4 indicates that young workers in all countries had a higher share of unemployment than other age groups but this share varied for men under 19 from 4 per cent in Germany to 9 per cent in the UK, to 15 per cent in France to a high of 20 per cent in Italy. The unemployment rates for under 19 females were higher in all countries at 6 per cent, 8 per cent, 33 per cent and 33 per cent respectively. The high youth unemployment rates in Italy

were associated with a correspondingly high share of first job seekers among the registered unemployed (63 per cent for men, 70 per cent for women). The variations in the shares of first job seekers in the other 3 countries were less than the variations in youth unemployment (9 to 15 per cent for men, 15 to 19 per cent for women). Unemployment rates tend to decline with age for both men and women, with any upturn in rates for older workers not really evident until age 55 or older. France provided the only exception to this pattern, with unemployment rates for men declining to a plateau of 2.7 per cent for the 30 to 44 age range and then rising steadily to 3.8 per cent for the 55-59 age group.

Household composition

The average size of households in Germany, France and the UK varied only from 2.73 members per household in Germany to 2.90 members in the UK. Italy has a much larger household size at 3.35 members per household. This larger household size arises from a much higher share of households with 4 or more members, and a low share of single person households. Variations in the share of households by size between the other three countries were relatively small, with share of single person households showing the most variation (18 per cent in the UK, 25 per cent in Germany). The larger family size in Italy was not however associated with a large number of economically active people per household, as might be expected to be found in an extended family system. These results could, however, be affected by the high share of youth unemployment in Italy and the inadequate documentation of the large informal sector.

Table 6 shows the number of economically active members per household and the number of dependents per economically active person,

in households differentiated by the economic activity of the head of the household. Of those households headed by a person with a main occupation, numbers of economically active members were highest and dependency ratios lowest in households headed by family workers, followed by the self-employed, and lastly by those headed by employees. (except for the UK where the last two positions are reversed). These patterns were found systematically within countries despite wide variations in levels between countries, with again Italy having by far the highest dependency ratio. Among households headed by an unemployed person, dependency ratios were lower than those headed by an employed person with the exception of the UK where they were markedly higher. This suggests unemployment has a greater impact on families in the UK than in other countries. We have no data on the dependency ratio for households headed by inactive persons, but the average number of economically active persons per household were low in all countries.

There are systematically higher averages of economically active members in households headed by persons with an occupation in agriculture than those in industry, and again higher averages for industrial employment compared to services. However the structure of dependency ratios varied considerably between countries. The systematic variations in active members and dependency ratios also no longer hold between self-employed, employees and family workers when these households are divided by sector. Households headed by employees still tended to have the lowest average of economically active members and the highest dependency ratios in all countries except the UK.

The data on household composition indicate the different ways in which the active and the inactive population are combined in a household

structure, and the existence of a relationship between these forms of household organisation and the nature of the main economic activity of the household. In the next two chapters we explore in more detail, as far as the available data permit, the structure of economic activity and the structure of household income distribution for two of the main countries described here, the UK and France.

TABLE 2.1: POPULATION BY SEX AND AGE: 1960, 1973, 1979 & 1981.

(Thousands)

	MALES				FEMALES				MARRIED FEMALES
	14	14-64	65+	Total 14+	14	14-64	65+	Total 14+	Total 14 +
W.GERMANY									
1960	5627	16616	2229	18845	5359	19023	3181	22204	13133
1973	6409	19003	3477	22480	6033	20329	5347	25676	15387
1979	4974	19816	3749	23565	4714	20804	6166	26970	15307
1981	5096	20973	3412	24385	4856	21198	6123	27321	.....
FRANCE									
1960	5785	13584	1964	15548	5549	14331	3223	17554	10567
1973	5528	15410	2757	18167	5350	16157	4164	20321	12168
1979	5294	16372	2966	19338	5046	16797	4457	21254	12601
1981	5675	17796	2901	20697	5417	17492	4558	22051	.....
ITALY									
1960	5921	16338	2037	18375	5682	17414	2541	19955	11787
1973	6022	17047	2823	19870	5844	18073	3650	21723	13356
1979	5749	18156	3128	21284	5540	19111	3974	23085	14250
1981	5879	18813	3208	22022	5578	19128	4534	23662	.....
UNITED KINGDOM									
1961	5830	17460	2381	19841	5556	17907	3822	21729	13367
1973	5942	17219	3025	20244	5669	17534	4628	22162	14108
1979	5355	18160	3285	21445	5061	18178	5002	23180	13873
1981	5553	18475	3267	21741	5257	18385	5083	23468	14070

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TABLE 2.2a : PRINCIPAL CHARACTERISTICS OF ACTIVITY OF THE POPULATION AGED 14 AND OVER.

(Thousands)

MALES	ECONOMICALLY ACTIVE			ECONOMICALLY INACTIVE			LABOUR FORCE.	STUDENTS	LOOKING AFTER HOUSEHOLD.
	Employed	Un-Employed	Total.	Total.	With Occasional Occupation.	Seeking Work.	(Extended)		
W.GERMANY									
1960	14571	41	14612	4233	930	18	.....	764	.....
1973	16478	64	16542	5937	145	...	16687	2051	.....
1979	15896	285	16182	7363	114	86	16381	2683	.....
FRANCE									
1960	11609	110	11719	3154	163	56	.....	947	.....
1973	12640	185	12825	5342	226	64	13115	1961	.....
1979	12907	567	13474	5862	123	74	13646	2044	.....
ITALY									
1960	14025	467	14492	3527	150	...	.....	978	.....
1973	12691	435	13126	6738	584	274	13984	2233	.....
1979	13084	514	13598	7677	784	243	14517	2703	.....
UNITED KINGDOM									
1961	16151	496	16647	2645	...	...	.....	554	.....
1973	14972	361	15333	4911	164	116	15613	1634	.....
1979	14901	590	15490	5950	188	134	15812	2090	54

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TABLE 2.2b : PRINCIPAL CHARACTERISTICS OF ACTIVITY OF THE POPULATION AGED 14 AND OVER.

(Thousands)

FEMALES (total)	ECONOMICALLY ACTIVE			ECONOMICALLY INACTIVE			LABOUR FORCE (extended)	STUDENTS	LOOKING AFTER HOUSEHOLD
	Employed	Un-Employed	Total.	Total.	With Occasional Occupation.	Seeking Work.			
W.GERMANY									
1960	7643	40	7683	14521	1356	34	.....	595	8939
1973	9106	69	9175	16481	586	..	9761	1692	8942
1979	9268	339	9607	17363	469	85	10161	2457	7932
FRANCE									
1960	6573	92	6665	10881	667	200	.....	971	8197
1973	7554	190	7744	12577	403	304	8451	2014	7137
1979	8314	661	8975	12280	267	311	9553	2172	6286
ITALY									
1960	5426	244	5670	14285	584	...	....	534	11677
1973	4328	282	4610	17111	565	567	5742	1765	11691
1979	5456	515	5971	17113	683	413	7067	2485	10625
UNITED KINGDOM									
1961	7772	197	7969	13319	...	...	...	466	.....
1973	8711	154	8865	13298	220	278	9363	1533	7901
1979	9380	302	9682	13499	293	315	10290	1975	6180

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TABLE 2.2C : PRINCIPAL CHARACTERISTICS OF ACTIVITY OF THE POPULATION (THOUSANDS).

MARRIED FEMALES	ECONOMICALLY ACTIVE			ECONOMICALLY INACTIVE			LABOUR FORCE	STUDENTS	LOOKING AFTER HOUSEHOLD
	Employed	Un-Employed	Total	Total	occasional Occupation.	Seeking Work	(Extended)		
W.GERMANY									
1973	5437	32	5469	9904	485	12	5966	...	8849
1979	5444	193	5637	9670	406	53	6096	55	7828
FRANCE									
1973	4734	78	4812	7356	298	209	5319	...	6236
1979	5505	320	5825	6776	200	215	6240	47	5384
ITALY									
1973	2320	48	2368	10987	429	240	3037	...	9610
1979	3467	125	3592	10658	507	216	4315	40	8963
UNITED KINGDOM									
1973	5873	83	5956	8152	154	201	6311	...	6882
1979	6313	128	6440	7433	173	182	6795	38	5364

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TABLE 2.3 a : RATIOS OF ACTIVITY BY AGE GROUPS(PER CENT, RESTRICTED CONCEPT)

MALES.	AGE GROUP.											
	14-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
W.GERMANY												
1960	72.1	90.5	96.1	98.3	97.7	97.1	96.0	94.0	88.5	71.4	31.1	15.2
1973	39.4	80.0	91.0	97.7	98.8	98.6	97.3	93.9	87.5	70.4	25.1	7.8
1979	31.2	78.5	87.1	96.3	97.9	97.9	96.5	93.7	83.9	50.3	11.7	3.9
FRANCE												
1960	49.8	84.6	97.0	96.3	98.0	97.3	97.1	94.1	85.8	71.0	42.3	22.6
1973	25.7	82.9	95.9	98.6	98.8	97.8	96.8	93.2	81.6	61.1	22.5	5.8
1979	21.6	79.9	95.4	98.1	97.9	97.5	95.5	92.8	81.6	44.3	15.1	4.7
ITALY												
1960	65.6	76.8	95.8	97.9	97.4	96.3	95.2	93.1	86.6	61.4	39.7	20.0
1973	26.8	66.9	89.5	95.7	95.7	94.3	91.9	86.8	74.9	41.9	16.4	3.5
1979	21.4	64.1.	87.9	94.3	94.7	94.3	92.0	87.2	71.2	36.6	14.8	4.5
UNITED KINGDOM												
1961												
1973	37.4	88.4	96.2	97.5	97.5	97.4	96.9	95.6	92.1	82.1	28.8	7.7
1979	33.2	89.1	95.4	96.6	96.7	96.5	96.3	94.0	90.7	74.3	19.2	5.1

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TABLE 2.3b: RATIOS OF ACTIVITY BY AGE GROUPS(PER CENT RESTRICTED CONCEPT)

FEMALES.	AGE GROUP.											
	14-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
W.GERMANY												
1960	70.6	74.6	51.0	44.0	44.6	43.6	40.3	36.5	31.6	19.9	11.9	4.9
1973	37.3	68.0	53.5	45.8	45.4	46.3	48.2	45.4	35.4	18.0	7.7	2.6
1979	37.0	69.4	60.1	52.6	50.3	49.7	48.7	43.1	37.6	14.8	4.5	1.6
FRANCE												
1960	43.1	68.3	49.5	46.0	45.2	46.6	52.7	52.2	45.7	38.3	21.3	9.5
1973	20.0	65.9	60.1	51.4	49.5	49.0	50.4	49.6	41.3	31.1	11.2	2.9
1979	16.7	68.3.	68.5	64.7	61.2	58.5	56.7	52.3	45.1	23.3	8.1	2.3
ITALY												
1960	45.4	48.7	36.9	34.0	34.6	33.4	33.0	30.2	24.2	17.7	11.7	4.7
1973	21.2	42.6	33.1	28.2	27.3	26.5	25.6	23.3	13.0	7.3	2.8	0.7
1979	16.5.	46.6	46.6	40.3	36.4	32.8	31.1	27.5	18.9	8.4	3.6	1.1
UNITED KINGDOM												
1961												
1973	33.9	60.2	44.5	44.4	54.3	60.6	62.4	58.6	49.1	28.5	11.1	2.6
1979	29.6	68.3	51.8	50.7	60.5	67.7	65.8	63.3	53.0	23.9	6.6	1.5

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TABLE 2.4a : LABOUR FORCE AND POPULATION

BY AGE AND SEX

1979.

FRANCE.

	ACTIVE			INACTIVE		LABOUR FORCE (extended).		POPULATION
Males.	Emp.	Unemp.	E+U.	Seeking Work	U+S.W.	Nos.	%	
14-19	409	71	480	23	94	511	23.0	2221
20-24	1240	120	1360	19	139	1392	81.8	1702
25-29	1866	72	1938	10	82	1961	96.5	2032
30-34	1968	54	2023	3	57	2035	98.7	2062
35-39	1411	39	1450	2	41	1457	98.4	1481
40-44	1433	39	1471	2	41	1478	98.0	1508
45-49	1488	53	1541	3	56	1553	96.2	1614
50-54	1389	50	1439	4	54	1449	93.4	1551
55-59	1150	46	1196	6	52	1214	82.9	1465
60-64	314	12	326	3	15	336	45.7	736
65-69	157	..	158	..	..	169	16.1	1052
70 +	90	..	91	..	..	103	5.4	1914
TOTAL	12916	557	13473	78	635	13659	70.6	19339
Females								
14-19	255	124	379	54	178	439	19.3	2273
20-24	1158	191	1349	57	248	1424	72.1	1975
25-29	1314	92	1406	44	136	1476	71.9	2053
30-34	1214	71	1285	43	114	1351	68.0	1987
35-39	817	41	859	30	71	913	65.0	1404
40-44	832	35	867	26	61	922	62.2	1482
45-49	879	31	910	27	58	968	60.3	1606
50-54	798	33	831	15	48	869	54.7	1588
55-59	682	36	718	7	43	753	47.3	1592
60-64	187	7	195	2	9	206	24.6	837
65-69	105	..	106	..	..	117	9.0	1302
70 +	71	..	71	..	..	82	2.6	3156
TOTAL	8314	661	8975	310	971	9518	44.8	21255

UNEMPLOYED

FIRST JOB SEEKERS : M. 76
F. 115

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TABLE 2.4b: LABOUR FORCE AND POPULATION BY AGE AND SEX, 1979.

GERMANY

	ACTIVE			INACTIVE		LABOUR FORCE (Extended).		POPULATION
Males.	Emp.	Unemp.	E+U.	Seeking Work	U+S.W.	Nos.	%	
14-19	929	39	968	5	44	977	31.5	3103
20-24	1501	39	1539	11	50	1558	79.4	1962
25-29	1622	43	1665	13	56	1687	88.2	1913
30-34	1758	27	1785	9	36	1797	96.9	1854
35-39	2170	29	2199	9	38	2212	98.5	2246
40-44	2361	35	2396	10	45	2409	98.4	2448
45-49	1829	22	1851	7	29	1860	97.0	1918
50-54	1757	24	1781	7	31	1792	94.2	1902
55-59	1263	24	1287	6	30	1298	84.6	1534
60-64	460	11	471	6	17	485	51.8	937
65-69	159	..	159	..	..	184	13.5	1361
70 +	93	..	93	..	..	124	5.2	2388
TOTAL	15902	293	16195	84	377	16381	69.5	23565
Females								
14-19	751	50	802	5	55	809	27.2	2975
20-24	1383	53	1436	13	66	1466	70.9	2068
25-29	1146	54	1200	15	69	1253	62.8	1996
30-34	911	38	949	6	44	1000	55.4	1805
35-39	1043	34	1076	9	43	1159	54.2	2138
40-44	1129	32	1161	10	42	1247	53.4	2335
45-49	909	21	930	7	28	992	51.9	1911
50-54	849	24	873	7	31	931	46.0	2023
55-59	793	28	820	8	36	875	40.1	2181
60-64	198	5	203	3	8	226	16.5	1372
65-69	91	..	97	..	..	112	5.5	2034
70 +	65	..	65	..	..	87	2.1	4133
TOTAL	9268	339	9607	85	424	10154	37.6	26971

UNEMPLOYED
FIRST JOB SEEKERS M. 45
F. 65

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TABLE 2.4c : LABOUR FORCE AND POPULATION BY AGE AND SEX, 1979.

ITALY

	ACTIVE.			INACTIVE.		LABOUR FORCE (Extended)		POPULATION
Males.	Emp.	Unemp.	E.+U.	Seeking Work	U.+S.W.	Nos.	%	
14-19	471	120	592	49	169	673	24.3	2768
20-24	897	181	1078	63	244	1182	70.3	1682
25-29	1427	99	1526	30	129	1601	92.2	1736
30-34	1774	31	1805	15	46	1876	98.0	1914
35-39	1688	21	1709	17	38	1775	98.3	1806
40-44	1785	19	1804	10	29	1870	97.8	1912
45-49	1691	19	1709	13	32	1793	96.5	1858
50-54	1528	18	1545	10	28	1632	92.1	1772
55-59	1181	14	1195	10	24	1284	76.5	1679
60-64	375	..	377	7	7	433	42.0	1030
65-69	188	..	188	8	8	251	19.8	1269
70 +	83	..	83	18	18	143	7.7	1859
TOTAL	13087	523	13610	247	770	14515	68.2	21284
Females								
14-19	304	147	451	73	220	550	20.1	2737
20-24	697	182	879	83	265	1017	53.9	1887
25-29	786	88	874	60	148	989	52.7	1876
30-34	781	36	818	41	77	925	45.6	2028
35-39	663	15	678	34	49	772	41.4	1864
40-44	617	19	636	27	46	750	38.6	1942
45-49	584	14	598	23	37	702	36.6	1919
50-54	510	9	520	16	25	614	32.5	1888
55-59	340	4	344	17	21	414	22.8	1817
60-64	96	..	97	9	9	125	10.9	1151
65-69	50	..	50	12	12	84	6.0	1400
70 +	27	..	27	21	21	59	2.3	2573
TOTAL	5456	515	5971	413	928	7000	30.3	23084

UNEMPLOYED M 331
FIRST JOB SEEKERS F 359

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TABLE 2.4d : LABOUR FORCE AND POPULATION BY AGE AND SEX, 1979.

UNITED KINGDOM

	ACTIVE			INACTIVE		LABOUR FORCE (extended)		POPULATION
Males.	Emp.	Unemp.	E.+U.	Seeking Work	U.+S.W.	Nos.	%	
14-19	853	85	938	79	164	1071	37.9	2826
20-24	1674	104	1779	12	116	1806	90.5	1996
25-29	1737	84	1821	4	88	1833	96.0	1909
30-34	1896	68	1963	3	71	1972	97.0	2033
35-39	1592	50	1642	4	54	1650	97.2	1698
40-44	1510	39	1550	3	42	1556	96.9	1606
45-49	1451	44	1495	3	47	1499	96.6	1552
50-54	1449	37	1486	4	41	1496	94.6	1581
55-59	1483	40	1523	5	45	1535	91.4	1679
60-64	916	34	951	9	43	969	75.8	1279
65-69	242	4	245	8	12	288	22.5	1278
70 +	102	..	103	3	3	128	6.4	2007
TOTAL	14907	590	15497	137	727	15802	73.7	21445
Females.								
14-19	734	67	801	88	155	951	35.1	2709
20-24	1242	71	1313	37	108	1368	71.1	1924
25-29	940	37	977	41	78	1042	55.3	1885
30-34	997	26	1023	47	73	1101	54.5	2020
35-39	985	25	1010	30	55	1069	64.1	1668
40-44	1033	20	1052	20	40	1095	70.4	1554
45-49	1013	18	1030	15	33	1062	67.8	1567
50-54	1006	18	1025	15	33	1056	65.2	1619
55-59	937	17	954	13	30	986	54.8	1800
60-64	340	..	343	7	7	364	25.4	1432
65-69	102	..	102	..	..	117	7.5	1555
70 +	50	..	50	..	..	59	1.7	3448
TOTAL	9380	302	9682	315	617	10268	44.3	23180

UNEMPLOYED	M	54
FIRST JOB SEEKERS	F	46

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TABLE 2.5a

HOUSEHOLDS: NUMBER, SIZE AND ECONOMIC ACTIVITY.

	GERMANY 1970.	FRANCE 1975.	ITALY 1971	U. K. 1971
Total Population (ooo's)	60651	52656	54137	55506
Number of Households (ooo's)	22009	17744	15981	18745
Average number of Members	2.73	2.88	3.35	2.90
Size Distribution:				
1 Member	25.2	22.3	12.9	18.1
2	27.1	27.8	22.0	31.3
3	19.6	19.2	22.4	18.9
4 +	28.1	30.7	42.7	31.7
Distribution by number of Economically Active	(1)			
0	0.9	25.3	22.3	20.4
1	50.8	38.8	48.9	38.9
2	30.4	29.6	21.7	29.7
3	11.5	4.8	5.3	8.0
4 +	6.4	1.5	1.9	3.0

Note (1) - data for 1960 for Germany

Source : Eurostat - Censuses of Population.

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TABLE 2.5b

AVERAGE NUMBER OF ECONOMICALLY ACTIVE AND DEPENDENCY RATIOS FOR DIFFERENT HOUSEHOLD TYPES IN 1977

Household by type of Head.	Average Number of Economically active Members.				Dependency Ratio.			
	Germany	France	Italy	U.K.	Germany	France	Italy	U.K.
Head with principal occ:	1.61	1.64	1.51	1.78	0.88	0.95	1.37	0.88
- self employed	1.94	1.85	1.61	1.74	0.76	0.81	1.26	0.97
- employee	1.56	1.59	1.46	1.79	0.90	0.99	1.45	0.78
- family worker	2.15	1.81	1.87	..	0.26	0.59	0.83	..
Head with principal occ. in Agriculture.	2.37	1.96	1.80	1.75	0.68	0.80	1.09	0.97
- self employed	2.54	2.06	1.91	1.73	0.66	0.74	0.94	1.03
- employee	1.75	1.60	1.59	1.79	0.97	1.09	1.43	0.87
- family worker	2.26	1.74	1.98	..	0.23	0.63	0.91	..
Head with principal occ. in Industry.	1.62	1.64	1.49	1.83	0.94	1.07	1.42	0.81
- self employed	1.80	1.72	1.43	1.74	0.92	1.00	1.59	1.07
- employee	1.61	1.63	1.50	1.83	0.94	1.08	1.39	0.80
- family worker	1.77	1.30	1.70	..	0.57	0.62	0.91	..
Head with principal occ. in Services.	1.52	1.58	1.45	1.74	0.86	0.87	1.43	0.76
- self employed	1.73	1.70	1.52	1.74	0.76	0.81	1.34	0.91
- employee	1.49	1.56	1.41	1.74	0.87	0.88	1.48	0.74
- family worker	2.01	1.96	1.89	..	0.26	0.54	0.80	..
Head Unemployed:	1.49	1.52	1.52	1.56	0.72	0.92	1.23	1.25
- formerly employed	1.52	1.52	1.54	1.59	0.73	0.92	1.34	1.21
- seeking first job	1.28	1.25	1.48	1.51	0.30	0.28	0.94	1.14
Head not Economically Active.	0.16	0.23	0.38	0.31	..	..	..	
- students	0.15	0.16	0.15	0.58				
- housewives	0.30	0.31	0.42	0.34	..	..	..	
- pensioners	0.16	0.21	0.36	0.20	..	..	..	
All Households	1.07	1.19	1.09	1.29	1.36	1.32	1.86	1.17

SOURCE : EUROSTAT.

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CHAPTER 3

Income Distribution in the United Kingdom

3 Introduction

This chapter discusses the distribution of personal income in the United Kingdom. All of the information is presented in the tables and graphs at the end of the chapter.[1] It is drawn entirely from official and published sources, and hence takes no account of the issues of coverage of income and transfers raised in Chapter 1.

One of the principal features of the U.K, partly reflected in the aggregation of agricultural land into large holdings and high population density, is the almost total dependence of the majority of the population on wage income and state transfers. After providing a brief outline of the sources of household income, attention will be focussed on population and economic activity. This reveals the division between the groups with earning power and those who are dependent either on the state system of transfers or on the members of the population with earning power. Employment patterns and access to jobs thus become important questions for describing where people can obtain wage income by supplying labour power. It needs necessarily to be combined with an analysis of earnings to indicate the earnings power of different members.

People without jobs are dependent either on state transfers or private transfers for means of subsistence. The first group we consider is the group of people who wish to work but are unable to find jobs. These people either receive unemployment benefit as a result of their contribution record during previous employment or fall back on non-contributory supplementary benefit which is 'means-tested'. It is important therefore to have some idea about

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1. Appendix 1, which also describes the main data sources.

the incidence of unemployment and to discuss whether it arises from a weak position to gain access to jobs or from a collapse in the number of jobs to which people have access.

Other recipients of state benefits are likely to find themselves excluded from the labour market for demographic or social reasons not directly related to the labour market and access to jobs. Retirement pensions, invalidity and disablement benefits and maternity benefits fall into this category. These individuals may be more or less able to participate in the labour market to obtain additional income and may find that their access to jobs and income opportunities is restricted by the actions of those in the labour market - for example, lowering retirement age as a method of job sharing or restricting re-employment after maternity. However, the state that they find themselves in is not in general a consequence of actions by others in the labour market. Some of these benefits are non-contributory but a number of them are contributory, again depending on previous contribution records.

The two major non-contributory benefits are supplementary benefit and family allowances (child benefit). These are paid to households, broadly means-tested, and are methods of ensuring 'adequate' household income. We therefore consider the sources of income for households of different types to assess the contribution of wage income and state transfers, and hence the incidence of low incomes. The household, in the absence of direct earning power or entitlement to state benefit, becomes the ultimate source of income for many dependents in the population. Compared to primitive societies, developing countries, and developed countries with more extended social relationships, the nuclear household formation in the U.K. makes this latter form of income distribution absolutely crucial for many members of society.

Much of the discussion of the current distribution of income will be based on data for 1981. This represents the most recent year for which a

reasonably complete picture can be drawn. However, much of the interest lies in the consequences of the recent recession for income distribution and, in particular, for different groups in the population. For the U.K, we have chosen to make comparisons with 1973 (or 1971 if 1973 is not available) since this represents the previous peak in activity, pre-dates the major rises in world oil prices and pre-dates the major contribution made by the extraction of oil and gas to U.K. national income. Over the period 1973-1981, total output increased by only 1% but, when oil and gas are excluded, it fell by over 3%. Nevertheless, personal disposable income rose by 9% in real terms while population was virtually unchanged.

3.1 The distribution of income

The growth in personal income per head in real terms was a little over 1% per year. By making assumptions about how transfers, taxes and contributions are allocated, it is possible to arrive at an estimate of per capita real income for employees, self-employed and, by residual, the dependent population. At 1980 prices, average personal income per head in 1981 was £2,800 and hence for a two adult, two children household, it was four times this at £11,200. However, household incomes are not made up in this way nor is the distribution of incomes normal. In 1978/79, the modal income after tax for tax units (one or more per household) was just under £6,000 and, allowing for inflation, this would give a modal value of around £9,000 in 1981. Thus the distribution is quite highly skewed, with many low incomes and a long tail of high incomes.

Employees in employment had average real disposable incomes of £4,623 in 1981. With an average representation of one full time and one part-time adult, household income from wage labour would on average be over £6,900. Self-employment incomes were on average higher, at £6,000 in 1980 prices. But the dependent population, which includes children as well as pensioners and housewives, received an average of only £1,360 at 1980 prices.

Thus, for a family with one full-time and one part-time employee and two dependents, average incomes in 1981 (at 1980 prices) would be around £9,500. In 1973, the comparable income would have been £8,400, 11½% lower. But we know that household incomes are not by any means the simple outcome of such broad statuses of its members: children do not attract average dependent incomes, only half the households with married women have a second income and many households (mainly those with retired people) are wholly dependent.

While average personal disposable income has risen by 9%, there has been a marked shift in the disposable incomes realised by the self-employed and dependent population. The self-employed have suffered a very large real cut in disposable income whilst the dependent population have had an average gain of nearly 40% in real terms. Employment yields an income which has grown only slightly slower than average and hence the per capita income transfer effect has mainly been from the self-employed to the dependent population. But the numbers of the population in each category have also changed. There are fewer employees and more self-employed and dependents. Thus, in aggregate, the dependent population has gained at the expense of the self-employed and the employed. But the state transfer system has worked to raise dependent incomes at the expense of the self-employed and other non personal incomes such as oil revenues and the internal redistribution within the households (reflected in the fall in the number of employees and the rise in the number of dependents) has been smaller in percentage terms.

Table 3.2 shows the make-up of household incomes. Direct money incomes provided 77% of income in 1981, a fall of 6 percentage points compared to 1973. The corresponding increase was in current transfers, which increased as a share from 16% to 22%. Pensions and child benefit account for over 3 percentage points and supplementary benefit and unemployment benefit for 1½ points.

Taxes and contributions took over 2 percentage points more in 1981 than in 1973, which would seem to exacerbate the fall in the contribution of direct

income to disposable income. But that somewhat overstates the change since child benefit was introduced in 1977 as an entitlement to all children and replaced a system of family allowances where the allowance was clawed back progressively through taxes at higher levels of income. Nevertheless, disposable income has fallen by about 3% relative to gross incomes so that the household sector as a whole has fared worse in the recession than other sectors.

Tables 3.3 and 3.4 indicate other aspects of government spending which do not impinge directly on the calculation of disposable income. Expenditure has risen substantially as a share of total product from 37% in 1973 to 51% in 1981. Nearly half this increase is accounted for by subsidies (reflected mainly in lower prices) and current grants which would be included in Tables 3.1 and 3.2. However, the remainder is accounted for by current expenditure which has not been attributed to the personal sector as imputed income. With a growth of household disposable income of 7% in the period, Table 3.4 reveals that the return to the personal sector has come mainly in terms of the health service. But the demographic structure has shifted in composition towards the very young and the retired and hence needs have increased dramatically. It is not then so apparent that there has been a substantial gain in quality. A similar point can of course be made about education. In addition, the incidence of benefits from government expenditure does not evidently favour low income groups and that, combined with the regressive nature of indirect taxation, tends overall to exacerbate the unequal distribution of personal and household incomes.

3.2 Population, economic activity and employment

3.2.1. Population and economic activity

As we have noted above, the total population remained virtually unchanged between 1973 and 1981. There had been some increase between 1971 and 1973, amounting to ½%. The distribution of the population by economic status in

1971 and 1981 is compared in Table 3.5. The proportion of males economically inactive increased from 39.2% to 40.7%. But this concealed a larger increase in the dependent population aged 15 and over. The proportion of retired increased from 8.8% to 11.4% and other inactives from 1.5% to 2.7% while the student population (in full time higher education) declined from 3.6% to 2.9% and the proportion below the minimum school leaving age (15 in 1971 and 16 in 1981) fell from 25.3% to 23.8%. The corresponding decline in the proportion economically active also reveals an increase in dependents of working age as the fall in the proportion in employment was from 57.5% to 53.4%, giving a rise in the proportion of unemployed from 3.3% to 5.9%. Thus the number of dependents of working age (excluding students) increased by 6.4% of the male population.

Among females, the proportion economically inactive fell from 66.9% to 62.8%, a rise in the proportion active of 4% of the female population. There was still a rise in the proportion retired, but the increase was much smaller than for males for whom early retirement was far more common. The decline in inactivity appears mainly among the category 'other' and hence reflects greater activity (3.1%) among housewives. The increase in the proportion economically active was split evenly between employment and unemployment so that over the period, an additional 2.4% of the female population had jobs at the end of the period and 1.7% more of the population had moved into the labour force but had not found jobs.

Table 3.6 shows how economic activity rates had changed for males and females. Over the age of 15 (thus excluding most of the effect of raising the school leaving age in 1972/3), male activity rates declined for those aged over 50, and the fall was proportionately greater for older age groups. Among those aged 50-59, the propensity to be in the labour force was 4% lower but among those aged 60-64, it was 20% lower and it halved for those aged 65 and over. For those aged 50-59, the main cause is the expansion of occupational

pension schemes leading to voluntary early retirement. But for those aged 60 and over, early retirement schemes and the lack of jobs for old people in the face of various youth schemes suggests a much greater policy move to put older people out of the economically active sector.

A similar pattern of change in activity rates is apparent for other (single, widowed, divorced) women but the decline in propensity to be active begins at age 25. To what extent this is a consequence of single parent fertility, improved widows pensions and improved divorce laws, particularly as regards maintenance and capital sharing, is not known.

All of the increase in activity rates, therefore, between 1971 and 1981 is the result of the increase in participation by married women. Similar decreases are observed for those aged over the retirement age of 60 as for males and other women but in each working age group there is an increase, from 15% among those aged 16-19 to 34% among those aged 25-34. For those aged 35-49, the increase in the propensity was 20% and it was still 14% for those aged 50-59. Much of the increase among those aged 25-34 is accounted for by lower fertility during the late 1960s and 1970s and also by the improved provision for return to work after maternity leave - although this has recently been made more restrictive. But, for those aged 35-59, it is evident that there has been a much greater propensity to return to work. A part of this may be accounted for by the expansion of part-time employment opportunities during the 1970s, particularly in the health and education sectors in the early 1970s. More recent changes in activity rates have been less dramatic but the evidence suggests that activity rates of married women have continued to rise despite the slowdown in the growth of jobs and hence at the same time leads to an increase in measured unemployment.

Although students have declined as a share of the population, Table 3.7 shows that for both males and females the proportion of the population aged 16-24 engaged in full-time higher education has increased. The increase is

quite small for males but large (a 10% increase in the propensity) for females. Data on participation by specific age group is only available from the Census of Population and hence only for 1971. It reveals, however, that females who are not married have a higher propensity to remain in higher education, partly because of the greater proportion continuing into teacher training.

In 1981, male unemployment rates were highest among the young and the old. Since these are also the age groups with lower activity rates, the representation of these groups in the employed labour force is very low. For females, unemployment rates tend to decline with age. But they are still very high among young people for whom activity rates are not so much lower than the average, contrary to the case for men. Thus again population in employment is concentrated among the prime working ages but, for women, as they get older, they do not enter (or re-enter) the labour force and remain outside rather than become classified as unemployed. That is, their dependent status in relation to the household is more apparent whilst for males the need to obtain wage income means more compulsion to remain in the measured economically active.

Table 3.8 also shows employment status of the economically active. Of those in employment, the vast majority of males are full-time employees (83%). For other females, the proportion is similar at 76% although there are more part-time employees (18%) rather than self-employed compared to males. However, 50% of married females work part-time. Thus, although more males choose self-employment, the vast majority are full-time employees. Other women are also mainly full-time employees although more take part-time jobs and more are unemployed. Both these groups show a need for significant wage income, but other women are less successful in drawing their full earning power. Married women, however, mostly have part-time jobs or do not participate, thus demonstrating that they rarely achieve their earning power. The facts that they work part-time or do not claim to be unemployed do not necessarily mean that their employment status is voluntarily chosen, anymore than it does for males.

The qualification levels of the economically active in 1981 are shown in Table 3.9. Only 11% of males have HNC/HND or higher and 35% have no qualification. Activity rates are lowest for those with A or O levels but since these are obtained at the end of secondary education, the lower activity rate is probably accounted for by a higher proportion taking time off before beginning paid employment. Lower levels of qualification (CSE or none) do mean lower activity rates but the remainder have very similar participation rates. However rates do rise with the absence of qualifications, from 3% for those with high levels to 17% for CSEs and 14% for none. Hence, although some without qualifications do not enter the labour force, nearly all the rest do but qualification level does have a marked effect on the propensity to be unemployed. The burden of unemployment therefore falls on the least qualified.

Females on average hold lower levels of qualification. 49% have none and 77% have O levels or less. Activity rates do tend to be somewhat higher as the qualification level increases but there is less disparity in unemployment rates. They are higher for CSEs (15%) and none (10%) but many others experienced rates of 7-9%. Thus, although there is a higher propensity to be economically active at higher qualification levels, those qualifications do not provide the same degree of access to jobs as they do for males.

3.2.2. Employment

Table 3.10 shows how the number of jobs has changed between 1973 and 1982. Overall, there has been a loss of 1½ million jobs in the private sector, equivalent to 8½% of employment. In the public sector, the armed forces and public corporations had lower employment levels in 1982 than in 1973 but overall there were less jobs. The main sector to expand was Central Government. Up to 1979, the increase of 666,000 jobs in the public sector had more than compensated for the private sector decline but, in the last three years to 1982, the cuts in local authority, public corporation and private sector jobs have amounted to a loss of 1580000 jobs. But this reduction is heavily concentrated

in manufacturing jobs where 1.4 million jobs were lost in the same period: the public sector services declined a little (another 100,000 jobs) and hence the private services did little more than provide a steady number of jobs. This lack of net employment creation suggests very limited re-employment opportunities for those losing their jobs.

In 1981, manufacturing accounted for only 27% of male jobs and 18% of female jobs. Most females were employed in services (including public services) and distribution/hotels, a total of 62%. Male employment was more evenly spread across the sectors, with roughly the same proportion in other services as in metal using industries. Self employment accounts for only 7% of male employment and is very significant in agriculture and construction, accounting for 40 and 27% of sector employment respectively. Only 2% of females in employment are self-employed and self-employment is most likely in the agriculture and distribution/hotel sectors. However, overall, it appears that job losses in recent years will have fallen far more heavily on male employees.

The occupational distribution of employees is shown in Table 3.12. For males, 60% are manual and 40% non-manual whereas the proportions are reversed for females. Noticeably, and bearing out the data on qualification, males in both manual and non-manual occupations tend to be classed as more skilled.

How this affects the industry composition of employment is seen in Table 3.13. Higher qualified males (HNC/HND and above) are heavily represented in finance/business services and other services. Trade apprentices are over-represented in construction and metal using trades while those finishing with formal qualifications up to ONC are over-represented in finance business services (where a minimum of O levels tends to be a condition of entry). Those with no qualifications are most heavily represented in agriculture and least in finance/business but they form 40-50% of employment in many sectors. The decline in jobs therefore will, in the absence of differential job loss, have led to job loss among skilled trade apprentices and those with no qualifications.

With the exception of nursing and teaching qualifications (the related activities are both classified to other services), none of the qualifications above ONC/HND and A-level yield a concentration of female employment by sector or skill. Only in finance/business services are O and A level qualifications concentrated, again because of entry requirements. In agriculture, extraction, manufacturing and distribution, over half of the females employed have no qualifications - over 60% in manufacturing. Service sectors may provide the bulk of female employment opportunities but they are not so strikingly unskilled jobs as the jobs provided in manufacturing and not markedly different to the skill structure offered to males in services.

Thus, with the destruction of 1½ million jobs in manufacturing since 1979, the incidence of job loss might be expected to have fallen most heavily on the skilled manual males and the unqualified males and females. That is, the job loss points to a rapid rise in rates of 16 and 17 year olds with no prospect of entry when they leave school and, because of the pattern of job loss, relatively little as they get older. If qualifications do act as a screen to recruitment, the recent cohorts of school leavers who have not had a job have lower prospects of getting one unless the pattern of job loss is reversed. Their entitlement to social security is also relatively low and this adds to the dependency burden placed on households.

Another group in the population who tend to experience above average unemployment rates are the immigrant population. Among males, we see from Table 3.14 that all but Africans of the non-whites have higher activity rates but that all have higher unemployment rates, as high as 20% for West Indians and Pakistani/Bangladeshi people. West Indians are concentrated in metal using industries and transport, partly thereby explaining their high unemployment rates. Pakistani/Bangladeshi immigrants are concentrated in other manufacturing and distribution and hence, relative to white ethnic origin groups, obviously bear a very disproportionate burden of unemployment. Indians,

heavily represented in manufacturing and distribution, have a lower unemployment rate, only 15%, while Africans and others, mainly in distribution, have only a slightly higher unemployment rate.

Among females, West Indians have higher activity rates (nearly 50% higher) whilst only 15% of Pakistani/Bangladeshi women are economically active. All unemployment rates are higher than for groups of white ethnic origin and it is amazing that it is highest for the group with only a 15% activity rate - that is, only 12% of Pakistani/Bangladeshi women have jobs. West Indians are over-represented in services but the Indian and Pakistani/Bangladeshi women are over-represented in manufacturing.

Immigrants are therefore more likely to be found in manufacturing than in services compared to those of white ethnic origin and this must to some extent have exacerbated their experience of higher unemployment rates. Their generally higher activity rates suggest a greater need or desire to gain access to employment but their higher unemployment rates tend to mean that a not significantly higher proportion actually have jobs. Because female activity rates are not generally higher but unemployment rates are, the income contributions of females of non-white ethnic origin to their households will be lower than for their white counterparts, even if they are able to gain access to the same level of earnings.

Tables 3.15 and 3.16 look in more detail at the jobs filled by women and how these have changed since 1973. Between 1973 and 1981, job loss exceeded 30% in metal manufacture, leather, textiles and clothing and was between 20-30% in another five industries. Two of these sectors are extremely important for female manufacturing jobs; females occupy 76% of clothing jobs and 46% of textiles jobs and shared the job loss equally with males. The three industries where they suffered above average job loss (that is, where their share of employment fell when total employment also fell) were instrument engineering, electrical engineering and metal goods nes. The employment

declines in these sectors varied from 16-21% and even the 7% loss of share in electrical engineering would not mean as much proportionate job loss as in textiles and clothing.

What is really noticeable is that in no manufacturing sector did the share of female employment increase, despite employment declines in every sector. Thus, in manufacturing, although the numerical effect on male employment was far greater, the incidence of job loss fell more heavily on women. Outside manufacturing, with the exception of agriculture, female employment opportunities increased relative to those for males. In the three sectors where total employment declined (construction, transport and public administration), the female share rose by 3 percentage points, thus increasing the incidence of job loss among males. In the three sectors where total employment expanded most rapidly (professional and scientific services, miscellaneous services and insurance, finance and business services), females already in 1973 occupied over 50% of the jobs and as many as 67% in professional and scientific services (which includes health and education). Increases in share in these sectors ranged from 1-4 percentage points.

Thus females suffered job loss disproportionately in the declining manufacturing sector but compensating job gains in services meant that an overall 4½% fall in all jobs was offset by a 3½ percentage point rise in female share. Female jobs are now much more heavily concentrated in service industries than in 1973 but overall there are more-or-less as many jobs. For males, however, there are 8% fewer jobs overall and 21% fewer jobs in manufacturing. Thus net job losses for males in manufacturing have not been offset by any net increase in net jobs in services.

Part-time employment for males is shown in Table 3.16 to have increased somewhat for males from 5-6% of male employment. The increase in services is much greater than in manufacturing and this compounds the impact of job loss on potential access to earned income.

For females, there has been a big increase in the share of part-time employment from 36-41.5% of all female jobs. With no overall increase in the share in manufacturing, all of this increase occurred in services and again that means that full-time jobs lost in manufacturing were being replaced by part-time jobs in services - even at the same hourly earnings rates, female weekly earnings would fall. The main sectors to expand part-time employment were distribution, insurance, professional and scientific services and miscellaneous services.

Within manufacturing, some sectors increased the share of part-time jobs and others reduced it. Those where it increased markedly were shipbuilding, leather and timber - but all of these sectors experienced at least a 20% fall in total employment, two had less than 20% of their workforce female, and none is numerically significant in the provision of female jobs. Those sectors where the share of part-time fell were electrical engineering and other manufacturing, both sectors where employment declines were not excessive (16 and 27% respectively) and where the share of female employment in total was quite high (33 and 35% respectively in 1981).

Thus the loss of access to jobs, and hence to earned income, has fallen more heavily on males than on females and on full-time rather than part-time females. Without any changes in real rates of pay, this would mean a fall in average real household incomes but because of the disproportionate effect on different groups means also that the effect of job loss on household incomes will affect households differentially.

