## EMPLOYMENT, UNDEREMPLOYMENT AND UNEMPLOYMENT 1966-1983

## AUSTRALIA

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## PREFACE

This publication supersedes the earlier publication Unemployment, Underemployment and Related Statistics, Australia (6236.0). It analyses the trends in employment, underemployment, unemployment and so-called 'hidden' unemployment over the period 1966 to 1983. The conceptual base underlying the statistics is discussed, in order to provide some structure to the statistics. Figures are presented in a simplified format, with extensive use of graphs and diagrams. Brief commentaries highlight important features of the data.

Chapter 1 provides conceptual background, outlines the approach adopted by the ABS in the collection of labour force statistics and describes the concepts used for measuring the various topics covered in this publication. Chapters 2 to 5 present statistical summaries under the headings Employment (Chapter 2), Underemployment (Chapter 3), Unemployment (Chapter 4) and Marginal Attachment to the Labour Force and 'Hidden' Unemployment (Chapter 5). Chapter 6 provides details on data sources and references for the statistics presented, and the Appendix outlines the questionnaire used in the ABS Labour Force Survey.

The sources of data for the publication are ABS sample surveys of households undertaken quarterly from 1966 to November 1977 and monthly since February 1978. Where possible, statistics in the publication have been shown back to 1966.

## Australian Bureau of Statistics, September, 1984

R. J. CAMERON Australian Statistician

#### 1. THE CONCEPTS OF EMPLOYMENT, UNDEREMPLOYMENT AND UNEMPLOYMENT

This chapter presents a detailed account of the concepts underlying the measurement of employment, underemployment, unemployment and the so-called 'hidden' unemployment. Section 1.1 gives a broad overview of the labour force activity framework and describes how it may be adapted to provide a more complete picture of labour utilisation. The following Sections describe in detail the concepts and definitions used to measure employment (Section 1.2), underemployment (Section 1.3), unemployment (Section 1.4) and marginal attachment to the labour force and 'hidden' unemployment (Section 1.5).

#### 1.1 The Labour Force and Labour Utilisation

The concept of the labour force can be viewed from a number of different perspectives, each aimed at imposing a simplified framework on the various ways individuals may be involved in the labour market. The earliest approaches, developed at the turn of the century, were based on the 'gainful worker' concept in which a person's labour force status was described in terms of whether or not their usual activity constituted what might be considered gainful work. Gainful work was broadly defined as work in an occupation from which a person may expect to gain some remuneration. THUS only persons in a gainful occupation were considered to be in the labour force and persons who wanted but who had not yet obtained gainful employment were excluded.

The economic downturn of the 1930's focussed attention on the need for a statistical framework which allowed the measurement of unemployment and provided a distinction between the employed and the unemployed in the definition of the labour force. Out of this evolved the labour force activity framework, which was adopted by the International Labour Organisation (ILO) at its 1954 Conference of Labour Statisticians and used as an international standard up to the present time.

The labour force activity framework is based on describing a person's actual labour force activity at a certain time (usually taken to beduring a period of one week). Each person of working age (in Australia, 15 years of age and over) is first described according to whether or not he or she is working during the reference week. In principle, persons who are working are considered to be *employed* (regardless of the number of hours they are working). Persons who are not employed may be either unemployed or not in the labour force. A person is *unemployed* only if he or she is *looking* for and *available* for work. Persons who are classified as either employed or unemployed are said to comprise the *labour force*. All other persons are considered to be *not in the labour force*. Each person is assigned in this way to one of the three mutually exclusive categories— employed, unemployed or not in the labour force.

A number of labour force measures have been developed on the basis of this activity framework, and these serve as the main indicators of labour market activity and economic performance. In particular thenumber of persons employed and unemployed and the unemployment rate (i.e. the percentage of the labour force who are unemployed) have been given special prominence. Other measures such as the participation rate (i.e. the percentage of the working age population who are in the labour force) and the employment/population ratio have also been widely used.

The general acceptance and use of the labour force activity framework has brought conceptual soundness and consistency to the measurement of labour market characteristics. However it has been claimed that the framework is a somewhat limited view of the labour market, particularly in the light of the changing economic and social conditions of recent years. The changing attitudes towards full-time and part-time work, the greater participation of women in economic activity and a period of high unemployment have suggested a need to broaden the scope of the framework to reflect the contemporary labour market.

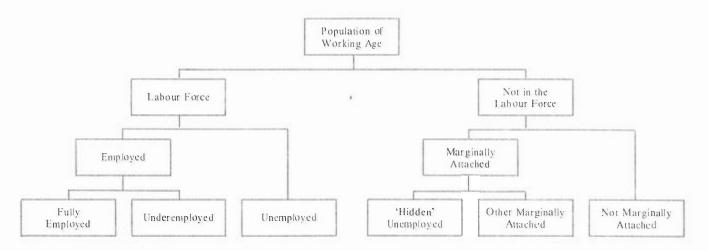
Two important areas of concen are in relation to underemployment and so-called 'hidden' unemployment:

- (a) Underemployment. The labour force activity framework allows identification of different categories of employed persons in terms of the quantity of each person's time utilised by the labour market; i.e. hours worked, or more particularly whether the person is working full-time or part-time. However it is also important to look at the labour supply side; i.e. the type and quantity of labour and skills offered by persons participating in the labour force and whether they are fully utilised by the labour market — in other words, whether they are underemployed. For example, persons may have employment which they regard as insufficient in terms of hours of work, or alternatively the available work may not match their skills or training.
- (b) 'Hidden' Unemployment. The simple categorisation of all persons not employed as either unemployed or not in the labour force may provide an incomplete picture of labour force relationships, particularly in respect of persons classified as not in the labour force but with some degree of desire or commitment to obtain employment. Such persons may be of many different types. Of particular importance are those who are commonly referred to as the 'hidden' unemployed, who may be described as those persons who are currently outside the labour force because of the prevailing labour market conditions.

A number of adaptations of the labour force activity framework have been proposed as a means of providing a more complete picture of labour market relationships, and in particular to measure underemployment and 'hidden' unemployment. The *labour utilisation* approach has been widely used for the measurement of underemployment, and the problem of 'hidden' unemployment has been tackled by introducing the concept of *marginal attachment to the labour force*. The principles underlying these two alternative approaches are outlined below:

- (a) Labour Utilisation. The labour utilisation approach, as articulated by the ILO, attempts to describe the labour force in terms of whether the labour offered by individuals can be considered to be 'adequately utilised' by the labour market. Under this model, persons in the labour force are categorised according to whether their labour is fully utilised or underutilised. A person's labour is underutilised if they are either unemployed or underemployed. This approach has the advantage of being compatible with the labour force activity model in that the labour force as defined by the labour utilisation model may be divided into three main categories fully employed, underemployed and unemployed.
- (b) Marginal Attachment to the Labour Force. The formal definition adopted under the activity framework to classify individuals as being in or out of the labour force is recognised as not being appropriate in all cases. In particular, there will be individuals who are not employed and do not meet the unemployment criteria (and are therefore determined to be not in the labour force), but who nevertheless can be considered to have an association with the labour force. The type and degree of association may take a number of forms. By identifying categories with the strongest links with the labour force described as those persons with a marginal attachment to the labour force particular groups such as the 'hidden' unemployed may be analysed.

The approach adopted in this publication follows the labour utilisation and marginal attachment approaches. A broad outline of the overall model is shown in the following diagram.



This approach, albeit a simple one, opens the way for an increased understanding of the labour market by providing an expanded range of labour market indicators. For example, measures of labour underutilisation incorporating both the underemployed and unemployed may be derived together with a range of 'hidden' unemployment measures, and these may be used to supplement the usual unemployment measures to provide a more comprehensive picture of labour underutilisation.

#### 1.2 Employment

As outlined above, the labour force activity framework describes a person of working age as employed if he or she is currently working. The notion of currently working is defined in terms of actual activity during a specified short period of time, and in the ABS Labour Force Survey this is considered as the activity undertaken during the week preceding the survey (referred to as the reference week). A person is considered to be working if he or shed oes any work at all during the reference week — this is usually taken to be work for one hour or more during the period.

Only economic work is considered to constitute employment. Broadly, economic work comprises work that contributes to the production of goods and services included in the National Accounts. The 1LO specifies that persons should be considered as doing economic work if they can be categorised as either:

- (a) in paid employment; or
- (b) in self-employment.

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Paid employment includes work undertaken for wage or salary, in cash or in kind. Self-employment includes work undertaken for profit or family gain including unpaid work (although it has been usual to include only work of duration of more than one third of the normal working time — generally set at 15 hours or more in the reference week). Work such as that done by homemakers and volunteer workers is not included.

