

An analysis of unemployment and other labor market indicators in 10 countries

Declining unemployment rates in the United States, Canada, and the United Kingdom contrast with record highs in Japan, France, and Italy during 1987; for the first time, employment ratios by sex are analyzed

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Unemployment rates declined in North America, Sweden, and the United Kingdom during 1987, but rose in Japan, France, and Italy and remained historically high in Australia, Germany, and the Netherlands. The United States was the only country among the 10 studied in which jobless rates have fallen below their pre-1980-82 recession levels. During the second quarter of 1987, the U.S. unemployment rate declined markedly, and by December was 5.8 percent—its lowest level in 7 years. (See table 1.)

In 1986, employment increased in all countries studied. Job growth accelerated in North America, Australia, Japan, Germany, and Italy, and resumed in France. In the Netherlands, Sweden, and the United Kingdom, employment growth tapered off. (See table 2.)

Employment continued to increase in all countries studied in 1987, but France and Italy. In France and Italy, the level of jobs was stagnant. Data for 1987 indicate an acceleration of employment growth for the United Kingdom and Sweden, about the same rate of growth as in 1986 for the United States, Canada, and Japan, and slowdowns in job creation for Australia, Germany, and the Netherlands.

This article compares unemployment, employment, and related labor market statistics in the United States and nine foreign industrial nations—Canada, Australia, Japan,

France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom.¹ It also introduces comparative civilian employment-to-population ratios, by sex, and briefly discusses comparative unemployment rates published by two other organizations—the Organization for Economic Cooperation and Development (OECD) and the Statistical Office of the European Communities (EUROSTAT).

The foreign labor statistics have been adapted where necessary to correspond with U.S. definitions of employment and unemployment.² Beginning with 1983, the measures presented here for Germany and the Netherlands reflect revised methods of adjusting their statistics for comparability with U.S. concepts. The new methods lower Germany's unemployment rate by less than one-half of a percentage point, but lower the Dutch rate by about 2 percentage points. This article also presents comparative figures for the United Kingdom; the previous measures related to Great Britain only, which excludes Northern Ireland. A discussion of these changes and other recent revisions in the Australian, Italian, and Swedish labor force surveys is included in the appendix.

Developments in unemployment

Over the last three decades, the relative unemployment rates among the countries studied have changed substantially. In 1960, North American jobless rates were the highest recorded, while rates in France and Germany were the lowest. The difference between the highest and lowest

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Table 1. Civilian unemployment rates, seasonally adjusted, nine countries, 1983-87

Period	United States	Canada	Australia	Japan	France	Germany	Italy ¹	Sweden	United Kingdom
1983	9.6	11.9	10.0	2.7	8.5	7.1	5.9	3.5	11.9
I	10.4	12.4	9.6	2.7	8.4	6.9	5.4	3.3	11.8
II	10.1	12.2	10.2	2.7	8.4	7.2	6.0	3.5	12.0
III	9.4	11.7	10.3	2.7	8.5	7.3	5.8	3.6	11.9
IV	8.5	11.2	9.7	2.7	8.8	7.2	6.2	3.4	11.8
1984	7.5	11.3	9.0	2.8	9.9	7.4	5.9	3.1	11.7
I	7.9	11.3	9.4	2.8	9.5	7.3	6.0	3.2	11.9
II	7.5	11.4	9.2	2.8	9.8	7.4	5.9	3.1	11.7
III	7.4	11.3	8.8	2.8	10.1	7.4	6.1	3.1	11.6
IV	7.3	11.1	8.7	2.7	10.4	7.4	5.6	3.0	11.6
1985	7.2	10.5	8.3	2.6	10.4	7.5	6.0	2.8	11.2
I	7.3	11.1	8.6	2.6	10.5	7.5	5.9	3.0	11.4
II	7.3	10.6	8.5	2.6	10.5	7.6	5.8	2.9	11.2
III	7.2	10.2	8.1	2.6	10.5	7.5	5.9	2.8	11.1
IV	7.1	10.1	7.9	2.8	10.4	7.5	6.1	2.7	11.1
1986	7.0	9.6	8.1	2.8	10.7	7.2	26.3	2.7	11.2
I	7.0	9.7	8.0	2.7	10.5	7.4	6.2	2.8	11.1
II	7.2	9.6	7.8	2.8	10.7	7.3	6.3	2.6	11.2
III	7.0	9.7	8.3	2.9	10.8	7.2	6.0	2.6	11.3
IV	6.8	9.4	8.4	2.9	10.8	7.1	6.6	2.6	11.2
1987	6.2	8.9	8.1	2.9	11.1	7.2	6.8	21.9	10.3
I	6.6	9.6	8.3	3.0	11.2	7.1	6.7	2.0	11.0
II	6.3	9.1	8.2	3.1	11.2	7.2	6.7	1.9	10.6
III	6.0	8.8	8.0	2.8	11.1	7.2	6.8	1.9	10.0
IV	5.9	8.2	7.8	2.8	10.8	7.2	7.0	1.7	9.5

¹ Quarterly data are for January, April, July, and October.

² Break in series. For Italy, the first-half 1986 rate based on the former series was 6.4 percent. For Sweden, the 1986 rate based on the new series is 2.2 percent.

NOTE: Quarterly figures for France, Germany, Italy, and the United Kingdom are calculated by applying annual adjustment factors to current published data, and therefore should be viewed as only approximate indicators of unemployment under U.S. concepts. Published data for Australia, Canada, Japan, and Sweden require little or no adjustment.

rates was about 5½ percentage points. Fifteen years later, North American jobless rates were still the highest. French and German rates moved up to the middle of the array and Japanese and Swedish rates descended to the bottom. The range between the highest and lowest rates widened to nearly 7 percentage points. In the early 1980's, unemployment rose sharply in most of Western Europe. In the 1985-86 period, France, the Netherlands, and the United Kingdom had jobless rates of about 10½ percent to 11 percent, more than 3 percentage points above the U.S. rate and about 8 percentage points above the rates in Japan and Sweden. Germany's unemployment rate also rose above the U.S. rate.

The recovery from the recessions of the early 1980's began earlier in the United States and Canada than in Western Europe. Joblessness peaked at the end of 1982 in North America, while European unemployment rates continued to rise into, or even through, 1983. The subsequent improvement in North American unemployment rates contrasted with little or no improvement in Western Europe (other than Sweden) and in Japan.

The U.S. unemployment rate has declined substantially since the beginning of 1983, with the largest declines occurring from that year through mid-1984, from more than 10 percent to 7½ percent. The decline tapered off in late 1984 and as of the first half of 1986, the jobless rate was little changed, at 7.1 percent. It was not until the second quarter

of 1987 that the unemployment rate again declined markedly. By the fourth quarter, the jobless rate was 5.9 percent.