3.2.3 Hours of work

Another consequence of the recession on earnings is the reduction in hours of work, either through the elimination of overtime, increased short-time or more part-time working. Table 3.17 shows how men, married women and other women are distributed according to weekly hours. Two-thirds of men work between 35-40 hours per week and a further 26% work over 40 hours and hence are working

overtime. Among other women, two-thirds also work between 35-40 hours per week but more, as many as 21% work less than 30 hours - 10% work less than 16 hours.

Only 36% of married women work between 35-40 hours per week in employment. As many only work in jobs for 9-24 hours per week. Of the 21% working less than 16 hours, many are in cleaning jobs or service sectors and are restricted by their employer to those hours so that the employers are not liable for national insurance contributions. A further 19% work 17-24 hours and 12% work 25-30 hours: a higher proportion of these will be in manufacturing, some working twilight (early evening) shifts.

During the 1970s, normal (negotiated) weekly hours have changed little, most of the reductions in the U.K. occurring in the late 1950s and early 1960s - there have in the last few years however been some reductions towards 39 hours in manual occupations, particularly engineering. Throughout the period, non-manual occupations have had lower weekly hours - for most of the period, weekly hours were 37½ and may in some occupations have moved recently down to 35.

For manual occupations in manufacturing, this pattern of change in normal hours is shown by Table 3.18. Normal hours fell by 7% between 1960 and 1966, only by 2% up to 1981 but by a further 1% between 1981 and 1982. Since in most negotiated wage agreements in the early 1960s hourly rates were increased to offset the fall in weekly hours, these trends have had little impact on earnings power in work. What is more interesting is how average hours have changed relative to normal hours.

We see from Table 3.18 that average hours for operatives increased relative to normal hours in the late 1960s by 3% (despite, or because of, the reduction in employment), fell by 4% in the 1975/6 period and had not fallen by 1979, being the same then relatively as they had been in 1960. But the period 1979-81 saw a large drop of over 4%, mainly the result of a massive increase in short-time working (as indeed had been the case in 1975), with some

subsequent recovery in 1981 as employees on short time were made redundant.

The detailed sectoral information reveals that the impact of the recession began earliest and has been more severe in metal using industries - indeed, the evidence for the whole period indicates that adjustment of hours was more frequent in these industries. There is very little evidence of a recovery of hours after 1975 and, in vehicles, the cut was 10% down on 1973 by 1981. In textiles and clothing, where employment loss has been greatest, hours appear not to have played a significant part either recently or in earlier periods: overtime is less common and redundancy may have been preferred to short-time working.

There is little doubt from this evidence that even those operatives who have managed to hold on to full-time jobs will have seen their weekly earnings fall relative to hourly rates and that this effect will have been particularly severe in metal using trades, capable of offsetting any real increase in hourly basic rates of pay.

3.3 Earnings of different groups in the labour force

We have seen so far that male full-time manual employees have suffered most from job loss because of the loss of jobs in manufacturing. In Table 3.19, we show how their hourly earnings have changed during the 1960s and 1970s. Between 1955 and 1965, median hourly earnings increased at 3.1% per year. Despite the incomes policies of the 1965-69 period and during the early 1970s, median earnings grew even faster at a rate of 3.5% per year up to 1974. However, since then, median earnings have not grown and in 1981 were 3% below their peak level reached in 1975. The distribution of earnings remained remarkably stable up to 1969, with the lowest decile point at 88-89% of median earnings and the highest decile point at 111-112% of median earnings. With lower and upper quartile points at 92 and 106% of median earnings, there was little skewness in the distribution by industry. But, since 1969, initially

with the wage explosion of 1969-70 but again in 1975 and 1979, the dispersion of the distribution has increased relative to the median. The lowest decile point is now only 80% of the median and the lower quartile only 88% while the upper quartile point is little changed at 108% but the highest decile point has moved out to 121% of the median. Thus not only has the dispersion increased but the tail of low earnings has increased.

This pattern of change paints a very gloomy picture for the earnings in some industries: with average hours falling, median earnings unchanged in real terms, industries with low relative earnings have been pushed into an even worse position since 1975.

Part of the explanation is provided by Table 3.20. We see that wages councils, which provide statutory regulation for a minimum wage in a number of industries, did little more before 1975 than preserve the real value of wage rates while the private sector voluntary agreements achieved an average annual rate of increase since 1960 of 2% in basic rates. The relative decline is as large for female rates as it is for male rates, although female rates increased faster in both sectors from 1970 under the impetus of equal pay (to be achieved by the beginning of 1976). But, after 1975, mainly between 1977 and 1979, wages council rates were given a boost (a government policy decision during the course of which they were freed from government restrictions on increases) and voluntary agreement rates were held to no real increase. Since 1979, real basic rates in these agreements have tended to decline.

It is not therefore a failure of Wages Councils to maintain their minimum wage rates which has caused the widening dispersion and longer lower tail; it is the failure of voluntary agreements to achieve real rates of increase since the mid-1970s.

Between 1973 and 1981, weekly earnings of male full-time employees increased by 220% for manual employees and 229% for non-manuals: these are equivalent to real annual rates of increase of 0.5% and 1.2% per annum

respectively. By looking at the industrial distribution of earnings in 1973 and 1981 as shown in Table 3.21, we see that those industries where earnings have declined relatively are all in the manufacturing sector, where job loss has been greatest: vehicles and timber are the most extreme. The sectors which have fared relatively well are finance, professional services and public administration. It appears that male manual workers have been hit twice over by the exposure of manufacturing to external competition, once in terms of job loss and second in terms of weekly earnings. However, despite these changes, earnings were generally higher in manufacturing than in the larger service industries.

A similar but less striking pattern of change appears for non-manual employees. There are losses in manufacturing and not in services. However, it is less evident that earning power is higher in manufacturing: only chemicals gives a figure well above average in 1981 whereas most of the service sector, excluding distribution and miscellaneous services, show above average earnings.

For females, the comparable information for full-time employees is given in Table 3.22 and for part-time employees in Table 3.23. For full-time female employees, earnings of manuals have tended to converge with relative falls in high payers like vehicles and transport and increases in low payers like distribution and miscellaneous services. However it remains true that on average manual work attracts higher earnings in manufacturing than in services. Yet again the reverse is true for non-manuals. But for non-manuals there is no evidence of convergence and evidence moreover of much wider differentials in average earnings - from 75% of average in textiles and distribution (two sizeable employers) to 118% in professional and scientific services (dominated by health and education where equal pay was agreed way back in the 1960s).

The pattern of earnings for part-time employees is very similar to that for full-time employees, as far as one can tell from the limited data. Manufacturing still has higher weekly earnings than most service industries, with

electrical engineering, clothing and paper, publishing and printing paying 20-30% above average. Finance and business services used to be quite low relatively but have improved considerably. For non-manuals, the service sector excluding distribution and miscellaneous services gives reasonable earnings - the two exclusions are not low because of low weekly hours since hourly relativities are 76 and 91 respectively.

Relative earnings power of the different groups are summarised in Tables 3.24 and 3.25. For male full-time employees, manufacturing yields the highest weekly and hourly earnings for manuals, with the public services being lowest, whilst the reverse is true for non-manuals, the public services being highest and manufacturing and other sectors being fairly similar. Thus, for male full-time manual employees, jobs have been lost most heavily in those sectors which give the highest earnings.

For female full-time employees, manufacturing produces the highest earnings, albeit with longer hours, but there is no question that public services is the place to be for non-manuals, giving 30% higher earnings at shorter hours. Earnings power for part-time employees is very much higher in manufacturing, but significantly more hours are worked. Thus the loss of manufacturing jobs held by female manual employees is a further loss to household income, even if they succeed in obtaining service sector jobs. However, the expansion of the public services, particularly in increasing the number of part-time non-manual jobs, has created opportunities for women to enter at attractive rates of pay.

Table 3.25 shows that it always pays to be non-manual on average (although not for every occupation). It is most true in public services and least so for females in manufacturing but between 1973 and 1981 the differential has generally widened in favour of the non-manual group. In terms of weekly earnings, females on average do not have the earnings power of males - even in the public services sector, the ratio is only 68% for manuals and 65% for

non-manuals. The gap has closed in all sectors but it makes very little impression.

Because of differences in hours worked, particularly through access to overtime, the gap is less in terms of hourly earnings but this makes very little impression on non-manual relativities and keeps those for manuals between 67 and 78%.

A switch from full-time to part-time work by females will on average lead to a cut of 50% or more in average weekly earnings and that effect has increased in places since 1973. For manuals in all sectors and for non-manuals in manufacturing, it is not only because of the cut in weekly hours involved but also either that the hourly rate is lower or the jobs for which there are part-time opportunities are relatively poorly paid. It is evident therefore that an expansion of part-time jobs pushes less income to the household sector than an equivalent increase in full-time jobs, although in periods of expansion it may increase household income in more households: in recession where jobs are scarce, it will not necessarily have this latter effect.

Table 3.26 shows the age profile for weekly earnings. For male full-time manual employees, peak earnings are reached between the ages of 30 and 50 after which they decline slightly to retirement. They are low up to age 20, being less than half when aged under 18 and only two-thirds of peak earnings when 18-20, but rise as more apprenticeships are completed. Male non-manual employees have a longer period of rising incomes and do not achieve peak earnings until age 40-49. Even by age 25-29, average earnings are only 75% of their peak.

For females, full-time earnings rise more slowly with age and peak earlier for both manual and non-manual, at ages 25-29 and 30-39 respectively. Earnings for those under 20 are not so low relatively as they are for men but that is because they will rise less with age rather than their being higher when young. There is very little age progression of earnings for part-time employees, at least over the age of 21. There are far fewer promotion opportunities.

In terms of weekly earnings, Table 3.27 shows that a switch from full-time to part-time work by females is likely to cut weekly earnings by more than 50% at most ages. For manual employees, it is mainly the consequence of lower hours although average hourly rates are 10-15% lower. But for non-manuals, the sacrifice even in terms of hourly rates is much greater where the lack of progression among non-manuals working part-time shows up much more starkly. Up to age 20, hourly rates are similar but they then fall relatively by 25% by age 30-39. Thus even those who return to work after a reasonably lengthy intermission are likely to experience much lower hourly rates.

Thus earnings have not shown any marked tendency to rise in real terms, particularly in sectors exposed to competition. Furthermore, the restructuring of employment opportunities, itself likely to have had a detrimental effect on household incomes, has been reinforced by relative levels and trends in pay to reduce levels of household income by, on average, substituting relatively low paid jobs or part-time jobs for jobs with higher weekly earnings. In this recession, average earnings changes have reinforced the impact of job loss in increasing dependency on transfers, either from the state or within the household.

3.4 Flows in the labour market, labour turnover and new entry

The previous two sections have been concerned with employment and earnings. They tell us something about who holds which jobs and what level of earnings they are likely to attain in those jobs. In that sense, we learn something about access to income for those in and out of employment. What we would also like to consider is access to different levels of income within the employed population. To some extent we have already been able to point to age and industry differences but access to those jobs with highest earnings is generally the result of some process of mobility within the labour market.

Very little is known about flows into and out of the labour market, let alone about flows within the employed sector. An attempt was made some years ago to establish some kind of demographic accounts by Metcalf and Tarling in a report to the Department of Employment. An extract from that paper is included in Appendix 3.2. Further work in this area has since been carried out in the U.K, particularly at the Institute for Employment Research at Warwick.

In the Metcalf/Tarling paper, a summary table (Table 1) shows the inflows to employee jobs in the years from 1955-1973. What it shows in this early period is that, for males, inflows to employee jobs came fairly equally from other jobs and from unemployment before 1966 with only 12% or so coming from the previously inactive. But, after 1966, voluntary mobility direct from job to job was very much lower. Recruitment to jobs declined and that had two effects: firstly, there was much less direct job mobility and secondly, a lot more of what happened passed through the unemployment register so that many more voluntary quits experienced a spell of unemployment between jobs.

For females, there was no such indication of a drop in recruitment, only a little compared with 1968/69. Direct job mobility was slightly reduced but there was a rise in inflows from outside the labour force and no shift in the level of flows to and from unemployment. This may indeed have reflected the restructuring of jobs, the creation of more part-time opportunities, and lead to a greater level of flows into and out of the labour force. It seems from the evidence (p.6, Appendix 3.2) to be a response in inflows rather than outflows. They were certainly a more important source of recruitment, accounting for between 20 and 30% of new recruits.

There is very little direct evidence of a comparable nature for the latter half of the 1970s and the early 1980s. All that is available is a few years of length of service tables from the New Earnings Surveys which show a drop in short service employment (presumed to be a fall in recruitment) between

1976 and 1979 and an increase in average length of service of about a year (from 10 to 11 years in manufacturing) for males and much smaller increases (if any) for females. Recruitment among females, however, also seems to have declined. The other source is the regular statistics collected by the Department of Employment on labour turnover in manufacturing.

Table 3.28 shows the rates of engagement and leaving for men and women. For men, the highest rate of recruitment was in 1969 at 2.65% per four week period, equivalent to 34% per year, but its lowest was in 1981 at 0.82% per four week period, equivalent to only 11% per year. Rates of leaving fall within the same range but they have never been so low, their minimum being 1.50% per four week period in 1982, equivalent to 20% per year. Both engagement and leaving rates are higher for females: the range for engagement rates is between 55% per year in 1969 and 20% in 1981, with the leaving rate having a higher minimum at 30% in 1982.

Graphs 3.1-3.3 give a clearer picture of what has been happening. In graph 3.1, males and females are combined into a single engagement and leaving rate. Up to 1979, they have a tendency to follow each other and move pro-cyclically, with the engagement rate showing the greater variation. This behaviour is generally explained by the reinforcement of voluntary quitting by firms desires to lower recruitment rates and the greater numerical importance of voluntary quitting over redundancies in the leaving rate, where however the two offset each other to dampen the variation. But throughout the period since 1966, levels of turnover have been declining in trend terms along with the collapse in employment. The very much greater fall in employment since 1979 has destroyed the old relationship. Recruitment has totally collapsed and, along with it, there probably is very little voluntary mobility - the consequence of which is that employers could not reduce their employment levels by cuts in recruitment and not replacing voluntary leavers but had to undertake large-scale redundancies (for which 1981 was the peak year since 1966) which kept up the leaving rate.

The rate of engagement for males and females is shown in Graph 3.2. They follow each other very closely and have shown similar proportionate declines. Since the mid-1970s, there has been a tendency for female engagement rates to fall before male engagement rates which suggests that they are first in line to be denied access to jobs. The leaving rates are shown on Graph 3.3. Again, they follow each other quite closely although in recent years, particularly 1975 and 1980, the female leaving rate appears to have moved higher relative to that for males suggesting that females may also be especially prone to job loss in these periods and hence be first targets for redundancy. Taking together, the graphs show a collapse of recruitment and mobility and hence a greater need for those who recruit to call on the unemployed or inactive and for those who want to reduce their workforces to turn to redundancies. Either way, females appear to be in a weaker position than men, consistent with the fact that female jobs have been cut by more than male jobs in manufacturing.

Table 3.29 shows the industrial differences in engagement and leaving rates for men and women. For men, industries have generally either cut back on both recruitment and leaving relative to all manufacturing, presumably to keep redundancies as low as possible, or have not found it necessary to cut either as much as manufacturing in total. Some, however, have found it necessary not only to cut recruitment relatively but also to increase the leaving rate: these industries are chemicals, metal manufacture and metal goods nes. Much the same is true for females, although there has been less differential movement in engagement rates and more differential movement in leaving rates. Those industries which have lowered recruitment relatively but increased leaving rates are food, electrical engineering, metal goods nes and other manufacturing, all important sectors for female employment. The two largest female employers, textiles and clothing, both kept their engagement rate relatively high and have relatively high leaving rates.

This discussion tells us nothing about mobility within firms but there has been a lot of case studies of internal mobility which do not suggest greater

upward mobility. Indeed, the broad picture revealed is that there are promotion bottlenecks caused by difficult redundancy decisions which have only been slightly eased by greater early retirement.

Broadly then, the evidence reveals considerably less labour turnover, an increase in redundancies and hence an even greater reduction in voluntary mobility. This is true for both males and females and suggests that this aspect of labour market behaviour in recession will have compounded the detrimental effect on household incomes. Not only have jobs become more scarce and have lower weekly earnings attached to them, but individuals cannot seek voluntary mobility as a method of increasing earnings but must accept lower real pay, unemployment or inactivity.

The final aspect in this section that we want to look at is entry to the labour force and mobility patterns within the labour market. At Appendix 3.3, we attach a note by Cripps and Tarling on mobility of labour during the 1960s based on a block of data made available on a once-off basis. The findings of that paper were that disproportionately new entry of males was to distribution, miscellaneous and financial services and manufacturing after which individuals climbed a tree towards either engineering or public and professional sectors. If that pattern had been maintained in the 1970s, there will have been much frustrated mobility up one half of the tree towards engineering and probably more people locked into their entry sectors in low paid services.

Females tended to enter into services (miscellaneous, financial or distribution) and aim towards engineering or food in manufacturing or finance/ transport or public/professional sectors. Again one half of the tree has not grown and some frustrated mobility will have remained in services or a higher share will have passed to the expanding sectors.

All we actually know for the late 1970s is the pattern of new entry for young people in England and Wales in 1979, as shown in Table 3.30. This reveals a very similar pattern of entry, disproportionate to manufacturing and the two service sectors, distribution and other services, compared to the structure

of employment. This much has changed little but we also know that recruitment levels, particularly of school leavers, has been more than halved (judging by unemployment levels) in recent years. Perhaps the mobility chains are still there, at least their access points, but the jobs even at entry let alone further along the chains are not.

This, as we have remarked earlier, is a most disturbing aspect of the recession. The failure to provide enough jobs for the existing economically active creates severe problems by blocking mobility chains and creating disproportionate cuts in new entry jobs. Access to wage income through employment opportunity is being denied to successive cohorts and that is a loss, especially for the relatively unqualified, that they will have to bear throughout their life. Not a very large proportion will be able to step onto the ladder if an expansion comes because of later cohorts of new entry and blocked chains - the excluded cohorts will remain the last in the queue and their incomes will be correspondingly restricted.

3.5 The incidence of unemployment

With the exception of 1973-74, unemployment levels have been rising in the U.K. since the mid-1960s. Obviously more people have been affected by unemployment but to what extent has it affected different people? There is an abundant literature of the characteristics of the unemployed (recent articles including those by Nickell in the Economic Journal and Stern and Smee in the Department of Employment Gazette). These point to two significant features of the unemployed; first, the differential incidence of unemployment experience on groups in the labour market and, second, the repetition of spells of unemployment. The repetition of spells means that some individuals bear a disproportionate burden of unemployment and that, once unemployed, their probability of becoming unemployed again is higher.

Table 3.31 brings together flows on and off the unemployment register in the period since the mid-1960s. The data exclude school leavers and thus

refer only to those entering from jobs or from states of economic inactivity. By comparing flows with the stock levels, we can obtain some idea of the average duration of uncompleted spells of unemployment: in steady state, where inflows equal outflows and inflows have the same average probability of re-employment, average duration of uncompleted and completed spells are the same and equal by identity to the ratio of stock to inflow or outflow. As an approximation to this, we have calculated in Table 3.31 the ratio of stock to outflow which measures the average duration of uncompleted spells, noting however that this may differ markedly from the average duration of completed spells.

The table shows that for males annual inflows to unemployment varied between 2.2 million in 1979 and 3 million in 1969. The period 1967-1971 was high, with inflows averaging nearly 3 million, levels which were only attained again in 1974/5. The period 1978/9 was one of exceptionally low inflows and in most other years inflows were around 2.6 million. This represents an average probability of becoming unemployed of 18%, varying therefore between 15 and 21% over the period. The average duration of uncompleted spells however has risen considerably, particularly since the mid-1970s. In 1982, it was nearly 10 months after having been only 1.7 months in 1967. Furthermore, this rise is not just a recent phenomenon: between 1967 and 1972, average duration rose by 70% before falling in 1973/4 by 25%. Thus, over the period, inflows have occasionally helped to explain movements in the stock of male unemployed but the most variable feature is the average duration of uncompleted spells.

It is worth noting at this point the enormous difference between average durations of uncompleted and completed spells, particularly when the average probability of re-employment falls sharply. If most of the outflow are people who quite easily find new jobs, for example, after being made redundant, but most of the inflow are those who cannot, we can get the sort of difference observed in the winter of 1982/3. In an article in the Department of

Employment Gazette (August 1983), Peter Hughes has produced some very interesting material (we have drawn on that article for Charts 3.1, 3.2 and for Tables 3.34 and 3.36). From Table 3.36, we see that in January 1983 to April 1983, for males and females together, the median duration of completed spells is 14.3 weeks but the median duration of uncompleted spells is 34.1 weeks, nearly 2½ times as long.

For females, inflows to unemployment generally remained betwen 0.9 and 1.1 million from 1967 to 1979, a range of probability of becoming unemployed of 10-12%. Since then, the probability has risen to 15%. This is still a lower figure than for males but does not necessarily mean a lower probability of losing a job since flows out of jobs by women will be divided between those who become unemployed and those who leave the measured labour force. Furthermore, the recent rise in inflow may only mean that job loss is now affecting a higher proportion of women who will register as unemployed (and claim benefits) rather than disappear from the labour force. It seems therefore as though the inflows for females have been more stable than for males. Average duration of uncompleted spells has, however, risen by proportionately the same amount as for males: in the case of women, it has risen from 1.1 months to 6.4 months.

The relative stability of the inflow level suggests that the incidence of unemployment across the population has not risen in proportion to the rise in the levels of unemployment but the fall in the probability of re-employment probably means that there is less repetition of spells and hence the spread of incidence is greater than indicated by the variation in inflows. What is undoubtedly the case is that a very high proportion of the unemployed are experiencing long spells and hence many will be in danger of using up their entitlement to unemployment benefit.

We see from Table 3.32 that the majority of men are seeking work because of a previous dismissal; only 13% were voluntary quits who had failed to go directly into a new job. Among married women, a quarter had previously been

dismissed and the same proportion had quit voluntarily. But 28% were seeking to return to work after a period of voluntary interruption. Other women contain a higher proportion of first job seekers but still only 18% were voluntary quits.

The main methods of seeking work for all the groups are through the employment service and by answering advertisements. Males and other women tend mostly to use the employment service, presumably because they are more likely to be claiming benefit, whereas married women do more of their job seeking from home through the newspapers.

Thus males have been more affected by dismissals and tend to fall back on the employment service. Women are more likely to be new entrants or returning to work and vary their method more. To some extent, this different behaviour may be explained by the qualification level of the unemployed. From Table 3.33, we see that those dismissed or made redundant are more likely to have a lower level of qualification than average and that those voluntarily quitting are more likely to have a higher qualification level. And the lower the level of qualification attached to a job, the more likely it is that the job will be advertised through the employment service.

An interesting exception for both males and females is the experience of those with trade apprenticeship. Because of the massive cutback in manufacturing employment, many more of these were dismissed or made redundant - it is not obvious that new jobs for them will be found through the employment service.

Charts 3.1 and 3.2 (taken from the Department of Employment Gazette, August 1983) show the likelihood of becoming and of remaining unemployed in the winter 1982/3. The likelihood of becoming unemployed is high mainly in Scotland and coastal areas of Wales, the South-West, East Anglia and the East Midlands. A low likelihood is reasonably frequent in London and the South-East and the North of England. But the likelihood of remaining unemployed is very different. In the North of Scotland, it is low as it is in Yorkshire. It is very high in the East and West Midlands and parts of Wales.

Areas in Scotland have a high probability of becoming unemployed but a low one of remaining unemployed in specific areas - but that is probably explained by outward migration of population. A converse case is the West Midlands where the probability of becoming unemployed is low but that of remaining unemployed is high. The area of London and the South-East is the only one where it is generally the case that the probabilities of becoming and of remaining unemployed are both low. A particularly interesting pair of cases is East Anglia and the East Midlands - both areas of very rapid expansion. There are areas in each region where prospects are bleak and those where they are promising. What these two charts tell us is that the spatial distribution of the incidence of becoming unemployed (who is affected) is quite different from the duration of unemployment spells (how long anyone is affected). The figures may well be distorted by migration movements, with black areas in Chart 3.1 having net outward migration and black areas in Chart 3.2 having net inward migration. It may therefore be difficult to translate these effects of unemployment into effects on household income. But a corollary of that would be that there is either a lowering of household incomes or a disruption in household composition (and hence household earning power).

Table 3.34 shows that the outflows in the period October 1982 to April 1983 had a modal value for completed spells of around 13-26 weeks for all age groups but that the concentration in that modal group was less pronounced for older age groups. There was also a second subsidiary mode for completed spells of 2-4 weeks. The data in Table 3.35 for 1973 is not comparable in the sense that it relates to the distribution of uncompleted spells. But, for this period, that distribution is weighted away from the median uncompleted spell towards the very short or very long durations. It is not surprising that it should be weighted towards the very short duration since, in uncompleted spells, all unemployed persons experience a short spell: that however is not the case for long duration spells. What is probably true for a comparison of the two tables

is that the main change has been an absence recently of short completed spells and many of these are now experiencing spells of up to 6 months.

Table 3.36 shows that the unemployment rates vary considerably by age. For those under 20, it is around 25% but falls to around 9% for those aged 35-54 before rising again to 15% for those aged 60 and over. The probability of becoming unemployed is strongly against the young: it is 17% for those under 18 (nearly four times the average) but only 2% for those aged 35 and over. The likelihood of remaining unemployed is also higher for the young but only just under twice the average. It falls sharply at age 18-19 but then remains fairly constant, unlike the probability of becoming unemployed, up to age 44, after which it declines.

The median duration of completed spells is quite short for the young, just over half the average, and long for those aged 60 and over (twice the average) but is otherwise fairly undifferentiated by age. But the duration of uncompleted spells is long for all age groups and rises quite significantly with age. Thus the likelihood of becoming unemployed is disproportionately high for the young but the likelihood of experiencing a long spell of unemployment rises quite steeply with age.

The effect of the recession, as we have seen, has been to increase markedly the average duration of uncompleted spells of unemployment. Table 3.37 shows how benefit entitlement has changed since 1971. Fewer are entitled to supplements over the flat rate and many more, nearly twice as many as a proportion (and hence very many more in numbers), are only entitled to supplementary allowance. This is paid in general where there is no entitlement to flat rate benefit - at low levels of unemployment, this will mainly be those disqualified from benefit because their initial entitlement is inadequate (e.g. an insufficient contribution record) but at higher levels, as average duration increase, it will more and more include those whose entitlement to unemployment benefit has been used up.

Table 3.38 shows the dependency circumstances of unemployed male claimants by age. Most young people have no dependants but nearly 50% of all those aged over 25 do, and 30% of those aged 25-34 have both an adult and child dependent. But Table 3.39 reveals that only 40% of male claimants are entitled to flat rate benefit (with or without supplements) and that the proportion with no entitlement is at least 10% and rises with age. A remarkably high proportion of the young (nearly two-thirds of males and females) are only entitled to supplementary allowance, mainly because of the absence of any previous contribution due to an inability to have secured previous paid employment. But, for males, 40-50% of those aged 20-54 are also only entitled to supplementary allowance. For women, a higher proportion are entitled to flat rate benefit, but that in part is explained because females are more likely to leave the labour force when entitlement to flat rate benefit expires since they will not be entitled to supplementary allowance because of household circumstances (e.g. a husband working or already drawing benefit).

There are not very large differences in benefit entitlements across regions. The only other notable feature of Table 3.40 is that the proportion of males entitled to supplementary allowance only is higher in those regions where the likelihood of remaining unemployed is also high as shown by Chart 3.2. Thus the data show quite clearly the increasing dependency of the unemployed on the supplementary benefit scheme rather than the unemployment benefit system.

Table 3.41 shows the real values of benefit since the mid-1960s. There was some attempt to raise the real value of flat rate benefit in 1977 but nothing has been done since: in real terms, the increase in flat rate benefit for a single person and a person with an adult dependent is only 9% in nearly 16 years. The earnings related supplement, payable for 26 weeks, made a significant increase in benefit entitlement to those who received it, raising benefit by about 30% for an average family. But its application was made more restrictive by pushing back in time the earnings on which it was calculated and it has now been abolished.

In 1981, a single person could receive £20.65 per week, with supplements of £12.75 for an adult dependent and £1.25 per child. Thus, for different types of household, flat rate benefit varied between £20.65 and £35.90. At the expiry of his entitlement, a period of 312 days, that person would switch to supplementary allowance only. For those without contributory benefit, the average amount of weekly payments on supplementary allowances made in 1981 was £34.71. But 10% of males receive supplementary allowances even while they are receiving unemployment benefit, at an average weekly rate of £19.88. Thus there are a significant number of the unemployed who experience a drop in benefit entitlement as duration of their spell increases.

3.6 Social security benefits

There are a very large number of benefits which can be claimed and they are listed in Table 3.42. Those from retirement pensions to industrial death benefit are all contributory through the National Insurance Scheme and the remainder are non-contributory. Not all of the specific benefits are identified: for example, there are attendance, mobility and invalidity care allowances (which are non-contributory) and family allowances / child benefits also includes a family income supplement paid up to some limit for the shortfall of actual income compared with a prescribed amount. Supplementary benefits are payable in principle to all those not in remunerative full-time work but entitlement is means-tested on household resources and paid to the head of the household, generally the man.

Table 3.42 shows the breakdown of benefit expenditure in 1973 and 1981. Retirement pensions account for around 50% of expenditure, the next highest component being supplementary benefits at about 15%. Those categories where expenditure has risen fastest are unemployment benefit, other non-contributory benefit (mainly related to invalidity and disablement), invalidity benefit and supplementary benefits. Family allowances and child benefits have also risen but this is overstated by the change from family allowances as part of the tax

systems up to 1977 and uniform entitlement to child benefit since then. The effect of the recession in raising expenditure on unemployment and supplementary benefit is fairly evident in this table but the effects of more low pay cannot be separated out. The only direct information available is that on awards current for Family Income Supplement. In the last three months of 1971, 67,000 families were in receipt: it was only fractionally higher at the end of 1979 (76,000) but had risen markedly by the first quarter of 1982 when 137,000 families were in receipt. Evidence available suggests that take-up of this benefit was only about 50% in 1979 (similar to that in 1975) so that it is possible that part of the recent increase may be explained by increased take-up following recent publicity campaigns.

For most contributory benefits, take-up is nearly 100% but only 70% of those entitled to supplementary benefits take them up (65% pensioners and 78% for others) with a similar take-up for one parent benefit (Social Security Statistics, 1982, p.261).

Two specific rates give some indication of the national poverty line drawn by benefit rates. These are the rates for supplementary benefit and family income supplement. As of November 1982, supplementary benefit to a married couple with two children was payable in the first year of claims at a weekly rate of £59.20, rising to £69.80 in the second year, to which should be added child benefit of £11.70 and a supplement for housing costs not covered by the scale rate. For local authority tenants, the average supplement was £14.66; for private tenants, £11.34; and, for owner-occupiers, £9.55 in December 1981. Thus the long-term rate of supplementary benefit was between £91 and £96 per week. Family income supplement was set with a prescribed amount of £91.50 with a supplement of up to £23.00 being paid in respect of one half of the short-fall of income below the prescribed amount. The level of supplementary benefit in fact is very similar to the second quintile point of the distribution of gross normal weekly household income (£91.83 in 1981, of which disposable income is £82.40).

Table 3.43 contains calculations of average amounts paid and weekly rates payable in 1980. Note that a similar calculation to the one in the preceding paragraph would yield a long-term entitlement to supplementary benefit in 1980 of around £75.80 per week. Generally, therefore, most benefits do not pay supplementary benefit levels and need to be supplemented in the absence of other household income. In that respect, most households who are dependent on benefit will have to be exposed to a household means test in order to achieve the national poverty line.

Average amounts paid are usually below weekly rates, particularly unemployment and supplementary benefit. The reasons are numerous but are generally because entitlement (or need) is only for a part of a year, as is the case of unemployment benefit, or because few claimants have full entitlement, as is necessarily the case for supplementary benefit.

These tables show then that few benefits are self-contained, that few households can depend only on benefits without a means test for entitlement to supplementary benefit, and that the levels of benefit households are allowed to achieve are low in relation to what is generally obtained through wage employment.

3.7 Household incomes

In the previous sections, we have concentrated on economic activity, earnings and benefits. All of this has had to be done at the level of the individual because that in general is how the information has been collected (frequently, a byproduct of the administration). What we seek to do in this section is to cast some light on how the aggregation of those individuals into households combines to form the distribution of household incomes.

Table 3.44 shows the sources of aggregate income for households in 1973 and 1981. In 1973, 80% of income came from wages and salaries or self-employment and 9% from social security benefits, the remaining 11% coming from investments, annuities and imputed income/rent. But, by 1981, direct income from wages and salaries and self-employment accounted for only 74% of total income.

while social security benefits now contributed 13% and the residual items 13%. Thus the effect of the recession has been, on average, to switch the source of income away from direct earned sources towards dependency on social security, a switch of 4% or more of total income. The main loss of direct income is in wage and salary income which fell by over 5 percentage points. Assuming relative unit contributions from each source were unchanged, this would mean that roughly one in 20 households had switched from wage and salary income to dependency on social security as a result of the collapse of employment opportunities since 1973.

Although on average households derived 74% of total income from employment, there is a considerable difference between households at different income levels. Table 3.45 shows the composition of household income at different quintile points of the distribution of households by gross income. The top 60% of households obtain 10 or 11% of income from sources other than employment or social security: the bottom 40% obtained more, 15-20%, mainly through annuities and other pensions or imputed income/rent because of the density of pensioner households in these groups.

The division of income between employment income and social security benefits is more or less reversed in the top 20% of households compared with the bottom 20%. Income from employment rises from 6% to 86% of total income between the lowest and highest quintile point while social security falls from 78% to 3%. As noted before, many of the low income households are pensioner households and this gives rise to the relatively low level of total income in the lowest quintile, only 28% of average. Comparing the second with the highest quintile points, for which total income is 55% and 206% respectively of the average, the switch in income from employment is from 45% to 86% and in social security from 35% to 3%. The bottom two lines of the table show that the tax system is somewhat progressive, improving the relative incomes of the bottom 40% by 5% and lowering that of the top 20% to 10%;

however, relative disposable income at the second compared to the highest quintile point only improves to 31% from a relativity for gross incomes of 27%.

Retired households, whether with one or two adults, take 90% of their income from social security and have a relative disposable income of 30 or 40%. But, as Table 3.46 shows, non-retired households generally have 60-80% of their income from wages and salaries and only 5-25% from social security: the presence of children in the household obviously has a marked effect on the proportion of income derived from social security benefits.

Relative gross and disposable incomes tend to rise by size of household and this is not closely related to the split of income source between employment and social security. Non-retired adult households on average receive only 9% of income from social security and attain a relative disposable income of only 66% of average: one man, one woman and two children households receive 7% of income from social security but an average relative disposable income of 114% of the average. It is predominantly the retired or single person or one parent household which has low income: they are also heavily dependent on benefit but the retired are practically excluded from the labour market and the single person households are mainly very young people with low earnings power so that the most notable case is that of the one parent family.

Table 3.47 considers income according to the employment status of the head of the household. The unemployed manuals have the highest dependency on social security and the lowest relative disposable income. Unemployed non-manual household heads still derive 20% of income from social security but also 30% from annuities and pensions (mainly occupational ones) and achieve a much higher relative income. For the employed, the difference between manual and non-manual in the composition of income is very small and yet relative disposable income in non-manual households is 35% higher. Nearly all of this difference is therefore accounted for by earnings power in jobs and accords with the non manual-manual differential observed in the earnings section.

The occupation of the head of household makes a very large difference to relative disposable income. Professional, technical, administrative, managerial and teacher household heads are in households with income 50% above average. Clerical and manual heads are in households with income between 10% above and 20% below average. The bottom of the pile is the unskilled manual head and for him there is a greater dependency on social security (17% compared to 3% for higher occupations), mainly through child benefits and family income supplements and less on wage income.

Increased participation by the household in the labour market raises the contribution of wage and salary income somewhat from 85% for one worker to 91% with three or more workers but the effect on disposable income is enormous, an increase of 75%. The effect on household income of having a married woman in the household who is also in employment is to raise average household income by 20% where there are also children and by 37% when there are no children. In households with dependent children, wage and salary income contributes 8 percentage points more to income when the woman is working than when she is not and she contributes 21% of that wage and salary income. An offset is that social security brings in 4 percentage points less. But, in the absence of dependent children, a working married women contributes 31% of wage and salary income and raises the share of wage and salary income in total by 18 percentage points: the offset in terms of lower social security is greater, a loss of 8 percentage points.

Table 3.49 summarises the data in Table 3.48 and also allows us to compare the contribution of different members for different economic status of the household head. The wife contributes most to total income in households where the head is unemployed. In total, she contributes 21%, of which 14% is wage and salary income which itself represents over a quarter of wage and salary income of the household. In households where the head is self-employed or employed, she contributes on average 16-19%, of which 11-13% is by wage and salary income.

There are therefore not many households where the wife's wage and salary income makes a large enough contribution to create independence from the social security net but sufficient to expect that denial of access to employment for these women would have a significant effect on many household incomes.

One parent families were seen from Table 3.46 to be an important area of low income. Tables 3.50 and 3.51 provide more information for these households. They are far more dependent on state benefits than are two parent families and where the single parent is a woman, the dependency is greater - nearly one-half of these households deriving their income mainly from state benefits. Over the 1970s, some mothers have decreased their participation in the labour market from 51.5% to 48.7%, despite there having been a rise in the propensity to work of married women with dependent children from 41.7% to 51.7%.

The age of children makes a major difference to the propensity to work. For married women with dependent children under 5, 72% do not work, and, of the 28% who do, nearly four-fifths work part-time. When the children are over 5, only 34% are not working and nearly one-third of those that do are working full-time. Lone mothers have in both cases a lower propensity to be in employment: for those with children under 5, 76% do not and, where the children are 5 and over, 41% do not. However, a higher proportion, nearly a half in both cases, of those that are working are doing so full-time.

This evidence suggests that low income families are mainly the retired, the one parent families and those with unskilled manual heads of household. In most cases, these households are also fairly heavily dependent on social security benefits even to achieve the low levels of income they do receive. The retired are mainly dependent on their state pensions and, because of the tax system and job opportunities, generally cannot supplement total incomes with wage income. The one parent families are eligible for quite low levels of benefit, at best near the poverty line implied by supplementary benefit, and find it very difficult to participate in the employment sector for wage income.

For other households, the distribution of households by income is governed mainly by the earning power of those having access to jobs. Earnings differentials dominate most other differences in household incomes but multiple participation in the labour market can make a very large difference. However, it is no substitute for a good full-time wage obtained by one member of the household. Of those in employment, the unskilled manual heads are the worst off. The loss of jobs in manufacturing and the restraint on real earnings in the remaining jobs has done nothing to improve their position. Furthermore, the growth of non-manual jobs has not provided substitute sources of earned income for those who have lost jobs. However one processes the information, it is evident that recession has accentuated the inequalities in income distribution between households, forced more households to be means-tested for supplementary benefit and increased dependency on intra-household transfers.

3.8 A summary

The impact of recession has been to destroy jobs, particularly of male employees, and where new jobs have been created (or not lost) they have been either part-time or at least not capable of generating the same level of earnings. The effect on incomes of job loss has been compounded by very slow growth (if any) in real earnings of those in employment so that there have been increased demands on the social security system for unemployment benefit, for supplementary benefit and for family income supplements. The rise in transfer expenditure, together with the decrease in the direct tax base, has required an increase in effective levels of taxation, mitigated only by the use of absorption of oil and gas revenues not needed to sustain the trade deficits. Nevertheless, the effective tax rate has risen and this has increased the squeeze on disposable incomes of low income families despite the overall rise in personal sector disposable income.

The retired continue to form the bulk of low income families but it is also evident that the one parent families and those where the household head is

an unskilled manual are also low paid. One parent families are particularly exposed because of the difficulty lone mothers have in participating in the labour market and gaining access to wage income. The unskilled manuals are low income groups mainly because their earnings power is low. But their lack of qualification also exposes them to greater risk of unemployment and they have had to face greater job loss because of the decline of manufacturing jobs.

Job loss in manufacturing has been particularly severe because it has reduced full-time jobs and, even though there has been an expansion of service jobs, they are mainly part-time. Making matters worse, these new jobs do not have the earnings power of lost jobs even if they were replacing full-time jobs one for one. The principal losers are those households with manual employees who held jobs in manufacturing, particularly the unskilled. Not only have they suffered the greatest loss of jobs but earnings in manufacturing have risen more slowly relative to other sectors and to non-manual earnings and weekly hours have been reduced. Furthermore, those who have become unemployed from these jobs are those for whom the current re-employment probability is lowest.

The possibilities for raising earnings by moving to other jobs are very poor, particularly for those with currently low earnings. Recruitment has fallen to very low levels and all most of the currently employed are concerned about is retaining the job which they hold. Low recruitment and low job to job mobility creates enormous problems for the young and others seeking to re-enter the labour market. The likelihood of the young becoming unemployed and of remaining unemployed is well above average and, particularly for the unqualified, the prospects of ever getting onto a mobility chain leading to high paid employment (whether internal or external to individual firms) are increasingly unlikely. When, and if, any expansion of opportunities occurs, the young new entrants then and the current frustrated voluntary mobility will make the first gains and the excluded cohorts will find themselves having to enter employment at low levels when they are much older, a disadvantage which they may never overcome.

The experience of unemployment in recent periods shows that some people are continuing to be re-employed after quite short spells but, for the majority of the unemployed, any spell of unemployment will be of long duration and with no end in sight. Many therefore will remain unemployed, excluded from job progression and access to higher incomes, with declining expectations of re-employment as they get older and are 'marked' by longer durations. For them, the expectation is an expiry of entitlement to contributory unemployment benefit and a dependence on means-tested non-contributory supplementary benefit.

Access to jobs is poor but access to benefits is by no means guaranteed. And indeed benefits are not in general capable of matching earnings power, either individually or even less for households. The declining access to employment, not on the evidence presented here a voluntary decision by the individual, means that more households will experience low incomes and will have more dependants than previously. Those in secure employment will continue to be untroubled by recession until the crisis of funding state transfers arrives both for pensioners and the unemployed as the tax base shrinks. But more families will find themselves pushed down at least to the supplementary benefit levels, and lower as intra-household transfers increase to reduce per capita incomes within the low income households. The 'poverty trap' forced by the recession on different groups in the population is a more permanent threat for these people than the artifact of the tax and benefit system applied to 'representative' people and families.

APPENDIX 3.1 : STATISTICAL TABLES FOR THE U.K.

The main sources of data used are :

Labour Force Survey, Office of Population Censuses and Surveys.

New Earnings Surveys, Department of Employment.

Census of Employment, Department of Employment.

Census of Population, HMSO.

Family Expenditure Survey, Department of Employment

National Income and Expenditure, Central Statistical Office.

Social Security Statistics, Department of Health and Social Security.