Certain persons may be in paid employment or self-employment but may not be currently working. They are considered as employed provided they retain formal and close links with a job or business. Some examples of persons in this category are:

- (a) Persons on paid leave in the context of national accounts such persons represent a continuing labour cost to their employer and therefore are counted as employed. However in cases involving workers' compensation, only those persons who expect to return to work are classified as employed.
- (b) Persons on strike absence from a job for this reason is seen as temporary and therefore these persons are considered to be employed.
- (c) Persons on unpaid leave persons absent for a short period who still have close links with a job are considered to be employed.
- (d) Persons temporarily stood down without pay because of bad weather or plant breakdown these are considered to be non-economic factors preventing individuals from working, the effects of which should not be reflected as a decline in employment. Such persons are considered to be employed provided the period of absence is not such that the links with the employer cease to be strong.
- (c) Persons temporarily stood down without pay for other (economic) reasons such persons should not be considered as employed because their lack of work is the result of labour market factors.

The ABS definition of employment is based on the ILO principles outlined above. Employed persons are defined as all those 15 years of age and over who fall into one of the following categories:

- (a) Worked during the reference week; in particular those persons who:
  - (i) Worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (including employees, employers and self employed persons); or
  - (ii) Worked for 15 hours or more without pay in a family business or on a farm (i.e. unpaid family helpers).
- (b) Did not work during the reference week but had a close attachment to a particular job or business; in particular those persons who:
  - (i) were employers or self-employed persons who had a job, business or farm, but were not at work; or
  - (ii) were on paid leave, workers' compensation (and expected to be returning to their job), or receiving wages or salary while undertaking full-time study; or
  - (iii) were on strike or locked out; or
  - (iv) were on leave without pay for less than four weeks, or stood down without pay because of bad weather or plant breakdown for less than four weeks.

The questions used in the labour force survey to identify employed persons based on the above definition are described in the Appendix.

Statistics on employed persons as defined above are produced by the ABS on a monthly basis from the labour force survey. Important classifications include demographic and labour force characteristics such as age, sex, marital status, birthplace, occupation, occupational status, industry and hours worked. Of particular importance is the description of employed persons according to whether they are *full-time* or *part-time* workers.

Defining what constitutes full-time and part-time employment is not easy. The concept of a standard full-time working week has largely disappeared with moves to shorter working hours and increased preference for what would formerly have been considered part-time working arrangements. The approach adopted by the ABS has been to define full-time or part-time status in terms of hours worked. At present the ABS describes work of 35 hours or more per week as full-time work, while work of less than 35 hours is taken to be part-time work. The concept of full-time and part-time work is best seen as providing a description of a person's usual working pattern if the current week was atypical, although it is customary to take some consideration of a person's current working hours. The ABS definition, which aligns closely with ILO recommendations, designates full-time workers as those who usually work 35 hours or more a week or who worked 35 hours or more during the reference week. Part-time workers are those who usually work less than 35 hours a week, and did so during the reference week.

Employed persons may also be described according to whether they are fully employed or underemployed and this is the subject of the next Section.

#### 1.3 Underemployment

The Resolution of the ILO Thirteenth International Conference of Labour Statisticians in October 1982 defined underemployment as follows:

'Underemployment exists when a person's employment is inadequate in relation to specified norms or alternative employment, account being taken of his or her occupational skill'.

The Conference Resolution further distinguished two principal forms of underemployment, visible and invisible:

- (a) visible underemployment reflects an insufficiency in the volume of employment (i.e. the hours worked); and
- (b) invisible underemployment exists when the labour supplied to the labour market is not being efficiently utilised in terms of either the type of work offered to the individual (disguised underemployment) or how the individual's working time is used (potential underemployment).

Serious conceptual difficulties would be encountered in seeking measures of invisible underemployment and consequently the ILO recommended that statistical measurement be limited to visible underemployment.

A person is visibly underemployed if he or she has what can be considered an insufficient volume of employment. Insufficiency in the volume of employment refers to the hours of work in a person's employment and can be determined on either of two bases:

- (a) A person's preference for employment involving more hours of work; or
- (b) an assessment of whether a person's employment involves working time of less than an accepted norm.

The adoption of the notion of an accepted norm for hours of work would involve making judgements on the number of hours individuals should be working or are capable of working. This is clearly a difficult task for which it is not possible to develop objective standards and is therefore not undertaken in ABS statistics (although persons working full-time hours are defined to be fully employed). If individual preferences are taken into consideration, the question arises whether a person is committed to finding employment with more hours, e.g. whether the person is taking active steps to find the desired job or whether he or she is actually available to work the additional hours. In this regard it is relevant to note the analogy with an unemployed person needing to satisfy specific job search and availability criteria.

The approach adopted by the ABS in its monthly publications is to define two categories of underemployed persons:

- (a) Part-time workers who indicate that they would prefer to work more hours. Statistics on whether these persons are available to work additional hours are not collected by the ABS, but statistics classified by whether or not they are actively looking for full-time work are collected and included in Chapter 3; or
- (b) Full-time workers who did not work full-time hours (i.e. did not work 35 hours or more) in the reference week for economic reasons. Economic reasons include stood down, short time and insufficient work.

Persons who are voluntarily working part-time, or who worked full-time hours in the reference week, or who are full-time workers who did not work full-time hours in the reference week for non-economic reasons, are defined as fully employed. It should be noted that persons who are normally underemployed but who worked full-time hours in the reference week are classified as fully employed.

An outline of the questions used in the labour force survey to determine underemployed persons is given in the Appendix.

Statistics on the underemployed and fully employed as defined above arc produced monthly and are analysed in statistical presentations in terms of the usual demographic and labour force characteristics. Of particular importance is the determination of *underemployment rates*, i.e. underemployed persons as a percentage of the labour force, which are of interest especially for comparison with *unemployment rates*. Together, unemployment and underemployment comprise what the labour utilisation model calls labour underutilisation, and the *labour underutilisation rate* measures the percentage of the labour force whose labour is underutilised.

#### 1.4 Unemployment

The labour force activity framework as articulated by the ILO broadly defines unemployed persons as those who satisfy three criteria:

- (a) not employed;
- (b) seeking work; and
- (c) available for work.

These criteria are intended to provide an indication of a person's commitment to securing employment, that commitment being measured by the steps the person is taking towards finding a job and by whether the person is currently able to accept any job that is offered. Current availability for work is measured by whether a person is available to start work in the reference week. Because of the nature of certain job search activities, the ILO recommends that the period of job search be extended to four weeks. The criteria used for determining whether a person is seeking work are based on a specification of those job search activities which it is considered constitute a serious search for work. The ABS adopts the notion of *actively looking for work* which is intended to distinguish positive job seeking activity such as registering with the Commonwealth Employment Service, applying for jobs, etc., from a non-active job search. Only persons who are taking active steps to find work are classified as unemployed.

Actively looking for work is defined to include writing, telephoning or applying in person to an employer for work; answering a newspaper advertisement for a job; checking factory or Commonwealth Employment Service noticeboards; being registered with the Commonwealth Employment Service; checking or registering with any other employment agency; advertising or tendering for work; and contacting friends or relatives.

In addition to satisfying the three main criteria (not employed, seeking work and available to work), others included as unemployed are:

- (a) persons not available to start work because of temporary illness;
- (b) persons who have found a job and are waiting to start work; and
- (c) persons temporarily stood down for economic reasons.

In summary, the ABS definition of unemployment conforms closely with ILO recommendations and defines unemployed persons as those 15 years of age and over who:

- (a) were not employed during the reference week; and
- (b) had taken active steps to look for full-time or part-time work at any time during the four weeks prior to the reference week; and
- (c) were either:
  - (i) available for work in the reference week or would have been available except for temporary illness (i.e. lasting for less than four weeks to the end of the reference week); or
  - (ii) were waiting to start a new job within four weeks from the end of the reference week and would have started in the reference week if the job had been available then.

Persons who were waiting to be called back to full-time or part-time jobs from which they had been stood down without pay for less than four weeks up to the end of the reference week (including the whole of the reference week) for reasons other than bad weather or plant breakdown are also included as unemployed.

The questions used in the labour force survey to determine unemployed persons based on the above definition are described in the Appendix.

The two major unemployment measures produced on a monthly basis and following the principles described above are the numbers of persons unemployed and the *unemployment rate*. Unemployment rates provide the means for comparing unemployment amongst different groups as well as between different time periods. It is usual to define unemployment rates as the number of unemployed in the particular group of persons of concern as a percentage of the labour force in that group (e.g. the percentage of the female labour force who are unemployed). The labour force is *usually* defined in ABS publications in terms of the civilian labour force although the defence forces are sometimes included.

By examining particular groups and characteristics of the unemployed various economic and social aspects of unemployment may be explored. Some of the more important unemployment measures include full-time and part-time unemployment rates, male and female unemployment rates, the unemployment rates for different age groups and unemployment rates for different types of family members (e.g. family heads, single parents etc.). The labour force characteristics of families with some unemployment and the number of persons affected by different periods of unemployment are also of interest.

It is sometimes argued that unemployment rates are understated because a person who does any work at all during the reference period is classified as employed. For example, a person who during the reference week works for one hour in a temporary job while he or she searches for full-time employment is classified as employed. Such a person would be further classified as a part-time worker who would prefer to work more hours and would consequently be included among persons underemployed. There is in fact only a small number of underemployed part-time workers who work very few hours and, of these, only a small proportion are actively looking for full-time work. Inclusion of such persons as unemployed would have little effect on the total unemployment rate.