Unemployment has also moved downward in Canada since the recession peak of 12.8 percent in the fourth quarter of 1982, although not as sharply as in the United States. By January 1986, the jobless rate had fallen below 10 percent for the first time in 3½ years. However, the Canadian jobless rate remained virtually unchanged throughout 1986 and the first quarter of 1987 at about 9½ percent. In the second quarter of 1987, the unemployment rate fell sharply, as in the United States, and by December was 8.1 percent.

In Australia, unemployment fell steadily between the end of 1983 and mid-1986. By that time, the jobless rate had dropped below 8 percent, from the recession high of more than 10 percent recorded in the third quarter of 1983. However, the unemployment rate inched upward to more than 8 percent in the second half of 1986 and remained there during the first half of 1987. During the second half of 1987, the jobless rate began to inch downward and by December was 7.8 percent.

In Sweden and the United Kingdom, unemployment rates have been moving downward since mid-1983. In Sweden, the decline since 1985 is partly attributable to increased early retirements and the introduction of labor market programs aimed specifically at youth.³ Labor market schemes, such as public relief work, vocational training, and sheltered workshops are used extensively in Sweden to provide jobs to people who would otherwise be unemployed. The number of persons enrolled in these labor market schemes varies with the business cycle, but exceeded the number unemployed for more than a decade. In 1986, enrollments declined for the second consecutive year, to approximately 3.6 percent of the labor force. In 1984, participants accounted for 4.5 percent of the labor force.

In the United Kingdom, the jobless rate moved slowly downward from its mid-1983 peak of 12 percent until it leveled off at about 11 percent 2 years later. At the end of 1986, unemployment rates resumed their downward movement. By December 1987, the jobless rate had dropped to 9.3 percent, the lowest in 7 years.

The German unemployment rate reached a new high of 7½ percent in 1985. At the end of the year, the labor market situation began to improve. Improvement continued throughout 1986, albeit slowly, and by the fourth quarter, the jobless rate had moved downward to 7 percent. During 1987, however, the jobless rate resumed its movement upward, reaching 7.2 percent in the fourth quarter. According to the German Federal Employment Institute, overall unemployment would have been higher if the Institute had not stepped up its training programs for dislocated workers and jobless youth. More than 500,000 persons were covered by the various Institute-sponsored programs.⁴

In contrast to the above countries, unemployment rates reached 30-year highs in Japan, France, and Italy in late

1986 and in 1987. In Japan, the steep rise in the value of the yen contributed to the deteriorating employment situation. The unemployment rate rose to 2.9 percent in mid-1986 and remained at that level until May 1987 when the rate reached

a new peak of 3.2 percent. By July, the unemployment rate had fallen back under 3 percent. While low relative to the rates in most countries, 3 percent is high by Japanese standards historically.

Table 2. Civilian labor force, employment, and unemployment, approximating U.S. concepts, 10 countries, 1979-86
[Numbers in thousands]

Year	United States	Canada	Australia	Japan	France	Germany	Italy	Netherlands	Sweden	United Kingdom
Labor force:										
1979	104,962	11,231	6,519	55,210	22,670	26,250	20,850	5,100	4,262	26,350
1980	106,940	11,573	6,693	55,740	22,800	26,520	21,120	5,310	4,312	26,520
1981	108,670	11,904	6,810	56,320	22,930	26,650	21,320	5,520	4,327	26,590
1982	110,204	11,958	6,910	56,980	23,160	26,700	21,410	5,570	4,350	26,740
1983	111,550	12,183	6,997	58,110	23,130	26,650	21,590	5,600	4,369	26,790
1984	113,544	12,399	7,133	58,480	23,290	26,760	21,670	5,620	4,385	27,180
1985	115,461	12,639	7,272	58,820	23,340	26,980	21,800	5,710	4,418	27,370
1986	117,834	12,870	7,562	59,410	23,480	27,180	21,990	5,760	4,437	27,540
Labor force participation rate:²										
1979	63.7	63.4	61.6	62.7	57.5	53.3	48.0	49.0	66.6	62.6
1980	63.8	64.1	62.1	62.6	57.2	53.2	48.2	50.2	66.9	62.5
1981	63.9	64.8	61.9	62.6	57.1	52.9	48.3	51.4	66.8	62.2
1982	64.0	64.1	61.7	62.7	57.1	52.6	47.7	51.2	66.8	62.3
1983	64.0	64.4	61.4	63.1	56.6	52.3	47.5	50.9	66.7	62.1
1984	64.4	64.8	61.5	62.7	56.6	52.4	47.3	50.5	66.6	62.6
1985	64.8	65.2	61.8	62.3	56.2	52.6	47.2	50.7	66.9	62.7
1986	65.3	65.7	63.0	62.1	56.2	53.0	47.5	50.8	67.2	62.7
Employment:										
1979	98,824	10,395	6,111	54,040	21,300	25,470	19,930	4,830	4,174	24,940
1980	99,303	10,708	6,284	54,600	21,330	25,750	20,200	4,980	4,226	24,670
1981	100,397	11,006	6,416	55,060	21,200	25,560	20,280	5,010	4,219	23,800
1982	99,526	10,644	6,415	55,620	21,240	25,140	20,250	4,980	4,213	23,710
1983	100,834	10,734	6,300	56,550	21,170	24,750	20,320	4,890	4,218	23,600
1984	105,005	11,000	6,490	56,870	20,980	24,790	20,390	4,930	4,249	24,000
1985	107,150	11,311	6,670	57,260	20,900	24,950	20,490	5,110	4,293	24,310
1986	109,597	11,634	6,952	57,740	20,970	25,210	20,610	5,200	4,319	24,450
Employment-population ratio:³										
1979	59.9	58.7	57.8	61.4	54.0	51.7	45.9	46.4	65.3	59.2
1980	59.2	59.3	58.3	61.3	53.5	51.7	46.1	47.0	65.6	58.1
1981	59.0	59.9	58.4	61.2	52.8	50.8	45.9	46.6	65.1	55.7
1982	57.8	57.0	57.3	61.2	52.3	49.6	45.2	45.8	64.7	55.3
1983	57.9	56.7	55.3	61.4	51.8	48.6	44.7	44.5	64.4	54.7
1984	59.5	57.4	56.0	61.0	51.0	48.5	44.5	44.3	64.5	55.3
1985	60.1	58.4	56.6	60.6	50.4	48.7	44.4	45.4	65.0	55.7
1986	60.7	59.4	57.9	60.4	50.2	49.1	44.6	45.9	65.4	55.7
Unemployment:										
1979	6,137	836	408	1,170	1,370	780	920	270	88	1,420
1980	7,637	865	409	1,140	1,470	770	920	330	86	1,850
1981	8,273	898	394	1,260	1,730	1,090	1,040	510	108	2,790
1982	10,678	1,314	495	1,360	1,920	1,560	1,160	590	137	3,030
1983	10,717	1,448	697	1,560	1,960	1,900	1,270	710	151	3,190
1984	8,539	1,399	642	1,610	2,310	1,970	1,280	690	136	3,180
1985	8,312	1,328	602	1,560	2,440	2,030	1,310	600	125	3,060
1986	8,237	1,236	610	1,670	2,510	1,970	1,380	560	118	3,090
Unemployment rate:										
1979	5.8	7.4	6.3	2.1	6.0	3.0	4.4	5.3	2.1	5.4
1980	7.1	7.5	6.1	2.0	6.4	2.9	4.4	6.2	2.0	7.0
1981	7.6	7.5	5.8	2.2	7.5	4.1	4.9	9.2	2.5	10.5
1982	9.7	11.0	7.2	2.4	8.3	5.8	5.4	10.6	3.1	11.3
1983	9.6	11.9	10.0	2.7	8.5	7.1	5.9	12.7	3.5	11.9
1984	7.5	11.3	9.0	2.8	9.9	7.4	5.9	12.3	3.1	11.7
1985	7.2	10.5	8.3	2.6	10.4	7.5	6.0	10.5	2.8	11.2
1986	7.0	9.6	8.1	2.8	10.7	7.2	6.3	9.7	2.7	11.2
Unemployment rate (as published):										
1979	5.8	7.4	6.3	2.1	6.0	3.8	7.7	5.1	2.1	5.3
1980	7.1	7.5	6.1	2.0	6.4	3.8	7.6	5.9	2.0	6.8
1981	7.6	7.5	5.8	2.2	7.5	5.5	8.4	9.1	2.5	10.4
1982	9.7	11.0	7.2	2.4	8.3	7.5	9.1	12.6	3.1	10.9
1983	9.6	11.9	10.0	2.6	8.5	9.1	9.9	17.1	3.5	11.6
1984	7.5	11.3	9.0	2.7	9.9	9.1	10.4	17.2	3.1	11.7
1985	7.2	10.5	8.3	2.6	10.5	9.3	10.6	15.9	2.8	11.9
1986	7.0	9.6	8.1	2.8	10.7	9.0	11.1	14.6	2.7	11.9