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TABLE 3.1 : DISTRIBUTION OF PERSONAL INCOME IN U.K. 1973 & 1981

	1973	1981	% Change 1973-81
Total Population:			
Gross personal income (£m)	63721	219309	
Disposable income (£m)	51980	173973	
Population (ooos)	56000	56020	0.04
Personal income per head (£ 1980)	2569	2796	8.8
Employees in employment:			
Income from employment (£m)	43786	146310	
Other income and transfers (£m)	1373	5549	
Taxes and contributions (£m)	10110	40424	
Disposable income (£m)	35049	111435	
Employees in employment (ooos)	22664	21701	-4.2
Personal income per head (£ 1980)	4280	4623	8.0
Self Employment:			
Income from self-employment (£m)	7255	18298	
Other income and transfers (£m)	123	542	
Taxes and contributions (£m)	1556	4634	
Disposable income (£m)	5822	14206	
Self-employed (ooos)	2032	2118	4.2
Personal income per head (£ 1980)	7930	6039	-23.8
Dependent Population:			
Income from transfers (£m)	11184	48611	
Number (ooos)	31304	32201	2.9
Personal income per head (£ 1980)	988	1360	37.7

Source : National income and expenditure.

Note : income from transfers = all current transfers and grants excluding family allowances and child benefit.

other income and transfers = per capita allocation of residual income and transfers.

taxes and contributions = taxes allocated by incomes and contributions from source.

TABLE 3.2 : INCOME OF HOUSEHOLDS, 1973 AND 1981

Income	Share of total household income. %		% Change in real value. (1)
	1973	1981	1973-81
Direct Money Income :			
Wages and salaries	66.1	62.7	4.2
self-employment	10.0	6.8	-25.2
rent, dividend, interest	6.7	7.7	25.3
(total)	(82.9)	(77.2)	(2.4)
Income in kind:	0.7	0.8	18.4
Current transfers:			
pensions from private schemes	5.5	6.4	28.0
state pensions	5.2	6.4	37.0
child benefit	0.6	1.7	203.8
supplementary benefit	1.2	2.1	90.4
unemployment benefit	0.3	0.9	258.4
other social security	1.6	2.0	33.5
other transfers	2.0	2.5	37.3
(total)	(16.4)	(22.0)	(47.5)
Total household income:	100.0	100.0	9.9
UK taxes on income	-12.9	-14.8	25.3
Social security contributions	-3.2	-3.5	20.6
Private contributions	-1.4	-1.5	23.8
Total household disposable income	82.5	80.2	6.8

Note : (1) deflated by implied deflator of consumers expenditure.

Source: UK National Income and Expenditure, 1983 Edition.

TABLE 3.3 : CURRENT ACCOUNT OF GENERAL GOVERNMENT 1973 & 1981

(as % Of Gross Domestic Product)

Expenditure	1973	1981
Current expenditure on goods and services	19.6	25.3
Non-trading capital consumption	0.8	0.9
Subsidies	2.2	2.8
Current grants to personal sector	9.8	14.8
Current grants paid abroad (net)	0.5	0.8
Debt interest	4.2	6.2
TOTAL	37.1	50.8

TABLE 3.4 : CURRENT EXPENDITURE ON GOODS AND SERVICES BY GOVERNMENT, 1973 and 1981 (AT 1975 PRICES)

	Real Current Expenditure (1975 Prices)		% Change
	1973	1981	1973 - 1981
Military defence	5115	5471	7.0
National health service	4265	5407	26.8
Education	4585	5035	9.8
Other	6729	7566	12.4
TOTAL	20694	23479	13.5

TABLE 3.5 : POPULATION BY ECONOMIC STATUS, GREAT BRITAIN, 1971 & 1981.
(Distribution as % of Population)

Economic Status	MALES.		FEMALES.	
	1971	1981	1971	1981
Population	100	100	100	100
Economically inactive	39.2	40.7	66.9	62.8
of which:				
retired	8.8	11.4	11.0	11.9
student	3.6	2.9	3.0	2.4
aged under 15 or 16 (1)	25.3	23.8	22.7	21.3
other	1.5	2.7	30.3	27.2
Economically active	60.8	59.3	33.1	37.2
of which:				
in employment	57.5	53.4	31.5	33.9
unemployed	3.3	5.9	1.6	3.3

Note : (1) 15 in 1971 and 16 in 1981

Source: 1971 Census of Population
1981 OPCS Labour Force Survey

TABLE 3.6 : ACTIVITY RATES IN GREAT BRITAIN BY AGE, SEX AND MARITAL STATUS, 1971 and 1981
(as % of Population)

Age Group	MALES		FEMALES			
			MARRIED		OTHER	
	1971	1981	1971	1981	1971	1981
16-19	69.7	68.6	41.6	47.8	65.6	63.6
20-24	89.9	90.3	45.7	55.6	81.2	81.7
25-34	97.5	97.2	38.4	51.3	80.8	76.0
35-49	98.9	96.9	56.0	67.5	80.2	76.6
50-59	96.2	92.4	50.4	57.7	71.0	65.7
60-64	86.6	69.6	25.2	23.2	33.7	23.6
65 and over	19.4	10.5	6.5	4.7	6.3	3.3
All ages 16 and over.	82.5	77.8	42.2	49.4	44.4	43.7

TABLE3.7 : PARTICIPATION IN HIGHER EDUCATION, GREAT BRITAIN, 1971 & 1981

	MALES		FEMALES	
	1971	1981	1971	1981
Proportion of the population aged 16-24 in higher education.	19.1	19.4	16.6	18.0
Participation rates by age:				
16	47.8		48.3 (48.8)	
17	29.7		30.4 (31.9)	
18	21.6		21.0 (24.1)	
19	16.8		15.4 (20.0)	
20	15.1		13.3 (20.2)	
21-24	7.5		4.3 (10.5)	

Source : Census of Population 1971
Labour Force Survey, OPCS, 1981.

Note : figures in brackets are for other (not married) women.

TABLE 3.8 : DISTRIBUTION OF THE ECONOMICALLY ACTIVE BY EMPLOYMENT STATUS AND AGE, GREAT BRITAIN, 1981.

	MEN		MARRIED WOMEN		OTHER WOMEN	
	Activity rate %	Unemployment rate %	Activity rate %	Unemployment rate %	Activity rate %	Unemployme rate %
Age						
16-19	68.6	23.8	47.8	30.5	63.6	21.2
20-24	90.3	15.5	55.6	15.0	81.7	11.0
25-34	97.2	9.3	51.3	10.1	76.0	9.0
35-49	96.9	6.3	67.5	4.5	76.6	9.4
50-59	92.4	7.3	57.7	4.3	65.7	9.2
60-64	69.6	11.0	23.2	2.1	23.6	3.1
65 and over	10.5	3.2	4.7	2.6	3.3	4.5
all ages	77.8	9.9	49.4	6.8	43.7	12.7
Employment Status.						
In employment:	90.1		93.2		87.3	
employees						
- full time	74.7		39.5		66.7	
- part time	2.3		46.8		16.0	
self employed	11.1		5.4		2.4	
Unemployed:						
- seeking work	9.4		6.3		11.6	
- waiting to start	0.2		0.2		0.4	
- temp. sick	0.3		0.3		0.7	
All economically active	100		100		100	

source : OPCS Labour Force Survey.

TABLE 3.9 : ECONOMICALLY ACTIVE PERSONS AGED 16-59 BY HIGHEST QUALIFICATION GREAT BRITAIN 1981.

Highest Qualification.	MEN			WOMEN		
	% of all men	Activity rate %	Unemployment rate %	% of all women.	Activity rate %	Unemployment rate %
Degree	5.8	94.9	3.3	2.9	74.8	7.2
Professional inst.	2.9	98.4	2.6	0.5	78.1	2.2.
HNC/HND	2.3	97.0	3.1	0.3	80.7	3.8
Teaching qual.	0.7	96.7	2.2	2.7	74.0	4.1
Nursing qual.	0.3	97.9	3.3	3.4	76.1	4.0
Trade apprentice	20.6	97.6	7.6	2.9	63.5	8.9
" (not compl.)	3.6	97.2	6.4	0.5	75.8	8.4
ONC,OND C & G	3.1	95.5	6.1	1.7	72.3	7.5
A Level	4.8	78.7	7.3	4.9	61.1	8.8
O Level or equivalent	8.7	81.7	9.6	15.7	66.6	8.5
CSE (< Grade 1)	3.0	91.5	16.8	5.4	69.9	14.8
Other	2.9	95.1	9.7	4.6	68.3	6.8
Still Studying	2.3	25.4	36.1	2.3	22.3	33.1
None	35.3	91.2	14.3	49.0	57.7	9.9
Not Known	3.6	80.4	7.3	3.3	53.0	7.4.
All Levels	100	90.3	10.0	100	61.7	9.2

Source: OPCS Labour Force Survey.

TABLE 3.10 : DISTRIBUTION OF EMPLOYMENT BY BROAD SECTOR.

Period.	Public Sector.					Private Sector
	Central Government.		Local Authorities	Public Corporations	Total	
	H.M.Forces	Civilian				
Share in total (per cent) :						
1973	1.4	6.5	11.5	7.5	27.1	72.9
1979	1.2	7.9	12.1	8.2	29.4	70.6
1981	1.4	8.4	12.3	7.7	29.8	70.2
1982	1.4	8.5	12.3	7.4	29.6	70.4
Changes (ooos)						
1973-1979	-47	+368	+170	+175	+666	-405
1979-1981	+20	+20	- 94	-198	-252	-913
1981-1982	-10	-3	- 35	-108	-156	-232
1973 -1982	-37	+385	+ 41	-131	+258	-1550
Changes (per cent)						
1973-1979	-13.0	+22.5	+5.9	+9.3	+9.8	-2.2
1979-1981	+ 6.4	+ 1.0	-3.1	-9.6	-3.4	-5.1
1981-1982	- 3.0	- 0.1	-1.2	-5.8	-2.2	-1.4
1973-1982	-10.2	+23.5	+1.4	-6.9	+3.8	-8.5

TABLE 3.11 : DISTRIBUTION OF EMPLOYMENT BY INDUSTRY AND THE INCIDENCE OF SELF-EMPLOYMENT, GREAT BRITAIN, 1981

INDUSTRY	ALL PERSONS IN EMPLOYMENT (%)		SELF-EMPLOYED AS % OF TOTAL (1)	
	MALES	FEMALES	MALE	FEMALE
Agriculture	3.4	1.1	40.7	5.3
Energy & water	4.7	1.1	0.3	0.1
Minerals, Metals, Chemicals	5.2	2.3	1.1	0.3
Metal using	16.5	6.6	1.8	0.2
Other manufacture	10.9	11.5	2.9	1.0
Construction	10.4	1.2	27.2	0.4
Distribution, hotels	14.6	24.2	11.3	4.9
Transport	8.6	2.9	6.5	0.5
Finance & business	6.7	8.8	8.7	2.2
Other services	16.9	38.2	2.7	1.9
All industries	100	100	7.4	1.9

(1) as per cent of total employment, male and female combined, in each industry.

Source : OPCS Labour Force Survey.

TABLE 3.12 : DISTRIBUTION OF EMPLOYMENT BY OCCUPATION

GREAT BRITAIN, 1981.

OCCUPATION	ALL PERSONS IN EMPLOYMENT (PER CENT)	
	MALES	FEMALES
Managerial, professional	29.5	21.9
Clerical and related	6.1	30.4
Other non-manual	5.8	9.6
Craft and similar	27.3	5.0
General labourers	2.3	0.3
Other manual	27.6	31.7
All occupation	100	100

SOURCE: OPCS Labour Force Survey.

TABLE 3.13 : DISTRIBUTION OF EMPLOYMENT (AGED 16-59) IN EACH INDUSTRY BY QUALIFACTION - GREAT BRITAIN, 1981.

	LEVEL OF QUALIFICATION.					
	Degree, Prof. HNC. HND.	Teaching/ Nursing	Trade Apprenticeship	ONC, OND, C+G A & O Level	CSE & Other	None
Male:						
Agriculture	3.8	0.2	8.6	15.3	9.5	62.1
Energy/water	12.1	0.2	30.6	9.1	5.4	42.4
Extraction	11.4	0.3	23.8	13.3	5.7	45.5
Metal using	12.3	0.2	39.0	10.3	4.6	33.6
Other Manufacture	6.1	0.4	27.2	13.9	6.3	46.1
Construction	6.2	0.1	47.5	6.8	4.1	35.2
Distribution	5.6	0.3	24.7	19.0	9.3	41.0
Transport	6.3	0.4	22.5	15.1	9.4	46.3
Finance	30.5	0.3	12.4	35.3	4.9	16.7
Other Services	26.2	5.7	16.2	21.1	6.7	24.2
All industries	12.7	1.2	26.8	15.7	6.4	37.3
Female:						
Agriculture	1.1	4.3	4.3	27.2	12.0	52.2
Energy/water	4.0	2.0	3.0	39.0	14.0	38.0
Extraction	2.9	1.4	2.9	23.0	13.4	56.9
Metal using	2.6	1.0	2.5	19.8	13.9	60.3
Other manufacture	1.7	0.9	3.5	16.1	12.5	65.3
Construction	3.7	1.9	4.6	32.4	18.5	39.8
Distribution	1.6	1.8	3.5	21.7	13.1	58.3
Transport	2.3	2.3	1.9	31.5	15.6	45.9
Finance	5.3	1.3	2.2	50.7	15.4	25.2
Other services	8.3	18.0	4.5	21.5	8.7	39.0
All industries	4.8	7.8	3.6	23.9	11.6	48.3

SOURCE: Department of Employment Gazette, April 1983 (OPCS Labour Force Survey).

TABLE 3.14 : ECONOMIC ACTIVITY BY ETHNIC ORIGIN, GREAT BRITAIN, 1981.

	ETHNIC ORIGIN.							
		NON-WHITE						
	WHITE	WEST INDIAN	INDIAN	PAKISTAN BANGLADESH	AFRICAN	OTHER	NO REPLY	TOTAL
MALES:								
% of population (16 +)	95.3	0.9	1.2	0.5	0.1	0.9	(1.1)	100
Activity rate	77.7	88.1	82.5	85.8	60.8	68.5	(75.0)	77.8
Unemployment rate	9.7	20.6	15.4	20.4	11.0	14.2	(3.6)	9.9
Industry :								
Agriculture	3.6	-	-	0.4	0.4		(0.9)	3.4
Energy/water	4.9	1.3	0.8	-	1.5		(1.4)	4.7
Extraction	5.3	5.0	4.7	6.4	3.1		(1.4)	5.2
Metal using	16.4	27.4	24.4	15.2	16.8		(4.1)	16.5
Other manuf.	10.9	11.2	15.4	23.3	7.4		(3.2)	10.9
Construction	10.7	10.6	4.0	-	4.3		(2.8)	10.4
Distribution	14.5	10.9	21.1	29.7	27.0		(2.7)	14.6
Transport	8.5	18.0	11.3	11.9	9.5		(1.8)	8.6
Finance	6.8	3.2	6.5	4.0	7.5		(1.8)	6.7
Other services	17.2	11.3	10.8	7.3	20.1		(4.7)	16.9
FEMALES:								
% of population (16 +)	95.8	0.9	1.1	0.4	0.1	0.7	(1.1)	100
Activity rate	47.2	67.6	48.1	15.5	40.5	48.5	(45.0)	47.2
Unemployment rate	8.7	14.5	17.7	19.0	10.3	15.3	(1.9)	8.9
Industry								
Agriculture	1.1	-	0.5	-	-		(0.2)	1.1
energy/water	1.1	0.5	0.2	2.4	1.2		(-)	1.1
Extraction	2.3	0.7	3.2	4.4	1.5		(0.7)	2.3
Metal using	6.6	7.8	12.0	12.0	5.6		(2.1)	6.6
Other manuf.	11.4	8.4	28.7	29.5	11.7		(1.9)	11.5
Construction	1.3	0.5	1.0	-	1.3		-	1.2
Distribution	24.6	10.2	20.9	11.7	26.7		(7.2)	24.2
Transport	2.8	5.7	4.2	-	2.9		(0.5)	2.9
Finance	8.9	6.3	7.7	10.7	3.7		(2.5)	8.8
Other services	38.4	57.7	21.8	29.2	38.9		(15.1)	38.2

Source : OPCS Labour Force Survey.

TABLE 3.15 : PROPORTION OF FEMALE EMPLOYEES IN TOTAL BY SECTOR, 1973 & 1981.

Sector	Percentage Change in total employment 1973 - 1981	Proportion of female employees	
		1973	1981
Agriculture	-12.5	26.6	24.5
Mining	- 7.4	3.9	5.4
Food, drink, tobacco	-13.7	40.2	40.2
Coal, + petr. products	-30.6	10.9	10.7
Chemicals	- 5.0	28.9	28.2
Metal manufacture	-39.3	11.3	11.5
Mechanical engineering	-19.8	15.7	15.5
Instrument engineering	-16.4	36.0	33.9
Electrical engineering	-15.8	40.0	33.1
Shipbuilding	-19.0	6.5	7.5
Vehicles	-24.3	12.3	11.8
Metal goods nes	-21.1	29.5	25.4
Textiles	-44.0	45.9	46.0
Leather	-32.0	43.4	43.1
Clothing	-36.5	75.9	75.9
Bricks, pottery, etc.	-28.7	21.4	21.9
Timber, furniture, etc.	-24.7	19.1	20.2
Paper, print, publ.	-10.6	32.7	32.3
Other manufacturing	-27.1	36.5	34.7
Construction	-19.8	6.9	10.5
Gas, electricity, water	+ 1.1	17.6	19.9
Transport and communication	- 5.6	17.0	19.9
Distributive trades	+ 1.0	55.1	55.5
Insurance, etc.	+25.6	51.7	52.6
Professional + sc. services	+14.3	66.7	68.8
Miscellaneous services	+20.2	55.4	59.2
Public Admin. + defence	- 0.8	35.5	38.1
All industries and services	- 4.5	39.2	42.7
All manufacturing	-22.8	30.2	28.6

Source : Department of Employment, Census of Employment.

TABLE 3.16 : PROPORTION OF EMPLOYEES WORKING PART-TIME, BY SECTOR, 1973 & 1981.

SECTOR	MALES		FEMALES	
	1973	1981	1973	1981
Agriculture	11.6	12.5	42.0	34.4
Mining	0.1	0.3	19.3	22.2
Food, drink, tobacco	2.5	2.1	33.7	33.7
Coal + petr. products	0.3	..	15.9	..
Chemicals	0.8	0.7	21.1	17.5
Metal manufacture	0.5	0.7	20.2	19.4
Mechanical engineering	1.0	0.9	18.9	20.0
Instrument engineering	1.6	2.2	20.4	20.0
Electrical engineering	0.8	1.1	23.1	17.3
Shipbuilding	0.4	0.7	21.5	27.3
Vehicles	0.4	0.4	13.3	11.3
Metal goods nes	2.0	1.8	24.8	24.8
Textiles	2.3	2.2	17.9	18.3
Leather	4.0	6.2	22.2	30.8
Clothing	3.6	4.5	14.5	16.5
Bricks, pottery, etc.	1.1	1.2	17.5	16.7
Timber, furniture, etc.	1.9	2.3	21.6	26.7
Paper, print, publ.	3.5	4.0	21.6	22.9
Other manufacturing	1.7	1.8	27.4	23.6
Construction	0.9	1.6	32.4	40.5
Gas, electricity, water	0.3	..	20.8	20.3
Transport + comm.	2.1	2.2	20.1	20.6
Distributive trades	10.3	11.3	44.9	51.0
Insurance, etc.	5.9	7.5	26.2	30.8
Professional + sc. services	14.0	12.6	44.5	48.8
Miscellaneous services	17.8	20.1	50.9	59.9
Public Admin. + defence	4.5	4.4	26.6	24.4
All industries and services	4.9	5.9	36.0	41.5
All manufacturing	1.4	1.5	21.8	21.6

Source : Department of Employment, Census of Employment.

TABLE 3.17 : DISTRIBUTION OF EMPLOYMENT BY HOURS WORKED PER WEEK, GREAT BRITAIN, 1981

Hours worked	% of all persons in employment		
	Men	Married women	Other women
1 - 8	0.6	6.6	5.1
9 -16	0.7	15.2	4.8
17 -24	0.8	19.1	5.4
25 -30	1.6	12.2	5.9
31-34	0.9	3.0	2.7
35 -40	62.8	36.0	66.1
41 -60	22.5	3.2	5.9
61 +	4.0	1.1	0.8
(No Reply)	(5.9)	(3.5)	(3.3)
All Hours	100	100	100

Source : OPCS Labour Force Survey

TABLE 3.18 : AVERAGE AND NORMAL WEEKLY HOURS WORKED PER OPERATIVE IN MANUFACTURING INDUSTRY, 1960 - 1982

(indices : average 1962 = 100)

	ALL MANUFACTURING		RATIO OF AVERAGE TO NORMAL HOURS				
Year	Ave.Hours per Operative	Normal Weekly Hours	All Manufacturing	Engineering & Metals.	Vehicles	Textiles, Clothing.	Food,drink, Tobacco.
1960	102.4	103.1	99.3	100.7	100.7	100.6	98.6
1961	101.0	100.9	100.1	101.1	100.4	100.9	99.9
1962	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1963	99.9	100.0	99.9	99.6	100.2	100.6	100.4
1964	100.7	99.5	101.2	100.9	101.0	101.6	101.5
1965	99.4	97.6	101.8	102.0	101.5	101.7	102.6
1966	97.8	95.8	102.1	101.8	100.0	102.1	103.7
1967	97.1	95.5	101.7	101.2	100.2	101.6	103.8
1968	97.9	95.5	102.5	101.7	101.8	103.5	104.1
1969	98.0	95.3	102.8	102.2	102.3	103.3	104.2
1970	97.0	95.0	102.1	100.9	100.2	102.8	103.6
1971	95.1	94.8	100.3	98.1	97.9	102.1	102.7
1972	94.7	94.3	100.4	97.3	97.5	101.4	102.8
1973	96.5	94.3	102.3	99.7	99.9	102.5	103.7
1974	93.8	94.3	99.5	97.1	96.4	100.5	102.9
1975	92.8	94.3	98.4	95.9	97.2	99.4	101.4
1976	93.0	94.3	98.6	95.9	97.7	99.5	101.2
1977	93.7	94.3	99.4	96.5	97.9	99.7	101.6
1978	93.5	94.1	99.4	96.5	96.8	99.7	101.6
1979	93.4	94.1	99.3	96.0	97.4	99.5	101.9
1980	90.3	94.1	96.0	93.0	91.4	95.4	100.5
1981	89.1	93.9	94.9	91.9	89.9	97.0	99.7
1982	90.7	92.9	97.6	95.5	93.2	99.2	99.9

Source : Department of Employment.

TABLE 3.19 : AVERAGE HOURLY EARNINGS OF MALE FULL-TIME MANUAL WORKERS

(DE October Enquiry)

OCT. EACH YEAR	FOR 75 INDUSTRIES					
	MEDIAN		DISTRIBUTION RELATIVE TO MEDIAN (= 100)			
	Pence per Hour	1970 Prices	Lowest decile	Lower quartile	Upper quartile	Highest decile
1955	22.55	37.58	87	92	106	112
1956	24.35	39.09	86	91	105	109
1957	25.71	39.55	88	93	106	111
1958	26.54	39.97	88	92	106	111
1959	27.46	41.42	88	93	106	110
1960	29.96	44.32	87	91	107	110
1961	31.75	45.23	89	91	106	111
1962	32.88	45.48	90	94	107	113
1963	34.49	46.61	89	94	106	114
1964	37.38	48.55	88	93	105	112
1965	41.33	51.21	86	91	105	110
1966	43.54	52.02	88	92	106	112
1967	45.54	53.33	88	92	106	112
1968	48.63	53.91	87	93	107	111
1969	52.25	55.00	88	94	107	113
1970	60.54	59.35	86	91	106	114
1971	68.23	61.14	84	90	106	115
1972	77.98	64.82	84	90	107	113
1973	87.73	66.36	84	92	108	113
1974	107.79	69.59	85	90	106	111
1975	136.31	69.94	80	89	107	113
1976	149.89	67.00	83	89	108	113
1977	164.28	64.40	82	90	104	110
1978	187.85	68.28	83	90	108	112
1979	220.67	68.47	83	89	106	115
1980	258.50	69.49	80	87	107	118
1981	281.71	67.80	80	88	108	121

Source : October Earnings Enquiries, Department of Employment Gazette.

TABLE 3.20 : WAGE RATES AGREED IN NATIONAL AGREEMENTS

(Indexes 1970 = 100, at 1970 Prices)

YEAR	MALES - LOW SKILL GRADES		FEMALES	
	WAGES COUNCILS(1)	OTHER (2)	WAGES COUNCILS(3)	OTHER(4)
1960	98	89	94	88
1965	101	92	98	92
1970	100	100	100	100
1971	99	104	103	106
1972	102	111	110	112
1973	105	111	116	118
1974	102	110	117	121
1975	103	117	121	135
1976	118	120	144	140
1977	114	112	138	131
1978	119	114	143	134
1979	124	115	148	135
1980	127	116	150	135
1981	126	115	150	132
1982	126	114	148	130

NOTES: number of agreements included (1) =27 : (2)= 63 : (3) = 29 : (4)= 43
SOURCE: Department of Employment.

TABLE 3.21 : AVERAGE WEEKLY EARNINGS OF MALE FULL-TIME EMPLOYEES BY INDUSTRY, GREAT BRITAIN, 1973, and 1981.
(indices relative to all industries and services = 100)

INDUSTRY	MANUAL		NON-MANUAL	
	1973	1981	1973	1981
Agriculture	77	77	..	79
Mining	104	127	..	120
Food, drink, tobacco	102	107	99	101
Coal, petr. prod.	111	132	..	..
Chemicals	104	109	110	110
Metal manufacturing	107	107	94	94
Mechanical engineering	103	100	96	97
Instrument engineering	95	96	..	98
Electrical engineering	101	97	104	99
Shipbuilding	110	111	..	100
Vehicles	116	104	103	99
Metal goods nes	101	95	98	94
Textiles	92	88	..	94
Clothing	87	84	..	..
Bricks, pottery, etc.	106	104	..	93
Timber, furniture	100	90	..	92
Paper, print, publ.	116	116	107	103
Other manufacturing	102	95	..	89
Construction	105	99	101	93
Gas, electricity, water	103	117	99	110
Transport	106	106	102	104
Distribution	85	87	85	84
Finance, business	87	104	114	113
Prof. scient. service	79	87	103	105
Miscellaneous services	80	84	89	88
Public administration	82	90	98	101
All industries	100	100	100	100
Index 1973 = 100	100	320	100	339

Source : Department of Employment, New Earnings Survey.

TABLE 3.22: AVERAGE WEEKLY EARNINGS OF FEMALE FULL-TIME EMPLOYEES BY INDUSTRY GREAT BRITAIN, 1973 and 1981.
(indices relative to all industries and services = 100)

INDUSTRY	MANUAL		NON-MANUAL	
	1973	1981	1973	1981
Food, drink, tobacco	108	108	89	90
Chemicals	105	107	95	101
Metal Manufacturing	..	104	86	86
Mechanical engineering	110	110	83	84
Instrument engineering	104	104	..	89
Electrical engineering	109	108	91	92
Vehicles	127	121	95	94
Metal goods nes.	99	101	83	82
Textiles	101	93	80	75
Clothing	96	91	..	..
Bricks, Pottery, etc.	101	103	..	86
Timber, furniture	..	104	..	79
Paper, print, publ.	107	112	99	100
Other manufacturing	101	95	84	84
Construction	..	..	85	83
Gas, electricity, water	..	..	103	105
Transport	139	132	104	101
Distribution	87	93	75	76
Finance, business	..	..	100	97
Prof. scient. service	93	96	119	118
Miscellaneous service	85	89	94	97
Public administration	111	108	107	100
All industries	100	100	100	100
Index 1973 = 100	100	378	100	391

Source : Department of Employment New Earnings Survey.

TABLE 3.23 : AVERAGE WEEKLY EARNINGS OF FEMALE PART-TIME EMPLOYEES BY INDUSTRY

GREAT BRITAIN, 1973 and 1981.

(indices relative to all industries and services = 100)

INDUSTRY	MANUAL		NON-MANUAL	
	1973	1981	1973	1981
Food, drink, tobacco	117	116	89	92
Chemicals	118	..	..	..
Mechanical engineering	102	..	..	..
Electrical engineering	130	129	..	..
Metal goods nes.	112	..	..	..
Textiles	120	113	..	..
Clothing	136	125	..	..
Paper, print, publ.	118	120	..	..
Other manufacturing	112	..	..	..
Construction	..	..	97	90
Transport	116	115	95	..
Distribution	88	96	76	77
Finance, business	78	92	109	101
Prof. scient. service	93	92	124	120
Miscellaneous service	93	100	88	89
Public administration	107	100	111	103
All industries	100	100	100	100
index 1973 = 100	100	367	100	375

Source : Department of Employment New Earnings Survey.

TABLE 3.24: RELATIVE EARNINGS IN THE PRIVATE AND PUBLIC SECTOR, GREAT BRITAIN 1973 & 1981.

	RATIO OF EARNINGS TO THOSE IN PUBLIC SERVICES (1)			
	MANUFACTURING		OTHER INDUSTRIES/SERVICES	
	1973	1981	1973	1981
GROSS WEEKLY EARNINGS:				
Males - full time				
manual	130	116	122	113
non-manual	101	95	98	93
Females - full time				
manual	107	105	95	99
non-manual	75	78	76	78
Females - part time				
manual	126	128	98	109
non-manual	85	85	63	72
GROSS HOURLY EARNINGS:				
Males - full time				
manual	126	117	116	111
non-manual	94	88	89	85
Females - full time				
manual	103	101	91	97
non-manual	69	72	63	65
Females - part time				
manual	104	107	94	102
non-manual	78	76	62	67

Notes : (1) education, medical and health, public administration.

Source: Department of Employment New Earnings Surveys.

TABLE 3.25 : SELECTED RATIOS FOR EARNINGS BY BROAD SECTOR, GREAT BRITAIN, 1973 & 1981.

		PUBLIC SERVICES[1]	MANUFACTURING	OTHER
Gross Weekly Earnings: Ratio of non manual to manual:				
Full time males	1973	158	122	128
	1981	159	130	131
full time females	1973	152	106	121
	1981	153	114	120
Gross Weekly Earnings: Ratio of female to male (full-time):				
Manual	1973	63	51	49
	1981	68	61	60
Non-manual	1973	60	45	46
	1981	65	54	54
Gross Hourly Earnings: Ratio of female to male (full-time) :				
Manual	1973	73	60	57
	1981	78	67	68
Non-manual	1973	65	48	47
	1981	69	57	53
Gross Weekly Earnings: Ratio of part-time to full-time females :				
Manual	1973	44	52	46
	1981	42	52	46
Non-manual	1973	49	55	41
	1981	47	51	43
Gross Hourly Earnings: Ratio of part-time to full-time females :				
Manual	1973	93	93	95
	1981	87	92	92
Non-manual	1973	80	91	78
	1981	83	87	85

Notes : (1) education, medical and health, public administration.

Source: Department of Employment, New Earnings Survey.

TABLE 3.26 : AVERAGE WEEKLY EARNINGS BY AGE, SEX AND OCCUPATION, GREAT BRITAIN, 1981.

AGE GROUP	MALES FULL TIME		FEMALES FULL TIME		FEMALES PART-TIME	
	MANUAL	NON MANUAL	MANUAL	NON MANUAL	MANUAL	NON MANUAL
Index Relative to all ages = 100						
Under 18	47	33	67	54	..	35
18-20	72	49	90	72	103	71
21-24	93	68	102	90	105	102
25-29	103	87	108	108	96	103
30-39	110	107	105	114	97	102
40-49	109	116	104	113	104	104
50-59	102	111	102	111	102	101
60-64	94	99	96	111	95	86
65 and over	76	..	..	.	81	77
All ages	100	100	100	100	100	100
Ratio of non-manual to manual earnings.						
Under 18	96		104		..	
18-20	93		104		89	
21-24	99		115		127	
25-29	114		129		139	
30-39	132		140		137	
40-49	143		140		131	
50-59	148		141		130	
60-64	141		149		119	
65 and over	..		..		125	
All ages	135		129		131	

Source : Department of Employment New Earnings Survey April 1981.

TABLE 3.27 : AVERAGE EARNINGS OF FULL TIME AND PART TIME FEMALE EMPLOYEES BY AGE, GREAT BRITAIN, 1981.

AGE GROUP	AVERAGE WEEKLY EARNINGS		AVERAGE HOURLY EARNINGS	
	MANUAL	NON-MANUAL	MANUAL	NON-MANUAL
Ratio of part-time to full-time earnings.				
Under 18	..	30	..	98
18-20	52	45	104	101
21-24	47	52	95	93
25-29	40	43	87	82
30-39	42	41	86	75
40-49	45	42	88	75
50-59	45	42	88	73
60-64	44	35	89	71
65 and over	..	..	91	..
All ages	45	46	91	84

Source : Department of Employment New Earnings Survey April 1981.

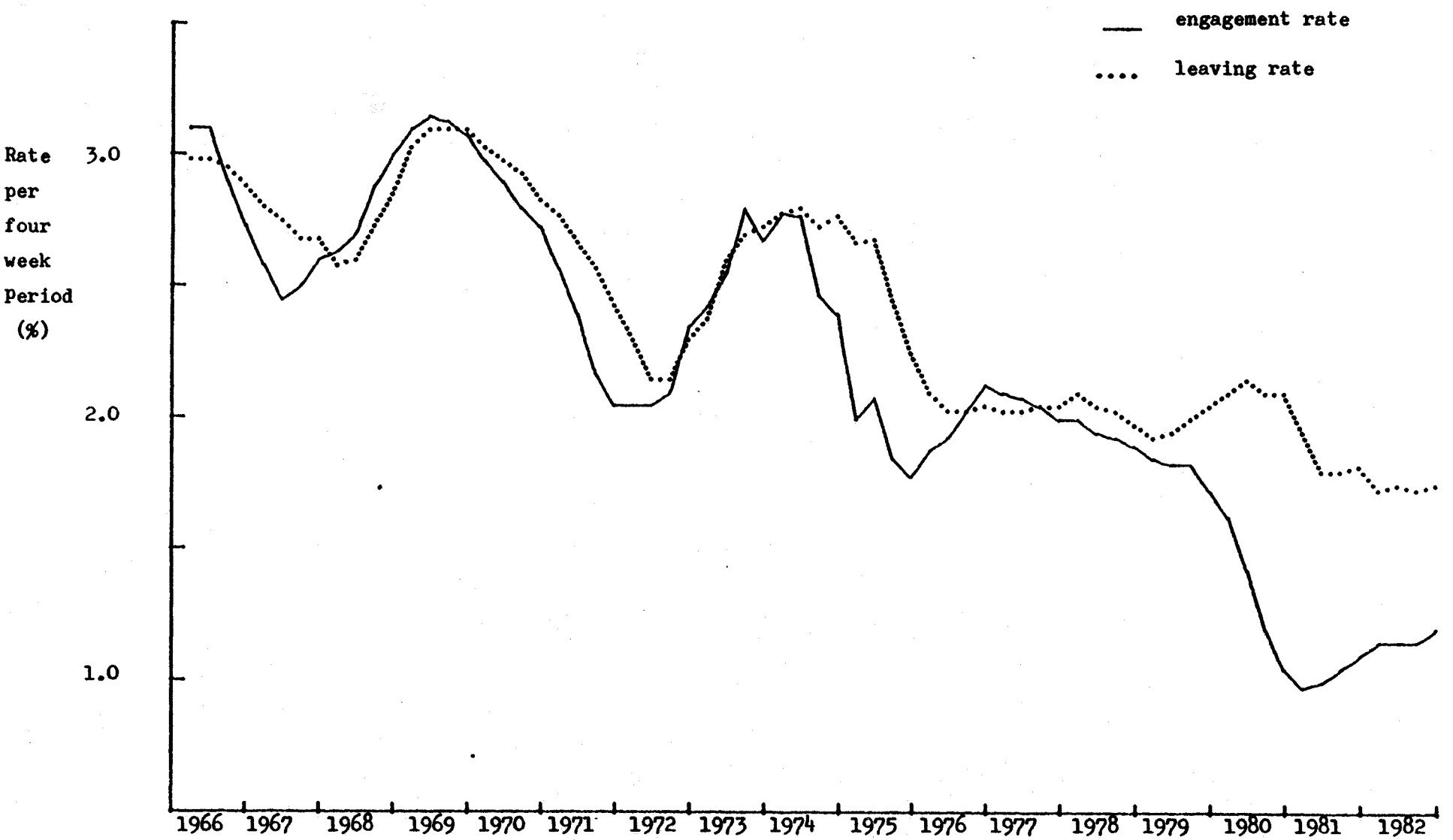
TABLE 3.28 : RATES OF LABOUR TURNOVER IN MANUFACTURING INDUSTRIES

(Annual averages of monthly rates of turnover, % per month.)

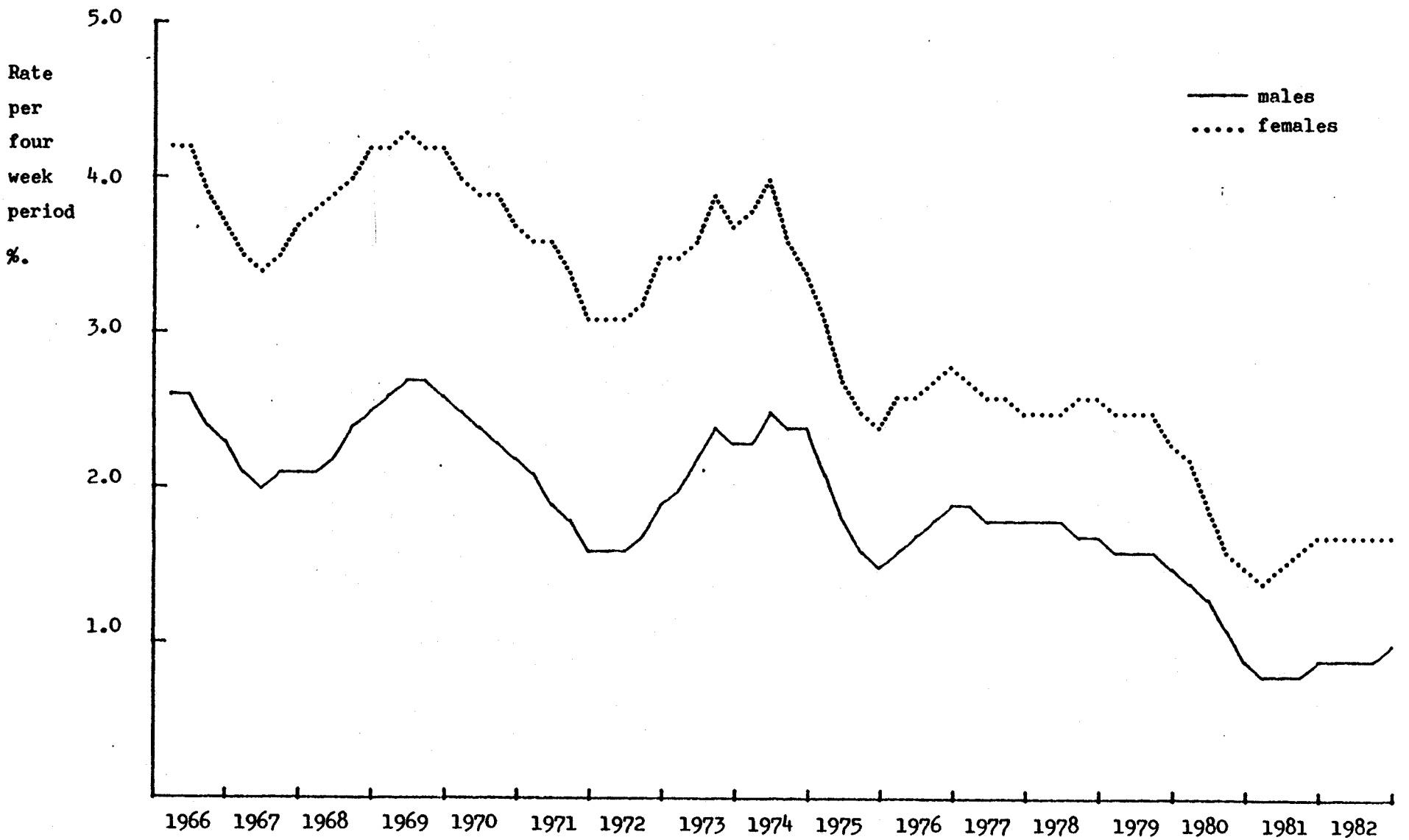
YEAR	MALES		FEMALES	
	ENGAGEMENT	LEAVING	ENGAGEMENT	LEAVING
1966	2.40	2.50	3.90	3.85
1967	2.05	2.25	3.48	3.70
1968	2.38	2.30	4.02	3.70
1969	2.65	2.68	4.20	4.12
1970	2.32	2.50	3.85	3.98
1971	1.75	2.22	3.35	3.70
1972	1.65	1.78	3.18	2.98
1973	2.35	2.30	3.85	3.55
1974	2.38	2.62	3.55	3.88
1975	1.60	2.08	2.48	3.38
1976	1.75	1.75	2.68	2.72
1977	1.82	1.80	2.55	2.55
1978	1.70	1.75	2.55	2.62
1979	1.55	1.80	2.45	2.62
1980	1.05	1.82	1.62	2.72
1981	0.82	1.62	1.55	2.52
1982	0.92	1.50	1.68	2.28

SOURCE: Department of Employment.

GRAPH 3.1 : ENGAGEMENT AND LEAVING RATE IN MANUFACTURING INDUSTRIES.



GRAPH 3.2 : RATE OF ENGAGEMENT IN MANUFACTURING INDUSTRIES



GRAPH 3.3 : LEAVING RATE IN MANUFACTURING INDUSTRIES.