#### 1.5 Marginal Attachment to the Labour Force and 'Hidden' Unemployment

As levels of unemployment have risen during the past decade, the term *'hidden'unemployed* has been widely used as a description of those persons who, although they fail to satisfy the searching and availability for work criteria for classification as unemployed and are therefore classified as not in the labour force, nevertheless have some commitment to gain work. Such persons may have withdrawn from the labour force because they perceived their job prospects as poor in the light of the prevailing labour market conditions.

Defining the 'hidden' unemployed so that they can be measured objectively presents considerable difficulties. Approaches to this problem include analysis of participation rates and flow statistics. Fluctuations in participation rates which are not consistent with long term trends are often interpreted as indicating labour market induced movements of persons into or out of the labour force. Similarly the flows of persons from unemployed to not in the labour force from one month to the next would include certain categories of persons who withdrew from the labour force in response to their experience in searching for work. The difficulties in drawing conclusions about the number and characteristics of the 'hidden' unemployed from such analysis are apparent.

As indicators of 'hidden' unemployment, a number of particular aspects of individuals' labour force associations are worth considering, for example:

- (a) whether the person wants to work;
- (b) reasons for not looking for work;
- (c) recent job search or job experience;
- (d) whether the person could accept work if it was offered; and
- (e) intention to look for work in the future.

No single measure or combination of measures is completely satisfactory. Persons wanting to work include a range of types of potential workers, from genuine discouraged jobscekers to persons with family commitments whose expression of desire for a job may be one not likely to be realised. The problem is compounded if persons genuinely discouraged from seekingjobs have, as a result, taken on other activities and therefore are no longer available for work; e.g. persons taking on family responsibilities, retiring early, etc. Similarly, reasons for not looking for work and intention to look for work in the future may or may not be an indication of discouragement because other commitments which have resulted from job discouragement may present difficulties in such a person re-joining the labour force.

Measures of 'hidden' unemployment are produced by the ABS from a survey of persons not in the labour force, conducted in March and September of each year. The approach adopted has been based on the concepts of *marginal attachment to the labour force* and the *discouraged jobseeker*. The concept of marginal attachment to the labour force is intended to cover those persons who, although they are out of the labour force, can be considered to have a close association with the labour force. Discouraged jobseekers represent that group of the marginally attached who are out of the labour force because of their perceptions of labour market conditions.

The definition of marginal attachment follows a structure similar to that of the definition of unemployment, in that it uses the criteria of actively looking for work and availability to start work. It also uses the criterion of wanting to work. A person is defined as marginally attached to the labour force if he or she is not in the labour force during the reference week and satisfies one of two conditions; that is the person must either:

- (a) want to work and be available to start within four weeks; or
- (b) be actively looking for work, but not available to start work within four weeks.

Because those in and out of the labour force are likely to differ in respect of the circumstances which would permit them to start a job, a reference period of four weeks is used to determine availability for the marginally attached, compared with one week for the unemployed.

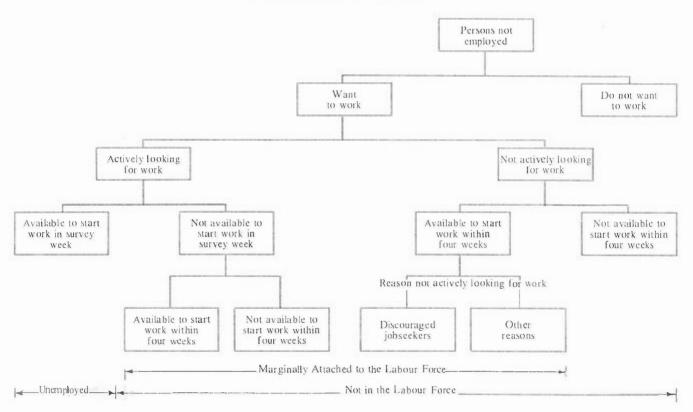
Discouraged jobseekers are defined as those *marginally attached* who are available for work, but who are not actively looking for work for reasons considered to indicate discouragement; i.e. those who give their main reason as one of the following:

- (a) employers think they are too young or too old;
- (b) difficulties with language or ethnic background;
- (c) lack necessary schooling, training, skills or experience;
- (d) no jobs in locality or line of work; or
- (e) no job at all available.

Respondents are asked for all reasons for not looking for work and then asked to identify the main reason. Only the main reason is used for classification purposes.

The marginal attachment model can be represented schematically, as follows:

#### MARGINAL ATTACHMENT MODEL



This model was introduced in the September 1983 survey. Changes from previous surveys are indicated in the September 1983 issue of *Persons Not in the Labour Force, Australia* (6220.0).

#### References

International Labour Organisation, 'Labour Force, Employment, Unemployment and Underemployment, Report prepared for the Thirteenth International Conference of Labour Statisticians', Geneva 1982.

International Labour Organisation, 'Resolution of the Thirteenth International Conference of Labour Statisticians, October 1982.'

#### 2. EMPLOYMENT

Over the period 1966 to 1983, the number of persons employed increased from 4,823,900 to 6,232,700 persons. This was less rapid than the increase in the civilian population. In August 1966 employed persons represented 59.0 per cent of the civilian population and in August 1983 had fallen to 53.9 per cent. There were opposite trends in male and female ratios; the male employment/population ratio fell over the sixteen year period from 83.0 percent to 68.4 percent and the female employment/population ratio rose from 35.3 per cent to 39.7 per cent (Table 2.1 and Chart 2.1).

#### Full-time and part-time employment

Part-time employment more than doubled over the period, from 475,100 in August 1966 to 1,086,500 in August 1983. In contrast, growth in full-time employment was only 18.3 per cent, from 4,348,800 in August 1966 to 5, 146,200 in August 1983 (Table 2.2). The faster rise in part-time than in full-time employment was true of females throughout the period, but for males began only in the 1970's. Over the years 1971 to 1983, part-time employment rose at about the same rate for males and females. The large increase in part-time employment has been associated with increased labour force participation of married females, the expansion of service type industries with greater opportunities for part-time employment and the trend towards more time for leisure (Chart 2.2).

#### Employment by industry

Over the period from 1966 to 1983 there were significant changes in the industry composition of employment. Relative shares of agriculture and manufacturing decreased, and of community services and finance, insurance, substantially increased. Although there was a fall in employment of about 8 per cent in the manufacturing sector, it continued to be one of the largest employing industry sectors in Australia, accounting for about 22 per cent of all male employment in 1983. Community services was the largest employer of females in 1983 — 29 per cent of the total (Charts 2.3, 2.4).

## Employment by occupation

The changes to and within the industry composition of employment in Australia were also reflected in the changes to the occupational structure. The largest increase by occupation was amongst Professional, Technical and Related Workers, which more than doubled over the period 1966 to 1983. This increase was associated with strong growth in the service sector, which traditionally has employed a high proportion of persons with educational qualifications. Substantial rises were also recorded amongst Service, Sport and Recreation Workers and in the Clerical and Sales occupation groups (Chart 2.5).

#### Persons fully employed

While the number of persons fully employed (as defined in Section 1.3 of Chapter 1) increased from 4,770,500 to 5,966,800 over the period August 1966 to August 1983, the proportion of fully employed persons to all employed persons fell from about 99 percent to 96 percent. This fall reflects the increase in underemployment, particularly in the middle to late 1970's. In August 1983, fully employed males comprised 97 per cent of all males employed compared with a corresponding figure of 94 per cent for fully employed females (Tables 2.2, 2.3).

### Working patterns of fully employed persons

The majority of fully employed persons are full-time workers, although the proportion is higher for males than for females (Chart 2.6). The distribution of hours worked by fully employed full-time workers is centred at about 40 hours per week for males and between 35 and 40 hours per week for females (Table 2.4). The distribution of hours worked by fully employed part-time workers tends to be evenly distributed among the hours worked groups, with males again tending to work longer hours (Table 2.5).

#### Age of fully employed part-time workers

The age distribution of fully employed part-time workers differs quite markedly between males and females. The distribution for males is biased towards the very young and the very old, reflecting the fact that male part-time workers are more likely to be students or persons who have retired from full-time employment, but who still wish to remain active in the labour force. For females, there are many 25-54 year olds who prefer to work part-time because of family, personal and leisure activities (Chart 2.7).