¹ Break in series. Based on the former series, the adjusted unemployment rate would be approximately 0.3 percentage point higher for Germany, 0.2 percentage point higher for Italy, and 2 percentage points higher for the Netherlands.

² Civilian labor force as a percent of the civilian working age population.

³ Civilian employment as a percent of the civilian working age population.

Table 3. Civilian unemployment rates, by sex, 10 countries, selected years, 1970-86

Year	United States	Canada	Australia	Japan	France	Germany	Italy	Netherlands	Sweden	United Kingdom
Men:										
1970	4.4	5.6	1.1	1.2	1.4	5	2.5	(1)	1.4	3.5
1975	7.9	6.2	3.8	1.8	2.9	3.3	2.5	4.0	1.4	5.0
1979	5.1	6.6	5.2	1.9	4.3	2.3	3.0	3.7	1.9	5.6
1980	6.9	6.9	5.1	1.7	4.4	2.3	2.9	4.4	1.7	7.4
1981	7.4	7.0	4.8	2.0	5.5	3.4	3.3	7.0	2.4	11.5
1982	9.9	11.1	6.4	2.1	6.2	5.2	3.8	9.0	3.0	11.5
1983	9.9	12.1	9.7	2.5	6.6	26.4	4.1	211.4	3.4	12.1
1984	7.4	11.2	8.7	2.5	8.0	6.4	4.2	10.9	3.0	11.9
1985	7.0	10.3	8.0	2.4	8.7	6.4	4.3	9.2	2.8	11.5
1986	6.9	9.4	7.7	2.4	8.9	5.9	24.4	(1)	2.6	11.6
Women:										
1970	5.9	5.8	2.8	2.2	4.1	6	5.2	(1)	1.7	2.3
1975	9.3	8.1	7.0	3.9	6.2	3.6	5.8	8.3	2.0	4.0
1979	6.8	8.8	8.2	4.1	8.6	4.1	7.3	9.1	2.3	5.0
1980	7.4	8.4	7.9	3.3	9.4	3.8	7.4	10.1	2.3	6.3
1981	7.9	8.3	7.4	3.5	10.5	5.1	8.1	13.7	2.7	9.0
1982	9.4	10.9	8.5	3.5	11.2	6.9	8.6	13.7	3.4	11.1
1983	9.2	11.6	10.4	3.7	11.1	28.3	9.4	215.2	3.5	11.6
1984	7.6	11.3	9.5	3.3	12.6	8.9	9.4	14.4	3.2	11.3
1985	7.4	10.7	8.8	3.1	12.9	9.2	9.4	13.0	2.9	10.7
1986	7.1	9.9	8.7	3.3	13.1	9.2	29.8	(1)	2.7	10.7

¹ Not available.

² Break in series.

In France, the jobless rate rose to 10½ percent in early 1985 and remained at that level for a year. However, by the second quarter of 1986, unemployment resumed its upward movement and reached a new peak of more than 11 percent during the first three quarters of 1987. In response to the deteriorating labor market situation, the French government introduced several programs during 1986 aimed at reducing structural rigidities—simplifying regulations pertaining to layoffs, allowing nongovernment organizations to make job placements, reducing restrictions on fixed-term, temporary, and part-time employment contracts, and expanding job creation and training programs.⁵

The Italian jobless rate, which declined below 6 percent in 1984, has generally risen since early 1985. By the fourth quarter of 1987, it reached 7 percent. However, in addition to a slowly rising unemployment rate, there are a significant number of Italians who would like to work but who are not currently seeking work and who are excluded from the BLS-adjusted unemployment statistics. Nearly one-half of the workers classified as unemployed by the Italian authorities have been reclassified by BLS as discouraged workers.

Although quarterly jobless rates approximating U.S. concepts are not available for the Netherlands, the seasonally adjusted registered unemployment rate provides an indicator of recent trends. This rate, approximately 5 percentage points higher than the BLS-adjusted rate in recent years, has generally declined since December 1983. By early 1987, it had fallen about 4 percentage points, from a high of 17 percent.