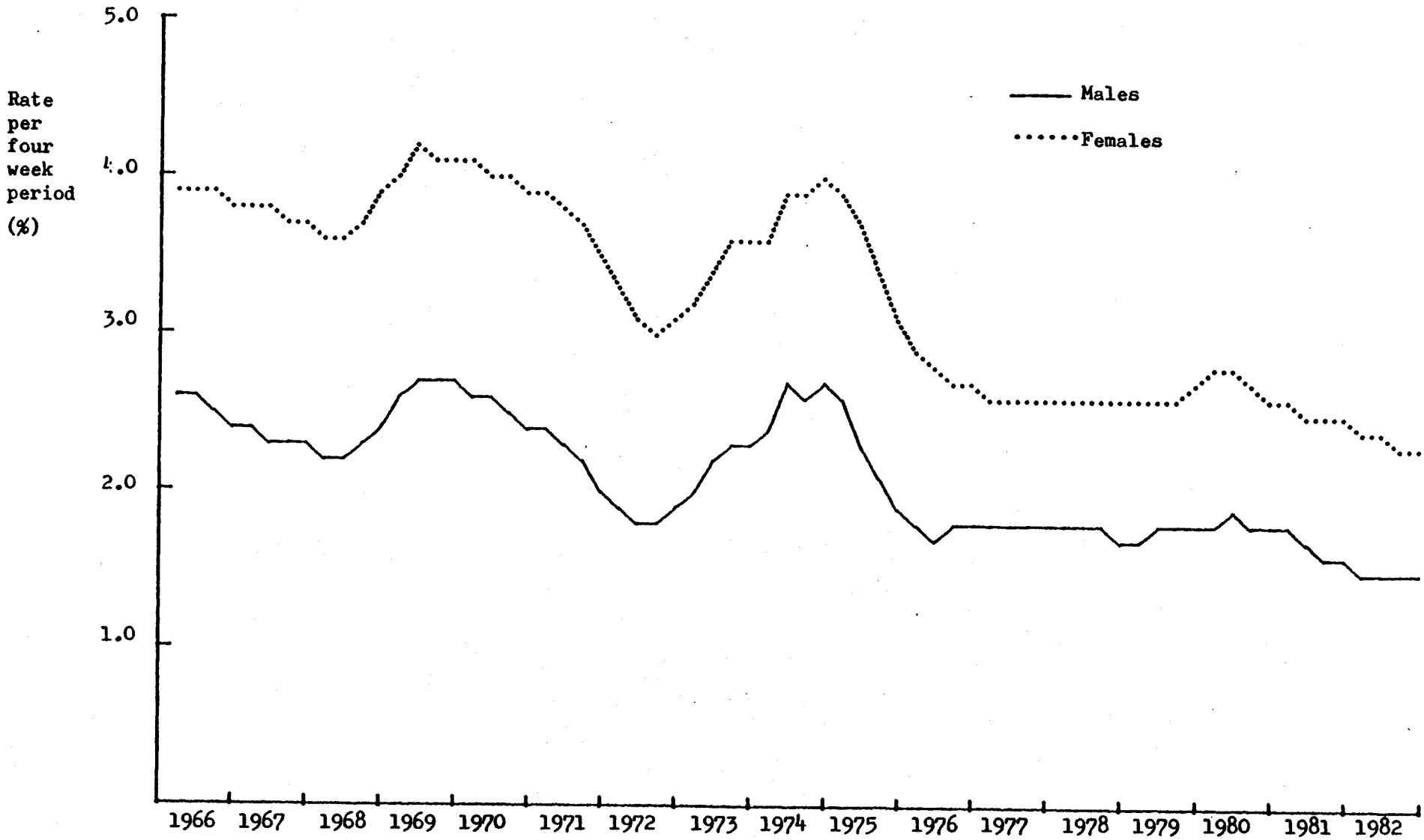


TABLE 3.29 : LABOUR TURNOVER BY MANUFACTURING INDUSTRY, NOVEMBER 1973 & DECEMBER 1982

(indices : all manufacturing = 100)

INDUSTRY	MALES				FEMALES			
	ENGAGEMENT		LEAVING		ENGAGEMENT		LEAVING	
	1973	1982	1973	1982	1973	1982	1973	1982
Food,drink,tobacco	131	114	124	100	118	92	114	188
Coal and pet.prod.	46	43	64	80	49	69	35	88
Chemicals	77	71	72	80	93	100	81	129
Metal manufacturing	88	57	96	120	80	85	81	112
Mech. engineering	96	114	96	127	84	85	86	135
Instru.engineering	92	157	84	100	111	115	95	135
Elect.engineering	100	100	80	60	111	92	95	106
Shipbuilding	69	186	72	140	58	100	70	141
Vehicles	62	43	68	60	71	62	92	88
Metal goods nes.	127	114	120	140	102	92	100	106
Textiles	142	143	148	113	84	123	95	117
Leather	115	171	136	227	76	69	95	300
Clothing	112	171	116	120	93	131	95	129
Bricks, etc.	108	100	112	93	84	92	108	141
Timber,furniture	115	143	120	133	84	138	92	94
Paper,print, publ.	81	71	80	53	96	77	105	94
Other manufacturing	158	129	152	140	133	92	146	194
All manufacturing	100	100	100	100	100	100	100	100
	(2.6)	(0.7)	(2.5)	(1.5)	(4.5)	(1.3)	(3.7)	(1.7)

Source : Department of Employment.

TABLE 3.30 : DISTRIBUTION OF YOUNG PEOPLE (AGED 16 and 17) ENTERING EMPLOYMENT, BY INDUSTRY ENGLAND AND WALES, 1979.

INDUSTRY	MALES	FEMALES
Agriculture	4.3	1.0
Mining	2.0	0.1
Manufacturing	36.1	32.5
Construction	14.6	1.6
Gas, electricity, water	1.3	0.6
Transport	3.5	2.8
Distribution	15.1	25.6
Other services	23.1	35.8
All industries and services	100	100

Source : Department of Employment Gazette, March, 1982.

TABLE 3.31 : FLOWS ONTO AND OFF THE UNEMPLOYMENT REGISTER, EXCLUDING SCHOOL LEAVERS, GREAT BRITAIN, 1967 - 1982.

(thousands)

YEAR	MALES				FEMALES			
	INFLOW	OUTFLOW	STOCK	RATIO[1]	INFLOW	OUTFLOW	STOCK	RATIO[1]
1967	2954	2915	413	0.14	1126	1124	96	0.09
1968	2996	2965	453	0.15	1009	1028	85	0.08
1969	3000	2979	453	0.15	963	963	78	0.08
1970	2943	2901	485	0.17	948	936	82	0.09
1971	2982	2784	625	0.22	972	936	112	0.12
1972	2694	2814	686	0.24	933	945	130	0.14
1973	2520	2661	488	0.18	891	918	93	0.10
1974	2805	2709	488	0.18	993	966	90	0.09
1975	3081	2745	722	0.26	1290	1182	169	0.14
1976	2616	2562	941	0.37	1056	972	281	0.29
1977	2454	2433	960	0.39	1047	1002	300	0.30
1978	2271	2367	925	0.39	1068	1071	317	0.30
1979	2157	2196	854	0.39	1092	1068	316	0.30
1980	2607	2070	1078	0.52	1320	1134	415	0.37
1981	2634	2190	1722	0.79	1356	1203	606	0.50
1982	2676	2403	1990	0.83	1407	1323	702	0.53

Note: (1) ratio of stock to the outflow: an approximation to average duration of uncompleted spells measured as a fraction of a year.

Source: Department of Employment.

TABLE 3.32 : UNEMPLOYED PERSONS: REASONS AND METHODS FOR SEEKING WORK GREAT BRITAIN, 1981.

(% of unemployed in each group)

	MEN	MARRIED WOMEN	OTHER WOMEN
Reasons for seeking work:			
following dismissal	56.3	26.3	25.8
" resignation	13.2	26.7	18.4
" retirement	1.0	0.5	0.5
leaving self-employment	1.3	0.2	0.2
" casual work	4.1	6.4	4.3
after voluntary interruption	4.7	27.7	9.8
seeking first job	13.2	3.6	35.6
(no reply and other)	(6.2)	(8.6)	(5.4)
Total unemployed	100	100	100
Main method of seeking:			
Registered - employment service	62.6	42.4	56.0
- private agency	0.6	2.5	1.6
Advertise in newspapers	1.6	2.7	1.5
Answer advertisements	17.3	36.5	22.6
Direct approach to firm	10.3	4.5	8.7
Personal contact	2.3	3.4	2.1
(no reply and other)	(5.2)	(8.0)	(7.6)

Source : OPCS Labour Force Survey

TABLE 3.33 : REASONS FOR BECOMING UNEMPLOYED BY QUALIFICATION LEVEL.

GREAT BRITAIN, 1981.

Qualification Level.	REASON FOR LEAVING				
	Dismissed/ made redundant.	Resigned	Retired	Stopped being self-employed.	(No Reply)
MALES					
Degree/prof.inst.	57.9	25.1	5.5	8.4	(3.1)
HNC,HND, Teach.Nurs.	69.9	16.2	2.3	7.2	(4.5)
Trade appr.	84.9	11.5	0.9	1.7	(1.0)
ONC, OND, C/G, A Level	64.9	26.9	1.4	2.7	(4.1)
O Level	70.5	26.8	0.8	0.9	(0.9)
CSE, other	80.8	16.9	1.0	1.0	(0.3)
None	83.8	12.9	0.7	1.7	(1.1)
Not known	78.0	10.9	-	4.1	(7.0)
All qualifications	81.4	14.5	0.9	1.9	(1.3)
FEMALES					
Degree/prof. inst.	44.4	55.6	-	-	(-)
HNC, HND, Teach.	46.2	53.8	-	-	(-)
Trade appr.	65.3	33.0	-	-	(1.7)
ONC, OND, C/G, A Level	47.8	45.0	1.7	3.0	(2.5)
O Level	60.2	35.6	1.2	-	(3.1)
CSE, other	62.7	32.6	1.6	-	(3.0)
None	74.7	22.4	0.7	0.5	(1.7)
Not known	68.2	24.5	-	-	(7.3)
All qualifications	68.2	28.4	0.9	0.4	(2.1)

Source: Dept. of Employment Gazette, April, 1983 (OPCS Labour Force Survey).

Chart 3.1 Likelihood of becoming unemployed in individual travel to work areas during winter 1982/83 (October to April)

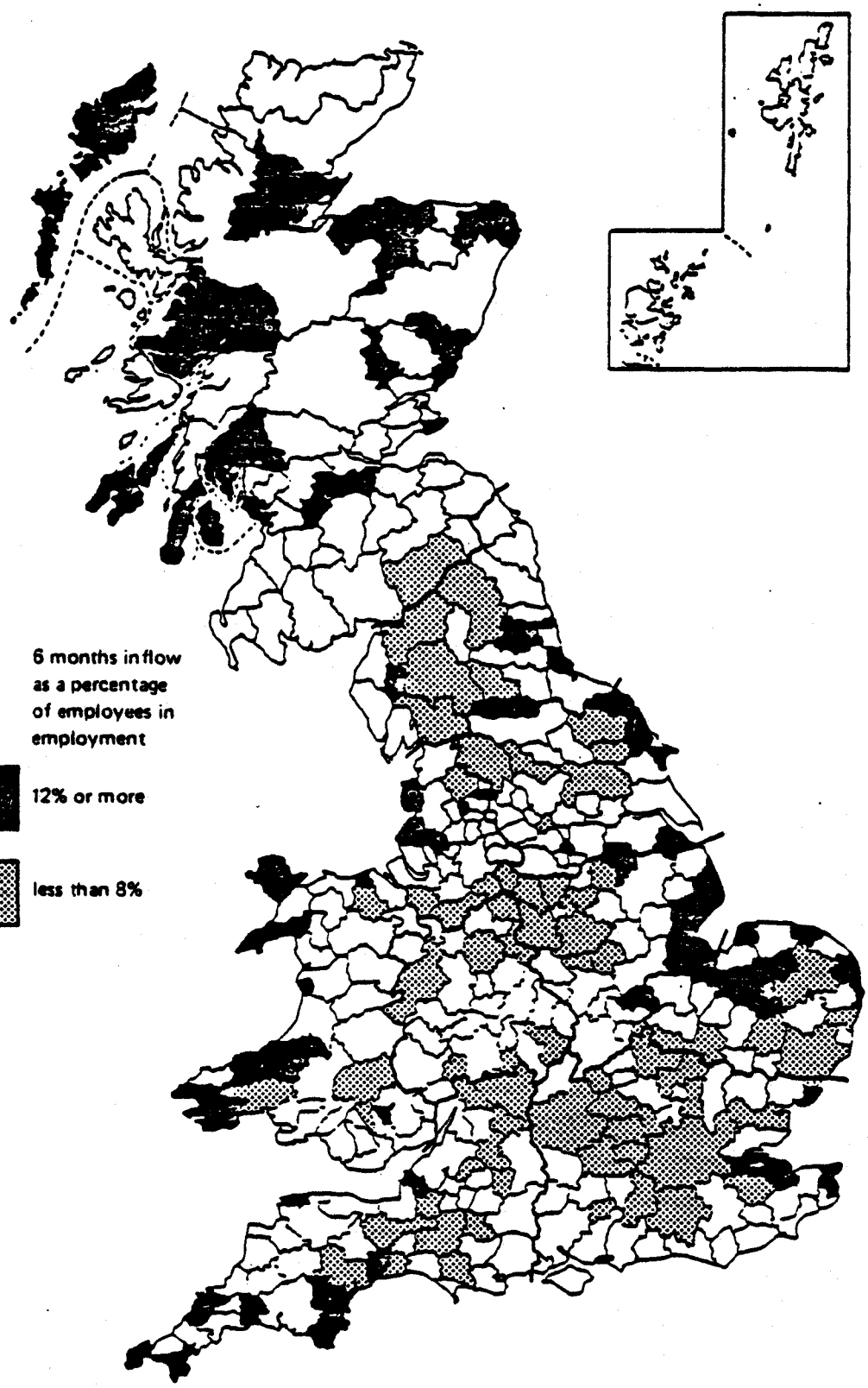


Chart 3.2 Likelihood of remaining unemployed in individual travel to work areas during winter 1982/83 (October to April)

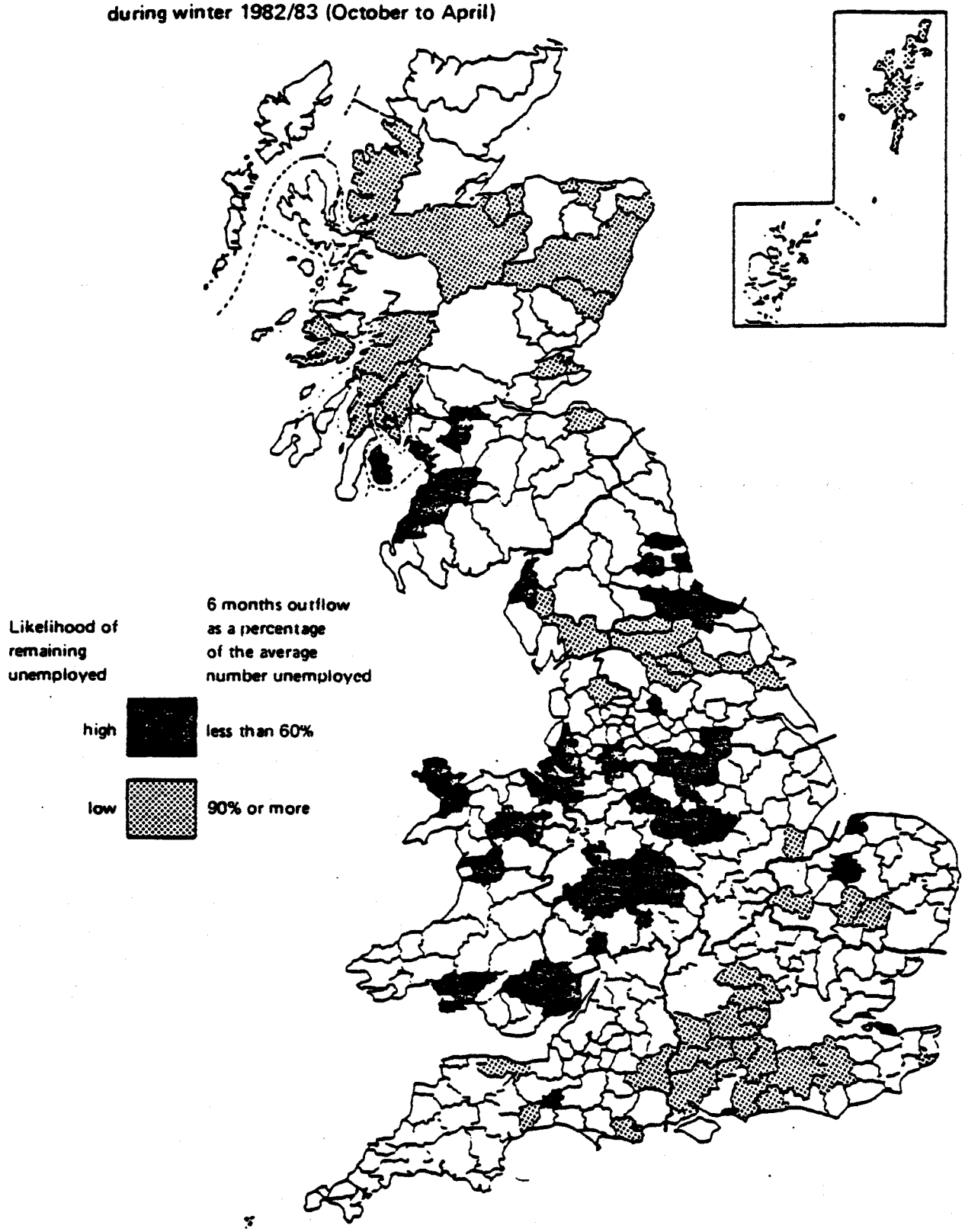


TABLE 3.34 **Unemployment flows and completed durations, by age**

Male and female: Great Britain

Thousand

Duration of completed spell of unemployment in weeks	Age groups													
	Under 17	17	18	19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65 and over	All
Oct 15, 1982 to Jan 13, 1983															
Inflow	68·1	77·9	72·5	58·2	230·9	139·2	98·5	79·8	63·2	55·6	49·6	50·9	36·8	—	1,081·3
Outflow															
One or less	5·2	4·7	3·6	2·7	10·5	6·3	4·6	4·0	3·1	2·6	2·0	1·5	1·0	—	52·0
Over 1 and up to 2	4·9	4·9	3·6	2·8	11·2	6·4	4·6	3·9	3·0	2·6	2·0	1·6	0·8	—	52·5
Over 2 and up to 4	8·2	8·2	6·7	5·0	21·0	11·9	8·5	7·1	5·3	4·4	3·6	2·8	1·4	—	94·2
Over 4 and up to 6	8·5	7·7	6·1	4·2	17·0	9·5	6·5	5·2	4·2	3·5	2·8	2·4	1·2	—	78·7
Over 6 and up to 8	10·0	7·6	6·0	3·7	13·6	7·6	5·0	4·0	3·3	2·7	2·2	1·9	1·0	—	68·6
Over 8 and up to 13	14·7	13·4	10·7	7·0	25·0	13·3	9·0	7·2	5·6	4·9	4·2	3·4	1·8	—	120·5
Over 13 and up to 26	7·2	15·4	12·2	10·5	39·5	19·2	12·7	9·9	7·8	6·8	5·8	5·2	3·1	0·1	155·5
Over 26 and up to 39	1·2	6·4	5·2	4·5	18·9	9·6	6·6	5·0	3·8	3·5	3·2	3·4	2·4	0·1	71·9
Over 39 and up to 52	0·2	2·3	2·8	3·1	11·7	7·6	4·9	3·6	2·7	2·5	2·4	2·6	2·4	0·2	40·1
Over 52 and up to 65	—	2·0	2·1	2·9	12·6	9·4	5·5	3·4	2·6	2·3	2·2	2·7	3·6	0·2	51·6
Over 65 and up to 78	—	0·5	1·0	1·4	4·6	2·7	1·6	1·3	1·1	0·9	0·8	0·8	1·0	0·1	17·9
Over 78 and up to 104	—	0·1	0·8	1·3	4·6	2·8	2·1	1·5	1·3	1·1	0·7	0·8	1·1	0·1	18·4
Over 104 and up to 156	—	—	0·3	1·0	5·1	2·9	2·0	1·5	1·2	1·1	0·5	0·5	0·7	—	16·8
Over 156	—	—	—	0·1	1·0	0·6	0·5	0·5	0·4	0·5	0·2	0·1	0·2	—	4·1
Duration not available		6·4	1·4	1·1	3·6	5·2	5·6		6·2		5·3	6·5		13·9	55·7
All		139·6	62·4	51·3	198·1	115·1	80·6		110·3		77·2	36·1		36·7	907·5
Jan 14, 1983 to Apr 14, 1983															
Inflow	73·7	76·4	65·4	53·8	212·7	131·5	92·6	76·4	59·6	52·6	46·4	46·2	36·5	—	1,029·1
Outflow															
One or less	4·3	5·0	3·1	2·6	10·6	6·6	5·1	4·5	3·4	2·8	2·3	1·7	1·0	—	53·3
Over 1 and up to 2	5·5	6·0	3·6	3·0	12·2	7·6	5·5	4·6	3·6	3·0	2·5	1·8	1·1	—	60·0
Over 2 and up to 4	8·3	8·8	6·0	5·1	20·1	12·0	8·6	7·5	5·5	4·6	3·8	2·8	1·6	—	94·9
Over 4 and up to 6	6·0	6·8	4·8	4·0	16·5	9·6	7·0	5·8	4·5	3·8	3·0	2·4	1·3	—	75·6
Over 6 and up to 8	4·5	5·5	4·0	3·4	13·7	8·1	5·7	4·6	3·7	2·9	2·4	2·0	1·0	—	61·8
Over 8 and up to 13	6·6	10·0	7·9	6·9	27·1	16·2	11·1	9·2	7·2	6·2	5·1	3·9	2·2	—	119·6
Over 13 and up to 26	12·1	17·9	16·6	14·0	48·7	27·9	19·3	15·3	12·4	10·2	8·9	7·6	4·6	0·2	215·6
Over 26 and up to 39	2·0	7·6	8·3	7·6	26·7	13·6	9·1	7·0	5·5	4·6	4·2	4·2	2·9	0·2	103·5
Over 39 and up to 52	0·1	3·7	4·0	3·9	13·9	8·7	5·7	4·2	3·3	3·0	2·8	3·0	2·5	0·2	55·8
Over 52 and up to 65	—	1·2	2·3	2·9	12·5	9·6	5·7	3·8	2·9	2·6	2·2	2·5	3·5	0·2	52·1
Over 65 and up to 78	—	1·0	1·5	2·2	7·1	4·4	3·1	2·2	1·8	1·5	1·1	1·2	1·4	0·1	28·6
Over 78 and up to 104	—	0·2	1·1	2·0	6·0	3·4	2·4	1·8	1·4	1·3	0·8	0·8	1·2	0·1	22·5
Over 104 and up to 156	—	—	0·4	1·3	7·0	3·8	2·8	2·1	1·7	1·6	0·6	0·5	0·8	—	22·8
Over 156	—	—	—	0·7	1·6	1·1	0·8	0·7	0·6	0·6	0·3	0·2	0·2	—	5·8
Duration not available		5·6	1·5	1·2	4·4	5·8	8·3		8·7		11·4	14·2		47·1	108·2
All		128·8	65·2	60·2	228·1	136·6	100·6		139·9		100·4	48·8		73·4	1,083·6

DURATION OF UNEMPLOYMENT AND AGE OF UNEMPLOYED

TABLE 3.35

The table below gives an analysis according to (a) age and (b) the length of the current spell of unemployment, of the number of unemployed persons in Great Britain at July 9, 1973.

Duration of unemployment in weeks	AGE GROUPS												
	Under 18	18 and under 20	20 and under 25	25 and under 30	30 and under 35	35 and under 40	40 and under 45	45 and under 50	50 and under 55	55 and under 60	60 and under 65	65 and over	Total
MALES													
One or less	4,304	6,807	11,506	5,258	3,335	2,679	2,453	1,996	1,863	1,462	2,161	63	43,887
Over 1 and up to 2	3,456	4,483	8,175	3,904	2,546	2,128	1,867	1,760	1,652	1,446	2,607	58	34,082
Over 2 and up to 3	1,492	2,814	5,365	2,847	1,924	1,531	1,439	1,302	1,177	1,012	1,547	30	22,480
Over 3 and up to 4	1,104	1,649	3,485	2,303	1,616	1,315	1,223	1,142	1,019	933	1,458	35	17,282
Over 4 and up to 5	830	1,193	2,667	1,924	1,449	1,184	1,052	992	919	786	1,432	43	14,471
Over 5 and up to 6	703	1,102	2,441	1,853	1,392	1,256	1,086	1,064	1,043	996	2,041	34	15,011
Over 6 and up to 7	375	663	1,465	1,095	855	708	684	627	569	525	927	20	8,513
Over 7 and up to 8	443	714	1,733	1,332	930	855	802	728	748	578	1,173	23	10,059
Over 8 and up to 9	321	664	1,573	1,163	803	790	739	720	751	610	1,157	22	9,313
Over 9 and up to 13	971	1,842	4,436	3,613	2,751	2,476	2,356	2,091	2,136	2,082	4,892	78	29,724
Over 13 and up to 26	1,232	3,014	7,729	6,370	5,148	4,939	4,789	4,679	4,754	5,228	12,141	205	60,228
Over 26 and up to 39	454	1,406	3,757	3,308	2,784	2,782	2,808	2,975	3,084	3,584	10,714	149	37,805
Over 39 and up to 52	410	851	2,504	2,236	2,008	1,978	2,067	2,098	2,414	2,997	9,913	130	29,606
Over 52	432	1,507	5,688	6,637	7,226	8,741	10,406	12,739	14,401	18,916	50,197	442	137,332
Total	16,527	28,709	62,524	43,843	34,767	33,362	33,771	34,913	36,530	41,155	102,360	1,332	469,793
FEMALES													
One or less	2,702	3,629	4,247	1,022	475	372	413	405	399	327	26		14,017
Over 1 and up to 2	1,874	2,119	2,952	750	339	261	302	296	354	293	21		9,561
Over 2 and up to 3	931	1,167	1,701	547	243	224	220	230	241	203	18		5,725
Over 3 and up to 4	737	820	1,200	416	234	180	178	200	238	204	19		4,426
Over 4 and up to 5	566	603	864	393	214	167	178	174	213	168	13		3,553
Over 5 and up to 6	415	523	746	405	176	143	143	173	186	238	21		3,169
Over 6 and up to 7	252	341	490	233	116	105	106	108	127	124	8		2,010
Over 7 and up to 8	297	343	573	275	155	136	114	127	149	146	12		2,327
Over 8 and up to 9	241	355	550	303	127	105	112	125	158	114	6		2,196
Over 9 and up to 13	675	1,004	1,689	846	355	303	355	397	486	521	24		6,655
Over 13 and up to 26	955	1,788	3,010	1,606	760	594	745	908	1,208	1,283	59		12,916
Over 26 and up to 39	327	730	1,494	795	381	324	377	535	699	879	28		6,569
Over 39 and up to 52	298	381	1,017	592	270	188	274	403	571	805	35		4,834
Over 52	250	505	1,135	727	524	559	911	1,404	2,951	4,294	114		13,574
Total	10,520	14,308	21,668	8,910	4,369	3,661	4,428	5,685	7,980	9,599	404		91,532

Table 3.36 Likelihood of becoming unemployed and of remaining unemployed, by age

Male and female: Great Britain

		Age groups									
		Under 18	18-19	20-24	25-29	30-34	35-44	45-54	55-59	60 and over	All
Unemployment rates* (per cent)											
October 1982		26·5	24·5	18·3	13·5	9·5	8·0	7·8	11·2	14·7	12·6
January 1983		24·1	25·5	19·7	14·6	10·3	8·6	8·4	11·9	15·5	13·3
April 1983		22·9	24·9	19·4	14·5	10·2	8·6	8·5	11·9	14·2	13·1
Likelihood of becoming unemployed*											
Inflow expressed as per cent of the estimated number of employees in employment											
October 1982 to January 1983		16·1	9·4	7·5	5·4	3·7	3·0	2·4	2·4	2·3	4·6
January 1983 to April 1983		16·9	8·6	6·9	5·1	3·2	2·9	2·3	2·3	2·3	4·4
Likelihood of remaining unemployed											
Outflow expressed as per cent of the average number unemployed over the quarter											
October 1982 to January 1983		60·9	32·2	33·7	31·7	30·4	28·1	21·7	15·0	15·1	30·0
January 1983 to April 1983		61·9	35·1	37·8	36·8	36·3	34·0	27·1	19·6	30·9	35·2
Median duration of *completed* spells of unemployment (computerised records only)†											
October 1982 to January 1983	weeks	7·6	11·2	12·8	12·9	12·3	11·4	12·2	16·1†	30·6†	11·3
January 1983 to April 1983	weeks	7·3	15·9	16·1	15·9	15·0	13·5	14·4	17·4†	26·3†	14·3
Median duration of *uncompleted* spells of unemployment (all records)											
October 1982	weeks	5·8	18·9	24·7	28·6	32·1	34·1	41·3	48·3	54·6	28·7
January 1983	weeks	14·2	23·3	26·6	28·6	31·6	33·7	41·6	51·3	59·0	30·3
April 1983	weeks	12·1	29·1	31·5	32·2	35·0	37·2	44·9	53·2	57·3	34·1

* The figures for unemployment rates and inflow rates are provisional. While presented to one decimal place, they should not be regarded as implying precision to that degree. The rates for those aged under 20 are subject to the widest error.

† The median duration of completed spells is based on the computerised records only. For the age group up to and including 45-54, the inclusion of spells where the duration is not known would alter the estimates by a maximum of ± two weeks. For the 55-59, 60+ age groups, the median duration is substantially underestimated.

TABLE 3.37 DISTRIBUTION OF CLAIMANTS FOR UNEMPLOYMENT BENEFIT BY BENEFIT ENTITLEMENT.

(percentage of claimants)

	MALES		FEMALES	
	MAY 1971	FEB. 1982	MAY 1971	FEB. 1982
Flat rate benefit :				
flat rate only	22	15	32	25
with earnings supplement (ERS)	19	13	10	14
with ERS and SA	2	4	1	1
with suppl. allowance (SA)	12	7	5	3
Supplementary allowance only	25	46	18	37
None	20	14	34	20
All claimants	100	100	100	100
(000s)	(626)	(1993)	(110)	(709)

Source : Social Security Statistics

TABLE 3.38 : MALES RECEIVING UNEMPLOYMENT BENEFIT BY AGE AND DEPENDENCY CONDITIONS, FEBRUARY, 1982

(percentage of those in receipt)

Age Group	Numbers in Receipt. (ooos)	DEPENDENCY CONDITION			
		No Dependents	Adult Dependent only	Adult and Children	Children only
Under 20	69	97.4	0.7	1.5	0.4
20-24	148	86.6	1.9	9.3	2.2
25-34	180	57.0	2.3	31.0	9.7
35-44	120	44.3	3.0	31.5	21.2
45-54	105	52.3	14.9	17.1	15.7
55-64	165	50.4	42.1	4.5	3.1
65 +	-	-	-	-	-
All ages	788	62.2	12.2	17.0	8.6

Source : Social Security Statistics

TABLE 3.39 : BENEFIT ENTITLEMENT OF CLAIMANTS BY AGE, FEBRUARY, 1982

(percentage of claimants in each age group)

(Source: Social Security Statistics)

Age Group	All Claimants (ooos)	Percentage with : Flat rate benefit.	Suppl.Allowance only	None
MALES				
Under 20	277	25	64	11
20-24	351	42	49	9
25-34	440	41	50	9
35-44	300	40	49	11
45-54	252	42	44	13
55-64	372	44	24	31
65 +	2	-	50	50
All Ages	1993	40	46	14
FEMALES				
ıder 20	201	23	64	13
20-24	179	53	30	17
25-34	150	59	17	24
35-44	65	46	26	26
45-54	69	38	36	26
55 +	45	40	31	29
ıll ages	709	43	37	20

TABLE 3.40 : BENEFIT ENTITLEMENT OF CLAIMANTS BY REGION, FEBRUARY, 1982.

(percentage of claimants in each region)

REGION	ALL CLAIMANTS (000s)	PERCENTAGE WITH: FLAT RATE BENEFIT	SUPPLEMENTARY ALLOWANCE ONLY	NONE
MALES				
South East	456	40	42	18
East Anglia	53	43	40	17
South West	126	40	42	17
West Midlands	242	39	47	14
East Midlands	123	41	43	17
Yorks. & Humb.	199	40	46	14
North West	292	38	51	12
North	154	38	49	12
Wales	119	39	47	14
Scotland	228	39	50	11
Great Britain	1993	40	46	14
FEMALES				
South East	154	41	37	22
East Anglia	18	44	33	17
South West	49	45	35	20
West Midlands	83	41	37	22
East Midlands	41	44	34	22
Yorks. & Humb.	68	41	40	19
North West	107	42	38	20
North	54	43	41	19
Wales	43	42	40	21
Scotland	93	46	37	17
Great Britain	709	43	37	20

Source : Social Security Statistics.

TABLE 3.41 : REAL VALUE OF UNEMPLOYMENT BENEFIT, GREAT BRITAIN.

(£s per week at 1975 prices)

DATE	SINGLE PERSON	WITH ADULT DEPENDENT	WITH ADULT AND TWO CHILDREN(1)	ADULT, 2 CHILDREN AND ENTITLEMENT TO ERS(2)
NOV. 67	9.45	15.34	19.75	26.91
NOV. 71	9.65	15.59	20.10	27.83
MAY 76	9.44	15.31	19.98	25.95
NOV. 77	10.35	16.76	21.34	27.31
NOV. 78	10.69	17.31	19.82	26.16
NOV. 79	9.95	16.10	17.93	22.94
NOV. 80	10.16	16.43	17.66	22.56
FEB. 82	9.76	15.79	16.49	20.23
FEB.83	10.30	16.66	16.91	..

Notes : (1) additions for child dependents reduced following the introduction of child benefits in 1977.

(2) earnings related supplement at level of average payment to those in receipt: the scheme was abolished from 3 January, 1982 although those already entitled continued to receive benefit until entitlement ceased.

Source: Social Security Statistics.

TABLE 3.42: SOCIAL SECURITY BENEFIT PAID TO THE PERSONAL SECTOR BY CENTRAL GOVERNMENT, 1973 and 1981.

SOCIAL SECURITY BENEFIT	AS % OF TOTAL BENEFITS.		Percentage change in real value 1973-1981
	1973	1981	
Retirement pensions	51.3	46.2	45.4
Lump sum payments to pensioners	1.5	0.4	-58.8
Widows benefit	4.7	2.7	-6.9
Unemployment	3.1	6.8	258.4
Sickness	6.2	2.5	-35.9
Invalidity	4.6	5.2	82.4
Maternity	0.8	0.7	34.5
Death grant	0.3	0.1	-60.5
Injury benefit	0.7	0.2	-57.2
Disablement	1.7	1.2	18.4
Industrial death	0.2	0.2	20.1
War pensions	3.0	1.8	-4.9
Family allowances and child benefit	6.9	13.2	210.3
Supplementary benefit	13.5	16.1	93.3
Other lump sum payments to pensioners	0.1	0.0	-45.8
Other non-contributory benefit	1.4	2.7	217.6
Total	100.0	100.0	..
Real value of total benefits at 1980 prices	14459	23370	61.6

Source : National income and expenditure.

TABLE 3.43 : SOCIAL SECURITY BENEFITS: EXPENDITURE, NUMBERS IN RECEIPT, AVERAGE AMOUNTS AND WEEKLY RATES, GREAT BRITAIN, 1980.

TYPE OF BENEFIT	EXPENDITURE £m	NUMBERS IN RECEIPT (000s)	AVERAGE AMOUNT £ PER WEEK	WEEKLY RATES(1) OR SINGLE PAYMENT (£)
Retirement pensions	10287	9145	21.63	37.30
Widows benefit	634	419	28.85	46.80
Guardians allowance/child special benefit		4		21.30
Unemployment benefit	1097	1165	18.12	33.35(5)
Sickness benefit	656	1140	11.06	33.35(5)
Invalidity benefit	1195	615	37.37	51.50(6)
Maternity grant	166	659	25.00	25.00
allowance		365	7.88	33.35
Death grant	17	593	28.67	30.00
Injury benefit	47	39	23.17	36.10
Disablement pension	281	196	27.58	38.00
Industrial death pension	42	31	26.06	38.05(7)
War pension: disablement	386	354	20.96	58.42
widow				50.30
Family allowances/child benefit(2)	2944	7667	7.38	8.00(8)
Supplementary benefit (3)	2684	3018	17.10	51.60(9)
Other benefits (4)	565	590	18.42	..(10)
Average adult male full-time earnings	..	..	121.50	121.50

Source : Social Security Statistics.

Notes : See attached sheet.

NOTES TO TABLE 3.43

(1) For November 1979 to November 1980; where appropriate, basic rate (excluding supplements/allowances) for adult with one adult dependent and two children

(2) Including one parent benefit and family income supplement.

(3) Of those in receipt, 55% were pensioners and widows, 27% were unemployed, 7% were sick and 10% were one parent families.

(4) Non-contributory pensions, attendance and mobility allowances and invalid care allowances.

(5) Excluding earnings related supplement; for those unemployed receiving the supplement, the average amount was £8.85 per week but, averaged over all the unemployed, the supplement was only £1.92 per week.

The supplement is also payable to those receiving sickness benefit but no figures are available. Because of shorter spells, a much lower proportion of those receiving sickness benefit will be entitled to the supplement.

(6) Plus an invalidity allowance of £3.10 at the middle rate.

(7) £46.80 per week for the first 26 weeks.

(8) £4.00 per week per child: one parent families receive a supplement of £2.50 per week irrespective of the number of children. Family income supplement is a maximum of £14.50 per week for two child with average weekly payments of £10.32.

(9) The long term rate: the short term rate is £43.65 per week. In both cases, these exclude housing costs which are treated separately.

(10)

Non contributory invalidity pension	£36.60 per week
Attendance allowance	£18.60 per week
Mobility allowance	£12.00 per week
Invalidity care allowance	£36.60 per week

.....

TABLE 3.44 : SOURCES OF AGGREGATE INCOME FOR HOUSEHOLDS 1973 & 1981

(as % of gross weekly household income)

SOURCE OF INCOME	1973	1981
Wages and salaries	73.5	68.1
Self employment	6.8	6.1
Social security	9.0	13.1
Investments	3.4	3.8
annuities and pensions	2.5	3.1
imputed income/rent	3.9	4.6
Other	0.9	1.2
Total	100.0	100.0

TABLE 3.45: SOURCES OF AGGREGATE INCOME BY RANGE OF GROSS INCOME, 1981.

SOURCE OF INCOME	ALL HOUSEHOLDS	RANGE OF GROSS NORMAL WEEKLY INCOME				
		LOWEST 20%	SECOND QUINTILE	THIRD QUINTILE	FOURTH QUINTILE	HIGHEST 20%
Wages and salaries	68.1	4.2	39.4	69.6	78.4	77.7
Self employment	6.1	1.9	5.7	5.9	4.5	7.9
Social security	13.1	77.6	34.5	11.9	6.3	3.0
Investments	3.8	3.5	5.3	3.0	3.0	4.3
Annuities & Pensions	3.1	5.4	7.1	3.7	2.3	1.9
Imputed income/rent	4.6	5.9	5.8	4.6	4.7	4.2
Other	1.2	1.5	2.2	1.3	0.8	1.0
Total disposable	81.9	98.1	89.7	83.2	80.4	78.0
relative to all households :						
Gross weekly	100	28	55	88	124	206
Disposable	100	34	60	89	122	196

Source : Department of Employment, Family Expenditure Survey.

TABLE 3.46: SOURCES OF AGGREGATE INCOME BY HOUSEHOLD COMPOSITION, 1981.

HOUSEHOLD COMPOSITION.	AS PERCENTAGE OF GROSS WEEKLY HOUSEHOLD INCOME					GROSS (all households = 100)	DISPOSABLE (all households = 100)
	WAGES AND SALARIES	SELF EMPLOY-MENT.	SOCIAL SECURITY	OTHER	TOTAL DIS-POSABLE INCOME		
One adult:							
retired(state pension)	0.2	-	93.4	6.4	99.7	24	29
mother retired	-	-	44.3	55.7	90.9	40	45
non-retired	69.8	5.3	8.7	16.2	79.5	68	66
One adult, one child	47.0	3.3	22.2	27.5	89.1	68	74
One adult, 2+ child	34.4	1.2	36.5	27.9	93.1	60	68
One man, one woman:							
retired(state pension)	0.2	-	89.9	9.9	99.7	36	43
mother retired	12.0	0.6	39.5	47.9	88.2	70	75
non-retired	77.8	5.6	4.8	11.8	79.7	117	114
Two men or two women	45.5	7.5	18.9	28.1	85.7	105	110
One man,one woman:							
with 1 child	78.8	6.9	6.2	8.1	81.1	110	109
2 children	75.7	10.0	7.0	7.3	81.1	115	114
3 children	73.0	8.7	11.6	6.7	81.9	118	118
Two adults, 4+children	63.3	9.3	22.7	4.7	85.2	104	108
Three adults	75.0	4.9	9.1	11.0	79.4	146	142
Three adults, 1+child	76.4	7.7	9.1	6.8	80.3	158	155
Four + adults	83.2	3.4	5.7	7.7	77.7	207	197
Four + adults, one + child	81.4	3.7	9.8	5.1	81.5	198	197
All households	68.1	6.1	13.1	12.7	81.9	100	100

Source : Department of Employment, Family Expenditure Survey.

TABLE 3.47 : SOURCES OF AGGREGATE INCOME BY EMPLOYMENT STATUS, 1981.

EMPLOYMENT STATUS OF HEAD	AS % OF GROSS WEEKLY HOUSEHOLD INCOME						
	WAGES AND SALARIES	SELF EMPLOY-MENT	SOCIAL SECURITY	OTHER	TOTAL DIS-POSABLE INCOME	GROSS (all household = 100)	DISPOSA
Employee:							
Professional, technical	86.0	0.6	3.0	10.4	77.6	162	153
Admin. managerial	85.3	0.9	3.7	10.1	78.6	158	151
Teacher	86.1	0.4	3.1	10.4	78.2	155	148
Clerical	82.6	1.0	6.5	9.9	80.2	109	107
Manual - skilled	87.7	0.4	6.8	5.1	79.8	112	109
-semi skilled	83.1	0.6	10.3	6.0	80.4	97	95
-unskilled	76.6	0.5	17.3	5.6	82.3	81	81
Full-time:							
- one worker	85.2	0.2	5.0	9.6	77.7	104	99
- two workers	89.0	0.7	3.6	6.7	78.9	132	127
- three or more	90.8	0.7	3.7	4.8	77.8	183	174
Part-time:	68.6	0.7	15.7	15.0	82.5	88	89
Self-employed:	18.2	63.6	5.8	12.4	86.0	117	122
Manual :	88.6	0.5	5.8	5.1	78.9	111	107
Non-manual:	86.1	0.7	3.5	9.7	78.2	149	142
Unemployed:							
- manual	52.6	0.2	37.9	9.3	93.9	63	72
- non-manual	46.4	1.6	22.4	29.6	89.9	82	90
All households	68.1	6.1	13.1	12.7	81.9	100	100

Source : Department of Employment, Family Expenditure Survey.

TABLE 3.48 : SOURCES OF HOUSEHOLD INCOME FOR NON-RETIRED HOUSEHOLD BY TYPE, 1981.

SOURCE OF INCOME	WITH WORKING MARRIED WOMEN		MARRIED WOMEN NOT WORKING	
	DEPENDENT CHILDREN	NO DEPENDENT CHILDREN	DEPENDENT CHILDREN	NO DEPENDENT CHILDREN
Wages and salaries:	78.2	84.0	70.5	66.0
- head	55.2	46.9	65.5	53.1
- wife	16.8	26.0	-	-
- others	6.2	11.1	4.9	12.9
Self- employment	8.4	5.6	8.9	5.5
Social security	6.7	2.7	11.0	10.5
Investments	1.3	2.2	1.9	5.8
Annuities + other pensions	0.3	1.2	0.4	6.9
Imputed income/rent	4.4	3.8	4.9	4.8
Other sources	0.7	0.4	2.5	0.6
Total gross weekly income - relative to all households	130	145	109	108

Source : Department of Employment, Family Expenditure Survey.