## TABLE 2.1 EMPLOYED PERSONS, AUGUST 1966-1983

August	Males	Married Females	All Females	Persons
	NUM	MBERS ('000)		
1966	3,365.6	761.2	1.458.2	4.823.9
1970	3,647.7	1,031.4	1,747.8	5.395.6
1973	3.839.6	1,228.2	1,943.3	5,783.0
1976	3,836.3	1,337.8	2,061.5	5,897.8
1979	3,904.5	1,347.2	2,136.9	6,041.5
1983	3,910.8	1,435.5	2.321.8	6.232.7
	EMPLOYMENT/ PO	PULATION RATIOS (per ce	nt)	
1966	83.0	28.2	35.3	59.0
1970	82.3	34.3	38.7	60.3
1973	81.0	33.0	40.3	60.5
1976	76.3	39.6	40.4	58.4
1979	74.1	39.1	39.6	56.6
1983	68.4	38.8	39.7	53.9

	Full-time	workers	Part-time	workers	Total		
Augusi	Fully employed	Under- employed	Fully employed	Under- employed	Fully employed	Under- employed	Tota
			NUMBERS ('00	0)			
1966	4,333.8	15.0	436.7	38.4	4,770.5	53.4	4.823.9
1970	4,817.1	8.8	536.3	33.4	5.353.4	42.2	5.395.6
1973	5,088.1	4.8	651.8	38.3	5,739.9	43.1	5,783.0
1976	5,027.1	9.8	777.2	83.7	5.804.3	93.5	5,897.8
1979	5,043.0	41.2	836.6	120.7	5.879.6	161.9	6,041.5
1983	5,096.2	50.0	870.6	215.9	5,966.8	265.9	6.232.7
	PR	OPORTION OF	ALL EM PLOYE	D PERSONS (pe	er cent)		
1966	89.8	0.3	9.1	0.8	98.9	1.1	100.0
1970	89.3	0.2	9.9	0.6	99.2	0.8	10.0.0
1973	88.0	0.1	11.3	0.7	99.3	0.7	100.0
1976	85.2	0.2	13.2	1.4	98.4	1.6	10.0.0
1979	83.5	0.7	13.8	2.0	97.3	2.7	100.0
1983	81.8	0.8	14.0	3.5	95.7	4.3	100.0

# TABLE 2.2 EMPLOYED PERSONS: FULL-TIME AND PART-TIME WORKERS FULLY EMPLOYED AND UNDEREMPLOYED,AUGUST 1966-1983

#### TABLE 2.3 FULLY EMPLOYED PERSONS, AUGUST 1966-1983

August	Males	Married fæmales	All females	Persons
	NUMBE	RS (1000)		
1966	3,339.0	742.8	1,431.5	4,770.5
1970	3,631.0	1,011.4	1.722.3	5,353.4
1973	3.822.3	1,208.3	1.917.5	5.739.9
1976	3,798.1	1,299.6	2.006.2	5,804.3
1979	3,831.3	1,289.8	2,048.2	5,879.6
1983	3,796.8	1,346.8	2.169.9	5,966.8
	PROPORTION OF ALL EM	PLOYED PERSONS (perc	eent)	
1966	99.2	97.6	98.2	98.9
1970	99.5	98.1	98.5	99.2
1973	99.5	98.4	98.7	99.3
1976	99.9	97.1	97.3	98.4
1979	98.1	95.7	95.8	97.3
1983	97.1	93.8	93.5	95.7

Manufa All								
Hours worked	Males	Married females	All females	Persons				
0(a)	5.1	5.5	5.2	5.1				
1-15	0.6	0.9	0.9	0.7				
16-29	3.2	4.4	4.5	3.6				
30-34	5.9	5.8	6.0	5.9				
35-39	18.5	26.1	26.0	20.6				
40	30.5	35.4	37.0	32.3				
41-44	6.7	6.0	6.4	6.6				
45-48	9.0	4.7	4.9	7.8				
49-59	0.4	5.1	4.5	8.7				
60 and over	10.2	6.2	4.6	8.6				
Total	100.0	100.0	1()0.0	100.0				

## TABLE 2.4 FULLY EMPLOYED: FULL-TIME WORKERS BY HOURS WORKED, AUGUST 1983 (per cent)

(a) Persons who did not work in survey week.

## TABLE 2.5 FULLY EMPLOYED: PART-TIME WORKERS BY HOURS WORKED, AUGUST 1983 (per cent)

Hours worked	· Males	Married fiemales	All females	Persons
0(a)	5.8	4.8	4.8	5.(
I- 5	12.8	11.5	13.3	13.2
6-10	19.4	17.2	19.6	19.5
11-15	9.7	15.1	14.2	13.4
16-20	13.5	19.8	17.9	17.(
21-29	14.7	17.9	16.6	16.2
30-34	24.2	13.6	13.7	15.7
Total	100.0	100.0	100.0	100.0

(a) Persons who did not work in survey week.

#### **3. UNDEREMPLOYMENT**

In the late 1960's underemployment and other underutilisation of manpower were at substantially lower levels than is presently the case. In August 1966 there were an estimated 53,400 persons underemployed (as defined in Section 1.3 of Chapter 1), representing 1.1 per cent of the civilian labour force. The underemployment level remained relatively stable until 1974, since when it has increased steadily until by August 1983 265,900 were recorded as underemployed (about 3.8 per cent of the labour force). The major contribution to total underemployment has historically been those persons working part-time who would like to work more hours(215,900 persons in August 1983). Indeed it is only since 1976 that full-time underemployment (i.e. persons who usually work full-time but could not because of economic circumstances) has been significant, numbering 50,000 in August 1983 (Chart 3.1).

### Seasonality of underemployment

Underutilisation of labour is subject to seasonal variation, similar for both underemployment and unemployment. Underemployment typically reaches its peak towards the end of the year as young people leave education and attempt to find full-time employment. An increase in the number of available part-time jobs in November and December, particularly in the retail and other service areas, provides a boost to underemployment in these months as persons seeking full-time work accept these seasonal, part-time vacancies (Table 3.1).

#### Demographic characteristics

Underemployment has remained consistently higher among females (particularly married females) than among males. In August 1983 the underemployment rate for females was 5.9 per cent compared with 2.6 per cent for males and a rate of 3.8 per cent overall (Chart 3.2). Underemployment is highest among the 15-19 year old age group, with a rate in August 1983 of 7.4 per cent (8.6 per cent for females). The high underemployment rates for young persons parallels high unemployment rates for the same group and highlights the large degree of underutilisation of persons entering the labour force for the first time. Females in the 35-44 year age group also show relatively high rates of underemployment. Although there are substantial numbers of females in this age group who voluntarily work part-time, these high underemployment rates indicate the difficulty in obtaining full-time work for persons re-entering the labour force (Chart 3.3).

#### Underemployment of part-time workers

Associated with an increase in part-time work in the last decade has been an increase in the number of part-time workers who would have preferred to work more hours. In August 1966 only 38,400 persons were recorded as part-time underemployed (about 8 per cent of all part-time workers), while by 1983 this had increased to 215,900 or about 20 per cent of all part-time workers. The largest increases occurred among females (from 23,100 in August 1966 to 141,700 in August 1983) compared with the corresponding increase in males from 15,200 to 74,100. However, the proportion of total part-time employed males who are underemployed is almost double that of females; almost 31 per cent of part-time employed in August 1983 (Table 3.2 and Chart 3.4).

Part-time underemployed males tended to work longer hours than the corresponding group of females in August 1983 and only 46 per cent of males worked less than 15 hours in the reference week compared with 57 per cent of married females. This is in line with the pattern of working hours for all part-time workers (Table 3.3).

Part-time underemployed persons who have been actively looking for full-time work may be considered to have a greater degree of underemployment than those part-time underemployed persons who are not looking for work. A total of 72,300 of the 215,900 part-time underemployed in August 1983 were actively looking for full-time work. Just under half of the part-time underemployed males were actively looking for full-time work compared with about a quarter of females. Younger underemployed persons (aged 15-34) are more likely to be looking for full-time work compared with older persons. Few underemployed married females are actively looking for full-time work (Chart 3.5).

#### Underemployment of full-time workers

Levels of full-time underemployment (i.e. full-time workers who worked less than 35 hours in the survey week for economic reasons) remained relatively low until 1977, but increased to 57,700 by August 1982 (about 1 per cent of all full-time employment). Full-time underemployment consists predominantly of males (Chart 3.6).

Only a small proportion of the full-time underemployed worked less than 15 hours a week (Table 3.4).

#### Labour underutilisation rates

In August 1983 the labour underutilisation rate (i.e. the sum of the unemployed and underemployed expressed as a percentage of the labour force) was 13.7 per cent (3.8 per cent of the labour force underemployed and 9.9 per cent unemployed). The underutilisation rate for females was 15.8 per cent and for males 12.5 per cent (Chart 3.7). Unemployment rather than underemployment is the main cause of the long term rise in the underutilisation rate for males, while for females, especially since the middle 1970's, unemployment and underemployment contribute more equally to total underutilisation.