Unemployment rates by sex. The historical relationship of higher jobless rates among women was maintained in 1985

and 1986 in all countries studied except the United Kingdom, where rates for men have been traditionally higher. (See table 3.) The ratio of female-to-male unemployment rates remained widest in Italy, where the ratio was greater than 2. In Japan, France, Germany, and the Netherlands, the ratio was 1.5, whereas in the United States, Canada, Australia, and Sweden, the rates for women were only slightly above those for men.

Since 1970, the ratio of female-to-male unemployment rates has narrowed in every country studied, except in Germany and Italy. By 1986, the differential in the United States, Canada, and Sweden had virtually disappeared. In the United Kingdom, the reverse differential has narrowed.

Unemployment rates by age. Since 1983, unemployment rates among youth (persons under age 25) have been at least double the rate of persons 25 years and older in most countries studied. (See table 4.) In North America, Australia, Germany, Sweden, and the United Kingdom, youth jobless rates have declined since 1983; in Japan and Italy, they have risen. In the United Kingdom, the youth unemployment rate declined between 1983 and 1985, but rose slightly in 1986. The French youth unemployment rate rose between 1983 and 1985, but fell in 1986. Programs aimed at providing jobs for youth, especially teenagers, have contributed to the decline or abated the increase in Western Europe. In addition, demographic pressures have eased as the supply of youth entering the labor market has declined. In 1986, rising unemployment rates in France and Germany for workers 25 and over, accompanied the declining youth jobless rates, suggesting that the special measures may have partly shifted the burden of unemployment.⁶

In general, unemployment rates among teenagers remained considerably higher than among young adults (age 20–24 years). In Japan, France, and Italy, teenage unemployment rates reached new highs during 1985. By 1986, teenage unemployment rates were declining in all but Japan and the United Kingdom, and most likely, Italy. The 1986 adjusted teenage unemployment rate for Italy was not available; however, given that the published youth rate rose, it is likely that the teenage rate also rose. In contrast, since 1984, the unemployment rate for Swedish teenagers has fallen well below the rate for young adults. Employment in the Youth Teams program has substantially reduced unemployment among 18- and 19-year-olds.⁷

Employment trends

Employment increased more rapidly in North America and Australia than in Japan and Western Europe in 1985–87. In the United States, job creation has continued unabated since the end of 1982, although it has slowed in recent years. The employment growth rates for 1985 (2 percent) and 1986 (2.3 percent) were less than half the 1984 rate. About 4.6 million jobs were created between 1984 and 1986. During the course of 1987, an additional 3.1 million jobs were created—the largest annual gain since 1984. In contrast, aggregate employment in the six Western European nations studied rose by only 1.4 million between 1984 and 1986, and by about 700,000 in 1987. (The aggregate population of these six countries slightly exceeds that of the United States.) The contrast between the North American and European experience in generating jobs is not a new phenomenon. Since 1979, more than 15 million jobs

were created in North America, while the six Western European countries experienced a net gain of 810,000 jobs. Canadian job creation rates lagged behind those of the United States during the early 1980's. By 1985, the Canadian employment growth rate was once again stronger than in the United States, but in 1987, the U.S. growth rate was stronger.

In Australia, employment has expanded vigorously since 1984. Employment growth rose from 3 percent in 1984 and 2.8 percent in 1985 to 4.2 percent in 1986. In 1987, employment continued to expand, at 2.2 percent.

Japan is the only country studied where employment has risen continuously since 1980. In 1985 and 1986, the number of jobs created totaled nearly 1 million. During 1987, employment continued to expand and 580,000 jobs were created. Japan's population is about half that of the United States.

In Western Europe, employment gains were recorded in 1985 through 1987, except in France and Italy. Although French employment rose slowly throughout 1985, the increase was not sufficient to offset the previous year's loss. A small gain was recorded in France in 1986, but jobs were stagnant in 1987. In Italy, employment increased in both 1985 and 1986, but stabilized during 1987. In the Netherlands, Sweden, and the United Kingdom, the job creation rate in 1986 was less than in 1985. However, job growth in Sweden and the United Kingdom accelerated in 1987, while in the Netherlands, it probably decelerated.⁸ In Germany, 1986 was a better year for job creation than 1985, but 1987 saw a tapering off of growth. The following tabulation shows the percent change in employment from the previous

Table 4. Civilian unemployment rates, by age, nine countries, 1983–86

Age group	United States	Canada	Australia	Japan	France ¹	Germany ¹	Italy	Sweden	United Kingdom ¹
1983									
All working ages	9.6	11.9	10.0	2.7	8.0	6.5	5.9	3.5	² 11.6
Under 25 years	17.2	19.9	18.3	4.6	21.2	10.8	21.4	8.2	² 20.0
Teenagers ³	22.4	22.2	23.6	6.4	30.7	11.7	29.6	10.6	² 22.1
20–24 years	14.5	18.5	14.5	4.1	18.8	10.2	17.4	7.0	² 18.3
25 years and over	7.5	9.4	7.0	2.4	5.8	5.5	2.8	2.6	² 9.2
1984									
All working ages	7.5	11.3	9.0	2.8	9.6	6.7	5.9	3.1	11.8
Under 25 years	14.0	17.9	16.8	5.0	26.2	10.5	21.9	6.1	19.7
Teenagers ³	18.9	19.9	22.3	7.0	37.8	11.6	29.8	5.0	22.3
20–24 years	11.5	16.8	12.9	4.4	23.6	9.8	17.9	6.7	17.9
25 years and over	5.8	9.3	6.3	2.4	6.7	5.8	2.8	2.6	9.5
1985									
All working ages	7.2	10.5	8.3	2.6	10.3	6.9	6.0	2.8	11.2
Under 25 years	13.6	16.5	15.2	4.8	27.6	10.0	22.1	5.8	17.7
Teenagers ³	18.6	18.8	20.3	7.5	36.6	10.6	30.4	4.6	19.8
20–24 years	11.1	15.3	11.5	4.2	25.6	9.6	18.3	6.4	16.4
25 years and over	5.6	8.7	5.9	2.3	7.5	6.2	2.9	2.3	9.3
1986									
All working ages	7.0	9.6	8.1	2.8	10.3	(4)	(4)	2.7	11.2
Under 25 years	13.3	15.2	15.1	5.2	25.3	(4)	(4)	5.7	18.0
Teenagers ³	18.3	16.8	20.2	7.5	31.3	(4)	(4)	4.4	20.1
20–24 years	10.7	14.3	11.2	4.6	24.0	(4)	(4)	6.3	16.7
25 years and over	5.4	8.0	5.7	2.5	7.9	(4)	(4)	2.1	9.2

¹ French data are for March; German data are for June; and U.K. data for 1984 onward are for April–June.