TABLE 3.49 : SOURCES OF INCOME BY HOUSEHOLD MEMBER, 1981.

TYPE OF HOUSEHOLD	CONTRIBUTION TO :						
	GROSS WEEKLY INCOME			WAGES AND SALARIES			
	HEAD	WIFE	OTHERS	ALL AS % OF TOTAL INCOME	HEAD	WIFE	OTHERS
Non-retired households:							
working married women							
- with dependent children	69.9	22.7	7.4	78.2	70.6	21.4	8.0
- without dependent children	59.3	28.0	12.7	84.0	55.8	30.9	13.3
married women not working							
- with dependent children	87.7	6.1	6.2	70.5	93.0	-	7.0
- without dependent children	79.9	4.4	15.7	66.0	80.4	-	19.6
Head - self-employed	70.9	18.8	10.3	18.2	2.1	58.0	39.9
- employed	72.8	16.4	10.8	87.3	74.1	15.2	10.7
- unemployed	65.9	20.7	13.4	51.0	50.9	27.5	21.6
All households	72.0	15.8	12.2	68.2	68.8	16.6	14.6

Source : Department of Employment, Family Expenditure Survey.

TABLE 3.50 : ONE AND TWO PARENT FAMILIES BY MAIN SOURCE OF INCOME.

FAMILY TYPE	TOTAL NUMBER OF FAMILIES WITH HEAD UNDER PENSION AGE.		PERCENTAGE OF WHICH MAIN INCOME IS :			
			STATE BENEFITS	EARNINGS	MAINTENANCE	OTHER
	(oooos)	(%)				
One parent headed by:						
woman	740	(10.4)	48.6	44.6	6.8	1.4
man	100	(1.4)	30.0	70.0	-	-
Two parent family	6260	(88.2)	4.3	95.2	-	0.5

Source: Popay, Rimmer and Rossiter, Study Commission on the Family.
(Department of Employment Gazette, December, 1982.)

TABLE 3.51 : PROPENSITY OF MOTHERS TO WORK.

	LONE MOTHERS.					Married with dependent children
	Single	Widowed	Divorced	Separated	All	
% in work 1971-73	..	..	..	..	51.5	41.7
1979-81	..	..	..	..	48.7	51.7
1979-1981						
With children under 5:						
working full-time	17	..	7	9	12	6
part-time	8	..	13	14	12	22
not working	75	..	80	77	76	72
With children 5 +						
working full-time	40	15	31	24	27	21
part-time	17	33	33	34	31	45
not working	43	50	36	41	41	34

Source : Popay, Rimmer and Rossiter, Study Commission on the Family.
(Department of Employment Gazette, December, 1982.)

APPENDIX 3.2

AN EXTRACT FROM A REPORT TO THE DEPARTMENT OF EMPLOYMENT "LABOUR FORCE FLOWS" BY DAVID METCALF AND ROGER TARLING.

II JOB CHANGING

One of the most interesting and important statistics concerns job changing. Estimates of the inflow to employee jobs (i.e. recruitment) are shown in Table 1.

For males it will be seen that in the early period prior to 1966 approximately two fifths of the inflow to employee jobs experienced a bout of unemployment prior to getting a job, whilst in the later period those experiencing unemployment prior to a job rose to two thirds. No evidence exists on the extent to which this unemployment is voluntary or involuntary. It is likely that the increase in the numbers experiencing a bout of unemployment between jobs is partly a reflection of the demand management policies in the later 1960's and 1970's and partly a response to the labour market legislation of the mid 1960's.

These figures do bring out the great importance of an efficient employment exchange service. When such a high proportion of job changers flow through the register the social return to efficient search is likely to be very high. For example, if the duration of unemployment experienced by the 2,788,000 males who flowed through the register in 1972-73 could be reduced by two days the country gains an extra 5 million working days (cr the oft-quoted figure concerning working days lost by strikes).

The amount of direct job changing by males changed dramatically post 1966, running at less than half the amount experienced in the earlier period. (the negative figure for 1971-72 reflects the substantial errors which are present in the estimation. The model is only a first attempt at an explanation of turnover; the important point is that 1971-72 turnover was probably very low.) Although the sharp fall in direct job changing in 1966 rather dominates the picture, there is still a strong cyclical pattern: job changing (and total turnover) is relatively low when the rate of unemployment is high and vice versa. This suggests, as might be expected intuitively, that most job changes which occur without a bout of

TABLE 1 : INFLOW TO EMPLOYEE JOBS : 1955 - 1973

PERIOD	MALES				FEMALES				MALES AND FEMALES					
	From other employee jobs	From unemployment	Other[1] sources	TOTAL	From other employee jobs	From unemployment	Other[1] sources	TOTAL	From other employee jobs A[2]	From other employee jobs B[2]	From unemployment	Other[1] sources	TOTAL A[2]	TOTAL B[2]
1955-56	2.5	1.9	0.7	5.1	1.4	1.2	0.5	3.1	3.9	3.5	3.1	1.2	8.2	7.8
1959	2.0	1.9	0.7	4.6	1.4	0.9	0.6	2.9	3.4	2.8	2.9	1.3	7.6	7.0
1960-61	2.4	2.0	0.7	5.1	2.1	0.8	0.7	3.6	4.4	4.1	2.8	1.4	8.6	8.3
1963	1.9	2.2	0.6	4.7	1.8	1.0	0.7	3.5	3.7	3.4	3.2	1.3	8.2	7.9
1964	2.2	2.2	0.6	5.0	2.1	0.9	0.8	3.8	4.4	4.2	3.0	1.4	8.8	8.6
1965-66	2.3	2.4	0.6	5.3	2.4	0.8	0.7	3.9	4.7	4.8	3.2	1.3	9.2	9.3
1966-67	0.9	3.0	0.6	4.5	1.6	1.1	0.6	3.3	2.5	3.2	4.0	1.2	7.7	8.4
1967-68	0.8	3.0	0.6	4.4	2.0	0.8	0.7	3.5	2.8	2.8	3.8	1.3	7.9	7.9
1968-69	1.1	3.1	0.6	4.8	2.5	0.8	0.7	4.0	3.6	4.1	3.9	1.4	8.9	9.4
1969-70	1.0	3.0	0.6	4.6	2.3	0.8	0.7	3.8	3.3	3.5	3.8	1.4	8.5	8.7
1970-71	0.5	3.0	0.6	4.1	1.8	0.9	0.7	3.4	2.3	2.7	3.9	1.3	7.5	7.9
1971-72	-0.2	2.9	0.6	3.3	1.1	1.0	1.0	3.1	0.9	1.4	3.9	1.6	6.4	6.9
1972-73	0.6	2.8	0.6	4.0	1.7	1.0	0.9	3.6	2.2	2.4	3.8	1.5	7.5	7.7

(1) from: Armed forces, full-time education, prison and other institutions, long-term sick, immigration

(2) A estimated totals
B estimates adjusted to levels of P45 returns
} see technical appendix: 'Labour turnover'

of unemployment in between take place voluntarily: when the rate of unemployment rises the amount of voluntary quitting is reduced.

The particular experience of the last few years for both males and females almost certainly reflects a change in attitude, either on the part of employers or employees. Either employers have been content to hold on to existing labour or employees have not been prepared to speculate on job changes because of adverse recent experience or substantial competition from those unemployed. Whilst this is perhaps not surprising when the pressure of demand is relatively low (and falling), it is a rather surprising observation for the period 1972-73 when vacancies were rising very quickly, with substantially higher notification. That this should be observed together with rapidly falling unemployment and low direct mobility suggests that an abnormal high proportion of notification may have gone through the employment offices and a large number of placings were filled by the unemployed.

It is interesting to speculate on the nature of changes, although the evidence in this paper is rather unreliable. If, as appears to have been the case, the response of placings to notification was not immediate but to OK place with a lag, it may have been that employers desired initially to fill their vacancies from expected direct mobility but, when this did not materialise, vacancies were filled by the unemployed. This may account for the suprising number of claims that there were labour shortages. Firms who do not hold skilled labour over a recession (given the length of the previous recession, there may have been more than the usual number of these firms) but expect to fill their skilled vacancies on an upswing by attracting direct job changers would have been frustrated on the recent upswing if employees were less willing to change jobs. The ability of firms to attract labour may have been restricted by the control on wages. This argument suggests that the 'mismatch' of unemployment and vacancies, which could not be detected in the occupational and regional analyses, may have occured between firms;

that is, the distribution of skilled jobs was not 'matched' to the distribution of skilled employees in employment.

III SOME FRAGMENTS

Amongst the information contained in the matrices the following points appear interesting. (All figures quoted are thousands.)

Males

1. Currently the flows into and out of the Armed Forces, less than 30 per year, are a small proportion of total job changes.
2. The flows into and out of prison have more than doubled, from 40 to 90, over the period.
3. Between 1965 and 1969 the flows into self employment more than doubled, from $\simeq$ 40 to $\simeq$ 80.
4. The outflow from education has risen by 100 (from 300 to 400) over the period. Similarly there has been a very large increase in vacation jobs (i.e. the flow education - vacation jobs - education) which increased from 400 to 900 over the seventeen years.
5. A slow secular increase in double jobbing, from 300 to around 400, results from our assumption. The increase partly reflects the changing structure of the economy (e.g. the increase in the importance of the service sector where double jobbing is important) but may also reflect the fact that the (modest) reduction in the workweek which has occured over the period is not to everyone's taste and some individuals accommodate their marginal preference for goods compared with leisure by double jobbing.

In practice, the rate of increase has probably been considerably faster than we have assumed.

6. A small secular increase in long term sickness has occured and this is currently estimated to be about 200. More dramatic has been the increase in the flow that runs unemployment - sickness - unemployment, which has risen from 47 to 295. In 1972-73 we estimate that some 10% of the 3 million flow into unemployment occured because of a spell of sickness during a spell of unemployment. It would be interesting to know the extent to which this increase in sickness amongst the unemployed reflects their changing age structure or, more likely, the rules concerning registration and eligibility for sickness and unemployment benefits.

Females

1. The numbers flowing to and from the Armed Forces, prison and self employment are estimated to be negligible.

2. There has been, like males, a secular increase in both double jobs and vacation jobs.

3. The flows between inactivity and employee jobs are -

	From inactivity to employee jobs	From employee jobs to inactivity
1955-56	170	335
59	211	344
60-61	303	350
63	242	358
64	283	360
65-66	290	371
66-67	211	371
67-68	257	371
68-69	325	387
69-70	307	375
70-71	267	376
71-72	580	380
72-73	485	360

It will be seen that the flow from employee jobs to inactivity is much more stable than the reverse flow. This is in large part because this flow depends by assumption mainly on demographic factors, such as first maternities, which will tend to be more stable than economic magnitudes. The flow from inactivity to employee jobs, whilst presumably more influenced by economic forces, does not exhibit a consistent cyclical pattern. If, as is generally asserted, the discouraged worker effect outwieghs the added worker effect this flow would rise when total unemployment is low. In some years (e.g. 1964-66) this is precisely what occurs. In other years (e.g. 1971-72) the evidence would suggest that the added worker effect is stronger. However, these data do not provide a full test of the added worker/discouraged worker hypotheses because of the assumptions behind the flows discussed in the relevant technical appendix.

IV STOCK CHANGES

As a check on our results we compared the stock change implied by our data with evidence on stock changes in employees in employment provided by DE data. In general, the matrix data accord 'tolerably well' with the DE data, particularly for males. The periods of most concern are 1955-56, 1959, 1969-70, 1970-71 and 1971-72.

APPENDIX 3.3

Gross annual transfers of labour between sectors in Great Britain, 1961-68[1]

This note reports the results of an analysis of gross intersectoral labour transfers and presents some tentative inferences about the labour market in Great Britain. The main interest of the analysis is that it appears to provide a 'map' of the labour market showing the relative 'distance' between sectors, or the 'routes' of labour transfer. The analysis also suggests that the case of movement between sectors is more-or-less symmetric.

1. Data and analytic model

From the 1% samples of June exchange cards, the DE estimated gross annual movements of labour between broad sectors, mid-year to mid-year, for both male and female labour. The figures can be presented in the form of a matrix such as that shown in table 1 below. This data has been analyzed using a six-sector classification for the years 1961/2 to 1967/8, both for male and for female employees in employment. Data have also been analyzed on a twenty-four sector (1958 SIC order groups) classification for 1967/8.

The model used to analyse these flows assumes that labour leaving each sector enters a common pool from which it is drawn out again into the various sectors. Labour in the pool is assumed to be undifferentiated as regards sector of origin so that the probability of being re-employed in any sector is independent of previous employment. This model effectively postulates that the labour market is integrated and unrestricted in the sense that movements between any one sector and another are all equally easy.

Supposing that the gross exit from sector j into the pool is l_j and that the sum of gross exits is

$$l = \sum_j l_j$$

the proportion of labour in the pool originating from sector j will be

$$\lambda_j = l_j/l$$

If the gross entry into sector i is r_i, the model postulates that the gross flow of labour from sector j to sector i will be

$$f_{ij} = r_i\lambda_j$$

by the assumption that labour in the pool is not differentiated by sector of origin.

(1) by Francis Cripps and Roger Tarling

We have estimated the gross flows f_{ij} predicted by this model by constraining the total exit from each sector to other sectors

$$\sum_{i \neq j} r_i \lambda_j$$

and the total entry to each sector from other sectors

$$\sum_{j \neq i} r_i \lambda_j$$

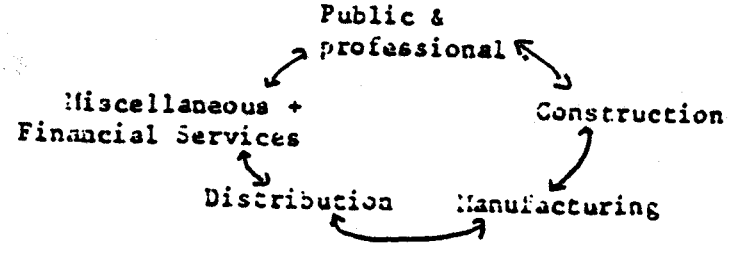
to be equal to the estimates obtained in the 2% sample (shown in table 1 as the final row and column respectively). These two constraints are just sufficient to determine the predicted gross flows f_{ij} in each cell of the table.

The predicted flows f_{ij} may be compared with actual flows a_{ij} to yield discrepancies d_{ij} which show whether labour movements between each pair of sectors were more or less frequent than the assumption of an undifferentiated pool would imply. The calculated discrepancies are shown in tables A1 - A2.

2. Findings for males, six-sector classification

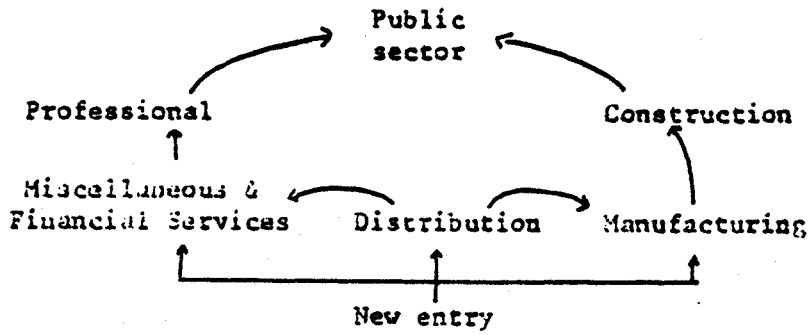
The size of discrepancies was fairly small in relation to gross flows; the largest discrepancies were about $\pm$20,000 compared with gross flows of up to about 110,000. But the pattern of discrepancies was extremely stable from year to year, suggesting that the implied ease or difficulty of movement, although not a major factor at this level of aggregation, is a genuine phenomenon.

The discrepancies were almost always symmetric implying that ease of movement is a two-way process. Five of the sectors form the following circular chain:



The position of the residual sector 'Other industries', which includes Agriculture, Mining, Transport and Public Utilities was more anomalous and less stable. It tended to show links with Construction, Public & Professional, and Financial Services. The lack of definition of exceptional flows to and from this sector probably stems from its extreme heterogeneity.

It is known that a very large proportion of new entry is to Distribution and, to a lesser degree, financial services. Our tentative guess is that Public and Professional covers two quite distinct manual and white-collar categories. A preliminary characterization of the male labour market would therefore be as follows:

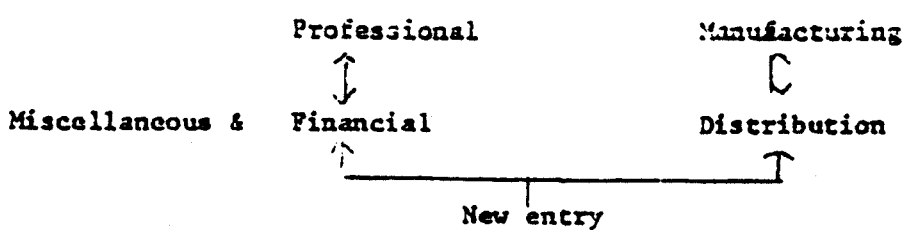


Flows into retirement and uniform movements via an undifferentiated pool are of course not shown in the above diagram.

3. Findings for females, six-sector classification

The pattern of discrepancies in the case of females was found to be even more stable and symmetric than that for males. The largest discrepancies were again about ± 20,000 compared with gross flows of up to 105,000. Two positive discrepancies dominate the picture:

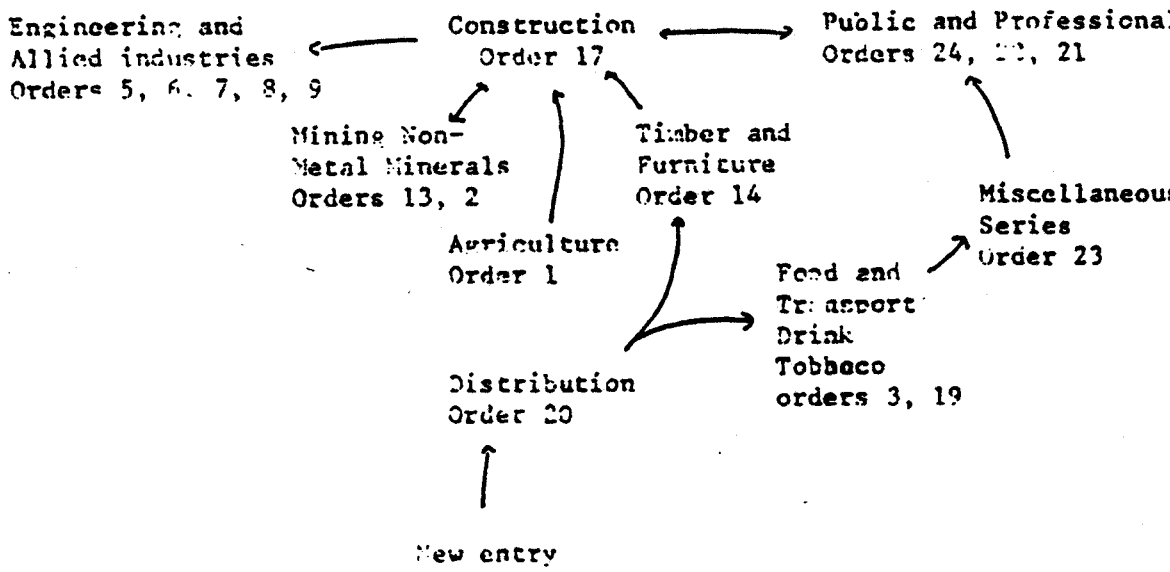
A characterization of the female labour market (where there is large new entry to Financial Services) would therefore be



Construction and other Industries have relatively low female employment and transfers

4. Findings for males, 24-sector classification 1967-8

The disaggregation of the classification to the 24-sector level greatly reduced the gross flows observed, the largest being about 30,000, but the magnitude of the largest discrepancies was still about ±15,000. The overall pattern of movement was very similar, as shown by the following diagram:

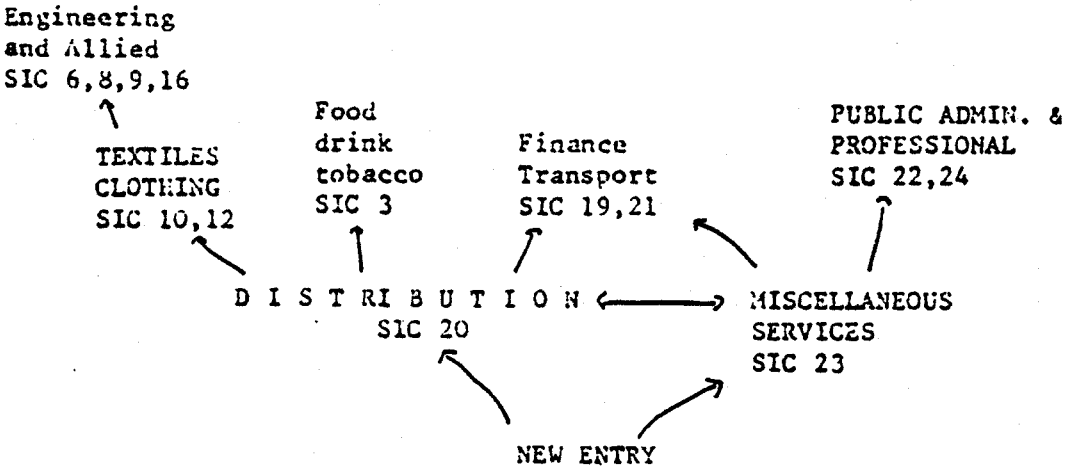


The link previously observed between distribution and Manufacturing is shown above to be only with the Food, Drink and Tobacco industries and the Timber and Furniture sector. The disaggregation of Manufacturing has brought out the existence of an almost separate loop within the group of Engineering and Allied industries.

Most of the major flows represented on the diagram are two-way, demonstrating a symmetric ease of flow; some of these combine to form quite obvious loops such as that for Engineering. Two examples are the loops between Mining, Non-metalliferous metal and Construction and also between Distribution, Food Drink and Tobacco, Transport and Miscellaneous services. Because of the heterogeneity of some of the sectors, it is still not clear even at this level of disaggregation, whether the loops are continuous.

5. Findings for females: 24-sector classification

The magnitude of the discrepancies was much smaller for females, the largest being about 7,500. The pattern, however, was much the same as for the six-sector classification, with Distribution and Miscellaneous services as the entry points. The channel for professional movement was very clear with a loop for accounting personnel. The links with the Manufacturing sector were with the Food, Drink and Tobacco industry and, separately, with the Clothing industry. A strong link existed between the Clothing and Textile industries, with a weaker link between the latter and the group of Engineering and Allied industries. The pattern, therefore, shows the two distinct channels observed for the six-sector classification, one from Miscellaneous Services with the professional groups and the other between Distribution and the Manufacturing industries. The major difference between this pattern for females and the one observed for males is the absence of links between the two branches, as can be seen by contrasting the following diagram with that for males:



The absence of that link clearly hinges on the absence of the Construction sector from the latter pattern, reflecting the fact that this type of work is highly male intensive.

Much remains to be done to strengthen this analysis, not least of all an analysis of the 24 sector classification of gross flows in other years. The stability of the pattern for the six-sector classification is striking in itself but it would be even more convincing if a stable pattern were found at this level of disaggregation.

CHAPTER 4 : INCOME DISTRIBUTION IN FRANCE.

4.1 : Introduction.

Most of the data available on income and labour flows describe the main sources of income (profits, wages, transfer payments etc.) and not the distribution of income and employment by household-types or by social categories of labour. For example, data are readily available on changes in female employment but not on the direct effects of these changes on household income or labour force participation. We are forced therefore to concentrate our attention on flows of income and employment from the viewpoint of the productive system and not from the household structure, and to use this information to infer the impact on household and individual equity.

We begin by looking at employment and income sources; mainly at employment, unemployment and at individual sources of income and non market activity for the inactive population. We consider some evidence in labour market flows, to determine the links between employment, unemployment and inactivity, and the types of changes in flows that have resulted in the observed changes in structure. Following this, we turn to the evidence available on the structure of activity and income sources for specific social groups, whose position in both the social and the economic system might make them particularly vulnerable to changes in the recession (mainly women, married women, young or elderly workers, foreign workers or ethnic groups). Finally we consider the evidence on the structure and make-up of household income and the implications for household and individual equity.

4.2 : Economic Activity and Employment.

The significant features of the structure of labour supply in France as revealed by the statistics on population and activity discussed in the introductory section are: a faster increase in both male and female populations than Germany, Italy or U.K. since 1960; a relatively high share of under fourteens in the population; a less sharp fall in the participation rate for men than in Italy but a comparable rate to that in Germany and the U.K. ; along with the U.K., a high participation rate for women and particularly for married women but associated with higher participation rates among the 25-30 age group and lower participation rates among middle-aged women; low participation rates for the 14-19 age group compared to the U.K. and Germany, but unlike Italy, rising to comparable levels for the 20-24 age group; in common with Germany and Italy, a rapid fall in the participation rate of men aged over 60 since 1960; a higher rate of female unemployment to male unemployment, amounting to over 50 per cent of the total in 1979(compared to only 34 per cent in the U.K), a similar share of first job seekers among the unemployed to Germany and the U.K., but a much lower share than in Italy; a correspondingly lower share of young people among the unemployed than in Italy but a higher share than in Germany. These changes in participation rates and unemployment rates have been associated with the largest increase in employment in the four countries, an increase that has been sustained in the 1970s with an increase of over one million in employment between 1973 and 1979 (a similar increase in Italy offsetting an even more substantial fall between 1960 and 1973).

4.3 : Employment and Income.

There are different income levels associated both with the characteristics of the job or employment contract (the sector, industry or firm in which the job is located; full-time, part-time, temporary or permanent employment(1)), and with the characteristics of the workers employed (sex, age, ethnic origin, qualifications). In the first part of this section we examine the structure of jobs and the characteristics of the workers employed in these jobs, and in the second part we attempt to bring together the job and labour force distributions with information on the structure of income, to determine the impact of changes in the employment structure on the level and composition of income from employment.

Table 4.1 shows that there has been a major decline in the share of agriculture in employment and a compensating rise in the share of services. There has also been a major increase in the share of wage employment at the expense of family workers and self-employed and small services which together accounted for one third of employment in 1960 but only 17 per cent in 1979. This decline has been partly the result of the decline in agricultural employment. These changes, observable for total employment, have been particularly marked for female employment. The female share of total employment has increased despite absolute and relative falls in the number of family workers, an employment area in which females have been overwhelmingly dominant. In contrast, the female share in the self-employed and employers is low except in the service sector, which also has the highest share of females among employees.

Table 4.2 shows that the decline in family workers has continued to 1981 but that of employers and the self-employed has halted. The total number of private sector employees also declined between 1979 and 1981, but only for men. Public sector

(1) These differences in income levels apply both to hourly wages and to total income over a longer time period. Access to regular wage income is important as well as rates paid per hour of employment.

employment continued to increase, particularly for women. Public sector employment has increased its share of total employment from 20% to 23.8% between 1973 and 1979, but the increase is more marked for women, with an increase of 5.7 percentage points to 29.3 per cent in 1981. The vast majority of employment in the public sector is in the service sector, for both men and women.

Table 4.3 shows the distribution of employees by branch of economic activity: between 1973 and 1979 service branches in total have grown at the expense of industry and agriculture but within services that growth has been confined to banking and insurance, public administration and other services. For men the sharpest fall in employment share among industry branches was in primary metal and non-metals production and chemicals, but for women in other manufacturing industries. The female share of employment has risen in all branches with the exception of other manufacturing industries and other services, which has by far the highest share of female employees at over 69 per cent.

Table 4.4 provides some more information on historical trends in female employment shares. The overall share rose from 32.9 per cent in 1962 to 34 per cent in 1968 and 37.2 per cent in 1975. Most sectors have experienced a consistent increase in the female employment share with the most marked increases coming in administration and finance and in transport, telecommunications and other services. The only significant fall came in consumption goods industries, that is those where women have by far the highest share of manufacturing employment.

Table 4.5 looks in more detail at changes in employment in manufacturing industries between 1974 and 1981. There was an overall decrease of 12 per cent, with only five sectors registering an increase. The largest falls came in metal production, textiles, footwear and clothing and construction. The female share increased in 17 industries and declined in only 8 but the overall effect was a decline from 25.1 to 24.7 per cent. The overall share in services is much higher at

50.3 per cent (Table 4.6) but there is considerable variation within the services sector, with the highest concentration of female employment found in other services, retail distribution, hotel and catering, insurance and banking. In these industries female employees account for 50 per cent or more of the total, up to 60 per cent in other services, but these represent lower concentrations of female employment in services compared to the U.K., where the share in 1977 in distributive trades, hotel and catering, was 55 per cent, compared with 42 per cent in France.

Table 4.7 shows the distribution of employment by age in 1973 and 1981. Youth employment has declined as a share of total employment by 3 per cent for men and 6 per cent for women. The largest falls were in construction and industry for men, but there was a particularly dramatic fall in the share of 15-24 year olds among female employees in industry, from 30 to 19 per cent. This still leaves young women accounting for a higher share in industrial employment than in total employment, although the share for young male industrial employment is the same as that in total employment. Construction takes a more than proportionate share of young men, and agriculture a less than proportionate share of both young men and young women, with services using a similar proportion of young workers to their share in total employment. Young workers of both sexes are under-represented among employers and the self-employed, over-represented among private sector employees but under-represented among public sector employees. However, while young men account for a very high share of family workers, young women account for a very low share, these being found chiefly among middle-aged women.

There has also been a significant fall in the share of workers aged over 60 in the workforce for both men and women, such that these workers now only form a significant share of the work force in agriculture, and among the self-employed, employers and family workers, again mainly in agriculture. Also the share of workers in the 50 to 59 age bracket has increased significantly in agriculture, coinciding with but exceeding a general increase in the share of this age group

in total employment. The greatest relative increase in employment has been among women in the 25 to 39 age bracket whose share rose from 33 to 42 per cent of the female labour force. This increase was even greater in industry, rising from 31 to 44 per cent, which suggests that the already noted decline in the share of female youth labour in industry is at least partly due to the previous cohort of young female workers retaining their employment position within industry.

Data on the share of foreign workers in industry show that between 1973 and 1976 there was a decline from 11.9 to 10.4 per cent in overall share. However, the largest proportionate falls in employment have taken place in the two industries where foreign workers were most highly concentrated: their share fell from 25 per cent to 20 per cent in automobile production and from 31 to 27 per cent in construction (Courault and Villey 1979).

Part-time working is relatively insignificant in France involving only 1.8 per cent of male employees and 15.4 per cent of female employees in 1981. (Table 4.8). The number and share of part-time jobs had actually declined for men between 1975 and 1981 but had risen significantly for women (see Table 4.21). Agriculture made the most use of part-time work, followed by services and then industry. Table 4.9 shows the distribution of part-time working by age, employment status and the public and private sector. A similar share of under 18s, around 13 per cent, of males and females work part-time. However, this represents a more than proportionate share for men and a less than proportionate share for women. There is a concentration of part-time work among the over 60s for both men and women, but this time the share for men is again around 13 per cent, but for women around 30 per cent. All women over 40 are more than proportionately represented among part-time workers. For both men and women part-time work has a high incidence among non employees, probably due to a concentration among family workers. As family work declines as a source of income, so there will be some decline in part-time employment.

Part-time work is more associated with seasonal or occasional employment than full-time work, particularly for men (Table 4.10). Agriculture has the highest share of seasonal work for both men and women but it only reaches a significant proportion of total employment for women (13 per cent). However, these data overstate the degree of permanence of employment as they do not distinguish between work that is not either seasonal or occasional but regular employment on a temporary contract basis. Use of temporary contracts has become probably a more important source of flexibility for firms than the traditional offering of casual or seasonal employment as these temporary contract forms have a more widespread use. Table 4.11 shows that the number of temporary contracts used rose from 1 million in 1975 to 2.4 million in 1980, with an increasing share of non qualified manual workers among those employed on a temporary contract basis. Table 4.12 shows the widespread use of temporary contracts in large establishments, although workers on temporary contracts are relatively more important in the total labour force in those small firms that do use these types of contract. One possible reason for the disparity in use between large and small firms is that small firms might have greater flexibility, due to less effective enforcement of worker rights, without recourse to specific temporary contracts.

The moderate increase in the number of jobs that has taken place in the 1970s has been associated with a decline in the number of hours worked (see Table 4.13). The current government policy is to continue this decline in working hours with the aim of increasing the number of people in employment. However, preliminary results of a study on the effects of these policies cast doubt on the likelihood that changes in working hours at the level of the firm are likely to increase numbers employed for technical, organisational and cost reasons. (Bouillaguet-Bernard et al 1983). Without access to historical studies conducted at the firm level it is difficult to determine how far the longer period decline in hours worked has increased the number of jobs. One major difference between the organisation of work in France and the U.K. is the much greater and increasing

homogeneity of hours worked for white collar and manual employees in France, but this homogeneity in hours in France is brought about by white collar employees working longer hours in France.

The remaining tables in this section provide information on the earnings associated with the different forms of employment that have been described. Table 4.14 compares the rate of growth of income per active person in three different types of activity; employers and the self-employed in agriculture have had significantly lower increases in income between 1975 and 1980 (and almost a negligable increase in 1980) compared to those in industry and services, and wage employees have had the fastest increase, both on average and in each individual year. The relative income decline for employers and self-employed in agriculture coincides with their decline in numbers and share of employment.

A second major change in employment structure has been an absolute and relative increase in female employment. Female earnings are lower than male earnings for each occupational level, but the wage differential is less in France, particularly for employees in industry, than for other E.E.C. countries, and moreover they achieved a relatively higher share at an earlier date. (Table 4.15). Manual and clerical earnings were already around 70 per cent in 1950 and although clerical earnings have since increased to 79 per cent, the manual earnings share has remained relatively static. The relative increase in lower professional and higher professional earnings took place much later in the 1960s and 70s, and it is in the higher professional category that women are still most disadvantaged, with earnings at 64 per cent of men's. Women's relative earnings in industry peaked in 1973 when they reached 81.9 per cent of men's but declined to 77 per cent by 1976.

Table 4.16 shows that significant differentials exist between males and females even when adjustments are made for age and occupation. Women are only paid more than men at under the age of 18, and their earnings relative to men's decline steadily with age. This applies both at the aggregate level and within a more

narrow job category such as lower grade workers in distribution. However in this instance the relative decline is halted and partly reversed after age 50. In manual jobs most of the relative decline takes place before age 25. For both women and men, earnings in the younger age groups are low both because of low earnings within occupations and a concentration among lower paid occupations. Average earnings for older male workers, particularly those over 60, are relatively high but this is primarily a composition effect as earnings for lower grade white collar and manual jobs do decline with age. A high proportion of the men still in employment after age 65 must be in the managerial and professional categories. A consideration of the changes in the distribution of employment by age between 1973 and 1981 (see Table 4.7) in conjunction with these earnings differentials suggests that the impact has been to raise the average level of wage income associated with a given stock of employment. The proportion of male employees aged under 24 has fallen from 17.4 to 13.9 per cent, and among females the fall in the youth share has been even greater, from 25.7 to 17.5 per cent.

The increasing share of public employment should have raised the level of wage income for clerical and manual workers, but decreased it for higher and lower professional groups (Table 4.17). The relative pay for these occupational categories is shown in Table 4.18, also broken down by industry and service sectors. Banking and insurance and industry are the high paying sectors for women, but banking and insurance is a relatively low paid sector for men. This probably arises from the very low pay for male clerical workers compared to all male workers, and indeed the comparatively low pay for clerical workers in banking and insurance compared to other clerical workers (possibly because of less job segregation between male and female clerical workers in this sector). Table 4.19 shows the average hourly earnings for manual workers in agriculture; a lower share of employees receiving benefits in kind has helped to increase hourly earnings, but the level of earnings for male workers remains low at only 68.8 per cent of all male manual workers' earnings in 1980. The ratio for female agricultural workers compared to all female manual workers is high at 101.8, largely because of a very low

differential between male and female earnings in agriculture found by this survey. It must be remembered, however, that average female earnings from employment in agriculture are likely to be a much lower ratio of men's if it was possible to take into account the greater proportion of males among employers and self-employed and of females among family workers.

On the basis of the available, and not strictly comparable, date we attempt in Table 4.20 to estimate changes in wage income that have resulted from changes in the distribution of employment by sector between 1973 and 1981. The effect of the decline in the high wage industry sector employment has been mainly offset by declines in low wage agricultural employment (for men) and the growth of higher paid banking and other services jobs relative to distribution. Nevertheless the change in employment distribution has resulted in some fall in total wage income of around half a per cent compared to the income that would have been generated with a 1973 employment distribution. This estimate does not take into account the growth in the number of jobs which in practice would offset this decline in wage income. Table 4.21 tries to take into account the impact of the change in numbers of part-time and full-time jobs. Using the ratio of part-time to full-time average monthly earnings for all activities in 1978 part-time jobs for women accounted for only 19% of the increase in wage income between 1975 and 1981 but for over 39 per cent of the increase in numbers of jobs. For men the number of part-time jobs declined, by 35 per cent of the net job increase, but this resulted in a loss of wage income of only 11 per cent of the net wage increase. In the final part of the table the combined effect of changes in full-time and part-time jobs and changes in male and female job shares in the structure of wage income is examined. Part-time jobs had risen to 7.3 per cent of total jobs from 6.4 per cent but only accounted for 2.3 per cent of wage income. Female employment had risen to 40.2 per cent from 38.4 per cent and the wage income share to 28 per cent from 26.9 per cent.

Tables 4.22 and 4.23 present more detailed information on the structure of earnings within and between industries. Table 4.22 shows that the differential between manual and clerical (lower grade white collar) work varies from 111 per cent to 151 per cent for men and from 103 to 143 per cent for women according to the industry in which they are employed. Female earnings as a percentage of male earnings vary from 56 to 74 per cent for all employees, from 62 to 92 per cent for manual employees, and from 75 to 95 per cent for clerical employees. These higher ratios for manual workers and clerical workers taken separately indicate that the overall differences in female and male earnings are in part a result of occupational distribution, particularly the high share of clerical workers among female employees. Clerical workers in France also have long hours and low relative earnings compared to their position in the U.K. However, although there is a consistent pattern of higher manual to clerical earnings and higher male to female earnings by occupational category, these data on industry earnings indicate significant differences in intra-industry wage structures within these broad parameters. Table 4.23 indicates that there are also sizeable overall inter-industry wage differentials, with individual industry earnings varying from 93 per cent to 146 per cent of average earnings in all activities for men, and from 92 per cent to 143 per cent for women. These overall industry differentials affect the variations in internal industry wage structures as well as industry differentials for each occupational category. These relative wage indices are weighted by the share of industrial employment per industry in 1973 and 1981 to determine the impact of changing industrial employment distribution on wage income.(1) These suggest that for both men and women there has been a slight overall shift towards higher paid industries (resulting in 0.3 and 0.2 per cent increase in overall wage income for men and women respectively), but this limited overall change is brought about by both decreases and increases in low paid and high paid industries. However for women the most significant falls

(1) this does not take into account changes in shares of full-time and part-time workers.

in employment came in two low paid industries, textiles and clothing and footwear, which were to some extent offset by a rise in another low paid industry, food, drink and tobacco.

Tables 4.24 and 4.25 provide some information on trends in wage levels and dispersions of earnings. Table 4.24 compares increases in the hourly national minimum wage against average manual workers' hourly earnings between 1969 and 1980. The former has tended to rise faster in most years, but there was a wider differential in the rate of increase in 1974 and 1975 than in the latter half of the 1970s. The lower increase in average annual earnings for all employees is not necessarily indicative of a narrowing dispersion of earnings. Among manual workers there has been the largest reduction in average number of hours worked (see Table 4.13). This puts a different perspective on the relatively high real wage increases indicated for hourly earnings in Table 4.24. However, the evidence in Table 4.25 taken in conjunction with Table 4.24 does indicate that there has been some narrowing of the dispersion of earnings in the 1970s as the higher real wage increases for manual workers could imply. This process of narrowing the dispersion started around 1968 after a long period of widening of the earnings distribution which reached its widest point, in all three measures given in the table, in 1966 and 1967. These relative gains to the lower paid are more significant than the changes in values of the dispersion measures might suggest because the increasing share of female employment over the time period would in the absence of changes in occupational and industrial differentials normally result in a widening of the dispersion of earnings as the share of employment at the bottom end of the distribution of earnings increased.

4.4: Unemployment.

The unemployment rate in France has risen since 1970 from 1.3 per cent of the civilian working population to 8.9 per cent in 1982, with a lower rise for men from 1.1. to 7.4. per cent and a faster rise for women from 1.5 to 11.1 per cent. However, as Graph 4.1 illustrates the share of females in registered unemployed rose in 1973 and that higher share was retained in most years up to 1980, since when male unemployment has risen faster than female unemployment. Graph 4.1 also shows that there was a sharp rise in the share of young people unemployed between 1972 and 1974 but since then that share has stabilised at around 46.4 per cent. The increase in the share of young people has been highest for men, from a lower starting point and an upward shift in the young persons share reappeared in 1981, rising from around 38 per cent to 40 per cent.

Table 4.26 gives a more detailed breakdown of unemployment by age between 1974 and 1981. While the share for those under age 24 has remained relatively constant that for under 18s has declined, particularly for women. This coincides with falls in participation rates and in employment shares already noted; however the drop in participation has not been sufficient to prevent an absolute increase in numbers of unemployed under 18 years old of over 100 per cent between 1974 and 1981 (from 49 to 115 thousand). At the other end of the age range the drop in the share of over 60s in registered unemployment has been sufficient to maintain the absolute numbers unemployed at 52 thousand compared to 45 thousand in 1974, but the expansion of early retirement schemes and benefits have undoubtedly removed many older workers from the unemployment register as well as reducing the burden of unemployment on prime age and young workers.

Table 4.27 traces the steady decline in the share of unemployed registered for under 3 months and the steady rise in those registered for over 6 months and over one year. By 1982 25 per cent of all unemployed had been out of work for over a year (23 per cent of men and 27 per cent of women) compared to 12 per cent in 1974.

Since 1974 the share of women in all categories of unemployment has tended to decline but the decline in this share has been steepest in the short duration categories as the flow of men onto the unemployment register increased. Table 4.28 presents some date on unemployment duration by age (although the data are based on those without employment who are seeking work, and not in registered unemployed). Unemployment duration of greater than one year is highest for the 50 plus age group, and unemployment for longer than two years is greater for women for all age categories although not for one to two years unemployment duration.

The rise in the unemployed in the 1970s resulted in some fall in the share of the unemployed receiving benefits around 1973 and 1974 particularly among women; the share recovered back to between 45 and 54 per cent from 40 per cent before increasing to over 60 per cent with the new benefit systems introduced in 1980. The fall in recorded recipients in 1979 may perhaps be due to problems with data resulting from the change in the benefit system. The new system has particularly increased the share of women receiving benefits, from around 40 per cent to over 60 per cent. This increase in share of benefit recipients has taken place notwithstanding the establishment and extension of early retirement benefits outside the unemployment benefit system, many of whom would undoubtedly have qualified for benefit under the old system.

