

Recent trends in unemployment and the labor force, 10 countries

Marked gains in employment and sharp declines in joblessness in the United States contrast with little or no movement in Western Europe and Japan; youth labor market since 1980 is analyzed

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The United States recovered from the 1981–82 recession earlier than most other major industrial nations. In response to strong output growth in 1983, U.S. employment growth resumed and unemployment fell throughout the year. These trends continued through the first half of 1984, with employment growth accelerating and unemployment dropping sharply. Since then, the civilian unemployment rate has remained virtually flat at around 7.3 percent, while employment has increased sufficiently to absorb increases in the labor force. In Canada, output also began recovering in early 1983 and the jobless rate fell steadily during the year, but not so quickly as in the United States. Canadian unemployment also stabilized at a record high level in 1984, but Canada's employment recovery was weaker than that of the United States. The North American recovery was followed by a more modest recovery in Japan. Japan's employment growth was the strongest since 1973, although the unemployment rate remained at a historic peak. In Western Europe, where the recovery has lagged behind North America's and Japan's, unemployment continued to rise and employment continued to fall during 1983. In 1984, French, German, British, and Italian unemployment rates increased further while Swedish rates stabilized. Employment began to inch upward in some of the European countries—most notably in Great Britain.

At the end of 1984, unemployment rates were at double-digit levels in the Netherlands, Great Britain, Canada, and

France. Japan and Sweden continued to have the lowest jobless rates, and the U.S. rate was in the middle of the international spectrum. (See table 1.)

The recent recession was accompanied by very high levels of unemployment for young people. Unemployment rates for teenagers and young adults (ages 20 to 24) rose sharply in 1981 and 1982 in all countries studied. These rates continued upward or stabilized at high levels in 1983. Improvement for U.S. youth in 1984 was generally not matched abroad. Youth unemployment rates were two to three times as high as adult rates in most countries, with much greater differentials for teenagers than for young adults.

This article compares unemployment and related labor market statistics in the United States and nine foreign nations—Canada, Australia, Japan, France, Germany, Great Britain, Italy, the Netherlands, and Sweden. The foreign data have been adjusted to approximate comparability with U.S. definitions of employment and unemployment.¹ Unemployment rates by age² are compared for the United States and eight of the nine other countries (the Netherlands is excluded). These data have also been adjusted to U.S. concepts, except those for Great Britain.

The estimates presented here may differ from those previously published by the Bureau of Labor Statistics because of revisions of seasonal adjustment factors or basic data and the incorporation of more detailed or more recent survey results. It should be noted that adjustments to the British figures are based on household surveys taken through 1981. The figures for all other countries are based on survey data collected most recently in 1983 (for France and the Neth-

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Table 1. Quarterly unemployment rates (civilian labor force basis), seasonally adjusted, 1980-85

Period	United States	Canada	Australia	Japan	France ¹	Germany ¹	Great Britain	Italy ^{1,2}	Sweden
1980	7.1	7.5	6.1	2.0	6.4	2.9	6.8	3.9	2.0
I	6.3	7.5	6.0	1.9	6.2	2.7	5.7	4.0	1.8
II	7.3	7.7	6.3	2.0	6.5	2.8	6.2	3.9	2.0
III	7.7	7.4	6.2	2.1	6.5	3.0	7.1	3.9	1.9
IV	7.4	7.2	6.0	2.2	6.6	3.2	8.2	3.9	2.2
1981	7.6	7.5	5.8	2.2	7.5	4.1	10.4	4.3	2.5
I	7.4	7.3	5.8	2.2	6.8	3.4	9.4	3.9	2.2
II	7.4	7.1	5.5	2.3	7.5	3.8	10.1	4.2	2.2
III	7.4	7.4	5.9	2.2	7.8	4.3	10.8	4.2	2.5
IV	8.2	8.3	6.0	2.2	7.8	4.8	11.1	4.8	3.0
1982	9.7	11.0	7.2	2.4	8.4	5.9	11.8	4.8	3.1
I	8.8	8.9	6.2	2.3	8.2	5.4	11.4	5.0	3.0
II	9.5	10.4	6.6	2.4	8.4	5.7	11.6	4.8	3.1
III	9.9	12.2	7.2	2.4	8.5	6.1	12.1	4.7	3.4
IV	10.6	12.8	8.8	2.5	8.5	6.7	12.3	4.6	3.1
1983	9.6	11.9	10.0	2.7	8.6	7.5	12.8	5.3	3.5
I	10.4	12.5	9.6	2.7	8.5	7.2	12.8	4.9	3.3
II	10.1	12.2	10.3	2.7	8.5	7.6	13.0	5.4	3.5
III	9.3	11.6	10.3	2.7	8.6	7.6	13.0	5.3	3.6
IV	8.5	11.2	9.7	2.6	8.8	7.5	12.7	5.6	3.4
1984	7.5	11.3	9.0	2.8	10.1	7.8	13.0	5.6	3.1
I	7.9	11.4	9.4	2.8	9.6	7.7	12.8	5.5	3.2
II	7.5	11.4	9.2	2.7	10.1	7.9	12.9	5.6	3.2
III	7.4	11.2	8.8	2.8	10.3	8.0	13.2	5.5	3.1
IV	7.2	11.1	8.6	2.7	10.4	7.8	13.1	5.6	2.9
1985									
I	7.3	11.1	8.5	2.6	10.5	7.9	13.2	5.4	3.0

¹Preliminary for Great Britain from 1982 onward and for France, Germany, and Italy from 1984 onward.