² Data exclude Northern Ireland and are not adjusted to U.S. concepts.

³ 16- to 19-year-olds in the United States, France, Sweden, and the United Kingdom; 15- to 19-year-olds in Canada, Australia, and Japan; and 14- to 19-year-olds in Germany and Italy.

⁴ Not available.

year for 1985–87 (note: 1987 data are preliminary for Europe, and Dutch data for that year are estimated by the OECD):

	1985	1986	1987
United States	2.0	2.3	2.6
Six European countries7	.7	.7
France	-.4	.3	0
Germany6	1.0	.6
Italy5	.6	-.1
Netherlands	3.7	1.8	.8
Sweden	1.0	.6	1.6
United Kingdom	1.3	.6	1.9

Full-time versus part-time employment. In addition to the differences in employment growth rates noted above, the importance of full-time and part-time employment varies widely. In North America, employment growth has consisted primarily of full-time jobs, while in Europe and Australia, growth in part-time jobs has been more marked. According to the OECD, nearly three-fourths of the 12 million net new jobs created in North America between 1979 and 1986 were full-time positions, in sharp contrast with Europe where the number of full-time jobs between 1979–85 remained virtually unchanged.⁹

In the United States, of the 4.6 million jobs created between 1984 and 1986, 4 million were full-time positions. However, in 1986 and 1987, the growth rate of persons voluntarily working part-time schedules was higher than that for those on full-time schedules. In Canada, the number of full-time jobs increased steadily between 1984 and 1986, although their proportion of civilian employment has declined somewhat. The share of part-time jobs to overall employment has increased since 1980.

In Japan, the number of regular full-time employees has continued to increase while the number of new temporary and part-time employees hired has tapered off since 1983. A significant and rising proportion of these temporary and part-time workers are women (68 percent in 1986). Japanese firms prefer to hire women as temporary or part-time workers because of their tendency to withdraw from the labor market for marriage and child rearing and to return when their children begin school. In addition, under the Japanese income tax system, it is sometimes more advantageous for a married woman to work part time rather than full time.¹⁰

In Australia, the growth rate in part-time employment outpaced the growth rate in full-time employment. In 1986, the number of part-time jobs created (116,000) accounted for 40 percent of all the new jobs created. In 1985, part-time jobs rose by 55,000 and accounted for about 30 percent of all new jobs.

Economic part time. In 1985 and 1986, as the employment situation improved, the number of persons who were involuntarily working part time declined in all countries for which data are available.

In Western Europe and Japan, workers placed on part-time schedules for economic reasons are provided payments to compensate for hours lost. In the United States and Canada, such payments are not widespread.

In Western Europe, data on such workers are available for France, Germany, Italy, and the Netherlands and are derived from administrative records relating to payments for work time lost because of economic reasons. In North America, the source of the data on involuntary part-time work is the labor force survey and the statistics contain a component of underutilization not covered in the administrative statistics—persons working part time because they could not find full-time jobs.

In France, the number of persons compensated for working shorter hours fell in 1985 by 77,000 and in 1986 by 68,000 to 128,500 (0.6 percent of civilian employment). The number of days not worked declined by 40 percent between 1984 and 1986 to 8.9 million. At its peak in 1981, more than 320,000 French workers (1.6 percent of civilian employment) were compensated for 17.4 million days lost.

In Germany, the number of persons who experienced reductions in their workweek and received short-time benefits fell by 40 percent in 1985 to about one-third the 1983 peak of 675,000 persons. In 1986, short-time benefit recipients declined 17 percent to 195,000, approximately 0.8 percent of civilian employment.

In Italy, the Wage Supplement Fund paid for 660 million hours not worked in 1985, nearly 100 million hours less than the 1984 peak. In 1986, the number of hours subsidized declined 10 percent to 595 million hours, approximately equivalent to 330,000 person years of work.

In the Netherlands, the number of persons for whom permits for short-time work have been issued declined 85 percent in 1985. According to the Dutch, an equivalent of 1,800 person years of work were lost in 1984 and only 300 person years in 1985. In 1986, the number of permits issued fell 13 percent with a loss of 300 person years of work.¹¹

In the United States, data are available from the Current Population Survey on the number of persons working part time for economic reasons. This group comprises persons working reduced hours for economic reasons and persons working part time because they could not find full-time work. The number peaked at 6.3 million in 1983 and has since declined but at a progressively slower pace. In 1986, 5.6 million workers, approximately 5.1 percent of the employed, were affected. The proportion of persons on reduced work schedules held steady at 2.3 percent of employment in 1984 and 1985 and declined to 2.2 percent in 1986. Persons working part time because they could only find part-time jobs continued the decline begun in 1984. In 1985 and 1986, 2.6 percent of all civilian workers were unable to find full-time jobs.

In Canada, the number of persons involuntarily working at regular part-time jobs continued to rise until 1986. Between 1975 and 1985, the number of these part-time work-

ers increased fivefold; between 1980 and 1985, the number more than doubled. In 1985 and 1986, more than 500,000 part-timers, about 4½ percent of civilian employment, wanted to work full time but were unable to find a full-time job.

The Canadian labor force survey also collects data on the number of employed persons who lost work time because of layoff or reduced hours. The number of such persons declined one-fifth in 1983 and more moderately in 1984 and 1985. In 1986, the number remained unchanged. The ratio of persons on this type of reduced work schedule inched downward from 1.1 percent of civilian employment in 1983 to 0.8 percent in 1985 and 1986.

Employment ratios by sex

Employment-to-population ratios are another indicator of how well a country's economy provides jobs for its workers. Over the long term, employment ratios are influenced by structural factors such as additional years of schooling, early retirement, and the rising participation of women. Over the short term, changes in business activity also affect the movement of the ratio.

Table 5 and chart 1 present employment-population ratios by sex adjusted to U.S. concepts for 10 countries. Data are shown by sex because the overall trend masks marked differences in the trends for men and women. Employment-to-population ratios for men declined in all countries between 1960 and 1986. The largest declines occurred in Western Europe. Male employment ratios fell from 83 to 62 percent in France and from 82 to 64 percent in Germany. British and Italian men also recorded large declines in their employment ratios. The smallest declines, less than 10 percentage points, occurred in North America and Japan.

In 1986, male employment ratios were highest in Japan (75 percent) followed by the United States, Canada, Australia, and Sweden (about 70 percent) and lowest in France, Italy, and the Netherlands (about 62 percent). In 1960, male

employment ratios were lower in the United States and Canada than in Western Europe and Japan. The range between the highest and the lowest ratio was much narrower, 8 percentage points, compared to 14 percentage points in 1986.