		Males	Married females	All females	Persons	Underemployment rate(a) (per cent)
1982						
January		80.7	58.4	112.8	193.4	2.9
February		80.7	60.6	114.6	195.2	2.8
March		82.0	72.0	125.8	207.8	3.0
April		80.6	67.7	118.0	198.6	2.9
May		94.1	65.6	118.5	212.6	3.1
June		89.7	70.0	117.7	207.4	3.0
July		97.1	74.2	123.1	- 220.2	3.2
August	12.1	101.8	79.1	128.6	230.4	3.4
September		105.2	76.3	127.5	232.8	3.4
October		118.3	88.2	143.0	261.3	3.8
November		134.6	90.3	154.0	288.6	4.2
December		138.9	85.7	162.5	301.4	4.3
1983						
January		115.8	72.5	133.8	249.6	3.6
February		125.0	86.7	144.4	269.4	3.8
March		1.33.2	93.0	155.8	289.1	4.1
April		112.4	87.0	146.0	258.3	3.7
May		128.2	93.2	156.0	284.1	4.1
June		125.4	93.7	154.6	280.0	4.0
July		122.5	86.3	150.6	273.1	3.9
August		114.0	88.7	151.9	265.9	3.8
September		115.2	90.6	152.2	267.4	3.8

TABLE 3.1 UNDEREMPLOYMENT, JANUARY 1982-SEPTEMBER 1983

(a) The number of underemployed persons as a proportion of the labour force, see section 1.3 of Chapter 1.

	August						
	1966	1970	1973	1976	1979	1983	
		NUMB	ERS ('000)				
Males	15.2	10.3	12.8	30.7	40.5	74.1	
Married females	15.9	18.1	19.6	36.5	51.8	82.3	
All females	23.1	23.1	25.5	52.9	80.2	141.7	
Persons	38.4	33.4	38.3	83.7	120.7	215.9	
	PROPORTI	ON OF PART-TIM	E EMPLOYED PER	SONS (per cent)			
Males	12.1	9.0	9.0	18.0	19.9	30.8	
Married females	5.9	4.9	4.3	6.6	8.8	12.7	
All females	6.6	5.1	4.7	7.7	10.6	16.8	
Persons	8.1	5.9	5.5	9.7	12.6	19.9	

## TABLE 3.2 UNDEREMPLOYED PART-TIME WORKERS, AUGUST 1966-1983

			Hours worked in	n reference woek	-	P	ersons who did	
	1-5	6-10	11-15	16-20	21-29	30-34	not work in survey week	Total
			NUMBE	R ( '000)				
Males	9.2	16.0	9.2	14.9	14.0	9.3		74.1
Married females	14.3	21.0	12.0	14.5	11.4	6.0		82.3
All females	24.9	32.2	18.4	25.5	24.8	11.8		141.7
Persons	34.1	48.2	27.6	40.4	38.8	21.1	5.7	215.9
		PRO	OPORTION OF	TOTAL (per o	cent)			
Males	12.4	21.6	12.4	20.1	18.9	12.6		100.0
Married females	17.4	25.5	14.6	17.6	13.9	7.3		100.0
All females	17.6	22.7	13.0	18.0	17.5	8.3	•	100.0
Persons	15.8	22.3	12.8	18.7	18.0	9.8	2.6	100.0

TABLE 3.3 UNDEREMPLOYED PART-TIME WORKERS: HOURS WORKED, AUGUST 1983

	Fle	ours worked in survey we	rek	Persons who did not work		
	1-15	16-29	30-34	in survey week	Total	
		NUMBER ( '000)				
Males	6.0	4.6	13.1	6.2	39.9	
Females		4.5	•		10.2	
Persons	7.0	19.2	16.9	6.9	50.0	
	PRO	PORTION OF TOTAL	(per cent)			
Males	15.0	36.6	32.8	15.5	100.0	
Females		44.1			100.0	
Persons	14.0	38.4	33.8	13.8	100.0	

## TABLE 3.4 UNDEREMPLOYED FULL-TIME WORKERS: HOURS WORKED, AUGUST 1983

#### 4. UNEMPLOYMENT

Unemployment during the late 1960's was less than 100,000 persons but increased to more than 350,000 by the late 1970's. Further large increases in 1982 saw the level of unemployment reach 684,100 by August 1983. Expressed as a percentage of the civilian labour force, this represents an unemployment rate of 9.9 per cent (Table 4.1 and Charts 4.1, 4.2).

## Demographic characteristics

Unemployment falls most heavily on the young. In August 1983, the unemployment rate for those aged 15 to 19 years was 22.6 percent compared with 14.7 percent for those aged 20-24 years and 9.9 per cent for all persons. The rate of unemployment for 15 to 19 year olds has, since 1966, always exceeded the unemployment rate for all persons. This has been especially so since 1974. Females have generally experienced higher unemployment rates than males throughout the period (Table 4.2 and Chart 4.3).

## Full-time and part-time job search

Few unemployed males seek part-time work but unemployment rates for this group tended to be a little higher than for full-time male job seekers until 1983 when the high full-time male unemployment rate (10.0 per cent) exceeded the part-time male unemployment rate (7.7 per cent). For females 23 per cent of the unemployed look for part-time work. Unemployment rates are higher for the full-time female job seekers (in August 1983, 11.7 per cent for full-time job seekers compared with 6.5 per cent for part-time) (Table 4.3).

#### Duration of unemployment

The increase in unemployment over the past decade has been associated with an increase in the average duration of unemployment from approximately three weeks in August 1966 to almost ten months in August 1983. In August 1983 over half of the unemployed (361,000) had been out of work for 26 weeks or more. Almost 28 per cent had been out of work for more than a year (Table 4.4). While the older age groups are less prone to be unemployed than the younger groups, they suffer from longer periods of unemployment. The average duration of unemployment amongst those 35 years of age and over was 51 weeks in August 1983 compared with 32 weeks for teenagers (i.e. those 15-19 years of age). This can be partially explained by the fact that the figures represent current spells of unemployment and not completed spells. Thus teenagers who have recently left education and are looking for work reduce the average duration for all persons in that age group quite significantly (Chart 4.4).

## Families and unemployment

Unemployment is lower amongst husbands than other family heads. In July 1982, the unemployment rates for husbands with or without dependent children were about 3 per cent in each case. This compares with a rate of 6.6 per cent for all persons and more than 9 per cent for non-married female family heads (Chart 4.5). Of 4,002,600 families in July 1982, 325,600 contained at least one member who was unemployed. The majority of these families, some 258,600, were married couple families. A considerable number of families with one or more members unemployed, (108,600), had none of its members in employment. Of these 73,600 were married couple families (Table 4.5).

#### Difficulties in finding work

In July 1983, most age groups reported as their main difficulty in finding work that no vacanies existed in their line of work or that no vacancies existed at all. A notable exception was the group aged 55 or more, who reported that age was their major difficulty. As could be expected, a higher proportion of the young unemployed reported difficulties in finding work because they lacked training, skills or education or that they had no work experience (Charts 4.6, 4.7).

#### Education background

There appears to be a strong relationship between unemployment and the number of years spent in the education system. Persons with high levels of educational attainment have lower unemployment rates than those with less education. In February 1983 persons with post-school qualifications constituted 28 per cent of the unemployed and 42 per cent of the employed. Those with only school qualifications constituted 68.3 per cent of the unemployed and 56.6 per cent of the employed. This pattern is more evident with males than females. During the years 1979 to 1983, the unemployment rates for those persons with post-school qualifications have consistently remained below those without these qualifications. In February 1983, the unemployment rate for those with post-school qualifications (Table 4.6 and Chart 4.8).

## Reasons for leaving last job

More than half of the unemployed have left their job involuntarily. In July 1983 57 per cent of the unemployed had been retrenched or had lost their job while a further 11 per cent had been doing temporary or seasonal work. The pattern is quite different for males and females. In July 1982, 63 per cent of unemployed males had been retrenched compared with 41 per cent for females. About one in six of the female unemployed were attempting to re-enter the labour force after a period out of it for family related reasons (e.g. to have children, husband transferred) (Table 4.7).

## TABLE 4.1 UNEMPLOYMENT RATES, AUGUST 1979-1983 (per cent)

	Civilian unemployment rate	Total unemployment rate(a)
1979	5.8	5.8
1980	5.9	5.8
1981	5.6	5.5
1982	6.7	6.7
1983	9.9	9.8

(a) Includes permanent defence forces.

