

WHAT'S IN A NUMBER?

Since January the unemployment rate, which was then 19.4% has been steadily dropping. At the last count (29 April 1988) there were 241,669 persons (18.6%) on the live register. The unemployment figures are one indicator of the performance of the Government and so their interpretation is a politically sensitive, and contested, issue. It is important to examine what exactly changes in the live register show.

It is possible to reduce registered unemployment other than by increasing employment.

1. *EMIGRATION* - running at around 30,000 p.a. - certainly brings down the unemployment level.
2. An increase of the numbers on *STATE SCHEMES* (e.g. Social employment scheme, FAS courses) reduces unemployment.
3. A change in the rules governing eligibility to sign on - e.g. the plan to re-classify older people on the live register as 'pre-retired' - can reduce the official unemployment rate.

According to the latest Quarterly Economic Commentary of the ESRI (April 1988) total *employment* fell by 14,000 in 1987 and is forecast to fall by a further 13,000 in 1988. Unusually, this was accompanied by a decrease in unemployment. One would normally expect unemployment to increase as employment decreases. The ESRI comment: "this reflects a renewed reduction in the size of the labour force. To some extent this was probably due to the effects of the job-search scheme in removing from the register some claimants who were not genuinely in the labour force. Most of the reduction, however, was more probably due to an accelerated rate of net emigration". In a word; the reduction in unemployment from 19.4% in January to 18.6% in April - far from reflecting an increase in jobs, - is a measure of lack of success; it is for the most part a measure of emigration. ■