The general downward movement of male employment ratios reflects the long-term trends of increased years of education and earlier retirements. In many Western European nations, retirement ages have been lowered in response to continued high unemployment rates. The ratio is also affected by changes in the age distribution of the population. In the six Western European nations studied, the proportion of their combined populations age 65 and over increased from 12 percent of the total population in 1970 to 14 percent in 1980. In 1985, the proportion remained at about 14 percent. In contrast, in the United States, where the total population is a little smaller than the combined European population, the ratio is lower. The proportion age 65 and over rose steadily from 10 percent in 1970 to 12 percent in 1985. In Japan, the ratio is still lower but rising—7 percent in 1970 and 10 percent in 1985.

In the Netherlands, the low and falling employment-population ratio is associated with a rise in both disability pensions and early retirement programs, which have encouraged withdrawal from the labor force.¹² In Italy, the existence of a large underground economy may be an important factor which helps to explain its low ratio. Many Italians are engaged in unrecorded employment; according to the OECD, some are officially classified as not in the labor force while others are classified as unemployed.¹³

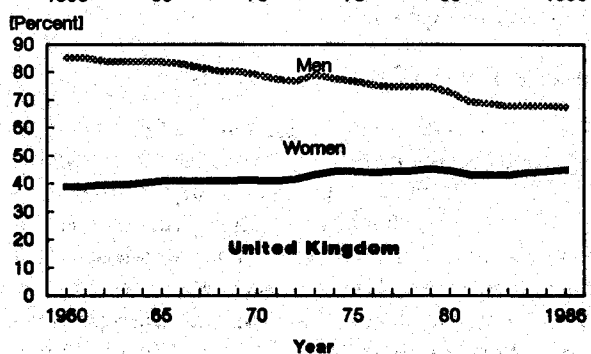
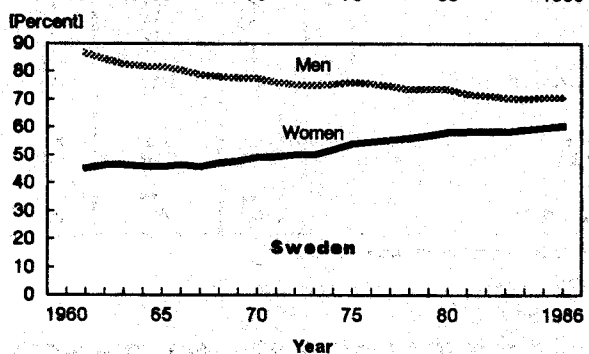
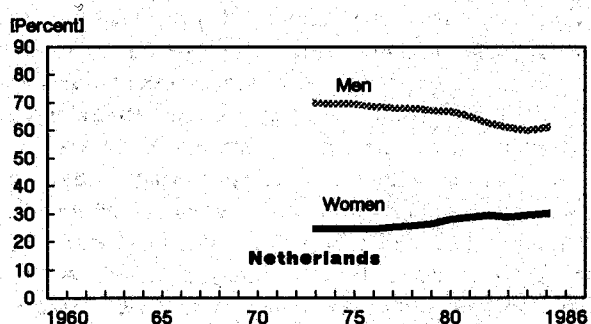
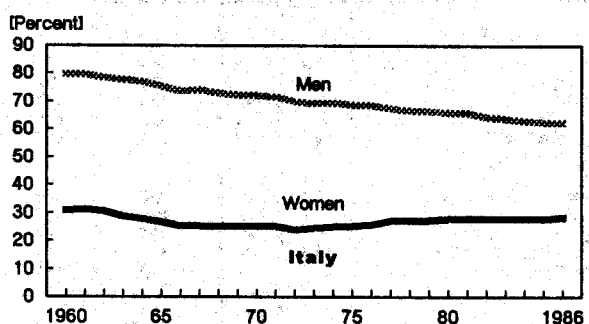
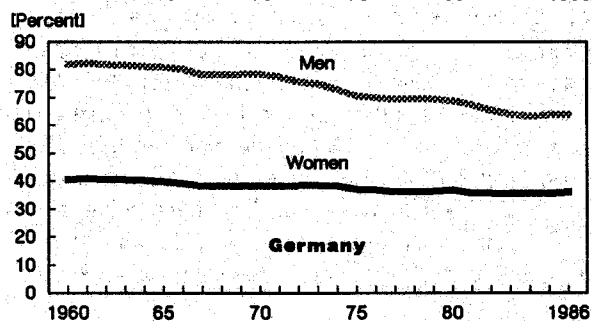
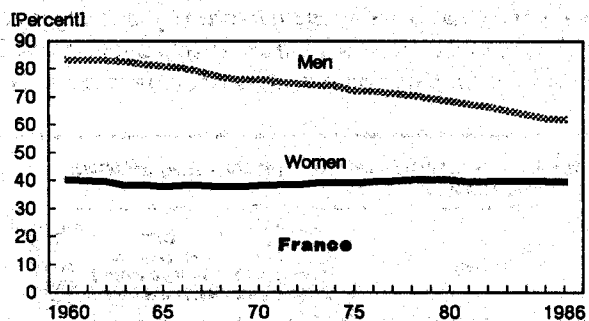
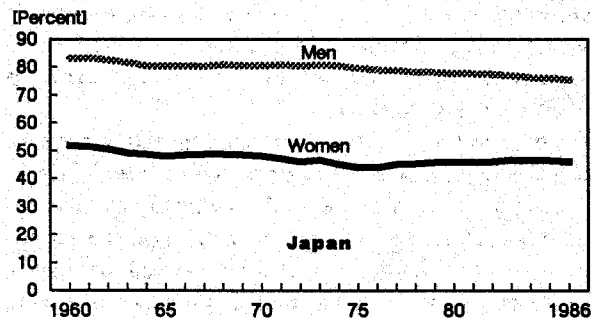
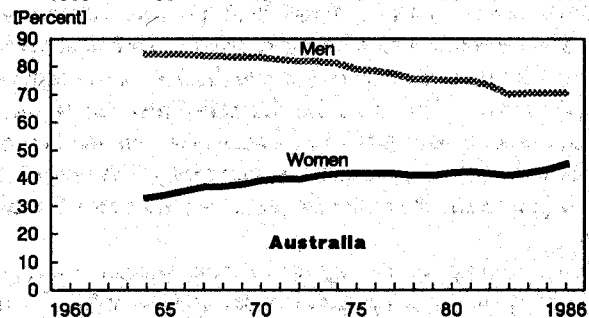
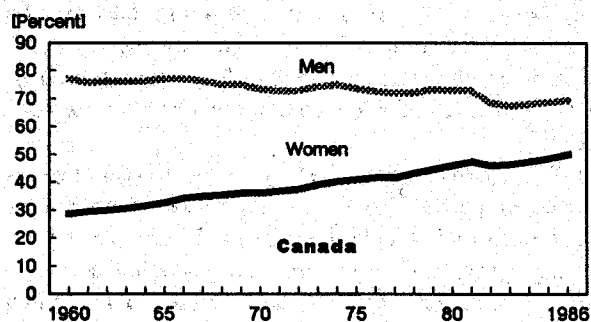
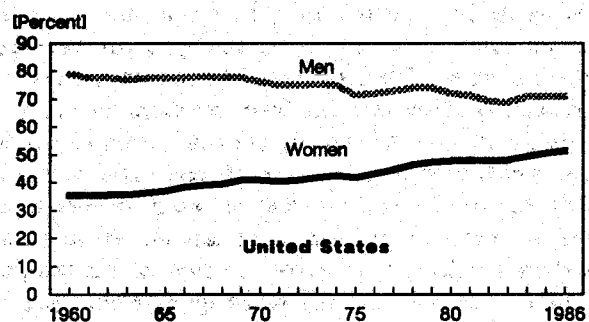
Trends in employment ratios were more varied among women than among men. Female employment ratios have generally moved upward from the early 1960's in North America, Australia, Sweden, and the United Kingdom. In Japan, France, and Italy, they initially fell, but subsequently turned upward. In France, the rise began in the early 1970's. In Japan and Italy, the rise began in the mid-1970's. The