## TABLE 4.2 UNEMPLOYMENT RATES: AGE, AUGUST 1966-1983 (per cent)

			Aug	uSI		
Age group (years)	1966	1970	1973	1976	1979	1983
		N	IALES			
15-19	2.5	2.9	4.6	12.7	14.7	23.0
20-24	1.4	1.3	2.1	6.5	8.3	17.2
25-34	0.8	0.8	0.8	2.8	3.7	9.1
35-44	0.9	0.6	0.9	2.3	2.4	6,0
45-54	1.0	0.7	0.7	2.3	2.4	5.9
55+	1.1	0.9	0.9	1.9	2.7	6.4
Total	1.1	1.0	1.3	3.9	4.8	9.9
		FE	MALES			
15-19	4.0	3.6	4.9	15.8	20.4	22.2
20-24	2.8	2.0	2.5	6.3	8.0	11.5
25-34	2.6	2.2	2.3	5.1	6.5	9.5
35-44	2.5	2.8	3.2	4.0	4.2	6.8
45-54			1.6		3.8	4.8
55+				3.2	2.0	2.6
Total	2.6	2.3	2.7	6.2	7.7	9.9
		PE	RSONS			
15-19	3.2	3.2	4.7	14.2	17.4	22.6
20-24	1.9	1.6	2.3	6.4	8.2	14.7
25-34	1.2	1.2	1.3	3.6	4.6	9.2
35-44	1.3	1.3	1.7	2.9	3.1	6.3
45-54	1.2	0.9	1.0	2.6	2.9	5.5
55+	1.1	1.0	1.0	2.0	2.6	5.5
Total	1.6	1.4	1.8	4.7	5.8	9.9

			due	gusi		
			2007	çusi		
Looking for —	1966	1970	1973	1976	1979	1983
		NUM	BER (*000)			
MALES-			53			
Full-time	37.0	33.4	38.3	142.7	182.8	409.5
Part-time			13.0	13.9	13.3	20.2
Total	38.9	36.7	51.3	156.6	196.1	429.7
FEMALES-						
Full-time	28.8	24.5	28.8	94.1	130.1	195.7
Part-time	10.8	17.0	25.6	42.0	47.5	58.7
Total	39.7	41.5	54.5	136.1	177.7	254.4
PERSONS-						
Full-time	65.9	57.9	67.2	236.8	312.9	605.2
Part-time	12.7	20.3	38.6	55.9	60.8	78.9
Total	78.6	78.2	105.8	292.7	373.8	684.1
		UNEMPLOYM	ENT RATE (per cen	t)		
MA LES-						
Full-time	1.1	0.9	1.0	3.7	4.7	10.0
Part-time	•		8.4	7.5	6.1	7.1
FEMALES -						
Full-time	2.5	1.9	2.0	6.4	8 6	11.1
Part-time	3.0	3.6	4.5	5.7	5.9	6.:
PERSONS-						
Full-time	1.5	1.2	1.3	4.5	5.8	10.:
Part-time	2.6	3.4	5.3	6.1	6.0	6.8

### TABLE 4.3 UNEMPLOYMENT: FULL TIME AND PART TIME, AUGUST 1966-1983

		( 000)			
		1	Augusi		
Duration of unernployment (weeks)	1966	1970	1973	1979	1983
Under 2	19.7	20.3	23.3	33.0	32.0
2 and under 4	20.3	20.5	27.4	42.5	49.4
4 and under 8	10.3	14.8	21.3	51.4	73.3
8 and under 13	8.4	12.4	12.8	43.9	65.6
13 and under 26	9.4	5.0	10.5	60.9	102.6
26 and under 39	] [-		5.1	60.4	122.8
39 and under 52	10.5	<b>C</b> 1		13.9	49.4
52 and under 65	> 10.5	5.1	5.6	24.5	61.2
65 and over				43.3	127.6
Total	78.6	78.2	105.8	373.8	684.1
Average (mean)				-	
duration (weeks)	3.0	7.3	9.3	28.4	41.5

# TABLE 4.4 DURATION OF UNEMPLOYMENT, AUGUST 1966-1983(\* 000)

## TABLE 4.5 UNE/VIPLOYMENT AND FAMILIES, JULY 1979 AND JULY 1982 (\* 000)

		( 000)				0.0000000000000000000000000000000000000
		July 1979			July 1982	
	Num	ber employed in fo	unit y—	Nuu	der employed in fa	umily
Type of family	None	l or more	Total	None	1 or more	Total
	WITH	DEPENDENT CH	ILDREN			
Families with some unemployment	52.7	120.9	173.6	69.4	125.9	195.3
Married couple families	33.6	109.7	143.3	47.0	113.8	160.8
Husband unemployed	30.0	8.6	38.6	41.5	15.5	57.0
Other family member unemployed	3.6	101.1	104.7	5.4	98.4	103.8
Other families	19.1	11.2	30.3	22.4	12.1	34.5
Head unemployed	12.6	•	14.5	13.2		15.3
Other family member unemployed	6.6	9.2	15.8	9.2	10.1	19.3
Families with no unemployment	148.2	1,792.8	1,941.1	173.6	1,802.4	1.976.0
All families	201.0	1,913.7	2,114.7	243.0	1,928.3	2,171.3
	WITHOU	T DEPENDENT (	CHILDREN			
Families with some unemployment	28.6	74.1	102.7	39.2	91.1	130.3
Married couple families	18.7	61.0	79.7	26.6	71.2	97.8
Husband unemployed	13.8	10.8	24.6	17.8	12.4	30.2
Other family member unemployed	4.9	50.2	55.1	8.8	58.8	67.6
Other families	9,9	13.1	23.0	12.5	20.0	32.5
Head unemployed			5.4			
Other family member unemployed	7.2	10.4	17.6	11.0	17.2	28.2
Families with no unemployment	447.9	1,11.3.7	1.5 61.7	534.1	1,166.9	1,701.0
All families	476.5	1,187.8	1,66-4.3	573.2	1,258.0	1,831.3

		(Per cent)				
	A	Males F		males	Persons	
Educational attainment	Employed	Unemployed	Employed	Unemployed	Employed	Unemployed
With post-school qualifications	45.2	28.3	37.7	28.6	42.4	28.4
Degree or equivalent	9.8	3.3	7.4	4.9	8.9	4.0
Trade, technical level	34.6	24.2	29.1	22.5	32.6	23.5
Other	0.9		1.1	*	1.0	1.0
Without post-school qualifications Attended highest level of	54.2	68.9	60.7	67.3	56.6	68.3
secondary school available Did not attend highest level of secondary school available and left at age—	12.3	13.4	12.7	14.2	12.5	13.7
18 years or over	0.6	1.2	0.7		0.6	1.2
16 or 17 years	13.1	19.7	16.3	20.6	14.3	20.0
14 or 15 years	23.2	30.0	27.3	27.8	24.7	29.1
13 years or under	4.8	4.3	3.5	3.2	4.3	3.8
Total	41.7	55.1	47.8	52.8	43.9	54.2
Never attended school	0.1				0.2	
Still at school	0.6	2.9	1.6	4.1	1.0	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

## TABLE 4.6 EDUCATIONAL ATTAINMENT OF EMPLOYED AND UNEMPLOYED PERSONS, FEBRUARY 1983 (Per cent)

		(r er cent)	5			
	Conservation	July 1978		July 1983		
	Males	1-emales	Persons	Males	Females	Persons
Retrenched/lost job	55.0	36.4	48.8	62.7	40.5	56.5
Unsatisfactory work arrangements	11.2	15.8	12.7	8.4	12.1	9.4
Own ill health or injury	6.3	8.2	6.9	6.2	4.5	5.7
Job was temporary or seasonal	13.2	10.9	12.4	9.7	15.0	11.2
Returned to studies	2.0		2.1	1.3		1.6
To marry/have children look after family		5.9	2.4		7.1	2.3
Moved house spouse transferred	2.4	10.7	5.2	3.2	8.9	4.8
Travel/take a holiday	3.0	4.1	3.4	2.0	3.8	2.5
Other	6.4	5.4	6.0	6.0	5.6	5.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

## TABLE 4.7 UNEMPLOYMENT(a): REASON FOR LEAVING LAST FULL-TIME JOB, JULY 1978 ANO JULY 1983 (Per cent)

(a) Refers to persons looking for work who were wage and salary earners in their last full-time job.

## 5 MARGINAL ATTACHMENT TO THE LABOUR FORCE AND 'HIDDEN' UNEMPLOYMENT

In September 1983, there were an estimated 5.2 million persons 15 years of age and over who were not employed; about one-third of these persons were older than the generally accepted retirement age of 65 years for males and 60 years for females. There were 1.7 million persons or 33 percent of those not employed who wanted a job. Of these 718,700 were taking active steps to find work and were available to start work within the survey week; they were therefore classified as unemployed. Of the remaining 1,009,700 who wanted a job but were not in the labour force, 21,900 were actively looking for work, not available to start work in survey week but would have been available within four weeks, 31,900 were actively looking for work but were not available to start work either in the survey week or within a period of four weeks and 955,900 were not actively looking for work. The latter group of 955,900 comprised 711.800 who were available to start work within four weeks — including 118,200 discouraged jobseekers and 593,600 persons not actively looking for work for other reasons — and 244,200 persons not available to start work within four weeks.

Persons defined as marginally atached to the labour force (765,600) comprise the 733,700 who wanted to work and were available to start within four weeks and the 31,900 who were actively looking for work but were not available to start within four weeks (Charts 5.1, 5.2 and Table 5.1).

#### Unemployment and Marginal Attachment Rates

Chart 5.1 sets out the relationships between the unemployed, those marginally attached to the labour force and those with no attachment to the labour force. The unemployment rate has traditionally been used as a convenient indicator of labour market performance, but, as noted in Chapter 3, it can be supplemented by the inclusion of underemployed persons to produce underutilisation rates. Just as underemployed persons fill the grey area between those fully employed and those unemployed, those persons marginally attached to the labour force fill the 'grey area' between unemployment and those with no attachment at all to the labour force, and appropriate rates can be constructed. Table 5.2 contains a number of such rates.