Table 4.30 shows that the share of young people receiving benefits is lower than their share in total unemployment for both men and women. Table 4.31 shows that there is a very different distribution of beneficiaries between types of benefit by age and sex. Women and young people are under-represented among beneficiaries from the allocation speciale, which is based on insurance contributions. Young people are also under-represented among the other two benefit schemes which are based on previous employment: allocation de base, which is the normal benefit for those unemployed over six months or without

sufficient contributions for allocation speciale, and allocation de fin de droits, which is for those whose entitlements under allocation de base are exhausted. However, while women's share in recipients of allocation de base is equal to their share in total benefit recipients they account for 65 per cent of those on 'Fin de droits', indicating both their more limited insurance contributions and their dominance among the long term unemployed. Young people and to some extent women are also over-represented among recipients of allocations forfaitaires, which are specifically for unemployed workers with no previous recent employment.

The different types of benefits provide different levels of income; the highest is allocation speciale at 60 to 65 per cent of previous income plus a flat rate supplement, followed by allocation de base at 42 per cent of salary plus a flat rate supplement. The allocation fin de droits just pays the flat rate supplement (only 34 francs per day in 1982) and the allocations forfaitaires pays a maximum of 3.3 times the national minimum hourly wage per day and a minimum level of 1.67 times the national minimum hourly wage to those under 21. These benefit levels for the young represent much lower levels than those for young people in the U.K. The benefits for early retirement by comparison are relatively generous, at 65 per cent of previous salary up to a maximum level, and 50 per cent of previous salary above that. The concentration of female beneficiaries among the lower paying benefit systems has undoubtedly continued the pattern under the previous benefit system by which women recipients receive lower average benefits than men (Table 4.32), but the new system which is based on more comprehensive rights to benefits with less emphasis on individual contributions and employment record has been in general to the advantage of women and young people.

4.5 : The Economically Inactive Population.

The share of the population that is economically inactive has risen for men but declined for women between 1960 and 1973 and again between 1973 and 1979 (Table 4.33). The main constituents of the inactive population are children, students, housewives, disabled or sick, and the retired. The share of children (under 14) among the inactive has declined quite sharply for men, but by 5 to 6 percentage points for women, but this has been offset by a large rise in the over 65 population between 1960 and 1973, followed by a moderate decrease in the relative share of the elderly by 1979. The share of the 14 to 64 age group in the male inactive population had risen to 28.3 per cent by 1979 from 22.7 per cent in 1960, to a large extent as a result of the increase in the student population. The share of these age groups among inactive females remained relatively constant due to the offsetting trends of an increase in participation rates for married women and a rise in the female student population. The share of the inactive population with an occasional occupation has declined along with the reduction in employment opportunities, and the share of women seeking paid employment has risen, but only slightly.

The increase in the school and student population is described in more detail in Tables 4.34 to 4.36. Even as late as 1970/71, the coverage of the education system in France was not comprehensive for pupils above the age of 13. This situation changed in the 1970s and comprehensive coverage has now been established up to the age of 15. The share of the age-groups of the population that is in full-time education has increased for all ages from 15 up to and including the post 25 age group, which in fact showed the largest percentage increase in numbers in education between 1970/71 and 1977/78 at 173 per cent. Only the numbers in education under age 5 fell in the period. Table 4.35 shows that the share of students in the total population rose from 20 to 20.6 per cent over these seven years, and the share of the population aged 5 to 24 increased from 60.2 to 64.6 per cent. The share of the female population in this age category in education

was higher than that for men, at 65.2 per cent. However, women still take up a lower share of higher education despite an increase to 47 per cent in the 1970s, so that this overall higher share must be due to a different age composition of the labour force.

Tables 4.37 to 4.39 give details on the recipients of pensions, both age-related pensions and disability and other pensions. Twenty-two per cent of the population were in receipt of one pension or more, 21.5 per cent in receipt of an age related pension and 3.1 per cent in receipt of a disability pension. Twenty per cent of those receiving an age-related pension did so as the surviving dependents of a pensioner rather than in their own right; most of these were women. However, almost similar numbers of women to men were eligible for an age-related pension in their own right. Men accounted for 74 per cent of the disability pensions.

Table 4.38 provides information on the share of pension recipients among the population divided by age and marital status. These shares were all below 10 per cent for age groups under age 45, except for the widowed and divorced. In the 45 to 60 age groups there was a higher share of pensioners for men than for women, probably a result of men's higher share of disability pensions and possibly more early retirement benefits for men. This higher share of pensions for men is confirmed in the older age brackets but the gap between men and women becomes proportionately smaller with age. The relatively high share of men receiving pensions in younger age groups who are widowed or divorced suggests that either there must be some transferability of pension rights from women to men, or alternatively that men can insure themselves against being widowed and/or divorced.

Table 4.39 shows that 85 per cent of pension recipients were inactive but that this share falls to 55 per cent for disability pensioners, compared to 92 per cent for age-related pensioners. The share of inactive pensioners with an occasional occupation was less than for the inactive population as a whole.

Among those pensioners that were economically active, the share of employers and self-employed was slightly higher than for the population as a whole, as a result of a higher share in agricultural self-employed people. In contrast family workers were relatively under-represented among active pensioners. The unemployment rate for those receiving an age-related pension was insignificant. For those on disability pensions the overall unemployment rate was 2.3 per cent.

The pension system in France is extremely complex, with numerous different pension or insurance schemes for both wage earners and the self-employed. There is a basic general pension scheme which provides a pension of 50 per cent of the average of the last ten years earnings for the insured person, after 37½ years of contributions (up to a maximum level). The average amount of basic pension paid per pension recipient in 1980 was 14,295 francs, but men received 16,648 francs and women 11,560 francs (Annuaire Statistique Vieillese). These figures do not include the various additions and supplements for dependent spouses with no pension entitlements, for parents of 3 children or more, etc. However, only 0.5 million claimants received an addition for a dependent spouse indicating that in France most women have a pension in their own right. Most people would have an additional pension to the general pension scheme (or an alternative scheme): the main supplementary pension scheme (ARRCO) paid out an average benefit of 7,333 francs in 1980. Under all the schemes, however, pension levels vary with earnings as well as with contributions and there is no real equivalent to the flat-rate basic pension provided in the U.K., as the minimum pension level in France is at a much lower level and designed only to protect those with low contributions.

4.6 : Labour Force Flows.

The changes in the structure of activity have been brought about by flows of labour into and out of activity and between different forms of activity of considerably greater magnitude than the net changes in structure that we have described. These changes in structure have been associated with and have implications for specific social groups, and the likelihood is therefore that these same groups play a particular role in the flows of labour that have resulted in the structural change. Some evidence is available on the role of female and youth labour in these flows, and is discussed below.

4.6 (1) : Women.

The expansion of female employment which took place in the late 1960s in France was associated with an even greater increase in labour force flows, both between employment sectors and between activity and inactivity and vice versa. The interpretation offered of these changes by Bouillaguet Bernard et al (1981) is that the net increase in female employment came about as the end result of a widespread process of industrial restructuring, towards more automated and 'deskilled' production processes and towards more service industries, for which female labour was more 'suitable' because of their greater tolerance of repetitive work (Dutoya and Gauvin 1981) and lower earnings aspirations. The integration of a higher share of women into the wage employment system was in some industries due to a permanent process of substitution of women for men, and only in a section of the industrial sector have women been used as a buffer, and their employment share declined in the recent recessionary conditions. However, in some of the industries the substitution process has come to a halt but in others there appears to be a continuous autunomous relative growth in female employment, particularly in services.

Since the expansionary period of the late 1960s, the volume of labour market flows has moderated. This is indicated by Table 4.40 which shows the rates of entry and exit for women by age group from 1970 - 1 to 1978 - 79. The reduction

in rates of exit from activity is greater than that for rates of entry indicating that women have been consolidating their position in the labour market. However, there are still significant levels of flows into and out of activity (net flows of 9.5 per cent into and 6.4 per cent out of activity in 1978-79) even at a period of low net job creation. These flows have served to increase competition for jobs for those women already in the labour force who have lost employment. One explanation offered of the relatively longer duration of female unemployment has been the competition for jobs with 'inactive' women, particularly in the service sector of the economy which still draws most of its entrants from the inactive sector. This explanation is used by Bouilliguet Bernard et al to explain the increased feminisation of employment in the early 1970s which is reversed in the later 1970s because of another change in labour market flows, towards a higher share of manual workers and as a consequence male workers entering the unemployment register following loss of a job. A further factor influencing women's share of the unemployment register has been the greater incentive to register as unemployed instead of returning to inactivity, both because of reforms in the benefit system, and because in a period of economic recession informal networks can no longer be relied upon to secure access to employment and the use of employment agencies to find new work may become more essential.

Evidence of women in the 1970s playing a role in increasing labour market flows, but then responding to the decline in job opportunities by consolidating their position with the employment structure, is provided by Table 4.41. Women's share in the number of workers changing enterprises increases between 1972 and 74 at the same time as the total number of such flows increased. This was followed by a large drop in these flows for both men and women by 1976-77, and an even larger fall in the number of women changing enterprises. This reduction in their turnover rates relative to men has been one factor maintaining the higher share of female employment in the recession. The reduction in the share of females in job-changes has been particularly marked in the service sector (Table 4.42), where women's rate

of job changing was by 1976-7 significantly below that for men. In industry the overall rate of job changing was still less than that for services, and the women's rate was also slightly below that for men.

Table 4.43 provides direct data on turnover rates as opposed to the proportions of employees who have changed jobs in the past year. Female turnover rates are higher than those for men, suggesting that they are more likely to exchange employment (voluntarily or involuntarily) for unemployment or inactivity than men. However, the data on turnover rates by employment category (professional workers, clerical, manual) show more variation than between male and female employees; as such the overall differential between males and females may be due almost entirely to differences in occupational distribution. Differences in size of establishments also had more impact on turnover rates than male/female differences. Table 4.44 provides information on turnover rates by industry. Service sector industries all have relatively high turnover rates with the exception of banking and insurance and air and sea transport, and other industries relatively low rates (less than 4 per cent) with the exceptions of food, drink, tobacco; timber and furniture and construction. Hotel and catering has the highest turnover rate at 12.4 per cent for men and 9.6 per cent for women. The individual industry breakdown in fact reveals the same pattern as the aggregate picture of a higher turnover rate for men than women in most service industries and vice versa for manufacturing industries. Male workers may view service sector jobs as temporary jobs because of their low pay levels and thereby add to the instability of employment in services that comes from the instability of the jobs.

4.6 (2) : Young People.

Young persons (under 25) share in employment has fallen in the 1970s and their share in total unemployment rose sharply in the mid 1970s and has maintained this higher share in the face of a rising unemployment rate for the rest of the population. This has resulted in a much sharper rise in the unemployment rate

for this age group (see the section below on age-groups), but this information on young people's position in the stock of unemployment does not capture their position in changing labour market flows in the 1970s. Young people's experience in the labour market has become increasingly associated not with one period of unemployment before finding access to permanent employment, but repeated spells of unemployment interspersed with periods of employment or inactivity. Moreover this pattern is emerging not because of the volatility of young people but because of the volatility of the jobs in which they find employment. In twelve months following an initial registration as unemployed in October 1978, 34 per cent of male juveniles and 26 per cent of female juveniles had re-registered as unemployed, and, after a period of 30 months, 64 per cent of males and 54 per cent of females had re-registered. (Davaine 1982). Moreover in 1978 24 per cent of those under 25 who were registered as unemployed had come onto the register as a result of the ending of a temporary job or a fixed-term employment contract. (Partrat 1979). Only 19 per cent were seeking their first job, but a further 13 per cent were returning to economic activity from economic inactivity, some of which involves spells of further training. Part of the employment policies pursued by the government to help the placement of young people also involves combinations of training and work experience. This movement into temporary jobs is also an important way in which young people eventually find permanent employment, along with informal contacts through relatives etc. At the same time firms are making more use of temporary employment as a means of reducing risk and as a means of obtaining flexibility without disruptions to internal organisation (Michon 1981). Young people are therefore increasingly playing the role of a flexible reserve in the labour market and are forced into accepting this role as a means of obtaining access to stable forms of employment.

4.7 : Income Sources and Income Distribution by Social and Demographic Groups.

4.7 (1) : Married Women.

The rise in the participation rate of married women has been a major feature of the change in the pattern of economic activity and income distribution since 1960. Although the participation rate has been rising over the whole period, the most significant change came after 1968, so that by 1975 40 per cent of married women were active compared to 34.2 per cent in 1968 (Table 4.45). The younger age groups have been mainly responsible for this increase in participation, although activity rates rose for all age groups up to the 55 plus age groups where activity actually fell. This follows an overall pattern of declining activity among the older age groups.

Tables 4.46 and 4.47 relate the structure and changes in the activity rates of married women to the social-professional status of the husband. It is among the wives of the higher and lower professional groups that participation has increased fastest; and it is wives of lower professional and clerical grade workers that have the highest participation rates. Manual workers' wives had a participation rate of 44 per cent in 1975 which was probably below the average participation rate if the 'inactive husbands' category could be excluded from the table, and moreover was now quite close to that for higher professional groups at 42 per cent, whereas it had been 6 per cent higher in 1962. Changes in the age pattern of participation were similar in all socio-professional groups, but the gap between manual and non-manual workers' wives participation rates was wider in the younger age groups, perhaps due to an earlier age of marriage and a first child.

Table 4.48 shows that the largest increases in participation rates have been among married women with one or two children with only a moderate increase for those with three children particularly when one child is under 2. The low overall increase for those with no children under 16 is probably due to the high

share of married women with grown-up children found in the older age groups where participation rates are lower and have risen less. Number of children has more impact in participation rates than the age of the youngest child. By 1975 a very high proportion of those married women with one child were still in the labour force, that is 60 per cent and over for those under 40, but this dropped to around 45 per cent for those with two children and between 16 and 32 per cent for those aged 35-39 with three children. Moreover, whereas it is the 25 to 29 age category that had the highest participation rates with one child, it was women in their 30s who tended to have higher participation rates of women with two or three children. Age of youngest child had most effect for women with three children, and for women with one child, a higher proportion of those with a child under 2 worked than those whose youngest child was aged over 7 in 1975. However within each age cohort there was a lower participation rate for those with a young child, indicating that the overall effect was due to a high share of young mothers among those with young children.

Table 4.49 shows that married women had a higher participation rate in both 1973 and 1979 than the average for all women over 14. This is undoubtedly caused by the high share of single women in the school and student population. However these data taken in conjunction with the more detailed breakdown on married women's activity rates suggest that the most important factor reducing women's activity is not marriage nor birth of first child, but birth of the second and third children. Table 4.50 shows that for those married women with a main occupation, there is a more than proportionate share in agriculture and lower shares in industry and services than for all economically active females, in part due to the high share of young female workers in industry. The high share of older age groups among part-time workers indicates that married women are likely to be more than proportionately represented, and that indeed the increase in numbers of part-time jobs, has been associated with the rise

in participation of married women. Nevertheless the share of part-time work remains relatively low when compared to the U.K.

Many of the active married women therefore must work full-time, and this fact combined with the relatively high earnings of women compared to men in France, implies that women must make a significant contribution to the household budget, and that this contribution continues to be made for the majority of households when there is one child present, but is less likely to be made with two or more children. However, as we will see in Table 4.58, the contribution of state family benefits to gross income only reaches significant amounts for families other than manual workers when there are two children or more. There is therefore a state provided system to help maintain family income when participation rates drop with larger numbers of children. Married women also receive direct income from the state when they become inactive due to retirement instead of for child care. Married women also have an improved access to independent income when unemployed because of the change in the unemployment benefit system which provides some income maintenance for the unemployed without previous recent employment and contributions. The increasing share of women in wage employment, the relatively higher earning levels, and the decreasing share of active women employed as family workers, the much higher levels of income replacement benefits for families with two or more children, and the provision of independent employment benefits, all point to a situation in which married women in France are much less dependent on their spouse's income than in the U.K. The only identifiable trend that is reducing female access to income in France is the widening gap between male and female earnings in the late 1970s.

4.7. (2) : Age-Groups.

Table 4.51 gives information on the share of different types of employment for the employed population by age. Differences between age groups reflect both systematic differences in the pattern of recruitment and utilisation of types of labour by sector and overall changes in the importance of employment

sectors in the economy: ceteris paribus young people are likely to be over-represented in expanding sectors and under-represented in declining sectors and vice versa for older workers. Thus the relatively low share of agriculture for young workers and high share for older workers probably results mainly from the overall decline in agriculture as a source of employment, whereas similar low and high shares among employers and self-employed reflect both the decline in this type of employment (particularly in agricultural self-employed workers) and a general pattern for older sections of the population to be a higher share of employers and self-employed. Construction provides a relatively high share of employment opportunities for young male workers and has only dropped its share slightly in the recession. In contrast industry used to provide over 30 per cent of young female employment but that had dropped to 25 per cent by 1981. A major difference in the pattern of employment between men and women by age is in the share of family workers. This is substantial for middle-aged females but very low, 3.6 per cent, for young females. In contrast family work is almost non-existent for middle-aged men but accounts for 5 per cent of young male employment, that is more than its share for young females.

The impact of the recession on the structure of employment by sector for young people is less important than its impact on the probability of becoming unemployed and the probability of being employed in a temporary job, thereby retaining a high risk of becoming unemployed again. While the overall unemployment rate rose from 2.5 to 4.4 per cent between 1970 and 1977, that for the population under 25 rose from 6.3 to 15.9 per cent (for men from 4.3 to 11.4 per cent and for women from 6.3 to 15.9 per cent). This reduction in wage income opportunities for young people has a major impact on their access to any source of independent income as their entitlement to unemployment pay with no previous employment experience is minimal (set at 1.67 times the national hourly minimum wage per day for under 21s). The recent changes to the unemployment benefit system to make benefits less dependent on past contributions and earnings has undoubtedly been

to the advantage of young people, but they are still under-represented among benefit recipients compared to their share of the unemployed.

The share of young workers that are economically inactive has also increased, partly as a result of an increase in the school and student population (Table 4.52). This follows the trend of the 1970s towards greater participation in education but cannot be considered necessarily an autonomous increase in the education take-up rate. Evidence that young people now experience spells of employment interspersed by periods of unemployment and inactivity, many of which involve periods of training, suggests that part of the motivation to undertake training is to obtain access to permanent employment in recessionary conditions, and possibly because it is a preferred alternative to unemployment which does not even provide a significant income source. However, education is also not subsidised but is funded by the household: transfers to households in France only represent about 2.5 per cent of the total education budget compared to 4.5 per cent in the U.K. However in contrast to the U.K. the majority of transfers are made with respect to students prior to undertaking further education. It is also part of the government's employment measures to help young people to provide opportunities for training combined with work experience, but it is not clear where young people on these programmes are included in the statistics. However, some minimum forms of payment (2.5 per cent of the national minimum wage for ages 16 to 18, 7.5 per cent for ages 18 to 26) are available with these employment programmes. These are by definition lower payments than could be expected in wage employment.

The major features of the experience of older people in the 1970s has been a decline in participation rates, particularly in the 60 to 64 age group,(which has also declined as a share of the total over 60s population), a more than proportionate decrease in industrial employment, the establishment and expansion of early retirement schemes and the reduction of the official retirement age to 60 under the Mitterand Government. In 1977 63 per cent of the population aged over 60 were

in receipt of a retirement pension, and less than 8 per cent of all those receiving a retirement pension were active, compared to 19 per cent of men and 9 per cent of women for the over 60 population as a whole. (Tables 4.53 and 4.54). Moreover 79 per cent of men were in receipt of a pension and 52 per cent of women, rising to 88 and 59 per cent respectively for the over 65 population. Old age pensions therefore have a fairly comprehensive coverage in France and appear considerably to moderate the impact of falling activity rates as the drop in activity of the 60 to 64 year olds within the establishment of early retirement schemes makes clear.

4.7 (3):Foreign Workers.

Tables 4.55 and 4.55A provide information on activity rates and unemployment rates for foreign workers compared to the indigenous population. There is an under-representation of foreign workers in public sector employment and self-employed, employers and family workers, and an over-representation in private sector employment and unemployment. The participation rates for male foreign workers are higher than for the indigenous population but lower for female foreign workers. Moreover there is an increasing tendency for female foreign workers to be concentrated in the service sectors. Young foreign workers have a higher unemployment rate than older foreign workers but this is almost entirely due to the higher unemployment rate for young people as a whole. There is only a difference of 0.6 per cent with the indigenous unemployment rate compared to a difference of 3.4 per cent for foreign workers over 25. Young foreign workers experience is therefore more similar to the indigenous population than that of their elders but is a result of the relative disadvantage experienced by young workers in general in the recession.

4.8 : Household Income Distribution.

The main source of household income is wage income, equivalent before taxes and social security contributions to 55 per cent of final disposable income of households in 1980 (Table 4.56). This share has increased since 1970 and the other main source of non transfer income, income from self-employment and family businesses has declined. The largest change has been, however, an increase from 25 to 32 per cent of disposable income originating from social benefits. These increases in transfer income have been more than offset by increases in taxes and social security contributions.

Table 4.57 gives a breakdown of these social benefit payments in 1980. Long-term transfer payments, mainly pensions, account for 60 per cent of total cash payments, and short term payments including unemployment insurance (but excluding payments to the non insured) account for 15 per cent. Family allowances are the third main item at 13 per cent. It is short term payments that have shown the fastest rise among the main components probably due to the rise in the numbers of unemployed.

The relatively high share of family allowances in social benefits is also indicated by Table 4.58 which shows the effect of the tax and family allowance system in 1981 in households of different composition and receiving a typical level of gross earnings for a socio-professional category. Family benefits are related both to income and to number of children in France, and make a significant contribution to net income for low income households and to medium income households with large numbers of children. For manual worker households with children, the family benefits out-weighed tax for all households and rose to 56 per cent of net household income for those with 4 or more children and an inactive spouse. For these types of households family benefits made significant contributions to higher income groups (27 per cent for lower professionals and 8 per cent for higher professionals), and even for

the higher professional category family benefits exceeded taxes on income.

With family benefits related to gross income, lower levels of family benefits were received by two-income earning households. Table 4.59 shows however that the contribution of working wives to family income was considerable in those households with working wives, about 30 per cent for all but managers of large firms and professionals (lawyers, doctors, etc.). Also for households headed by men from the lower professional, clerical, manual and inactive categories, gross income of those with working wives were 29 per cent or more above those without working wives in 1975. As the share of part-time jobs for women has increased since 1975, the average contribution of working wives to the household budget will have declined, but the total contribution of wives' income to household income will have risen as there has been a rise in both the number of women working full-time and in the number working part-time.

Tables 4.60 to 4.62 provide more information on the structure of household income by the activity of adults, numbers of children, and the impact of the tax and benefit system. In Table 4.60 gross income per household is compared to disposable income per person in households with different numbers of wage earners and different numbers of dependents. Families with the highest share of dependents tended to have the lowest gross income levels, with single parent families having the lowest incomes of all. The only other category to have low gross incomes were couples without children with an inactive spouse. The range of gross income by household type was from 65 to 127 per cent of all household income; that for disposable income per person was much wider, from 59 to 164 per cent of the average, but this range was less than that implied by the difference in number of people in each household, given the distribution of gross income. This narrowing of the range which resulted from the income related tax and family benefit system has most effect on large families without active spouses; for example families with three children and an inactive spouse had a gross income of 99 per cent of the average, and a

per capita disposable income of 74 per cent, whereas families with an active spouse and three children or more started off with a relatively high gross income of 119 per cent of the average but ended with a disposable income per person of only 78 per cent.

Table 4.61 shows gross income by household type for socio-professional categories. These latter categories are much more important than household types (including activity of spouse as well as number of children) in determining gross income levels. Indeed with the exception of single parent households there is very little overlap between income levels for professional and managerial workers and those for clerical, manual and inactive categories, and there is virtually no overlap between higher professional categories and large firm employers and other categories. Within the other socio-economic categories overlap in gross income levels occurs as a result of there being a working spouse. There is no clear tendency within these socio-economic categories for gross income to decline with numbers of children and for the professional categories there is some tendency for it to rise. The overall lower ratio of gross income for these households must therefore come from a higher share of such households in socio-economic groups. However, for single parent households there is a tendency within each economic category for gross income to be lower. Table 4.62 shows that within a given household type disposable income per person varies less with socio-economic category than gross income per household, again because of the family benefit and tax system. Nevertheless, the range within a household type was greater than that between household types for one socio-economic category, indicating again the overall importance of job category for determining standards of living. This breakdown also shows more clearly the very low levels of per capita income in some families with high numbers of dependents.

4.9 : Conclusions.

The most significant changes in the structure and composition of income distribution in France have been :

(a) an increase in public transfer payments due to the expansion of retirement benefits, the increase in unemployment and the introduction of more comprehensive unemployment benefits. The latter change has to some extent reduced private transfers by providing public support to those without employment experience who would otherwise have been entirely dependent on the family. These transfer payments are, however, at only a minimum level.

(b) a concentration of the burden of unemployment on the young because of inability to gain secure jobs and on the old through early retirement. However, whereas the latter receive public transfers, the former are still primarily dependent on the household whether they are unemployed, on state employment schemes or in education. Not only does this method of 'coping' with unemployment reduce the cost to the state and to employers at the expense of households with children or dependent young persons, but it also provides industry with a supply of labour willing to take up the temporary and unstable work that is increasingly on offer.

(c) An increase in the share of female wage income to total household income, and at the same time an increase in the number of households in which women make a marginal contribution to the budget through part-time work. Women's economic activity has become increasingly separated from the household with the decline in family work and the decline in agriculture. These changes

have also affected the nature of men's economic activity but to a lesser extent. The concentration of women's increased participation in households headed by professional workers has ceteris paribus served to increase inequality in household income, but socio-professional category of the household head is still the prime determinant of relative standards of living, not activity of spouse. Changes towards two income households will only serve to increase relative deprivation for those households entirely dependent on transfer income, and for those households with high levels of dependents because of young children. Family benefit systems in France do more to modify the impact of life-cycle changes than in the U.K.

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A. Lebon	1981	'La situation des jeunes etrangers au regard de l'emploi en europe accidentale' Travail et Emploi. 1981. No. 7.

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4.62 Disposable income per person by socio-professional category of head of household by household type.

4.63 Annual average consumption per household, 1978.

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Data sources for tables to chapter 4.

Source	Table numbers
EUROSTAT	1,3,5,6,15,19,20,26,27,29,33-39,49,50,52-54,Graph 1
Les comptes de la nation.	13,14,24,56-58
INSEE	2,7-10,15,16,20-23,25,28,51,60-63
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Bouillaguet-Bernard et al. op.cit. 1981	4,40-43,45-48,59
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Lebon op.cit.	55a

*From F.Michon 'La Segmentation du Marche du Travail Francais: Faits et Analyses Economiques 1968-81' CNRS- Universite de Paris 1.

TABLE 4.1: PERCENTAGE DISTRIBUTION OF PERSONS WITH A MAIN OCCUPATION BY SECTOR AND STATUS.

	TOTAL			MALES			FEMALES			F/T.	
	1960	1973	1979	1960	1973	1979	1960	1973	1979	1973	1979
SECTOR.											
Agriculture.	23.8	10.9	8.9	23.1	11.4	9.6	25.0	10.0	7.9	34.2	34.6
Industry.	38.3	39.1	36.5	45.9	46.9	45.3	25.7	26.0	22.9	24.9	24.5
Services.	37.9	50.0	54.6	31.8	41.7	45.1	49.3	64.1	69.2	47.9	49.7
STATUS.											
Employers & Self-employed.	19.7	13.8	12.5	25.3	17.9	16.3	10.5	6.9	6.4	18.7	20.2
Employees.	66.7	80.4	82.9	69.6	80.5	82.4	61.9	80.3	83.6	37.4	39.5
Family Workers.	13.6	5.8	4.6	5.1	1.6	1.2	27.6	12.8	10.0	82.6	84.3
STATUS BY SECTOR.											
EMPLOYERS & SELF-EMPLOYED.											
Agriculture.	45.2	37.6	37.0	45.0	41.6	40.5	28.6	20.0	23.4	9.9	12.7
Industry.	20.3	19.3	19.0	23.8	22.0	22.4	11.4	7.9	5.5	7.6	6.0
Services	34.5	43.1	44.0	31.2	36.4	37.1	60.0	72.1	71.1	31.3	32.6
EMPLOYEES.											
Agriculture.	7.2	2.4	1.8	7.4	3.3	2.5	3.7	1.0	0.7	14.8	15.5
Industry.	50.1	44.7	40.6	60.7	53.3	50.4	36.3	30.3	25.6	25.3	24.9
Services.	42.7	52.9	57.6	31.9	43.3	47.1	59.9	68.7	73.7	48.6	50.5
FAMILY WORKERS.											
Agriculture.	74.3	64.1	61.3	78.5	79.3	78.3	71.4	60.8	58.1	78.5	79.9
Industry.	6.6	8.0	10.3	9.0	4.9	4.4	7.2	8.7	11.4	89.4	93.1
Services.	19.1	27.9	28.4	12.5	15.8	17.2	21.4	30.5	30.5	90.2	90.7

TABLE 4.2: ACTIVE POPULATION BY EMPLOYMENT STATUS AND PUBLIC AND PRIVATE SECTOR EMPLOYMENT.

	(1000's)			(% Distribution).		
	Total	Males	Females	Total	Males	Females
1973						
Employers, Self-employed.	2858	2315	543	13.9	18.1	7.0
Family Workers.	1248	208	1040	6.1	1.6	13.4
Private Sector Employees.	12351	7988	4363	60.0	62.5	56.0
Public Services Employees.	1017	723	294	4.9	5.7	3.8
National and Local Government Employees.	3098	1552	1545	15.1	12.1	19.8
TOTAL	20572	12786	7786	100.0	100.0	100.0
1979						
Employers, Self-employed.	2708	2152	556	12.6	16.5	6.6
Family workers.	1012	163	850	4.7	1.2	10.0
Private Sector Employees.	12767	8094	4672	59.4	62.2	55.2
Public Services Employees AND National and Local Government Employees.	4995	2608	2387	23.3	20.0	28.2
TOTAL	21482	13017	8466	100.0	100.0	100.0
1981.						
Employers, Self-employed.	2699	2166	532	12.6	16.7	6.3.
Family Workers.	939	136	804	4.4	1.0	9.5
Private Sector Employees.	12699	8023	4676	59.2	61.9	55.0
Public Services Employees, AND National & Local Government Employees.	5115	2629	2486	23.8	20.3	29.3
TOTAL	21451	12955	8497	100.0	100.0	100.0

TABLE 4.3: PERCENTAGE DISTRIBUTION OF EMPLOYEES BY BRANCH OF ECONOMIC ACTIVITY.

	TOTAL		MALES		FEMALES		F/T.	
	1973	1979	1973	1979	1973	1979	1973	1979
0.Agriculture,forestry, and fishing, hunting.	2.4	1.8	3.3	2.5	1.0	0.7	14.9	15.5
1. Energy and water.	1.7	1.6	2.4	2.2	0.6	0.7	12.7	17.4
2. Extraction and processing of non-energy-producing minerals and derived products; chemical industry.	6.3	5.1	8.0	6.5	3.5	2.8	20.8	22.0
3. Metal manufacture; mechanical, electrical and instrument engineering.	14.0	13.4	17.3	17.0	8.4	7.8	22.4	23.1
4. Other manufacturing industries.	13.5	11.8	11.7	11.2	16.5	12.8	45.8	42.8
5. Building and civil engineering.	9.2	8.7	13.9	13.4	1.3	1.4	5.2	6.2
6. Distributive trades, hotels, catering, repairs.	15.4	15.0	14.2	14.1	17.5	16.3	42.3	43.0
7. Transport and communication.	6.9	6.7	8.4	8.4	4.3	4.1	23.2	24.2
8. Banking and finance, insurance, business services, renting.	6.2	7.2	5.0	6.1	8.1	8.9	44.8	48.7
9.1 Public administration, national defence and compulsory social security.	8.7	9.2	8.2	8.6	9.5	10.0	40.8	43.1
9. Other services (9.1 not included)	15.7	19.5	7.6	9.8	29.4	34.3	69.9	69.6

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TABLE 4.4 SHARE OF WOMEN IN TOTAL EMPLOYEES

SECTOR	1962	1968	1975
Agriculture	12.8	12.7	15.0
Industry	29.4	29.0	29.8
Capital Goods	21.3	21.0	24.2
Intermediate Goods	17.4	18.1	20.4
Consumption Goods	45.4	43.8	42.6
Construction	3.5	3.9	5.5
Tertiary Sector	44.4	45.7	47.8
Distribution	40.6	41.6	41.9
Administration & Finance	40.7	44.6	49.6
Transport, tele-communications, & other Services	38.3	40.4	45.0
Personal Services	94.5	93.7	93.4
TOTAL	32.9	34.0	37.2

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TABLE 4.5

CHANGES IN NUMBER OF EMPLOYEES & IN SEX COMPOSITION OF LABOUR FORCE BY INDUSTRY.

	CHANGES IN NO. OF EMPLOYEES 1974-81		F/T	
	TOTAL (1000s)	(%)	1974	1981
Extraction & briquetting of solid fuels, coke ovens	-39.5	-39	2.7	4.0
Extraction of petroleum and natural gas	-2.7	-20	15.0	21.0
Mineral oil refining	+10.9	+25	14.0	16.6
Nuclear fuels industry				16.1
Production & distribution of electricity,gas,steam & hot water,water supply,collection, purification and distribution of water	+12.0	+7	17.4	17.9
Energy and Water	-19.4	-6	12.4	15.1
Extraction & preparation of metalliferous ores	-7.7	-50	4.8	5.3
Production & preliminary processing of metals	-100.9	-33	10.2	11.3
Extraction of minerals other than metalliferous and energy-producing minerals, peat extraction,manufacture of non-metallic mineral products	-53.2	-17	16.1	17.5
Chemical industry, man-made fibres industry	-27.0	-8	31.9	32.1
Extraction and processing of non-energy-producing minerals and derived products:chemical industry	-186.1	-19	19.7	21.6
Manufacture of metal articles (except for mechanical, electrical and instrument engineering and vehicles)	-35.9	-6	17.6	18.3
Mechanical engineering	-71.8	-17	15.5	16.4
Manufacture of office machinery and data-processing machinery	+13.8	+41	26.6	24.7
Electrical engineering	-4.9	-1	40.2	38.5
Manufacture of motor vehicles and of motor vehicle parts and accessories	+38.6	+9	18.3	17.9
Manufacture of other means of transport	-36.2	+13	12.5	14.0
Instrument engineering	-34.3	-32	40.3	41.5
Metal manufacture; mechanical, electrical and instrument engineering	-130.7	-5	22.5	22.7
Food drink and tobacco industry	+17.4	-4	33.6	33.4
Textile industry	-114.3	-29	55.8	55.5
Leather and leather goods industry	-10.6	-23	52.1	55.5
Footwear and clothing industry	-119.2	-29	80.7	78.0
Timber and wooden furniture industries	-26.1	-11	24.1	25.1
Manufacture of paper & paper products, printing and publishing	-69.6	-18	37.9	34.5
Processing of rubber and plastics	-1.1	-1	32.6	30.9
Other manufacturing industries	-14.5	-14	47.0	47.3
Other manufacturing industries	-337.8	-15	46.5	43.3
Building and civil engineering	-212.2	-13	5.1	6.8
TOTAL	-885.7	-12	25.1	24.7

TABLE 4.6 DISTRIBUTION OF EMPLOYEES BY SERVICE INDUSTRY

	(1000's) TOTAL		(%) m/M	f/F	f/T
	1979	1980	1981	1981	1981
Wholesale distribution (except dealing in scrap and waste materials)	714.5	751.1	9.7	4.6	32.7
Dealing in scrap and waste materials	20.4	20.1	0.3	0.1	18.7
Agents	64.9	66.8	0.7	0.5	42.5
Retail distribution	1276.4	1363.6	12.6	13.3	51.7
Hotels and catering	351.1	391.1	3.6	3.8	52.1
Repair of consumer goods and vehicles	106.8	115.2	1.9	0.3	13.1
Distributive trades, hotels, catering repairs	2534.2	2707.8	28.8	22.7	44.4
Railways	292.9	276.5	4.7	0.6	11.8
Other land transport (urban transport, road transport, etc.)	271.5	289.7	4.9	0.7	12.1
Inland water transport	4.4	3.4	-	-	27.9
Sea Transport and coasting shipping	31.2	30.7	0.5	0.1	10.5
Air transport	39.8	44.4	0.6	0.2	28.4
Supporting services to transport	42.9	49.5	0.8	0.2	19.4
Travel agents, freight brokers and agents facilitating the transport of passengers or goods: storage and warehousing	120.7	124.8	1.6	0.7	31.1
Communication	419.8	459.1	5.1	3.7	42.3
Transport and communication	1223.2	1278.3	18.2	6.2	25.6
Banking and finance	390.2	412.8	4.0	3.9	49.5
Insurance except for compulsory social insurance	127.7	135.0	1.1	1.4	56.7
Activities auxiliary to banking and finance and insurance; real estate transactions (except letting of real estate by the owner), business services	624.6	746.8	7.5	6.7	47.5
Renting, leasing and hiring of movables	42.2	45.2	0.7	0.2	24.7
Letting of real estate by the owner	54.3	59.3	0.6	0.5	48.5
Banking and finance, insurance, business services, renting	1239.0	1399.1	13.8	12.8	48.3
Other Services	4703.2	5135.0	39.2	58.3	60.1
Total employees in services	9699.6	10520.2	100.0	100.0	50.3

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TABLE 4.7 : DISTRIBUTION OF EMPLOYMENT BY AGE : 1973 and 1981

(%)

AGE:	15-24		25-39		40-49		50-59		60 +		TOTAL	
YEAR:	73	81	73	81	73	81	73	81	73	81	73	81
MEN												
All Employment												
Total	15	12	36	42	24	22	16	19	9	5	100	100
Agriculture	10	9	22	24	27	22	23	31	18	15	100	100
Industry	16	12	36	42	26	23	16	20	7	3	100	100
Construction	20	15	36	43	23	23	11	16	6	3	100	100
Services	14	12	38	45	23	21	17	18	8	5	100	100
Employment Status												
Employers, self-employed	2	2	25	31	29	25	24	30	21	13	100	100
Family workers	46	39	27	24	10	10	7	7	10	20	100	100
Employees: private sector	19	16	39	44	23	21	14	17	6	3	100	100
Employees: public sector	11	8	40	48	26	23	18	18	5	3	100	100
WOMEN												
All Employment												
Total	21	15	33	42	21	20	15	18	9	5	100	100
Agriculture	6	4	23	21	30	27	26	35	15	12	100	100
Industry	30	19	31	44	20	18	13	16	7	3	100	100
Construction	21	19	39	41	22	23	11	14	8	4	100	100
Services	21	15	35	44	21	20	15	17	9	5	100	100
Employment Status												
Employers, self-employed	2	3	21	31	26	19	25	28	26	19	100	100
Family workers	6	3	27	29	31	29	23	31	13	9	100	100
Employees: private sector	29	20	32	42	19	19	13	16	8	3	100	100
Employees: public sector	19	12	43	49	21	20	14	17	5	3	100	100

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TABLE 4.8: FULL-TIME AND PART-TIME WORKING: EMPLOYEES BY SECTOR 1981

(%)

	MALES		FEMALES	
	Full-time	Part-time	Full-time	Part-time
Agriculture	95.1	4.9	59.0	31.0
Industry: Private	99.1	0.9	93.4	6.6
Public	99.5	0.5	91.0	9.0
Construction: Private	99.1	0.9	79.8	20.2
Services: Private	97.2	2.8	77.9	22.1
Public	97.7	2.3	87.5	12.5
All Sections:	98.2	1.8	84.6	15.4
of which				
Private Sector	98.4	1.6	83.2	16.8
Public Sector	97.9	2.1	87.5	12.5

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TABLE 4.9 PART-TIME WORK BY AGE, SEX, AND EMPLOYMENT STATUS. 1981.

	15-17	18-24	25-39	40-49	50-59	60 and Over	Total
MEN							
% Working Part-time.							
Employers, self-employed and Family Workers.	42.2	6.6	1.5	1.6	2.6	16.1	4.1
Private Sector Employees	11.2	2.1	1.2	1.0	1.9	9.6	1.7
Public Sector Employees	-	5.7	1.8	0.9	1.3	10.3	2.1
TOTAL	13.6	2.9	1.4	1.1	2.0	13.0	2.2
WOMEN							
% Working Part-time							
Employers, self-employed and Family Workers.	42.0	20.1	24.2	23.5	23.2	27.0	24.0
Private Sector Employees	11.4	9.5	14.7	22.9	22.1	33.4	17.0
Public Sector Employees	-	9.7	12.0	13.1	12.2	28.2	12.4
TOTAL	13.5	9.8	14.9	20.2	19.7	29.8	16.7

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TABLE 4.10 : PERMANENCE OF EMPLOYMENT BY SECTOR AND STATUS: 1981

	Regular	Seasonal	Occasional	Not Stated
EMPLOYEES				
MEN Full-time	99.6	0.2	0.2	-
Part-time	84.9	1.6	13.5	-
Agriculture: Private & Public	95.9	2.0	1.8	0.4
Industry : Private	99.6	0.0	0.2	0.1
Public	99.8	-	0.2	-
Construction: Private	99.6	-	0.3	-
Services : Private	99.1	0.3	0.6	0.1
Public	99.2	0.3	0.4	0.1
WOMEN Full-time	99.2	0.3	0.3	-
Part-time	93.9	1.0	4.9	0.2
Agriculture: Private & Public	84.2	12.7	3.1	-
Industry : Private	98.6	0.4	0.7	0.4
Public	99.3	-	0.7	-
Services : Private	97.6	0.6	1.6	0.3
Public	99.0	0.2	0.7	0.2
EMPLOYERS, SELF-EMPLOYED, FAMILY				
MEN Full-time	99.4	0.4	0.1	0.0
Part-time	82.3	3.6	14.1	0.0
Agriculture:	99.1	0.3	0.6	0.0
Industry	98.1	0.3	1.4	0.2
Construction	99.8	-	0.2	-
Services	98.0	1.1	0.8	0.0
WOMEN Full-time	97.9	1.5	0.5	0.0
Part-time	89.3	2.4	8.1	0.2
Agriculture	96.9	1.3	1.6	0.2
Industry	96.1	1.1	2.0	0.8
Services	96.0	1.3	2.7	0.1

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TABLE 4.11 TEMPORARY CONTRACTS BY EMPLOYMENT CATEGORY

	1975	1979	1980
Total no. of temporary constracts made during year.	1005000 100%	2073000 100%	2374000 100%
Professional & Technical	7.6%	4.2%	-
Clerical	33.6%	29.8%	-
Qualified manual.	25.5%	26.0%	-
Non-qualified manual.	33.2%	39.9%	-

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TABLE 4.12 : USE OF TEMPORARY CONTRACTS

	1977	1980				
	ALL ESTABLISHMENTS	ALL ESTABLISHMENTS	NUMBER OF EMPLOYEES			
	> 10 Empl.	> 10 Empl.	10-49	50-199	200-499	500
Ratio of Est. using temporary contracts (%) to those not using temporary contracts	14.4	12.3	8.1	22.6	39.8	59.
Labour years provided by temporary contracts as % of :-						
(1) total labour years in all establishments	1.0	1.4	0.8	1.4	1.5	1.
(2) total labour years in all establishments using temporary contracts	2.5	2.7	3.3	3.2	2.6	2.