Table 5. Civilian employment-population ratios by sex, 10 countries, selected years, 1960-86

Year	United States	Canada	Australia	Japan	France	Germany	Italy	Netherlands	Sweden	United Kingdom
Men:										
1960	78.9	76.9	(1)	82.8	83.4	82.0	79.5	(1)	(1)	85.0
1965	77.5	76.9	84.4	80.2	80.9	80.7	75.2	(1)	81.5	83.5
1970	76.2	73.4	83.2	80.5	76.4	78.3	71.9	(1)	77.4	79.2
1975	71.7	73.5	79.1	79.5	72.2	70.6	68.8	69.4	76.0	76.7
1980	72.0	73.0	75.1	77.9	68.8	68.9	66.0	66.8	73.6	72.8
1985	70.9	68.7	70.6	75.9	62.2	63.7	62.5	61.0	70.5	68.0
1986	71.0	69.5	70.9	75.4	62.0	64.1	62.2	(1)	70.6	67.5
Women:										
1960	35.5	28.6	(1)	51.8	40.0	40.5	31.0	(1)	(1)	38.9
1965	37.1	32.6	34.0	48.1	37.9	39.9	26.6	(1)	45.8	40.8
1970	40.8	36.1	39.3	48.2	38.0	38.2	25.0	(1)	49.1	41.2
1975	42.0	40.8	41.4	44.0	39.1	37.0	25.3	24.5	54.0	44.4
1980	47.7	46.2	41.9	45.7	40.0	36.7	27.9	28.0	58.0	44.8
1985	50.4	48.5	43.0	46.3	39.7	35.5	27.8	30.2	59.7	44.4
1986	51.4	49.7	45.1	46.2	39.6	36.0	28.3	(1)	60.4	44.9

¹ Not available.

Chart 1. Civilian employment-population ratios of men and women, 10 countries, 1960-86



Netherlands also shows an increase since the mid-1970's. In Germany, the ratio trended downward until the mid-1980's, but now may be rising. The range between the highest and lowest ratios also widened between 1960 and 1986. In 1960, the range was about 20 percentage points. By 1986, the range had widened to more than 30 percentage points.

In 1986, Swedish women had by far the highest employment ratio, 60 percent, more than double the 28 percent for Italian women and double the rate for Dutch women. In Italy, employment in the underground economy may also partially explain the very low ratios recorded by Italian women. Employment ratios of 45–50 percent were recorded in North America, Australia, Japan, and the United Kingdom. France and Germany had lower ratios, at 40 percent and 36 percent, respectively.

The varied trends in female employment ratios partially reflect the changing sectoral composition of employment. Female employment ratios initially declined, as employment shifted out of the agricultural sector into the goods-producing sector. Many women who worked on family farms withdrew from the labor market when they moved to the city. In 1960, about 10 percent of employed civilians in North America, the Netherlands, and the United Kingdom worked in the agricultural sector, while in the other countries studied, the proportion ranged from 15 percent (Germany and Sweden) to 30 percent (Japan and Italy). By 1986, the proportions had declined in all countries, to about 3 percent in the United States and the United Kingdom; 5 percent in Canada, Australia, Germany, the Netherlands, and Sweden; and slightly under 10 percent in Japan, France, and Italy.

As these countries moved from goods-producing to more service-oriented societies, female employment increased. Accompanying this rise was an increase in the number of part-time jobs, the majority of which are concentrated in the service sector. In Europe, women account for at least 80 percent of part-time jobholders, except in Italy, where the share is about 60 percent. In North America, approximately 70 percent of part-time workers are women. Other reasons contributing to the rise in female employment ratios include declining fertility rates and changing attitudes towards women in the workplace.

Other internationally comparable series

Three organizations compile internationally comparable series of unemployment rates for selected industrial nations. The BLS series, discussed in this article, adjusts unemployment rates to U.S. definitions of employment and unemployment for nine foreign nations. The Paris-based OECD publishes Standardized Unemployment Rates for 16 of its member countries.¹⁴ The Standardized Unemployment Rates are adjusted to International Labor Office (ILO) concepts which are more general than U.S. concepts.

A third organization, EUROSTAT, publishes comparable unemployment rates for European Community countries based on its own specific interpretation of ILO concepts. These concepts are close to U.S. concepts, but there are some differences. (See appendix.) The EUROSTAT rates are fundamentally different from those calculated by BLS and OECD in that they are based on a European Community-wide survey which uses common concepts and definitions, although the wording and ordering of questions vary from country to country.¹⁵ In addition, the data are centrally processed and tabulated by EUROSTAT. In contrast, the BLS and the OECD series are primarily based on data collected in national surveys using national concepts and definitions. The data are processed by their respective statistical agencies and are then adjusted by BLS and the OECD to a common statistical base. However, for Germany and the Netherlands, BLS now uses EUROSTAT statistics to provide benchmarks from 1983 onward. (See appendix.) The OECD has also begun to use the EUROSTAT data for a number of countries.