The rates shown in Table 5.2 begin with the traditional unemployment rate (10.2 per cent for persons) and add, component by component, the various groups which make up those marginally attached to the labour force. Thus the second rate shown of 10.4 per cent is calculated by adding those persons actively looking for work, not available to start work in survey week, but available within a four week period (21,900) — in both the numerator and denominator of the simple unemployment rate fraction. The next rate shown involves the further inclusion of the 118,200 discouraged jobseckers in both numerator and denominator to produce a rate of 11.9 per cent (10.5 per cent for males and 14.1 per cent for females). When the total estimate of marginally attached (765,600) is added to the unemployed and to the labour force, the rate produced is 18.9 per cent (13.1 per cent for males, 27.2 per cent for females), comprising 9.2 per cent due to unemployment and 9.8 per cent due to marginal attachment.

The rates produced in Table 5.2 are examples only of the types of rates that can be constructed and used as alternative indicators of labour market performance where appropriate.

#### Discouraged jobseekers and other persons marginally attached

In September 1983 there were 118.200 discouraged jobseekers. Almost 80 per cent (91,800) were females, of whom 69,700 were married. Discouraged jobseekers were found mainly in the 25 years and over age groups, with the largest concentration in the 35-44 year age group; male discouraged jobseekers tended to be older than female discouraged jobseekers (Charts 5.3, 5.4). Almost 64 per cent (75, 100) of discouraged jobseekers intended to look (including those who might look) for work in the next twelve months (Table 5.3). This compares with the 55 percent of all marginally attached persons who stated that they intended to or might look for work.

Generally speaking, discouraged jobseekers have had little recent labour force experience either in respect of having a regular job or in looking for work. More than 60 per cent (72,000) of discouraged jobseekers had either never had a regular job or had not had one for at least three years (Chart 5.5). Among discouraged jobseekers, the major reason for leaving their last regular job was for family considerations (23 percent, mostly females), although a large proportion (21 per cent), including a large component of males, were retrenched or dismissed (Chart 5.6). Almost two thirds of the discouraged jobseekers had not sought work in the twelve months to September 1983 (Chart 5.7). The major reasons for discouraged jobseekers not looking for work were that there were no jobs available in the desired line of work or locality or that there were no jobs available at all (Table 5.4). In general, male discouraged jobseekers were more likely to have had recent labour force experience (i.e. had been employed or had looked for work) compared to females.

The remaining persons defined as marginally attached to the labour force (647,400) comprise those actively looking for work but unavailable to start within four weeks (31,900) and those who want a job, arc available to start work but are not looking for work for reasons other than discouragement (615,500). Comparisons between discouraged jobseekers (118,200) and other persons available to start work (615,500) are discussed below and a refeatured in the charts and tables in this chapter.

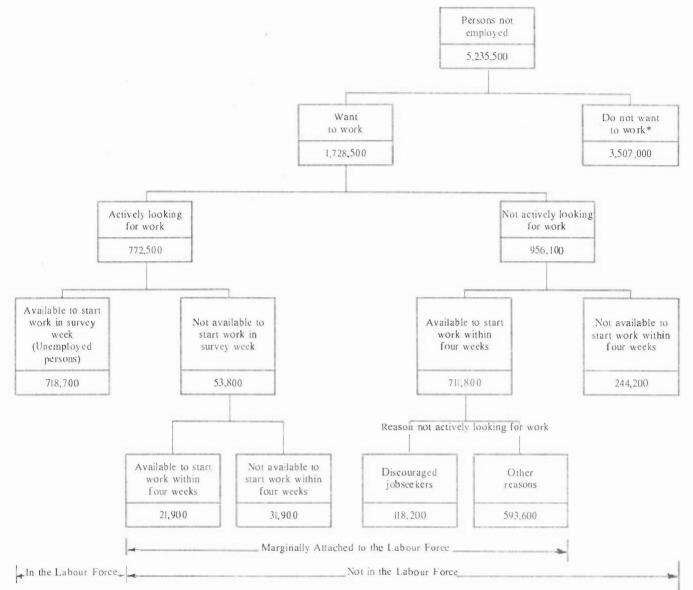
Compared with discouraged jobseekers, other persons available to start work are younger, with much higher proportions in the 15-25 year age group (Charts 5.4, 5.5). The overwhelming majority of these young persons, both male and female, cited attendance at an educational institution as the main reason for not looking for work. For males, the other significant reason given for not looking for work was ill health, largely among older age groups. The majority of females stated that family considerations (in particular that they were unable to find child care) were the main reason for not looking for work (Table 5.5).

As with discouraged jobseekers, long term absence from regular labour force experience is a characteristic of other persons wanting a job and available for work. Whereas for discouraged jobseekers, dismissal or retrenchment was a major (21 per cent) factor in leaving the last regular job, this reason is far less significant (9 per cent) for other persons available to start work. For these persons, by far the most predominant reason given for leaving work was for family considerations which contributed about 36 per cent of all reasons (Chart 5.6). Similarly, about 77 per cent had not looked for work within the last twelve months compared with about 64 per cent of discouraged jobseekers (Chart 5.7).

Among all persons wanting to work and available to start work within four weeks, work preference was significantly different for males (almost half preferred to work full-time) and females (only about 16 per cent expressed a preference for full-time work). This difference is consistent for both discouraged jobseekers (although the female preference for full-time work is slightly higher at 22 per cent) and those other than discouraged jobseekers (Chart 5.8).

#### Persons who wanted to work but were not marginally attached to the labour force

Chart 5.9 illustrates those 244,200 persons who stated that they wanted a job, but who were not classified as marginally attached to the labour force because they were not available to start work within four weeks and were not actively looking for work. For males, the predominant reasons for not being available to start work within four weeks were ill health (38 per cent) and attendance at an educational institution (49 per cent) whereas about 44 per cent of females were not available due to lack of suitable child care or because their children were too young, etc. This distribution of reasons for unavailability follows closely the pattern of reasons for not actively looking for work given by those persons marginally attached to the labour force. The proportion (46 per cent) of persons wanting to work but not marginally attached who intended to look for work in the next twelve months was less than that for marginally attached persons (55 per cent) and in particular discouraged jobscekers (64 per cent) (Table 5.6).



## CHART 5.1 SUMMARY OF PERSONS NOT EMPLOYED, SEPTEMBER 1983

\* Includes persons in institutions or permanently unable to work.

TABLE 5.1 SUMMARY OF	CIVILIAN	POPULATION	15	YEARS	AND	OVER
	SEPTEN	1BER 1983				
		0.00				

(\* 000)

	Males	Females	Persons
Fully employed	3,864.4	2.218.1	6.082.6
Under employed	115.2	152.2	267.4
Unemployed	435.3	283.4	718.7
Marginally attached to the labour force	162.8	602.8	765.6
Wanted to work and available to start work within four weeks	142.0	591.7	7.3.3.7
Were actively looking for work	7.4	14.4	21.9
Were not actively looking for work	1.34.6	577.3	711.8
Discouraged	26.4	91.8	118.2
Other reasons (a)	108.2	485.5	593.5
Were actively looking for work but not available to start work within four weeks	20.8	11.1	31.9
Wanted to work but not available to start work within four weeks nor actively looking for work	64.8	179.4	244.2
Did not want to work (b)	1,083.1	2,423.9	3,507.0
Civilian population 15 years and over	5,725.7	5,860.2	11,585.9

(a) Includes persons (10,900) who had a job but, up to the end of the survey week, had been away from work without pay for four weeks or longer and had not been actively looking for work. (b) Includes persons in institutions and permanently unable to work.

Nume. ('00			_	Denominator ('000)				Rate (per cent	)	
	Males	Females	Persons		Mules	Females	Persons	Males	Females	Persons
Unemployed	435.3	283.4	718.7	Civilian labour force	4,415.0	2,653.7	7.068.7	9.9	10.7	10.2
Unemployed PLUS Actively looking for work but available to start within four weeks	442.7	297.8	740.6	Civilian labour force PLUS Actively looking for work but available to start within four weeks	4,422.4	2,668.1	7,090.6	10.0	11.2	10.4
Unemployed PLUS Actively looking for work but available to start within four weeks PLUS Discouraged jobseekers	469.1	.389.6	858.8	Civilian labour fource PLUS Actively looking for work but available to start within four weeks PLUS Discouraged jobseekers	4,448.8	2,759.9	7,208.8	10.5	4.	11.9
Unemployed PLUS Marginally attached	598.1	886.2	1,484.3	Civilian labour force PLUS Marginally attached	4,577.8	3,256.5	7,834.3	13.1	27.2	18.9
Unemployed	435.3	283.4	718.7	Civilian labour force PLUS Marginally attached	4,577.8	3,256.5	7,834.3	9.5	8.7	9.2
Marginally attached	162.8	602.8	765.6	Civilian labour force PLUS Marginally attached	4,577.8	3.256.5	7,834.3	3.6	18.5	9.8