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TABLE 4.13 : HOURS OF WORK.

DISTRIBUTION OF EMPLOYEES BY HOURS WORKED: %.

	Average Hours Worked	< 40	40	40<42	42<44	44<48	≥ 48
MANUAL WORKERS							
1974	43.8	0.8	18.7	30.7		30.0	19.8
1976	42.3	4.6	31.9	30.2		24.0	9.3
1978	41.4	4.6	42.6	11.3	24.7	13.9	2.9
1980	41.1	3.3	51.3	14.4	20.3	8.9	1.8
1981	40.8	4.4	56.0	13.9	16.8	7.2	1.7
CLERICAL WORKERS							
1974	41.8	1.0	46.8	31.7		16.1	4.4
1976	41.1	2.0	56.6	28.7		10.2	2.5
1978	40.7	2.4	65.7	11.1	14.2	5.7	0.9
1980	40.5	2.5	72.0	11.4	10.1	3.3	0.7
1981	40.4	3.0	74.5	10.9	8.3	2.7	0.6

TABLE 4.14 : RATE OF GROWTH OF INCOME FROM ACTIVITY, PER ACTIVE PERSON

	1975	1976	1977	1978	1979	1980	1975-1980
Wage income per wage worker	18.8	14.7	12.6	12.5	12.7	14.6	14.3
Income from self-employment/small enterprises (non-agricultural) per self-employed person	17.8	12.1	10.4	11.8	10.9	11.8	12.4
Income from self-employment/small enterprises in agriculture, per self-employed person	2.5	11.6	10.9	15.3	13.8	0.5	9.0

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TABLE 4.15 : FEMALE EARNINGS AS A PERCENTAGE OF MALE EARNINGS BY EMPLOYMENT CATEGORY AND IN INDUSTRY.

	1950	1960	1970	1975
Higher Professional	53.5	55.7	64.6	64.0
Lower Professional	57.7	63.3	72.1	74.4
Clerical	70.3	76.8	77.5	78.7
Manual	70.4	65.3	67.6	70.5
All Employees	69.9	64.3	66.7	68.4

Employees in Industry	1964	1970	1975	1978
	76.6	78.6	78.0	77.4

TABLE 4.16 : ANNUAL AVERAGE EARNINGS BY AGE AND OCCUPATIONAL CATEGORY, 1974.

all ages = 100	PRIVATE AND SEMI-PUBLIC SECTORS : FULL-TIME WORKERS									
Men	<18	18-20	21-25	26-30	31-40	41-50	51-60	61-65	65+	Total
Higher Professional			45	61	90	109	112	129	139	
Lower Professional	35	41	64	86	106	112	112	115	101	
Lower non-manual	38	60	85	103	116	115	108	96	84	
Manual:	43	65	88	102	110	111	107	95	85	
craft		71	88	101	107	107	103	95	90	
skilled		76	93	103	107	106	100	93	84	
unskilled		85	96	102	105	106	101	93	81	
Service workers		72	89	105	109	109	105	97	81	
All.	33	51	72	91	111	119	119	117	144	
Women										
Higher Professional			49	72	96	110	117	116	127	
Lower Professional		48	72	88	109	118	120	114	104	
Lower non-manual	55	76	92	106	112	112	112	105	97	
Manual:	68	84	93	104	110	109	108	103	92	
skilled		90	95	101	105	106	105	101	98	
unskilled		95	97	100	103	104	104	99	85	
Service workers		80	98	108	107	105	101	96	68	
All	55	72	88	105	114	113	112	106	105	
f/m										
Lower non-manual	114	98	85	80	76	77	81	85	90	78
office		97	88	84	83	65	69	76	93	66
distribution		87	71	64	57	56	63	63	69	60
Manual:	110	90	73	61	69	68	70	75	75	69
craft		81	74	76	76	75	78	81	79	74
skilled		90	77	75	75	76	79	83	89	76
unskilled		90	81	79	78	78	83	86	84	80
Apprentices and youths	110	108	91	74						
Service workers		108	92	86	82	80	81	82	70	84
All	111	96	82	77	69	64	63	61	49	67

TABLE 4.17 : PUBLIC SECTOR EARNINGS COMPARED TO PRIVATE SECTOR EARNINGS.

PUBLIC SECTOR AS PERCENTAGE OF PRIVATE AND SEMI-PUBLIC SECTOR EARNINGS : 1976

AVERAGE ANNUAL EARNINGS (NET OF SOCIAL SECURITY PAYMENTS)

HIGHER PROFESSIONAL	65.5
LOWER PROFESSIONAL	84.3
CLERICAL	101.8
MANUAL	115.4

TABLE 4.18: AVERAGE MONTHLY EARNINGS: 1978 (FULL TIME WORKERS)

		All Activities	Industry	Construction	Distribution	Banking & Insurance
All Employees:	M	100	110.2	104.0	80.6	94.5
	F	100	107.6	100.7	85.5	108.5
Higher Professional	M	100	103.9	94.5	93.5	97.2
	F	100	104.4	92.7	93.3	102.1
Lower Professional	M	100	102.3	98.4	93.3	97.7
	F	100	102.9	99.5	94.3	99.3
Clerical	M	100	111.3	108.4	93.3	98.3
	F	100	107.7	104.1	88.1	107.3
Manual	M	100	102.4	91.9	-	-
	F	100	100.0	101.2		

		All Employees	Higher Professional	Lower Professional	Clerical	Manual
All activities	M	100	164.8	93.1	65.6	92.3
	F	100	192.3	127.5	89.0	113.6
Industry	M	100	155.3	86.4	66.2	85.7
	F	100	186.5	121.9	89.1	105.5
Construction	M	100	149.8	88.1	68.4	81.6
	F	100	177.0	125.9	92.0	114.0
Distribution	M	100	191.2	107.7	75.9	-
	F	100	209.8	140.5	91.7	-
Banking and Insurance	M	100	168.9	96.0	68.0	-
	F	100	181.0	116.6	88.1	-

TABLE 4.19 : EMPLOYMENT AND EARNINGS IN AGRICULTURE 1976-1980

	M.		F.	
	1976	1980	1976	1980
ALL MANUAL WORKERS.				
Number employed	138910	109944	10861	10806
Average Gross Hourly Earnings	10.48	17.88	9.93	16.82
Average number of hours paid for (per month)	188	192	184	188
Average Gross Hourly earnings by type of benefit (% share in employment).				
Free accommodation and meals	7.70 (13.9)	13.14 (8.2)	7.22 (7.3)	13.44 (3.3)
Free accommodation only	10.65 (31.6)	17.78 (29.0)	9.97 (14.6)	16.15 (10.0)
Free meals only	9.33 (6.0)	16.07 (5.2)	9.43 (2.1)	16.27 (1.8)
No free accommodation or meals	11.29 (48.5)	18.76 (57.6)	10.19 (76.0)	17.04 (84.9)

TABLE 4.20: ESTIMATES OF CHANGES IN WAGE INCOME RESULTING FROM CHANGES IN EMPLOYMENT DISTRIBUTION BY SECTOR.

	MEN				WOMEN			
	Relative Wage Index(I) : 1978	Employment Shares(2) (all employees.) 1973	1979	1981	Relative Wage Index(I) 1978.	Employment Shares(2) (all employees). 1973	1979	1981
Agriculture	68.8	3.3	2.5	2.7	101.8	1.0	0.7	0.8
Industry	110.2	39.4	36.9	35.2	107.6	29.0	24.1	22.4
Construction	104.0	13.9	13.4	12.9	100.7	1.3	1.4	1.4
Distribution	80.6	14.2	14.1	14.2	85.5	17.5	16.3	17.1
Banking	94.5	5.0	6.1	6.8	108.5	8.1	8.9	9.6
Other Services	95.1	24.2	26.8	28.2	99.5	43.2	48.4	48.6
		Average Wage, all activities.				Average wage, all activities.		
1978 Relative Wage Index		99.3	98.9	98.8		100.3	99.8	99.7
Average Wage 1973 = 100		100.0	99.5	99.5		100.0	99.5	99.4

(1) Relative wage index constructed from average monthly earnings for full-time employees for 1978. Index for other services is estimated as a residual using the all activities average wage and employment weights for 1978. The average wage for distribution is a weighted average of wholesale and retail distribution, but these sectors only accounted for 78% of total employment in the industry order in 1978.

The index for agriculture was calculated from average hourly earnings in agriculture in 1980 as a percentage of average hourly earnings in all activities in 1980.

(2) The employment shares for 1973 and 1979 are taken from the labour force sample surveys, and for 1981 from 1983 Employment and Unemployment Eurostat data.

TABLE 4.21: CHANGES IN WAGE INCOME RESULTING FROM CHANGES IN FULL-TIME AND PART-TIME JOBS : 1975-1981.

			FULL-TIME JOBS	PART-TIME JOBS
Number of Jobs.(1000's)	M.	1975	10350074	221792
		1981	10459221	193382
		Net Change	+ 109147	- 28410
	F.	1975	5717151	880111
		1981	6059133	1102016
		Net Change	+ 341982	+ 221905
M. & F. Separately.				
Share in Net Job Change.	M.		+ 135.2%	- 35.2%
	F.		+ 60.6%	+ 39.4%
Relative Monthly Wages 1978	M.		100	39
	F.		100	37
Implied Share in Change in Wage Income	M.		+ 111%	- 11%
	F.		+ 81%	+ 19%
Implied Share in Total Wage Income. 1981	M.		99.3%	0.7%
	F.		93.7%	6.3%
M. & F. Combined.				
Relative Monthly Wages F/M x 100 : 1978			63.3%	60.4%
Implied share of total wage income. (Share in total jobs).	1975.	M.	72.5% (60.2%)	0.6% (1.3%)
		F.	25.4% (33.3%)	1.5% (5.1%)
	1981.	M.	71.5% (58.7%)	0.5% (1.1%)
		F.	26.2% (34.0%)	1.8% (6.2%)

TABLE 4.22: MANUAL/CLERICAL AND FEMALE/MALE DIFFERENTIALS.FULL TIME MONTHLY EARNINGS 1978

	M. Manual ÷ Clerical	F. Manual ÷ Clerical	F/M All Employees	Manual	Clerical
Solid Fuels	136	101	62.5	61.7	82.8
Oil and Gas	151		58.3		92.2
Oil refining	153	132	60.8	76.0	88.3
Nuclear Power	129	115	64.2	72.3	81.4
Water	126	122	69.1	86.7	89.1
Metal ores	131		66.9		84.3
Metal Production	139	134	61.3	84.6	87.6
Non Metallic Minerals	137	103	57.8	63.8	85.2
Non Metals Production	127	140	61.5	92.0	83.4
Chemicals	141	121	60.2	71.1	83.1
Man-made fibres	158	137	63.3	81.9	94.1
Metal-working	129	128	60.1	80.7	81.2
Mechanical Engineering	133	143	59.9	91.1	84.8
Office Machinery	112	98	62.2	77.3	88.5
Electrical Engineering	125	111	65.1	75.3	85.1
Automobiles	130	125	66.5	82.4	85.9
Other Transport	133	121	63.7	77.9	85.9
Scientific Engineering	137	133	56.3	80.3	83.3
Food, Drink, Tobacco	128	130	58.1	79.9	78.8
Textiles	119	115	58.7	79.3	82.0
Leather	120	128	57.4	87.3	81.6
Clothing and Footwear	128	124	59.6	84.3	86.8
Timber and Furniture	111	122	59.0	82.4	75.4
Paper and Packing	141	132	58.1	76.8	82.1
Rubber and Plastics	125	109	63.1	72.3	82.6
Other Manufacturing	117	129	60.6	82.6	74.8
Construction	119	124	61.3	85.7	82.4
Wholesale Distribution			69.7		85.0
Retail Distribution			67.5		78.9
Banking			74.4		95.0
Insurance			66.1		91.8

TABLE 4.2 3 : EMPLOYMENT AND WAGES BY INDUSTRY 1974-1981

	MEN.			WOMEN.		
	RELATIVE WAGE INDEX	EMPLOYMENT SHARE 1974.	1981.	RELATIVE WAGE INDEX.	EMPLOYMENT SHARE 1974.	1981.
Solid Fuels	93.1	1.6	1.1	92.0	0.1	0.1
Oil and Gas	142.1	0.1	0.2	131.0	0.1	0.1
Oil Refining	141.6	0.3	0.5	136.2	0.2	0.3
Nuclear Power	111.8	0.3	0.4	113.5	0.1	0.2
Water	104.7	2.5	2.9	114.3	1.5	2.0
Metalores	115.0	0.3	0.1	121.6	-	-
Metal Production	107.9	4.8	3.6	104.6	1.6	1.4
Non Metallic Minerals	115.2	1.0	1.0	105.3	0.2	0.3
Non-Metals Production	111.3	3.6	3.3	108.3	2.5	2.5
Chemicals	123.6	3.8	4.1.	117.5	5.5	6.1
Man-made Fibres	124.1	0.4	0.2	124.2	0.4	0.1
Metal-working	107.1	9.3	9.8	101.7	5.9	6.7
Mechanical Engineering	104.1	6.2	5.7	98.6	3.4	3.4
Office Machinery	145.8	0.4	0.7	143.4	0.5	0.7
Electrical Engineering	102.2	5.0	5.7	105.2	10.1	10.9
Automobiles	108.8	5.9	7.3	114.4	3.9	4.8
Other Transport	115.7	4.2	4.0	116.5	1.8	2.0
Scientific Engineering	114.6	1.1	0.9	102.0	2.3	1.8
Food, drink, tobacco	108.5	5.7	6.6	99.5	8.6	10.2
Textiles	105.5	3.0	2.4	97.9	11.2	9.0
Leather	110.3	0.4	0.3	100.2	1.2	1.1
Clothing and Footwear	105.6	1.4	1.3	99.4	17.4	13.8
Timber and Furniture	101.5	3.2	3.2	94.6	3.0	3.2
Paper and Packing	125.9	4.2	4.1	115.6	7.6	6.5
Rubber and Plastics	103.5	2.5	2.9	103.3	3.6	3.9
Other Manufacturing	109.2	1.0	0.9	104.6	2.6	2.6
Construction	104.0	27.7	26.8	100.7	4.5	6.0
All Industry	100.0	100.0	100.0	100.0	100.0	100.0
		AVERAGE	WAGE.		AVERAGE	WAGE.
Relative Wage Index		107.8	108.2		104.1	104.3
Average Wage 1974=100		100.	100.3		100.	100.2

TABLE 4..24 : INCREASES IN EARNINGS AND IN THE NATIONAL MINIMUM WAGE COMPARED TO THE INCREASE IN THE COST OF LIVING.

	ANNUAL PERCENTAGE INCREASE							
	Average 1969-73	1974	1975	1976	1977	1978	1979	1980
NOMINAL INCREASE								
Manual Workers' Hourly Earnings.	11.5	19.1	17.3	14.8	12.7	12.6	12.9	15.3
Hourly National Minimum Wage.	11.8	23.2	19.2	14.7	12.7	12.9	12.5	15.6
Annual Earnings (All Employees).	-	16.5	13.8	12.6	11.3	11.3	11.8	13.9
REAL INCREASES								
Manual Workers' Hourly Earnings.	5.2	4.7	4.8	4.7	3.0	3.2	1.9	1.5
Hourly National Minimum Wage.	5.5.	8.4	6.6	4.7	3.0	3.5	1.5	1.8
Annual Earnings (All Employees).	-	2.5	1.8	2.7	1.7	2.0	0.9	0.3

T A B L E 4/25

DISPERSION OF EARNINGS

	Wage median M	Interdecile Ratio $\frac{D9}{D1}$	Coefficient of dispersion $\frac{D9 - D1}{M}$	Ratio Average Wage Higher Professional/Manual.
1950	2 025	3.5	1.29	3.3
1951	2 650	3.4	1.36	3.9
1952	3 100	3.6	1.39	4.0
1953				4.1
1954	3 400	3.5	1.38	4.1
1955	3 580			4.3
1956	4 350	3.6	1.43	4.2
1957	4 800	3.8	1.44	4.3
1958				4.2
1959	5 600	3.7	1.46	4.5
1960	6 100	3.8	1.50	4.4
1961	6 500	3.8	1.49	4.4
1962	7 400	3.9	1.53	4.3
1963	7 550	4.0	1.51	4.2
1964	8 200	3.9	1.49	4.4
1965	8 500	4.1	1.56	4.5
1966	9 100	4.2	1.59	4.4
1967	9 650	4.1	1.56	4.6
1968	10 600	3.8	1.50	4.4
1969	11 800	3.5	1.46	4.2
1970	13 000	3.6	1.46	4.2
1971	14 500	3.7	1.47	4.3
1972	16 000	3.7	1.47	4.2
1973	18 000	3.6	1.44	4.0
1974	21 000	3.5	1.43	3.9
1975	24 000	3.5	1.43	3.7
1976 *	26 750	3.4	1.37	3.6
1977 *	29 650	3.4	1.35	3.5
1978 *	32 900	3.4	1.35	3.5
1979 *	35 950	3.3	1.33	3.5
1980 *	40 000	3.2	1.29	3.5

* Estimates

Full-time earnings, private and semi-public sectors

Source Exploitation des DAS, in « Les salaires de 1950 à 1975 », op cit.

TABLE 4.26

Registered unemployed by age (cont.)

Chômeurs enregistrés — structure par âg (suit

%

	1974	1975	1976	1977	1978	1979	1980	1981 (1)	
					FRANCE				
					May / Mai				
Males and females									**Hommes et femmes**
< 18	4,2	4,8	4,5	4,3	3,6	3,5	3,3	2,7	< 18
18 – 21	16,2	19,5	20,3	21,6	19,3	22,1	22,7	10,5	18 – 19
22 – 24	11,2	12,1	12,2	12,4	11,9	12,7	12,8	26,3	20 – 24
25 – 39	26,6	29,6	29,6	30,2	31,8	30,3	29,6	24,3	25 – 34
40 – 49	14,3	13,7	13,6	12,9	13,4	12,0	10,8	11,5	35 – 44
50 – 59	15,0	12,5	13,8	13,8	15,7	15,7	15,9	12,1	45 – 54
> 60	12,5	7,8	6,0	4,8	4,3	3,8	4,9	8,2	55 – 59
								4,3	60 – 64
								0,1	> 65
Males									**Hommes**
								2,5	< 18
< 18	3,3	3,9	3,7	3,5	2,8	3,0	3,0	8,2	18 – 19
18 – 21	10,8	14,4	14,1	15,3	13,1	15,9	16,5	21,7	20 – 24
22 – 24	9,3	10,8	10,3	10,4	9,6	10,3	10,5	24,3	25 – 34
25 – 39	28,7	32,8	32,0	32,4	33,4	31,3	29,4	12,8	35 – 44
40 – 49	16,4	16,0	16,7	16,1	16,9	15,1	13,3	14,5	45 – 54
50 – 59	16,5	13,4	16,2	16,5	19,1	19,6	20,6	10,4	55 – 59
> 60	15,0	8,7	7,0	5,8	5,2	4,8	6,7	5,5	60 – 64
								0,1	> 65
Females									**Femmes**
								2,9	< 18
< 18	5,1	5,8	5,3	5,0	4,4	3,9	3,6	12,6	18 – 19
18 – 21	21,0	25,2	26,2	27,2	24,9	27,8	27,8	30,7	20 – 24
22 – 24	12,8	13,4	14,0	14,2	14,0	14,8	14,8	24,3	25 – 34
25 – 39	25,0	26,2	27,2	28,2	30,4	29,4	29,6	10,4	35 – 44
40 – 49	12,3	11,1	10,6	10,0	10,3	9,2	8,7	9,7	45 – 54
50 – 59	13,6	11,4	11,6	11,5	12,6	12,1	12,1	6,2	55 – 59
> 60	10,2	6,9	5,1	3,9	3,4	2,9	3,4	3,1	60 – 64
								0,1	> 65
					September / Septembre				
Males and females									**Hommes et femmes**
								6,0	< 18
< 18	9,2	9,7	9,1	8,4	7,7	6,9	6,4	15,0	18 – 19
18 – 21	24,0	25,4	25,9	26,0	26,5	26,4	26,9	25,8	20 – 24
22 – 24	11,2	11,3	11,3	11,6	11,9	11,7	12,0	22,1	25 – 34
25 – 39	24,0	25,9	26,0	27,1	27,3	27,1	27,1	10,2	35 – 44
40 – 49	11,4	11,5	11,3	11,2	10,8	10,4	9,6	10,9	45 – 54
50 – 59	11,8	10,6	12,1	12,2	13,1	14,7	14,6	7,3	55 – 59
> 60	8,4	5,6	4,3	3,5	2,7	2,9	3,4	2,4	60 – 64
								0,3	> 65
Males									**Hommes**
								5,8	< 18
< 18								12,1	18 – 19
18 – 21	7,7	8,4	8,0	7,3	6,7	6,4	6,1	22,4	20 – 24
22 – 24	17,6	19,6	19,1	19,4	20,2	19,9	20,8	21,2	25 – 34
25 – 39	10,3	10,5	10,0	10,2	10,4	9,9	10,4	11,1	35 – 44
40 – 49	26,5	26,8	26,3	29,4	29,0	27,7	27,2	13,6	45 – 54
50 – 59	13,6	14,0	14,3	14,2	13,7	13,1	11,7	10,5	55 – 59
> 60	13,7	12,2	15,1	15,1	16,7	19,3	19,2	3,1	60 – 64
	10,6	6,5	5,2	4,4	3,3	3,8	4,6	0,3	> 65
Females									**Femmes**
								6,3	< 18
< 18	10,3	10,9	9,9	9,3	8,5	7,4	6,8	17,6	18 – 19
18 – 21	29,4	31,2	31,6	31,6	31,9	31,8	31,9	29,0	20 – 24
22 – 24	11,9	12,2	12,5	12,7	13,2	13,2	13,3	23,1	25 – 34
25 – 39	21,9	22,8	24,0	25,2	25,8	26,6	26,9	9,3	35 – 44
40 – 49	9,7	9,1	8,9	8,7	8,3	8,1	7,8	8,4	45 – 54
50 – 59	10,2	9,0	9,7	9,7	10,1	10,8	10,9	4,3	55 – 59
> 60	6,6	4,9	3,4	2,8	2,2	2,2	2,4	1,7	60 – 64
								0,3	> 65

(1) April, October.

(1) Avril, octo

TABLE 4.27

UNEMPLOYMENT DURATION

1974 - 1982

Year	< 1 MONTH				< 3 MONTHS				> 6 MONTHS				> 1 YEAR			
	T	M	F	F/T	T	M	F	F/T	T	M	F	F/T	T	M	F	F/T
74	38.1	38.1	38.1	55.0	61.9	61.7	62.0	55.1	24.7	24.9	24.5	54.6	11.9	12.6	11.4	52.9
75	30.4	29.9	30.8	51.1	53.6	53.6	53.5	50.3	29.4	28.3	30.4	52.2	11.1	9.9	12.3	55.9
76	24.3	27.4	21.8	49.3	53.9	54.9	53.0	54.0	29.8	28.9	30.5	56.3	15.4	14.4	16.2	57.8
77	20.3	23.0	18.1	48.6	49.6	51.3	48.1	53.0	33.1	31.1	34.8	57.3	17.1	14.6	19.1	61.1
78	20.6	22.9	18.6	48.6	47.7	48.8	46.8	52.7	34.5	33.0	35.7	55.8	18.4	15.9	20.6	60.2
79	20.1	22.0	18.6	50.9	44.8	45.5	44.2	54.3	38.2	37.2	39.0	56.3	21.8	19.4	23.7.	59.9
80	17.7	19.9	15.9	49.6	44.5	46.7	42.7	52.9	38.7	36.6	40.5	57.7	22.3	20.2	24.0	59.4
81	16.7	18.3	15.3	47.4	41.4	42.8	40.0	50.3	40.7	38.9	42.4	54.1	22.2	19.4	24.7	57.9
82	15.1	16.6	13.7	45.9	39.8	40.9	38.7	49.4	42.6	41.5	43.6	52.0	25.2	23.1	27.3	54.9

TABLE 4.28

THOSE SEEKING WORK BY SEX, AGE, AND DURATION

MARCH, 1980.

	< 25		25 - 49		50 +		TOTAL		
	M.	F.	M.	F.	M.	F.	M.	F.	F/T. x 100.
<1 Month	12.0	6.5	10.1	5.1	3.4	2.3	9.4	5.4	47.2
1-3 Months	27.1	15.3	23.1	17.5	10.0	9.4	21.7	15.4	52.5
3-6 Months	21.2	21.0	16.5	19.6	11.8	12.2	17.2	19.2	63.6
6 Months - 1 Year	23.7	31.9	18.3	19.8	17.8	17.6	20.1	24.9	65.9
1-2 Years	11.9	16.3	19.9	20.6	28.5	21.8	18.9	18.8	60.8
2 Years +	3.0	7.6	10.3	15.3	25.8	35.4	11.0	14.6	67.4
Not Known	1.2	1.4	1.7	2.1	2.6	1.4	1.7	1.7	60.7
TOTAL	100.0 (35.7)	100.0 (44.6)	100.0 (42.8)	100.0 (42.1)	100.0 (21.5)	100.0 (13.3)	100.0 (100.0)	100.0 (100.0)	60.9

TABLE 4.29: REGISTERED UNEMPLOYED AND RECIPIENTS OF UNEMPLOYMENT AND EARLY RETIREMENT BENEFITS. (1000's)

	REGISTERED UNEMPLOYED.			RECIPIENTS OF UNEMPLOYMENT BENEFIT.			RECIPIENTS OF BENEFITS AS % UNEMPLOYED.			RECIPIENTS OF EARLY RETIREMENT BENEFITS.		
30 Sept.	T.	M.	F.	T.	M.	F.	T.	M.	F.	T.	M.	F.
1967	196.1[a]	122.8[a]	75.2[a]	95.6	67.5	28.1	48.8	55.0	38.4			
1968	251.1	149.7	101.4	139.8	98.2	41.6	55.7	65.6	41.0			
1971	341.1	182.3	158.8	164.1	98.8	65.3	48.1	54.2	41.1			
1972	386.1	197.1	189.0	180.6	103.7	76.9	46.8	52.6	40.7			
1973	419.2	195.7	223.5	167.2	86.7	80.6	39.9	44.3	36.1			
1974	534.3	240.3	294.0	215.2	105.1	110.1	40.3	43.7	37.4	51.9	34.8	17.(
1975	945.8	469.6	476.2	429.7	238.0	191.7	45.4	50.7	40.2	71.7	48.6	23.(
1976	955.4	429.6	525.8	458.1	243.6	214.4	47.9	56.7	40.8	90.4	60.1	30.
1977	1175.1	535.1	640.0	566.1	301.3	264.9	48.2	56.3	41.4	93.4	62.0	31.
1978	1284.6	593.4	691.2	686.8	371.0	315.8	53.5	62.5	45.7	100.7	68.0	32.
1979	1423.9	647.7	776.2	579.8	314.7	265.1	40.7	48.6	34.2	97.1[b]	66.5[b]	30.(
1980	1519.0	681.8	837.2	903.9[d]	444.4[d]	459.4[d]	59.5	65.2	54.9	197.6	131.5	66.
1981	1912.1	917.3	994.8	1267.3	645.1	622.2	66.3	70.3	62.5	286.9	-	-
1982	2099.2	1031.9	1067.3	-	-	-				380.1	-	-

a - monthly average
b - August
c - increase in coverage by employment agencies in 1970s
d - change in benefit system in 1979

TABLE 4.30 : UNEMPLOYMENT BENEFITS BY AGE, SEX & DURATION, 1981.

(1,000s)

ALL BENEFICIARIES

	< 20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65½	TOTAL
Men	66.5	138.9	81.0	64.9	44.4	38.5	40.2	46.7	112.8	11.2	645.1
Women	85.3	174.1	98.0	64.7	36.5	28.4	30.4	37.0	59.7	8.2	622.2
Total	151.8	313.1	178.9	129.6	80.9	66.9	70.6	83.6	172.5	19.4	1267.3
m/M	10.3	21.5	12.5	10.1	6.9	6.0	6.2	7.2	17.5	1.7	100.0
f/F	13.7	28.0	15.7	10.4	5.8	4.6	4.9	5.9	9.6	1.3	100.0
f/T	56.2	55.6	54.8	49.9	45.1	42.4	43.1	44.2	34.6	42.2	49.1

AVERAGE NUMBER OF DAYS ON BENEFIT.

(DAYS)

Men	136	182	216	232	238	251	272	365	490	839
Women	184	259	290	291	284	288	307	409	543	866

TABLE 4.31 : TYPE OF UNEMPLOYMENT BENEFIT BY SEX AND AGE 1981.

	ALLOCATION SPECIALE			ALLOCATION DE BASE .			ALLOCATION FORFAITAIRE			ALLOCATION DE FIN DE DROITS		
	m/M	f/F	f/T	m/M	f/F	f/T	m/M	f/F	f/T	m /M	f /F	f/T
<20	4.7	3.6	49.2	48.7	48.4	56.0	44.5	44.2	56.0	2.0	3.8	70.7
20-24	10.8	9.8	53.2	61.4	64.3	56.7	22.7	13.1	42.0	5.1	12.8	75.9
25-29	19.6	16.2	50.1	65.2	61.8	53.4	7.2	5.0	45.5	8.0	17.1	72.0
30-34	25.2	19.1	43.0	63.0	60.4	48.9	2.5	3.4	57.7	9.3	17.0	64.7
35-39	28.5	21.1	37.9	60.0	59.4	44.8	1.6	3.4	63.8	9.9	16.1	57.2
40-44	30.2	22.4	35.4	58.0	58.6	42.7	1.2	3.2	66.8	10.7	15.7	52.0
45-49	31.7	24.6	37.0	55.4	56.0	43.3	1.1	2.4	63.4	11.9	17.0	51.9
50-54	29.1	22.0	37.5	62.6	65.2	45.2	0.6	1.5	65.3	7.7	11.2	53.7
55-59	34.4	24.9	27.7	61.7	66.4	36.3	0.2	0.9	66.2	3.6	7.8	53.1
60-65+	-	-	-	90.8	89.0	41.7	2.0	2.9	51.9	7.2	8.0	44.7
ALL AGE GROUPS	21.7	14.9		60.7	60.9	49.2	11.0	11.6	50.3	6.6	12.6	64.7

APPENDIX TO TABLE 4.31

UNEMPLOYMENT BENEFITS - 24.11.1982.

Allocation speciale.

eligibility - employees made redundant aged under 60 with a minimum of 6 months insurance contributions.

benefits - 65% previous salary first three months) + 34.05 francs per day.
60% previous salary second three months)

period - maximum of six months.

Allocation de base.

eligibility - previously employed and lost job involuntarily.

benefit - 42% previous salary + 34.05 francs per day.

period - dependent on contributions
3 months (or 3 months of contributions)
up to a maximum of 42 months for those aged over 50 when job was lost and who have worked for a minimum of two out of their last three years.

Allocation de fin de droite.

eligibility - those whose benefits under allocation de base are exhausted.

benefit - 34.05 francs per day

period - dependent on contributions. Nothing for 3 months contributions up to a maximum of 30 months as under allocation de base.

Period of Benefits Under These 3 Benefits linked to a total of

3 months for 3 months contributions in previous 12 months
21 months for 6 months contributions in previous 12 months
30 months for 12 months contributions in previous 24 months <50 years
45 months for 12 months contributions in previous 24 months >50 years.
60 months for 24 months contributions in previous 36 months >50 years

Allocations fortaitaires

eligibility - those who have no previous recent employment.

benefits - multiples of the hourly national minimum rate.
3.3 per day women under a particular
2.2 per day those not in other categories
1.67 per day < 21 years

period - not exceeding 365 days.

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APPENDIX TO TABLE 4.31

UNEMPLOYMENT BENEFITS - 24.11.1982

Garanties de Ressources (early retirement benefits)

eligibility : employees over 60 who are made redundant, or take voluntary redundancy.

benefits : 65% of previous salary up to the social security maximum and 50% of previous salary above that level (or 65% for those aged 65 or with 37½ years contributions to old age pension insurance).

period : up to age 65, except for those who do not meet all the eligibility conditions: then benefits only for one year.

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TABLE 4.32: AVERAGE AMOUNT OF BENEFIT PAID PER BENEFICIARY: (FRANCS).

ALL AGES	M.	F.	TOTAL
1967	11.03	7.49	9.99
1968	11.63	7.78	10.48
1971	16.97	11.11	14.64
1972	18.47	12.18	15.79
1973	21.37	13.80	17.72
1974	24.44	16.08	20.17
1975	26.19	18.89	22.92
1976	30.25	21.58	26.19
1977	33.40	24.10	29.05
1978	37.03	27.13	32.42
1979	43.21	30.85	37.56
BY AGE 1979			
< 20	27.10	26.72	26.85
20 - 24	30.70	28.26	29.26
25 - 29	37.77	31.59	34.47
30 - 34	44.10	34.15	39.66
35 - 39	46.81	34.17	42.04
40 - 44	46.76	32.31	41.48
45 - 49	46.49	31.65	41.00
50 - 54	45.69	30.51	39.74
55 - 59	51.75	32.85	45.94
Total <60	42.61	30.57	37.03
60 +	50.78	36.13	45.38

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TABLE 4.33

NON-ECONOMICALLY ACTIVE POPULATION

	1960		1973			1979		
	M.	F.	M.	F.	Married F.	M.	F.	Married F.
% Inactive: total population.	44.2	71.1	45.9	69.8	-	45.3	65.9	-
% Inactive: total population 14+	23.5	62.0	29.4	61.9	60.5	30.3	57.8	53.8
Inactive Population By Age : (%)								
0-14	62.5	35.5	50.9	29.8		47.4	29.1	
14-24	22.7	46.5	18.1	13.8		18.7	14.5	
25-64			2.2	27.8		9.6	31.5	
65 +	14.8	18.0	28.9	28.5		24.4	24.6	
Inactive Population Over 14 : %								
i) with an occasional occupation	4.5	6.1	4.2	3.2	4.1	2.1	2.2	3.0
ii) seeking paid employment	1.5	1.8	1.2	2.4	2.8	1.3	2.5	3.2
iii) students	25.9	8.9	33.0	16.0	N.A.	35.0	17.7	0.7
iv) looking after household	-	75.3	-	57.0	84.8	-	51.2	79.5
v) retired	N.A.	N.A.	56.0	23.6	N.A.	56.7	25.6	N.A.

TABLE 4.34 : PUPILS & STUDENTS BY AGE

PERCENTAGE OF POPULATION.

	1970/71	1977/78
5-6	103.3	104.6
6-7	99.8	103.6
7-8	97.6	103.5
8-9	102.3	103.0
9-10	99.2	102.2
10-11	101.4	103.8
11-12	97.6	102.6
12-13	98.4	102.1
13-14	89.3	100.6
14-15	80.3	99.2
15-16	62.9	93.3
16-17	45.0	75.6
17-18	31.6	54.5
18-19	22.1	35.7
19-20	15.9	23.6
20-21	12.2	15.8
21-22	9.9	12.4
22-23	7.6	10.2
23-24	5.5	8.1
24-25	3.3	7.0

	Numbers (1000s)		1977:78/1970:1 x 100
< 5	2262.6(18.3%)	1705.8(12.6%)	75.4
5-14	7537.6(60.8%)	7833.4(57.9%)	103.9
14-24	2496.2(20.1%)	3714.6(27.5%)	148.8
25 +	99.7(0.8%)	272.6(2.0%)	273.4
	12396.1(100.0%)	13526.4(100.0%)	109.1

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TABLE 4.35

PUPILS AND STUDENTS AS PERCENTAGE OF THE POPULATION .

	All Pupils and Students as Percentage of the total Population.			Pupils and Students 5-24 as Percentage of Population 5 - 24		
	T.	M.	F.	T.	M.	F.
1970/1	20.0	20.8	19.2	60.2	60.0	60.3
1972/3	20.3	21.1	19.6	62.1	61.9	62.4
1973/4	20.3	21.0	19.6	62.5	62.1	62.8
1974/5	20.2	21.0	19.5	62.7	62.5	63.0
1975/6	20.4	21.1	19.7	63.5	63.0	64.0
1976/7	20.5	21.3	19.7	64.0	63.9	64.1
1977/8	20.6	21.2	19.9	64.6	64.0	65.2

TABLE 4.36.

STUDENTS IN HIGHER EDUCATION

(1000s)

	T.	M.	F.	F/T.
1973/4	866.3	471.6	394.8	45.6
1974/5	889.0	489.7	399.3	44.9
1975/6	941.6	504.9	436.7	46.4
1976/7	952.4	508.8	443.7	46.6
1977/8	968.7	513.6	455.1	47.0

TABLE 4.37

PENSIONERS BY CATEGORIES OF PENSION

1977.

	T.	M.	F.
Direct Pension	7995	4294	3701
Survivor's Pension	1741	22	1719
Age Related Pension:			
direct	6860	3505	3355
survivors	1741	22	1719
Disability Pension (direct)	1232	913	319
Other Pension (direct)	791	558	233
Direct Age-Related or disability	7731	4138	3593
Persons benefiting from one or several pensions	8770	4301	4469
Population aged 14 and over	39978	19050	20928

TABLE 4.38: PERSONS BENEFITING FROM PENSION BY AGE GROUP AND MARITAL STATUS

(% of the total population of same age and sex)

All Persons	Total	14-24	25-34	35-44	45-54	55-59	60-64	65-69	70-74	75 +
All Groups.										
T	21.9	0.4	1.7	4.6	9.3	19.8	47.3	79.8	88.7	92.2
M	22.6	0.6	2.6	6.6	12.4	25.9	57.3	90.1	97.7	98.5
F	21.4	0.2	0.8	2.6	6.3	14.1	38.7	71.4	82.2	88.9
Married.										
T	18.5	0.6	1.4	3.8	7.3	15.9	41.8	74.8	83.2	83.9
M	26.4	1.3	2.5	6.1	11.8	25.9	57.7	90.2	97.9	98.6
F	10.5	-	0.4	1.3	2.7	5.2	24.0	56.4	64.5	58.9
Widowed and Divorced										
T	73.0		4.4	13.1	27.3	47.2	70.4	91.4	97.1	97.6
M	63.6			10.2	19.3	33.3	58.2	90.6	97.8	99.1
F	75.4		4.5	14.4	30.1	50.9	73.2	91.6	96.9	97.3

On Direct Wage Related Pension

All Groups	Total	14 - 44	45-54	55-59	60-64	65-69	70-74	75 +
T	17.2	0.2	2.6	9.5	37.9	73.7	82.1	79.5
M	18.4	0.2	3.7	14.4	50.6	88.4	97.3	97.6
F	16.0	0.2	1.5	4.9	26.9	61.8	70.9	70.0
Married								
T	15.4	0.2	2.3	8.9	37.4	73.0	82.1	82.9
M	21.5	0.3	3.7	14.8	51.5	88.8	97.7	98.0
F	9.1	0.1	0.8	2.5	21.7	54.2	62.3	57.2
Widowed & Divorced								
F	52.4	1.3	5.3	15.3	39.4	72.8	79.7	75.6
M	58.1		5.7	18.0	48.7	89.2	97.3	98.0
F	51.0	1.6	5.1	14.6	37.3	69.2	75.4	71.1

TABLE 4.39

PERSONS BENEFITTING FROM PENSIONS BY MAIN CATEGORY OF ACTIVITY

	All Pensions.			One Direct Age-Related Pension.			One Direct Disability Pension			One Survivor's Age-Related Pension
	T	M	F	T	M	F	T	M	F	F
Population 14 and over (no.)	8770	4301	4469	6860	3505	3355	1232	913	319	1719
% Distribution.										
1.Non Active	84.8	77.1	92.2	92.3	88.8	96.0	54.6	46.4	78.1	89.6
Retired,pensioners	67.4	72.5	62.4	82.4	87.2	77.4	29.1	31.5	22.2	44.5
Housewives			21.4			13.7			34.5	31.9
With an occasional occupation.	0.9	1.3	0.6	1.0	1.5	0.5	1.0	0.9	1.3	0.5
Retired, pensioners	0.6	1.1	0.2	0.8	1.3	0.3	0.3	-	-	
Housewives	-	-	0.4	-	-	0.3			-	
2.With a Main Occupation.	14.7	22.2	7.5	7.6	11.0	3.9	43.0	50.9	20.7	9.9
Employers and self-employed	3.4	5.3	1.5	2.9	4.4	1.3	4.3	5.6	-	1.7
Agriculture	1.6	2.8	0.4	1.5	2.6	0.4	1.9	2.5	-	0.5
Industry	0.5	0.8	0.2	0.3	0.5	0.1	1.3	1.6	-	
Services	1.3	1.7	0.9	1.1	1.3	0.9	1.1	1.4	-	1.1
Employees	10.8	16.3	5.4	4.0	6.0	1.9	38.2	44.9	19.4	8.0
Agriculture	0.3	0.5	-	0.1	0.1		1.1	1.4	-	
Industry	4.7	8.2	1.3	1.1	1.9	0.3	22.3	27.9	6.3	1.8
Services	5.8	7.6	4.1	2.8	4.0	1.6	14.9	15.6	13.2	6.1
Family Workers	0.6	0.6	0.6	0.7	0.6	0.6	0.5	0.4		0.3
Agriculture	0.4	0.4	0.4	0.5	0.5	0.5				
Industry	-	-	-							
Services	0.2	0.2	-	0.1	0.2	0.1				
3. Unemployed	0.5	0.7	0.3	0.1	0.1	-	2.3	2.6	1.3	0.5

TABLE 4.40

RATES OF ENTRY AND EXIT FROM ACTIVITY FOR WOMEN BY AGE

(Source : Enquête sur l'Emploi de mars - *INSEE*)

Age \	Rate of Entry							
	1970-1971	1971-1972	1972-1973	1973-1974	1975-1976	1976-1977	1977-1978	1978-1979
15-19	41,6	44,9	45,8	47,0	44,9	50,9	51,3	51,5
20-24	13,4	13,4	13,7	14,4	12,9	12,8	13,4	13,2
25-29	9,1	9,3	9,8	8,7	6,7	7,6	7,2	7,4
30-34	8,6	9,5	8,8	8,9	7,1	7,5	7,8	7,0
35-39	9,9	10,3	10,2	9,3	6,2	8,2	7,1	7,4
40-44	9,8	8,1	8,2	8,5	7,7	7,5	6,9	5,7
45-49	7,2	7,5	7,6	6,7	5,0	6,1	6,2	5,0
50-54	6,7	7,5	6,2	5,6	5,2	5,2	5,1	5,0
55-59	5,9	5,9	4,9	5,5	4,6	4,8	4,2	5,0
60-64	7,0	5,3	5,7	4,0	6,0	6,5	6,9	5,1
65-69		7,2	5,2	6,0	6,6	7,2	7,8	6,8
70-74	14,6	9,4	10,5	8,2	15,4	7,8	6,1	7,0
75 et +		7,4	10,4	12,0	11,5	5,2	9,9	9,5
Total	11,3	11,2	11,1	10,7	9,2	9,9	9,6	9,5

Ages \	Rate of Exit							
	1970-1971	1971-1972	1972-1973	1973-1974	1975-1976	1976-1977	1977-1978	1978-1979
15-19	3,9	3,0	3,1	2,5	3,3	3,8	3,0	2,6
20-24	9,8	8,0	7,3	7,3	5,4	6,3	6,6	5,1
25-29	10,5	8,9	9,7	7,8	6,3	6,3	6,4	5,8
30-34	6,7	7,0	6,6	6,4	6,9	6,6	5,8	5,1
35-39	6,3	6,1	5,8	5,8	5,4	4,4	5,2	4,1
40-44	6,0	5,9	5,1	4,8	5,5	4,7	4,8	3,9
45-49	6,2	4,9	5,2	4,7	5,1	5,2	4,6	5,2
50-54	7,9	6,6	6,9	7,0	5,4	5,4	6,7	4,8
55-59	8,3	7,7	7,2	7,4	8,3	9,6	9,0	9,1
60-64	14,6	14,0	14,1	16,2	16,3	16,7	25,8	23,4
65-69		40,1	42,8	43,3	39,6	51,5	50,5	48,5
70-74	34,5	29,2	40,3	32,5	24,5	43,5	35,4	25,7
75 et +		30,3	29,7	34,9	31,7	44,7	21,3	27,4
Total	9,1	8,2	8,2	7,8	7,0	7,3	7,4	6,4

TABLE 4.41

PERCENTAGE OF EMPLOYEES WHO HAVE CHANGED ENTERPRISES DURING THE ENQUIRY PERIOD (1) BY AGE.