Table 6 compares the adjusted unemployment rates prepared by these three organizations for 1983 to 1986. There are some differences in the rates published by each organization. The BLS calculates its adjusted jobless rates on both a total labor force base and a civilian labor force base. The

Table 6. Comparative unemployment rates, selected countries, 1983–86

Country	BLS series		OECD Standardized Unemployment Rates total basis	EUROSTAT spring survey civilian basis ¹
	Civilian basis	Total basis		
1983				
France	8.5	8.3	8.3	7.9
Germany	7.1	7.0	8.0	6.4
Italy	5.9	5.8	9.8	8.7
Netherlands	12.7	12.4	12.0	11.9
United Kingdom	11.9	11.8	12.5	11.1
1984				
France	9.9	9.7	9.7	9.5
Germany	7.4	7.2	7.0	6.7
Italy	5.9	5.8	10.2	9.8
Netherlands	12.3	12.0	11.8	12.4
United Kingdom	11.7	11.6	11.7	10.9
1985				
France	10.4	10.2	10.1	10.3
Germany	7.5	7.4	7.2	6.9
Italy	6.0	5.9	10.5	9.2
Netherlands	10.5	10.3	10.6	10.5
United Kingdom	11.2	11.1	11.2	11.5
1986				
France	10.7	10.4	10.3	10.2
Germany	7.2	7.1	7.0	(3)
Italy	6.3	6.2	(3)	10.6
Netherlands	9.7	9.5	9.9	(3)
United Kingdom	11.2	11.2	11.1	11.5

¹ Excludes conscripts but includes career military.

² Break in series.

³ Not available.

NOTE: BLS and OECD data are annual averages; EUROSTAT data relate to varying dates in the spring of each year.

Standardized Unemployment Rates relate to the total labor force while the EUROSTAT data exclude military conscripts, but include the career military. The reference period for the BLS and the OECD series is an annual average while the EUROSTAT data relate to various dates each spring.

Another reason for the differences between the BLS and OECD series is that BLS calculates adjustment factors by sex while the OECD does not. Differences in the age limits also affect the data. The lower age limit of the BLS and the OECD data varies from ages 14 to 16. The EUROSTAT data relate to persons age 14 and over for all countries.

With the exception of Italy, the three different series are moving closer together. In the case of Italy, BLS excludes from the unemployed all those who have not sought work within the past month. The OECD Standardized Unemployment Rates did not make this adjustment; therefore, the

Standardized Unemployment Rates have been higher than the BLS figures for Italy. The OECD has now suspended its calculation of Standardized Unemployment Rates for Italy until further information becomes available. The EUROSTAT series requires the registered unemployed to state they are seeking work and are currently available. However, they are not necessarily required to have been seeking work in the past 4 weeks. (Unemployed persons not registered are required to seek work in the past 4 weeks.) The BLS comparative estimates for Italy currently exclude a large number of registrants who did not state that they sought work in the past month. Recent changes in the Italian survey questionnaire will provide additional data on jobseeking activities of the unemployed. BLS will reconsider its adjustment procedure for Italy when the results of the new questionnaire become available. □

FOOTNOTES

¹ Historical data are available upon request. Selected historical data appear in the Current Labor Statistics section of the *Review*.

² For further information, see *International Comparisons of Unemployment*, Bulletin 1979 (Bureau of Labor Statistics, 1978), appendix B; and Supplements to Bulletin 1979 (Bureau of Labor Statistics), appendix B. For some countries, annual adjustment factors are based on data from previous household surveys or provisional data from current household surveys. Therefore, data are preliminary for the United Kingdom from 1982 onward, for Italy from 1984 onward, for Germany from 1985 onward, and for Australia and Sweden from 1986 onward.

³ National Institute of Economic Research, *The Swedish Economy* (Stockholm, National Institute of Economic Research, 1986), p. 50.

⁴ U.S. Embassy's (Bonn) summary of the German Federal Employment Institute President Heinrich Franke's press conference, October 1987.

⁵ U.S. Embassy (Paris), "Structural Changes in the French Labor Market Under the Conservatives and Economic Implications," Mar. 10, 1987, p. 1.

⁶ Organization for Economic Cooperation and Development, *Economic Outlook*, June 1987, p. 29.

⁷ Bjorn Jonzon, "The Statistical Treatment of Persons Affected by Labour Market Measures and Employment and Training Schemes in Sweden," December 1985, p. 33.

⁸ *Economic Outlook*, p. 28.

⁹ *Ibid.*, p. 32.

¹⁰ U.S. Embassy (Tokyo), *Annual Labor Report 1986*, Apr. 17, 1987, p. 14.

¹¹ Ministerie Van Sociale Zaken en Werkgelegenheid, *De arbeidsmarkt* [Ministry of Social Affairs and Labor, *The Labor Market*] in September 1987, p. 4.

¹² Organization for Economic Cooperation and Development, *Economic Survey of The Netherlands* (Paris, OECD, February 1985), pp. 12-13.

¹³ Organization for Economic Cooperation and Development, *Economic Survey of Italy* (Paris, OECD, July 1986), p. 37.

¹⁴ See Organization for Economic Cooperation and Development, *Quarterly Labor Force Statistics*, appendix, each issue. In 1986, the OECD suspended the updating of current Standardized Unemployment Rates for Austria, Italy, and Switzerland. Standardized Unemployment Rates for previous years are still published for these three countries.

¹⁵ For further information, see Constance Sorrentino, "The Uses of the European Community Labour Force Surveys for International Unemployment Comparisons," Statistical Office of the European Communities Seminar—The Community Labour Force Survey in the 1990's, Luxembourg, Oct. 12-14, 1987.

APPENDIX: Revisions in comparative statistics

Data for this article incorporate some revisions in the Bureau's methods for constructing comparative labor force and unemployment statistics for Germany, Italy, the Netherlands, and the United Kingdom. This section will briefly discuss these revisions, recent changes in the Australian and Swedish labor force surveys, the lower age limits used by the Bureau for classifying persons in the labor force, and the adjustment of Japanese unemployment rates by sex.

Germany and the Netherlands. For Germany and the Netherlands, the revisions reflect the replacement of labor force survey results tabulated by the German and Dutch

statistical offices with those tabulated by the European Community Statistical Office, EUROSTAT, beginning with 1983. The EUROSTAT data for 1983 onward were judged by BLS to be closer to U.S. concepts than the national data for these countries.

The EUROSTAT data are based on raw national survey data which have been coded and processed by EUROSTAT to conform to common definitions and classifications. EUROSTAT requires unemployed persons to be currently available for work and to have actively sought work in the past 4 weeks—requirements not necessarily made in the national surveys. The EUROSTAT current availability concept differs somewhat