## TABLE 5.2 UNEMPLOYMENT AND MARGINAL ATTACHMENT RATES, SEPTEMBER 1983

TABLE 5.3 PERSONS NOT LOOKING FOR WORK WHO WANTED TO WORK AND WERE AVAILABLE TO START WORK WITHIN FOUR WEEKS: REASON FOR NOT ACTIVELY LOOKING FOR WORK AND INTENTION TO LOOK FOR WORK (a) SEPTEMBER 1983 (\* 000)

			Intention to 1	ook for work		
Main reason for not actively looking for work	Intending to look	Might look	Wouldnoi look	Does noi know	Not asked	Total
Had a job to go to					11.4	11.4
Personal reasons	114.7	39.4	79.8	99		243.8
Own ill health, disability, pregnancy	28.6	11.4	19.4	*		61.9
Attending an educational institution	54.7	10.7	15.2	*		82.9
Has no need to work	11.1	9.3	28.1			50.5
Other reasons	20.4	8.0	17.2	*		48.5
Family reasons	83.0	45.3	132.0	16.9		277.2
III health of other than self	4.3	3.0	4.3	*		13.4
Unable to find suitable childcare etc.	66.7	33.8	109.9	11.9		222.4
Other family considerations	12.0	8.4	17.7	3.3		41.4
Discouraged jobseeksers	54.7	20.4	38.3	4.9		118.2
Considered too young or too old by						
employers	6.7	4.7	16.9			29.0
Difficulties with language or ethnic					1.4.4	27.0
background						
Lacks schooling, training, skills or						
experience	3.8			3.4	144	8.4
No jobs in locality or line of work	21.3	6.5	9.5			38.2
No jobs at all	20.8	7.7	9.2			39.7
No jobs in suitable hours	8.5	3.2	3.0			15.1
Other reasons	15.7	3.0	7.5			27.2
Don't know	3.6		1.0	3.1		8.1
Took active steps to find work					21.9	21.9
Not asked (b)	÷.+	* *	73		10.9	10.9
not asked (0)	* *			2.5.5	10.9	10.9
Total	280.2	112.6	263.0	33.8	44.1	733.7

(a) In the next twelve months. (b) Persons who had a job but, up to the end of the survey week, had been away from work without pay for four weeks or longer and had not been actively looking for work.

(* 000)				
Reason for not looking for work	Males	Females	Persons	Percent of 101al
Considered too old or too young	11.1	17.9	29.0	24.5
Difficulties with language or ethnic background				
Lacked necessary training, experience, schooling, skills		7.2	8.4	7.1
No jobs in locality or line of work	7.4	30.8	38.2	32.3
No jobs at all	6.2	33.5	39.7	33.6
Total	26.4	91.8	118.2	100.0

## TABLE 5.4 DISCOURAGED JOBSEEKERS: REASONS FOR NOT LOOKING FOR WORK, SEPTEMBER 1983 (\* 000)

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#### TABLE 5.5 PERSONS WHO WANTED TO WORK AND WERE AVAILABLE TO START WORK WITHIN FOUR WEEKS BUT WERE NOT LOOKING FOR WORK FOR REASONS OTHER THAN DISCOURAGEMENT, SEPTEMBER 1983 ('000)

Reason for not looking for work	Males	Females	Persons	Per cent of total
Had a job to go to	3.3	8.0	11.4	1.9
Personal considerations	90.7	153.1	243.8	39.6
Own ill health, disability, pregnancy	25.9	36.1	61.9	10.1
Attending educational institution	39.9	43.0	82.9	13.5
Has no need to work	10.8	39.7	50.5	8.2
Other personal considerations	14.1	34.3	48.5	7.9
Family considerations	3.4	273.8	277.2	45.0
Ill health of other than self		12.6	13.4	2.2
Unable to find child care		220.3	222.4	36.1
Other family considerations		40.9	41.4	6.7
No jobs in suitable hours		14.3	15.1	2.5
Other reasons	7.0	20.2	27.2	4.4
Don't know	•	7.4	8.1	1.3
Took active steps to find work	7.4	14.4	21.9	3.6
Not asked (a)	•	8.7	10.9	1.8
Total	115.6	499.9	615.5	100.0

(a) Persons who had a job, but up to the end of the survey week, had been away from work without pay for four weeks or longer and had not been actively looking for work.

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TABLE 5.6 PERSONS NOT LOOKING FOR WORK WHO WANTED TO WORK BUT WERE NOT AVAILABLE TO START WORK
WITHIN FOUR WEEKS: WHETHER INTEND TO LOOK FOR WORK (a), SEPTEMBER 1983
(* 000)

	( 000)		
Imention to look for work	Males	Females	Persons
Intending to look	.30.1	49.3	79.4
Might look	11.5	22.6	34.0
Would not look	17.9	88.4	106.4
Does not know		6.0	8.5
Not asked (b)		13.1	16.0
Total	64.8	179.4	244.2

(a) In the next twelve months. (b) Persons who had a job but, up to the end of the survey week, had been away from work without pay for four weeks or longer and had not been actively looking for work.

## 6 TECHNICAL NOTES AND REFERENCES

#### The population survey system

The source of data for tables and charts included in this publication is the ABS population survey system. Although emphasis in the population survey is placed on the regular collection of specific data on demographic and labour force characteristics of the population (the labour force survey), supplementary and special surveys of particular aspects of the labour force are carried out from time to time.

The labour force survey is based on a multi-stage area sample of private dwellings (about 33,000 houses, flats, etc.) and non-private dwellings (hotels, motels, etc.), and covers about two-thirds of one per cent of the population of Australia. The information is obtained from the occupants of selected dwellings by specially trained interviewers. The interviews are generally conducted during the two weeks beginning on the Monday between the 6th and 12th of each month. The information obtained relates to the week before the interview (i.e. the survey week).

The labour force survey includes all persons aged 15 and over except:

- (a) members of the permanent defence forces;
- (b) certain diplomatic personnel of overseas governments, customarily excluded from census and estimated populations;
- (c) overseas residents in Australia; and
- (d) members of non-Australian defence forces (and their dependants) stationed in Australia.

From 1966 until February 1978 the labour force survey was conducted quarterly in February, May, August and November. Since February 1978 the surveys have been conducted monthly.

A number of publications are regularly released containing data from the labour force surveys. The main publications are:

The Labour Force, Australia, Preliminary (6202.0)—issued monthly

The Labour Force, Australia (6203.0)—issued monthly

The Labour Force, Australia (6204.0)—issued annually

Reference to these publications should be made for more detailed estimates and for a more comprehensive explanation of survey concepts and definitions. In particular, the 1978 edition of the annual publication contains historical estimates from 1966 onwards as well as a detailed discussion of revisions to the estimates and comparability of the labour force survey series.

Labour force survey estimates have been recently revised to a usual residence basis corresponding to population estimates based on the 1981 Census of Population and Housing. For a full explanation of the revisions, reference should be made to *The Labour Force, Australia, February 1984* (6203.0). Estimates shown in this publication are on an unrevised basis.

Supplementary surveys are conducted in association with the regular labour force surveys and cover a range of topics. Surveys which have been conducted on a regular basis in recent years include:

Persons Not in the Labour Force (including Discouraged Jobseekers)—conducted biannually in March and September since 1979, (See Cat. No. 6220.0);

Labour Force Experience-conducted annually, (See Cat. No. 6206.0);

Labour Mobility—conducted annually in November 1972 and each February since 1975 (except 1977 and 1978), (See Cat. No. 6209.0);

Multiple Jobholding—conducted every two years in August since 1973; previously conducted irregularly, (See Cat. No. 6216.0);

Persons Looking for Work-conducted annually in June or July, (See Cat. No. 6222.0);

Transition from Education to Work (Including leavers from schools, universities and other educational institutions)—conducted annually since 1964; previously titled 'Leavers from Schools, Universities and Other Educational Institutions', (See Cat. No. 6227.0);

Weekly Earnings of Employees (Distribution)-conducted annually in August since 1975. (See Cat. No. 6310.0).

A comprehensive explanation of survey concepts and definitions may be found in the relevant publications.

#### Reliability of estimates

Estimates in this publication derived from the labour force survey and supplementary surveys are subject to two sources of error:

- (a) Sampling error: since the estimates are based on information obtained from the occupants of a sample of dwellings they may differ from the figures that would have been produced if all dwellings had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of dwellings was included. The size of the standard error increases with the level of the estimate so that the larger the estimate, the larger the standard error in percentage terms. Thus, larger sample estimates will be relatively more reliable than smaller estimates. Very small estimates are subject to such high standard errors (relative to the size of the estimate) as to detract seriously from their value for most reasonable uses. In this publication such estimates have not been presented. For a detailed explanation of the calculation and use of standard errors and for full tables of standard errors pertaining to the relevant surveys, publications contained in the references above should be used.
- (b) Non-sampling error: inaccuracies may occur because of imperfections in reporting by respondents and interviewers and errors made in the coding and processing of data. These inaccuracies may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires, intensive training and supervision of interviewers and efficient operating procedures.

## Symbols and other usages

- \* subject to sampling variability too high for most practical uses
- n.a. not available
- not applicable
- n.e.c. not elsewhere classified.

Figures have been rounded and discrepancies may occur between sums of the component items and totals.