		< 20	20-25	25-40	40-50	50-60	60 +	Total
1971-72.	M	25.4	26.4	17.8	11.7	9.5	7.1	15.9
	F.	23.8	21.8	14.4	11.4	8.9	6.8	14.5
	F/T.	35.5	42.8	24.1	28.5	33.0	39.2	31.4
1972-73.	M.	27.7	28.8	17.6	11.1	9.2	7.3	15.9
	F.	21.9	22.9	14.3	-	9.5	6.6	14.4
	F/T.	-	-	-	-	-	-	-
1973-74.	M.	26.9	30.9	18.3	10.7	8.9	7.2	16.1
	F.	26.4	23.4	14.4	19.6	10.3	8.9	15.1
	F/T.	40.6	42.2	25.4	30.5	37.4	43.6	32.9
		< 18	18-25					
1976-77.	M.	17.7	20.6	11.4	5.7	3.8	2.5	9.6
	F.	14.4	13.1	7.2	5.1	4.2	1.6	7.3
		< 20	20-25					
	F/T.	23.1	35.3	23.2	28.8	34.7	32.9	28.6

(1) Only including employees who were in employment at the beginning and end of the period.

TABLE 4. 42.

PERCENTAGE OF EMPLOYEES WHO HAVE CHANGED ENTERPRISES DURING THE ENQUIRY PERIOD. BY SECTOR.

	INDUSTRY.				SERVICES.			
	1971-2	1972-3	1973-4	1976-7	1971-2	1972-3	1973-4	1976-7
M.	6.9	6.8	6.9	4.0	9.8	10.9	10.7	8.8
F.	6.9	6.5	6.5	3.5	10.6	10.3	10.4	6.9
F/T.	29.6	29.4	29.4	27.5	51.8	47.7	49.5	43.7

TABLE 4.43

TURNOVER RATES BY SECTOR AND SIZE OF FIRM

1978.

	All Employees.	Manual.	Clerical.	Supervisors Technicians.	Professional Grades.	M.	F.
Industry	2.9	3.3	2.7	1.0	1.1	2.6	3.3
Industry including Construction	3.4	4.0	2.8	1.0	1.2	3.3	3.3
Transport	4.5	5.7	4.4	0.7	0.8	4.4	3.7
Distribution	6.4	7.3	6.9	2.2	1.3	6.1	6.6
Services	4.5	7.7	4.4	2.4	1.8	4.6	4.3
All Sectors	4.1	4.5	4.6	1.4	1.4	3.8	4.2
By size of firm.							
10-49 empl.	6.5	7.2	6.8	3.2	1.4	6.0	6.7
50-199 empl.	5.1	5.8	5.3	1.9	1.6	4.9	4.9
200-499 empl.	3.7	4.2	4.3	1.1	1.3	3.6	3.8
500 +	2.3	2.6	2.9	0.9	1.3	2.2	2.5

TABLE 4.44

TURNOVER RATES BY INDUSTRY

1978.

	M.	F.
Oil	1.1	2.3
Mining	2.9	2.4
Metal production	1.5	1.8
Non-metal mineral production	2.5	2.4
Chemicals	1.9	2.6
Metal-working	2.9	2.7
Mechanical engineering	2.3	2.5
Electrical engineering	1.7	2.0
Automobiles	1.7	1.8
Other transport equipment	1.5	2.0
Scientific engineering	3.1	3.3
Food, alcohol, tobacco	6.1	7.8
Textiles	2.6	2.8
Leather	4.2	4.2
Clothing and footwear	2.8	3.7
Timber and furniture	4.9	3.6
Paper and printing	3.0	3.8
Rubber and plastics	3.3	3.5
Other manufacturing	4.2	3.6
Construction	5.6	3.8
Wholesale distribution	4.7	5.4
Dealing in scrap, etc.	6.3	5.4
Retail distribution	6.2	6.4
Hotel and catering	12.4	9.6
Transport (not air or sea)	4.9	4.6
Other transport	3.4	2.9
Banking and insurance	1.6	1.7
Business services	5.6	5.1
Sanitation	9.8	10.3
Private teaching, research, entertainment, health	4.7	4.4

TABLE 4.45

ACTIVITY RATES OF MARRIED WOMEN BY AGE: *1962, 1968, 1975*

(Percentage)

(Source : INSEE)

Ages	1962[1]	1968[1]	1975[2]
15 - 24 ans	45,0	51,0	61,1
25 - 29 ans	36,2	43,1	56,2
30 - 34 ans	32,0	37,0	49,2
35 - 39 ans	33,4	35,6	45,6
40 - 44 ans	35,0	37,4	43,9
45 - 49 ans	38,2	39,1	43,6
50 - 54 ans	38,4	38,4	40,8
55 ans et +	23,0	21,0	15,7
15 ans et +	32,4	34,2	40,0

1. 1/20 sample
2. 1/5 sample

TABLE 4.46

ACTICITY RATES OF MARRIED WOMEN BY SOCIO-PROFESSIONAL CATEGORIES OF HUSBAND, AND AGE OF WIFE.

(Source · INSEE)

(SEE ATTACHED KEY)

Age	< 25	25-29	30-34	35-39	40-44	45-49	50-54	55 +	15 +
1962									
Exploit. agr.	56,2	61,6	60,9	62,3	62,6	63,7	62,3	54,5	59,4
Salariés agr.	19,3	16,1	15,1	15,7	16,7	20,8	22,7	18,5	17,5
Patrons de l'ind. et du comm.	40,1	39,1	38,7	41,7	43,2	43,9	42,5	36,2	40,3
Cadres sup.	32,1	28,9	25,8	23,4	24,0	22,8	21,0	14,2	22,8
Cadres moy.	56,9	47,0	36,9	35,5	35,3	37,4	34,6	21,7	37,2
Employés	54,3	44,3	37,9	36,2	36,3	37,0	36,0	30,2	37,9
Ouvriers	41,1	30,1	24,6	25,4	26,6	30,0	32,0	26,5	28,7
Personnels de service	54,0	41,2	41,7	40,5	40,6	44,8	43,3	34,6	40,5
Autres catégories	26,0	19,2	15,7	18,7	20,5	21,1	20,5	18,1	19,4
Inactifs	55,8	48,5	29,7	26,7	29,2	27,8	24,5	8,0	12,2
Total	43,7	35,4	31,2	32,5	34,1	37,1	37,4	22,6	31,6
1968									
Exploit. agr.	55,0	58,4	62,5	63,0	62,7	63,2	63,0	56,9	60,5
Salariés agr.	27,2	19,9	17,5	18,5	19,2	21,1	23,8	21,4	20,5
Patrons de l'ind. et du comm.	44,1	43,4	41,6	41,3	43,9	46,3	45,2	37,4	42,1
Cadres sup.	42,5	42,7	34,2	29,6	28,0	27,1	23,9	17,1	29,2
Cadres moy.	62,4	56,3	45,5	39,0	38,3	39,8	37,3	25,0	43,6
Employés	62,6	52,8	43,8	39,4	40,0	41,0	38,1	32,2	43,5
Ouvriers	47,0	35,8	29,6	28,5	30,6	32,6	33,6	27,7	32,9
Personnels de service	56,8	50,8	42,7	47,2	44,8	43,6	39,3	36,9	44,8
Autres catégories	39,9	30,0	23,9	22,4	22,1	24,1	24,3	22,3	25,7
Inactifs	55,0	48,9	28,7	29,5	32,8	28,8	27,5	8,1	11,8
Total	50,1	42,5	36,4	35,1	36,8	38,4	37,7	22,6	33,7
1975									
Exploit. agr.	56,4	55,9	53,6	56,6	57,6	59,2	59,9	53,6	57,0
Salariés agr.	42,0	34,4	27,3	25,0	25,5	29,0	29,3	23,0	29,1
Patrons de l'ind. et du comm.	51,4	49,7	47,7	45,8	45,2	46,8	46,8	39,1	45,7
Cadres sup.	57,2	58,0	50,1	45,3	39,6	34,7	31,4	21,7	41,8
Cadres moy.	73,0	69,0	61,5	55,7	50,2	47,4	41,8	29,1	56,4
Employés	71,3	65,7	57,5	52,7	50,1	49,1	45,4	34,1	54,5
Ouvriers	59,1	51,3	43,7	40,6	40,0	40,6	39,0	30,3	44,4
Personnels de service	64,5	61,0	57,3	54,8	55,4	53,4	50,7	40,0	53,7
Autres catégories	50,6	46,2	42,2	38,5	35,2	34,9	30,8	25,6	40,5
Inactifs	56,8	55,7	38,5	35,1	35,9	34,3	30,6	7,5	11,8
Total	61,1	56,2	49,2	45,6	43,9	43,6	40,8	15,7	40,3

KEY TO ATTACHED TABLE 4.46

Exploit agr.	-	Self employed or employer, agriculture
Salaries agr.	-	Employee: agriculture
Patrons de l'ind. et du comm.	-	Employers: industry and commerce
Cadres sup.	-	Higher professional
Cadres moy.	-	Lower professional
Employes	-	Clerical
Ouvriers	-	Manual
Personneils de service	-	Service workers
Autres	-	Other categories
Inactifs	-	Inactive
Total	-	Total

TABLE 4.47

CHANGES IN PARTICIPATION RATES OF MARRIED WOMEN BY SOCIAL-PROFESSIONAL CATEGORY OF HUSBAND.

	1962/68	1968/75
Liberal & higher professions.	6.4	12.6
Lower professional	6.4	12.9
Clerical	5.0	11.0
Manual	4.2	11.5

TABLE 4.48

ACTIVITY RATE OF MARRIED WOMEN BY AGE AND BY AGE OF YOUNGEST CHILD

(Source *INSEE*)

(percentage)

Age	No. Child.	One Child			2 children: youngest			3 children: youngest		
		7-16	3-6	0-2	7-16	3-6	0-2	7-16	3-6	0-2
1962										
15 - 24	63,9	52,4	40,5	35,4	52,0	18,3	15,6	25,0	13,8	8,0
25 - 29	67,5	50,8	42,0	38,1	30,7	21,6	20,5	15,7	11,9	10,4
30 - 34	64,2	51,4	42,6	39,0	29,7	25,0	24,1	19,1	15,1	12,5
35 - 39	58,4	48,8	40,6	39,8	30,2	26,1	28,0	21,4	17,9	15,0
40 - 44	50,7	40,9	37,1	35,8	29,2	24,6	19,4	21,0	18,3	14,9
45 - 49	45,4	35,6	30,1	26,6	28,0	19,7	22,8	22,0	17,1	11,3
50 - 54	41,0	33,0	26,4	23,0	25,3	22,5	23,1	22,4	18,4	15,5
55 +	22,5	25,9	17,4	16,7	20,9	15,5	21,6	17,9	16,2	15,1
15 +	35,5	40,0	40,1	36,3	28,9	23,9	21,3	21,1	16,5	12,7
1968										
15 - 24	72,4	48,6	48,3	43,0	34,6	21,0	17,6	8,3	13,9	8,5
25 - 29	75,7	62,3	53,7	50,7	35,3	27,7	26,6	15,9	15,3	11,9
30 - 34	70,6	58,9	52,9	48,7	35,6	30,6	31,2	22,7	17,9	15,1
35 - 39	63,0	52,6	46,6	44,2	34,1	30,1	30,5	23,0	17,6	15,1
40 - 44	54,5	40,7	37,3	35,5	29,7	26,6	25,9	21,0	17,0	15,3
45 - 49	47,3	35,4	30,3	28,4	27,6	23,9	24,9	20,7	15,9	14,0
50 - 54	41,5	30,4	22,6	23,2	23,1	18,0	21,0	18,7	15,1	11,6
55 +	20,5	24,5	17,8	24,1	18,3	13,4	22,5	20,1	12,2	13,6
15 +	35,8	41,6	48,7	45,3	31,1	29,6	25,9	21,8	17,2	13,9
1975										
15 - 24	79,8	63,0	62,8	56,3	42,2	32,7	24,3	27,9	15,8	8,7
25 - 29	83,8	73,3	70,3	66,6	50,7	41,2	39,1	34,2	19,6	14,2
30 - 34	77,4	72,6	68,3	63,2	52,2	46,6	48,0	33,9	23,8	18,9
35 - 39	69,6	64,7	60,0	59,2	48,6	45,9	45,7	32,3	23,4	15,6
40 - 44	60,1	50,2	46,5	47,0	39,2	34,0	33,5	26,5	19,5	15,8
45 - 49	51,9	41,0	37,2	38,0	31,7	26,5	29,4	21,9	16,3	14,4
50 - 54	44,2	33,9	30,0	29,4	26,2	23,4	26,8	17,1	16,7	13,7
55 +	15,5	22,5	16,7	18,7	18,5	19,9	18,2	14,8	16,2	15,7
15 +	36,9	49,6	64,7	60,5	42,4	42,1	37,8	28,7	21,7	16,3

TABLE 4.49.

MARRIED WOMEN BY MAIN TYPE OF ACTIVITY (1)

(%)

	1973	1977
PERSONS WITH A MAIN OCCUPATION	38.9 (37.2)	42.4 (39.1)
OF WHICH : aged 14-24	11.5	10.1
aged 25-44	53.2	56.1
aged 45-59	28.7.	30.1
60 +	6.6	3.8
UNEMPLOYED PERSONS	0.6 (0.9)	2.0 (3.1)
OF WHICH : looking for a job after voluntary spell away from work	21.8	23.9
TOTAL LABOUR FORCE	39.5 (38.1)	44.3 (42.2)
NON ACTIVE PERSONS	60.5 (61.9)	55.7 (57.7)
OF WHICH: housewives	84.8 (56.7)	82.1 (51.2)
with an occasional occupation	4.1 (3.2)	3.6 (2.2)
working part-time	3.2	2.9
looking for a job	2.8 (2.4)	3.6 (2.5)
TOTAL MARRIED WOMEN	100.0	100.0

(1) all women 14 + in brackets

TABLE 4.50.

MARRIED WOMEN WITH A MAIN OCCUPATION BY SECTOR OF ACTIVITY.

	1973.	1977.
Agriculture	12.8	10.7
Industry	25.0	24.5
Services	62.2	64.8
All sectors	100	100

TABLE 4.51.

AGE GROUPS BY EMPLOYMENT SECTOR, AND STATUS : 1973 - 1981.

	15 - 24		25 - 39		40 - 49		50 - 59		60 +		Total.	
SECTOR												
MEN.	73	81	73	81	73	81	73	81	73	81	73	81
Agriculture	7.0	6.6	6.4	5.2	11.9	9.3	15.2	15.0	23.1	28.1	10.7	9.2
Industry	35.8	31.8	34.1	31.1	36.2	32.6	32.9	31.6	25.6	17.3	33.9	31.0
Construction	17.6	16.5	15.2	13.3	12.6	13.9	9.3	10.6	9.1	7.8	13.4	13.0
Services	39.6	45.1	44.4	50.4	39.3	44.2	42.6	42.7	42.1	46.8	42.0	46.8
WOMEN												
Agriculture	2.9	2.1	7.0	3.8	14.4	10.3	17.1	14.5	16.6	19.7	10.1	7.5
Industry	34.2	24.6	23.3	20.8	22.6	17.9	21.1	18.0	19.2	11.0	24.8	19.9
Construction	1.3	1.9	1.5	1.5	1.3	1.8	1.0	1.3	1.1	1.3	1.3	1.6
Services	61.6	71.4	68.1	73.8	61.6	70.0	60.8	66.2	63.1	68.1	63.8	71.0
STATUS												
MEN.												
Employers, Self-employed	1.9	2.1	12.6	12.2	21.6	19.4	26.6	25.5	44.0	45.9	18.1	16.7
Family workers	5.0	3.4	1.2	0.6	0.7	0.5	0.6	0.4	1.9	4.3	1.6	1.0
Employees:												
Private Sector	80.3	80.4	66.3	64.2	58.5	58.9	52.7	55.1	44.5	36.6	62.5	61.9
Public Sector	12.8	14.0	19.9	23.1	19.2	21.1	20.0	19.0	9.5	13.2	17.8	20.3
WOMEN.												
Employers, Self-employed	0.6	1.1	4.5	4.6	8.5	6.1	11.2	9.7	20.4	24.9	7.0	6.3
Family workers	3.6	1.8	11.0	6.4	19.4	13.7	20.5	16.4	18.7	17.4	13.4	9.5
Employees:												
Private Sector	75.4	73.4	54.1	55.2	49.3	51.2	47.2	47.2	48.2	40.2	56.0	55.0
Public Sector	20.4	23.7	30.4	33.8	22.7	29.0	21.1	26.7	12.8	17.5	23.6	29.3

TABLE 4.52

DISTRIBUTION OF POPULATION AGED 14 - 24 BY MAIN TYPE OF ACTIVITY

	1973		1977	
	M.	F.	M.	F.
Persons with a main occupation	47.8	39.1	43.8	35.5
of which: working part-time	1.6	3.8	2.8	6.9
agriculture	7.8	3.1	7.9	3.2
industry	54.2	35.1	52.0	30.8
services	38.1	61.8	40.0	66.0
Unemployed persons	1.7	2.0	4.1	6.1
of which: seeking first job	35.4	37.6	37.4	36.7
Total labour force	49.5	41.1	48.0	41.5
Non active persons	50.5	58.9	52.0	58.5
of which: students, pupils	96.9	80.4	95.6	82.9
looking for job	1.3	3.7	3.0	6.9
with occasional occupation	1.9	2.0	1.5	2.3
working part-time	1.2	1.5	0. 8	1.2
TOTAL POPULATION 14 - 24	100.0	100.0	100.0	100.0

TABLE 4.53

DISTRIBUTION OF POPULATION AGED 60 AND OVER, BY MAIN CATEGORIES OF ACTIVITY

	M		F	
	1973	1977	1973	1977
Persons with a main occupation	26.7	18.5	11.9	8.4
of which: 60 - 64 years old	68.9	57.9	65.5	57.1
Agriculture	23.5	26.1	15.9	15.3
Industry	34.6	27.0	20.2	16.2
Services	41.9	46.7	63.9	68.5
Total Labour Force	27.2	19.1	12.1	8.7
Non Active Persons	72.7	80.9	87.9	91.4
of which: with an occasional occupation	4.3	2.0	1.8	0.9
Total Population	100.0	100.0	100.0	100.0
of which: 60 - 64 years old	30.9	23.5	25.6	19.1

TABLE 4.54

RETIRED PERSONS, PENSIONERS, AS PERCENTAGE OF POPULATION, 1977.

(1000s)

	AGED 60 +	AGED 65+	AGED 60+	AGED 65+
	as a % Total Population		as % of Population of Same Age.	
T.	11.4	10.1	63.0	70.4
M.	12.2	10.5	78.8	88.4
F.	10.7	9.8	51.9	58.6

TABLE 4.55

ECONOMIC ACTIVITY OF FOREIGN WORKERS

(1000s)

	OCTOBER 1973	FEBRUARY 1975	OCTOBER 1976
Foreign worker employees in private sector industry & services	1434.1 (79.5%)	1343.6 (76.9%)	1253.1 (76.4%)
Other foreign worker employees	248.7 (13.8%)	233.0 (13.3%)	217.3 (13.3%)
Foreign workers who are self-employed employers or family workers	86.0 (4.8%)	83.4 (4.8%)	80.0 (4.9%)
Unemployed foreign workers	36.0 (2.0%)	87.3 (5.0%)	89.0 (5.4%)
	1804.8	1747.3	1639.4

TABLE 4.55(a) : PARTICIPATION RATES AND UNEMPLOYMENT RATES FOR FOREIGN WORKERS BY SEX AND AGE.

AGE GROUP	ACTIVITY RATE 1975		UNEMPLOYMENT RATES 1978	
	INDIGENOUS POPULATION	FOREIGN WORKERS	INDIGENOUS POPULATION	FOREIGN WORKERS
< 25	20.0	21.0		
M. > 25	74.4	83.5		
< 25	18.6	12.3		
F. > 25	39.3	29.6		
< 25	19.3	16.8	9.8	10.4
Total >25	54.8	64.6	3.6	7.0
All			4.7	7.5

TABLE 4.56

DISPOSABLE INCOME OF HOUSEHOLDS

	1970	1980	% Change 1979-80	% Change 1970-80
1. Income from activity & property	104.2	104.7	13.7	13.7
Income from employment (1)	68.0	75.0	15.0	14.8
of which: wages and other payments	51.6	54.6	14.8	14.3
profit sharing	0.2	0.2	10.4	15.6
Rent, income from self-employment, family business	32.6	26.5	10.9	11.4
of which: income from self employment, family business	24.8	18.6	8.5	10.5
Interest, dividends, etc.	3.4	3.0	6.8	12.3
2. Transfer income.	- 4.2	- 4.7	38.5	-15.1
Insurance company payments	0.4	0.4	2.9	13.5
of which: net premiums	- 1.7	- 1.9	15.6	-15.2
Other current transfers:	- 4.6	- 5.1	34.8	-14.9
of which: taxes on income & property	- 6.7	- 8.3	18.8	-16.1
Social benefits	24.7	32.4	15.2	16.8
Disposable income	100.0	100.0	12.7	13.7
Social security payments from Salaries	3.8	6.8	23.7	20.5
Net wage income	47.8	47.8	13.6	13.7

(1) Includes employers' contributions to social security (plus implied contributions by the State).

TABLE 4.57

SOCIAL BENEFITS RECEIVED BY HOUSEHOLDS BY TYPE OF BENEFIT.

	m Francs		Annual Percentage Change.	
CASH BENEFITS	1980	%	1974-78	1976-80
Income replacement benefits	340,085	75.4	21.3	17.0
permanent(retirement,invalidity)	272,289	60.4	20.6	16.2
temporary (sickness, accident, maternity,unemployment, redundancy, training)	67,796	15.0	24.7	20.2
Benefits for those not able to gain income from employment (handicapped, old people without resources, unemployed without contributions)	44,141	9.8	17.5	14.3
Supplementary benefits	65,428	14.5	14.4	15.0
regular (family allowances)	58,429	13.0	14.0	15.7
Occasional (maternity,death,etc)	6,999	1.6	17.8	13.5
Exceptional payments	1,275	0.3	24.9	22.1
TOTAL	450,929	100.	19.7	16.5
BENEFITS IN KIND				
Health	159,655	78.2	19.1	15.8
Housing	12,876	6.3	13.6	15.2
Other social benefits	31,573	15.5	17.0	16.9
TOTAL	204,104	100.	18.4	16.0
CASH + IN KIND: TOTAL	655,033	cash 68.8	19.4	16.3
		kind 31.2		

TABLE 4.58

IMPACT OF TAX AND FAMILY ALLOWANCE SYSTEM ON NET INCOME

BY TYPE OF HOUSEHOLD

1981

HIGHER PROFESSIONAL	SINGLE	SPOUSE INACTIVE. Children: None	1.	2.	3.	4.	SPOUSE ACTIVE. Children: None	1.
Gross Wage Income	148120	148120	148120	148120	148120	148120	206400	206400
As % of Gross Income								
family benefits	-	-	-	+1.9	+5.3	+8.4	-	-
taxes	-23.7	-16.0	-12.9	-10.6	-7.6	-6.5	-19.7	-17.3
net income	76.3	84.0	87.1	91.2	97.7	101.9	80.3	82.7
LOWER PROFESSIONAL								
Gross Wage Income	78070	78070	78070	78070	78070	78070	117890	117890
As % of Gross Income								
family benefits	-	-	+0.5	+10.3	+18.5	+27.0	-	-
taxes	-16.6	-8.1	-6.1	-4.5	-2.5	-1.4	-12.8	-10.1
net income	83.3	91.9	94.4	105.8	116.0	125.6	87.2	89.9
MANUAL								
Gross Wage Income	44610	44610	44610	44610	44610	44610	76070	76070
As % of Gross Income								
family benefits	-	1.2	16.2	26.6	41.6	55.7	-	6.9
taxes	-9.5	-3.5	-1.7	-	-	-	-7.8	-5.8
net income	91.5	97.7	114.5	126.6	141.6	155.7	92.2	101.1

TABLE 4.59

CONTRIBUTION OF SPOUSES INCOME TO FAMILY INCOME:1975

SOCIAL-PROFESSIONAL CATEGORY OF HUSBANDS	%CONTRIBUTION(1)	FAMILY INCOME, SPOUSE ACTIVE ÷ SPOUSE INACTIVE
Employer, self-employed:agriculture	46.3	1.04
Employee, agriculture	32.5	1.54
Self-employed, small firm employer	31.9	1.19
Employees: large industrial firms	20.8	1.06
Liberal professions (law,medicine,etc.)	28.1	1.02
Higher professional	30.5	1.02
Lower professional	35.0	1.21
Clerical	37.2	1.39
Qualified manual	35.7	1.45
Non-qualified manual	35.0	1.43
Inactive	53.2	1.29
TOTAL	35.5	1.21

(1) for families where the spouse is active, not including family workers.

TABLE 4.60

GROSS AND DISPOSABLE INCOME OF HOUSEHOLDS BY TYPE OF HOUSEHOLD

1975.

(all households = 100)

COUPLES WITH NO CHILDREN	GROSS INCOME PER HOUSEHOLD	DISPOSABLE INCOME PER PERSON
Spouse active	108.5	162.3
Husband < 35	99.1	157.9
Husband > 35	113.4	164.4
Spouse inactive	78.5	116.1
Husband < 35	64.8	104.1
Husband > 35	79.1	116.6
COUPLES WITH CHILDREN		
Spouse active	120.4	104.9
1 child	116.3	123.1
2 children	127.2	104.5
3 or more children	118.8	78.3
Spouse inactive	99.8	80.2
1 child	101.0	104.0
2 children	104.9	87.8
3 children	98.7	74.0
4 or more children	89.3	58.5
SINGLE PARENT FAMILIES	69.6	87.7
1 child	67.4	105.7
2 or more children	72.6	73.4

TABLE 4.61

GROSS INCOME OF HOUSEHOLDS BY SOCIAL-PROFESSIONAL CATEGORY OF HEAD OF HOUSEHOLD.

(All Households = 100)

	COUPLES NO CHILDREN SPOUSE:		COUPLES CHILDREN SPOUSE ACTIVE				COUPLES CHILDREN SPOUSE INACTIVE					SINGLE PARENTS CHILDREN			ALL HOUSE-HOLDS
	ACTIVE	INACTIVE	ALL	1	2	3+	ALL	1	2	3	4+	ALL	1	2+	
Employers: Agriculture	38	39	50	48	50	51	48	50	48	43	49	49	41	62	46
Employees: Agriculture	72	46	84	78	90	92	54	52	51	58	57	54	54	-	61
Self-employed + small firm employers	123	104	135	122	144	152	114	109	117	124	102	82	94	66	118
Large firm employers	294	281	277	244	317	268	262	280	282	191	253	263	251	283	273
Liberal Professions	213	243	281	223	284	384	276	264	265	292	331	191	173	173	225
Higher Professions	216	216	224	214	227	239	220	212	211	238	245	168	160	181	218
Lower Professions	136	122	140	136	145	143	116	118	116	104	130	94	96	89	128
Clerical	113	78	115	115	113	117	82	83	84	84	73	64	64	65	96
Manual: qualified	95	68	99	100	98	101	69	68	68	69	71	67	49	82	83
Manual: unqualified	83	54	89	89	92	88	63	60	63	64	63	50	46	54	71
Inactive	82	65	97	92	108	96	75	72	88	82	60	58	50	61	69

TABLE 4.62

DISPOSABLE INCOME PER PERSON BY SOCIO-PROFESSIONAL CATEGORY OF HEAD OF HOUSEHOLD BY HOUSEHOLD TYPE.

(all households = 100)

	COUPLES NO CHILDREN		COUPLES CHILDREN SPOUSE ACTIVE		COUPLES SPOUSE INACTIVE		SINGLE PARENT FAMILIES	ALL HOUSEHOLDS
	SPOUSE ACTIVE	SPOUSE INACTIVE	ALL	3 OR MORE CHILDREN	ALL	3 CHILDREN	ALL	
Employers-agriculture	54.9	55.1	41.6	36.7	41.1	36.5	57.3	43.7
Employees-agriculture	115.7	75.7	77.0	61.5	48.8	43.4	93.6	59.6
Self-employed, and small firms, employees	166.0	135.1	107.2	90.5	86.3	60.2	96.0	104.3
Large firm employees	353.9	336.1	192.8	140.6	170.0	120.9	243.0	209.4
Liberal professions	266.7	285.6	187.7	188.1	175.2	147.7	190.9	197.8
Higher professional	296.1	293.8	180.6	145.5	165.8	129.2	199.0	189.5
Lower professional	207.6	183.2	127.3	98.3	97.2	81.4	126.0	123.7
Clerical	174.2	122.6	105.3	81.0	73.7	55.0	86.7	100.1
Qualified manual	150.3	106.5	92.8	72.1	62.1	52.1	82.9	83.1
Non qualified manual	130.3	85.9	82.9	64.6	55.7	47.7	68.6	70.7
Inactive	124.5	98.8	87.3	65.2	64.8	40.9	70.3	94.2

TABLE 4.63

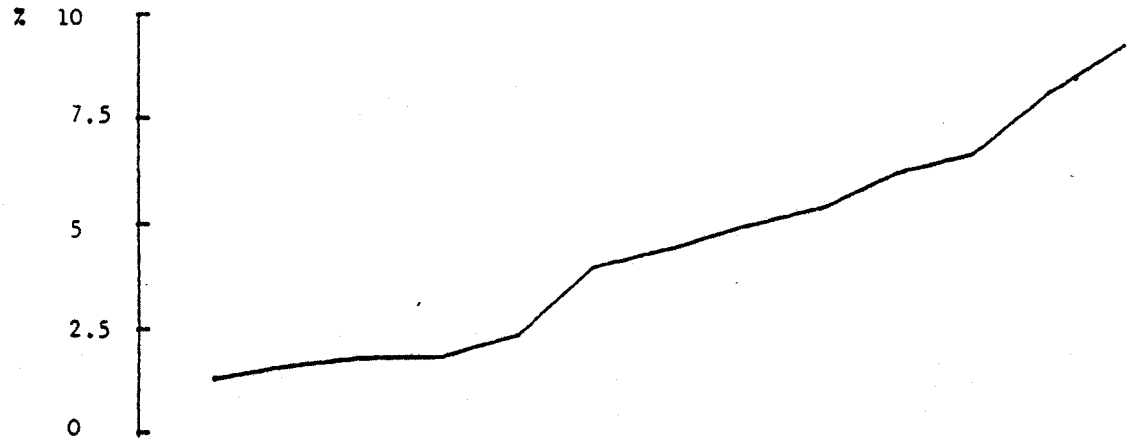
ANNUAL AVERAGE CONSUMPTION PER HOUSEHOLD 1978.

(All Households = 100)

REGION	FOOD	NON FOOD	TOTAL
Paris	112.6	132.7	127.5
Paris - outer region	100.4	96.4	97.4
North	103.0	90.8	94.0
East	96.2	96.4	96.3
West	90.6	86.0	87.2
South-West	94.6	87.9	89.7
Centre-East	100.7	99.0	99.4
Mediterranean	94.0	86.8	88.7
AGE OF HEAD OF HOUSEHOLD			
< 25	69.5	85.8	81.4
25-34	99.9	115.4	111.4
35-44	128.2	135.6	133.7
45-54	125.7	122.8	123.6
55-64	102.7	97.6	98.8
65-74	73.3	60.1	63.5
75 +	58.6	43.7	47.5
SOCIO-PROFESSIONAL CATEGORY OF HEAD OF HOUSEHOLD			
Employer - agriculture	123.1	89.9	98.4
Employee - agriculture	99.8	76.2	82.3
Liberal Professions	129.7	152.5	138.9
Higher professional	136.1	205.9	187.9
Lower professional	116.5	136.1	131.1
Clerical	96.8	101.3	100.1
Manual	109.8	95.1	98.1
Inactive	71.7	58.3	61.7

Graph 4.1 Trends in unemployment

a) Unemployed as a percentage of the civilian working population



b) Unemployed persons under 25 as a percentage of total unemployed

c) Females unemployed as a percentage of male unemployed

Chapter 5 : Conclusions.

The analysis of household incomes in the U.K. and France, presented in Chapters 3 and 4, reveals a considerable amount about how incomes of households are structured and how the state transfer system redistributes employment incomes. For most households, the primary source of income is from wage employment and the ranking of households by income depends very much on the occupational status, the industry of employment and the earnings power of the head of the household. Multiple participation in the labour market from households enhances total household incomes but is not a practice only in high income households. Households with low incomes are generally those whose members are retired and drawing pensions, the one-parent families and those headed by unskilled manual employees. Dependency on transfers, mainly as a result of job loss, does create relatively low incomes for households but, to the extent that these households are different in different periods, they could not be said to be locked into low incomes. Initially, transfers are reasonably high and there are other sources of income but, when unemployment is more common, re-employment is more difficult, there is a loss of entitlement to transfer payments and the opportunities for other income are reduced. In this respect, low income experience can and does catch and trap households.

What the evidence tells us is mostly about the relationships between wage income, social security and dependency rates. But it is extremely difficult to trace the effects of income and transfer changes on the dependent population in households. What we know least about is how households cope with internally dependent members and we can only make inferences about the responses of households to increased dependency. This is a very important issue in recession periods because, although we see how earnings in employment change, how the numbers of jobs (and their type) changes and how entitlement to transfer payments alters, we can only construct effects for 'representative'

households and observe the effects on average household incomes classified in various ways. But the distribution of income around those average and representative household incomes will depend very much on how jobs, earnings and transfer entitlements interact and combine within the households. It is no easy matter to discover whether the distribution of incomes of different types of households widens or whether a large number of households experience very large declines in household incomes or in per capita incomes of household members. But the types of policies that might be chosen should be influenced by this kind of knowledge if they are to be designed with aims of social equity in mind.

The effects of the recession of the 1970s and early 1980s that can be seen in the data collected are quite frightening. The loss of jobs reduces the flow of wage income to households simply because fewer people are able to obtain jobs. But two additional changes make the reduction in household incomes larger. Firstly, real earnings either fall or rise much more slowly and, secondly, the new job creation which occurs is part of a restructuring demanded by employers to increase their flexibility of costs and their ability to survive and compete at lower levels of activity. Thus those jobs tend to generate lower earnings (for example, they may be part-time or at least shorter hours) and they tend to be more unstable. More households therefore find themselves permanently forced into a dependency on transfer payments, or intermittently so, and others need additional incomes in the form of transfers to achieve a reasonable standard of living. But the reduction in wage employment also reduces the tax and contribution base of the social security systems and it becomes increasingly difficult for the state to maintain the real value of per capita benefits. The corollary is that, unless very big changes are made in the tax and contribution system to redistribute incomes, the distribution of incomes by households widens with those retaining secure and high paid employement being relatively unaffected and more households being pushed into having low incomes, with those already experiencing low incomes also facing declining real incomes.

Young people and recent immigrants need to gain access to jobs in the labour market as the beginning of a period when their main source of income will be from wage employment. And the point of entry and subsequent opportunity for career progression are crucial for their earnings prospects. But they are currently being deprived access, both because fewer net jobs are available and because traditional entry points are being blocked by lack of progression for those already in employment. In situations where benefit entitlement is contributory, based on the previous employment record, these groups are not only excluded from wage income but also from benefit receipts (or indeed future entitlement) and hence increasingly dependent on their households. To the extent that they will be concentrated in households and areas where it is increasingly difficult to sustain household income and that of the head of the household, the social tension within and between households is bound to increase at an age when relationships are already strained. However, that is not the end of the story. An expansion of job opportunities is required to absorb them into employment. But the first to benefit will be those with blocked career progression: the currently excluded young will not be able to access career progression at the point they should have reached but will have to start at the entry point, itself implying a permanent loss of income over their life-cycle. Even when these entry points are opened up, the build-up of the use of qualification levels as an entry screen will work to their disadvantage: employers will prefer new entrants from more recent cohorts and government training schemes do not then provide an answer. The excluded cohorts of todays youth are pushed to the back of the queue to not only their short run detriment but also their long run loss.

Much the same is true of those who have to experience a spell of unemployment either because there are not enough jobs, or because the jobs they can get are unstable. Their future employment prospects in terms of career progression and earnings power are permanently reduced. The fact that women may find it

easier to obtain employment is little compensation or relief to households. The jobs to which they tend to have access are more unstable and yield lower earnings than the jobs which are replaced. Furthermore, once drawn into the labour market, they remain to provide the supply of labour by which employers can continue to offer such jobs and in subsequent recessions they compete with other members in the labour force, undermining the pay and conditions of more permanent jobs. However, this does not provide an excuse for 'putting women back in the home'. As women, and indeed other groups, are drawn into wage employment, irreversible changes take place in the structure of jobs, the provision of health and education, and social organisation at community and household level which prevent households reverting to original sources of income or finding alternative ones outside the wage employment sector.

Historically, the economic structure comprises the market sector, the state sector and the non market sector. Economies have grown and that growth has been rapid for the market and the state sector particularly in the post war period, but there has not been growth in the non-market sector. This imbalance of growth has generated a series of irreversible changes in the sources of income to households, more state involvement in education and health, and a development of broad based social security provision to replace traditional forms of private transfer within communities and households - the old village and tribal communities with barter trade, norms of behaviour, ritual exchanges and local poor laws are very few and far between. Those forms of social organisation did provide a means of redistributing incomes but the emergence of the black or hidden economy is not a return to those forms. The growth of the black economy does provide alternative employment and income but it is appended to the modern capitalist state and offers the same jobs as could be provided within the formal sector but at different pay and conditions. Its existence may lower corporate sector costs and increase flexibility, but its income generating

potential for households is lower and, within current forms of social organisation, does not provide a private transfer system as the older forms did. Furthermore, by being outside the formal sector, it reduces the tax and contribution base and hence reduces the efficacy of the state transfer system, with a consequent effect on the overall distribution of income within the formal sector and between the two sectors. Ultimately the burden falls on the poor: either the real value of state transfers is unsustainable or competition from the informal sector (populated by those with marketable qualities) undermines the employment and earnings prospects of those least able to survive and compete in the formal sector.

Privatisation is seen as a way of improving economic efficiency and reducing the burden of the transfer system which falls on the state. However, this trend is just as likely to be to the detriment of the poor as the growth of the black economy. Social costs are higher, access to benefit depends on ability to pay and jobs and earnings are less well protected than they were previously. People whose jobs are privatised must turn to the state social security system for protection of income rather than having the benefit of state employment conditions and earnings levels. But state transfers are essentially only a floor to real incomes and are not designed to compensate for wage differences (although that appears now to be less true in France than in the U.K.). As a result, dependency on social security is little compensation for the loss of a job.

The role of the state in redistributing income through the tax and benefit systems may be justified in terms of social equity or justice, economic efficiency or political will. What is just and what is efficient are themselves political issues. When economic efficiency is judged with the presumption that people are actually (and should be) paid what they are worth measured in economic terms, the best that can be expected of a transfer system is that it provides a floor to household income adequate to maintain the process of the reproduction labour power. If people receive only what they are paid or are restricted in their access to earnings relative to others, there is more scope for transfer systems if the political will is present. This is not only a question of whether the floor to household incomes

should be higher or lower - it is also a question of whether people and households should be compensated for inequality of treatment at the hands of the economic system.

In times of economic crises, there is heightened political sensitivity to the role of the state in redistributing income. But, because it is centrally organised and in the hands of elected representatives, its application is far more impersonal than ever it was under traditional forms of social organisation. Admittedly, under those forms, the exercise of power was easier and the distribution of incomes was only more equal for the majority by virtue of the inequality achieved by the few. But the depersonalised view of social provision allows the intrusion of arguments of economic efficiency and rationale over those of social justice and equity - and rationales change over time, not independently of economic crises.

Policy needs to address the unequal treatment of individuals in the modern capitalist system and in this respect the tax and benefit system needs to be a progressive one. It needs in particular to enhance a restructuring of income opportunities for individuals, taking account of household requirements, but throughout the life cycle. The short term measures in the labour market, like early retirement schemes and youth training, are measures in response to crisis and do little more in aggregate than shuffle unemployment experience around while having significant effects on the distribution of households by income. They are no substitute for the provision of ample long term employment opportunities. But obtaining enough opportunities by getting the macro (economic, social and political) conditions right is not itself a sufficient target for policy. Very careful thought is also needed about the structure of access to job and wage income opportunities, the relative values of those opportunities and their effects on household incomes. And this aim should not be conceived as a second stage to getting enough jobs. There is ample historical evidence on economic, social and political change to reveal the interactive process of economic and

social development. Whatever the political will, macro economic policies pursued have implications for the distribution of personal incomes which are not well understood. Furthermore the effects on the distribution of incomes may hinder the pursuit of those macroeconomic aims either because they produce unacceptable social outcomes or because responses in terms of workplace relations, labour supply or effective demand are not compatible with the viability of firms and the competitive requirements of economic changes.

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