²Quarterly data are for January, April, July, and October.

NOTE: Quarterly figures for France, Germany, Italy, and Great Britain 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.

erlands) or 1984 (all other countries). Historical data for all series beginning with 1959 or 1960 for most countries are available upon request.

Unemployment trends compared

The international array of unemployment rates underwent some major changes in rankings in the late 1970's to early 1980's. (See table 2.) The United States, which had previously been at the high end of the spectrum, moved down to the middle. Some European countries, notably the Netherlands and Great Britain, had jobless increases so large that they moved from the low to the high end of the array. Germany, which had long had one of the lowest jobless rates, became a mid-range country. Only Japan and Sweden maintained their positions as low unemployment countries; Canada continued at the high end of the spectrum; and Italy maintained a mid-range jobless rate.

Joblessness in the United States rose steadily from 1980 through the end of 1982. The unemployment rate peaked in the fourth quarter of 1982 at 10.6 percent, the highest quarterly rate recorded in the post-World War II era. At the beginning of 1983, joblessness began moving downward. As the economic recovery gathered momentum, the unemployment rate plummeted. By December 1983, the jobless rate, 8.2 percent, was more than 2 percentage points

lower than in January. The decline continued until mid-1984. During the second half of 1984 and early 1985, the unemployment rate remained virtually unchanged. In the first quarter of 1985, the jobless rate, 7.3 percent, was 3.5 percentage points lower than the recession high.

The Canadian recession, probably the most severe among the Organization for Economic Cooperation and Development (OECD) member states,³ bottomed out in the fourth quarter of 1982, when the jobless rate peaked at a record 12.8 percent. Throughout 1983, the unemployment rate fell steadily, reaching 11.2 percent in the fourth quarter. However, the rate inched upward during the first half of 1984 to 11.4 percent. Unemployment rates moved back down in the second half, and the December rate of 10.8 percent was the lowest in 2½ years.

In Japan, unemployment rates rose steadily from 2.0 percent in 1980 to 2.4 percent in 1982. A new plateau was reached in the first quarter of 1983 when the unemployment rate reached 2.7 percent. Japanese jobless rates have since shown very little movement.

In Australia, unemployment began rising in the second half of 1981 and rose sharply during 1982 and the first half of 1983, exceeding 10 percent for the first time. The rate began to fall at the end of 1983 and by the fourth quarter of 1984, had dropped to 8.6 percent.

In Western Europe, unemployment rates reached new highs during the 1983-84 period. By late 1983, the rapid rise in unemployment was brought to a halt in Germany, Great Britain, Italy, and Sweden. However, except for a moderate downturn in Sweden, jobless rates remained near their levels of a year earlier throughout 1984 and early 1985. In contrast, French unemployment continued to rise.

In Germany, lengthy labor disputes during the spring of 1984 in the metalworking and printing industries and the subsequent losses in output contributed to the dampened demand for labor. After the settlement of the disputes in August, the demand for labor increased and the unemployment rate began to inch downward.

The French jobless rate was stable between mid-1982 and the third quarter of 1983, partly a reflection of the impact of various government actions to counter the rise in unemployment, including measures to accelerate early retirements and to expand youth training programs. However, the labor market situation subsequently deteriorated, as "the effects of the different programs seem to have worn off as of the last quarter of 1983."⁴ Between the third quarter of 1983 and the first quarter of 1985, the jobless rate rose by almost 2 percentage points.

In Italy, the unemployment rate rose approximately one-half a percentage point a year from 1980 to 1983. In the fourth quarter of 1983, the rate reached 5.6 percent, the highest in nearly two decades. Throughout 1984, the jobless rate remained at this level, which seems low compared with those of most of the other European countries. However, there are a very large number of Italians who wish to work

but are not currently seeking jobs and who do not appear in the unemployment figures after adjustment to U.S. definitions. Such discouraged workers are discussed later.

The Swedish unemployment rate began to move slowly upward in mid-1980, reaching a new high of 3.6 percent by the third quarter of 1983. The labor market situation improved at the end of 1983 and early 1984. The decline in the jobless rate was suspended in the second quarter but resumed at midyear. By December, the 2.8-percent unemployment rate was the lowest in 3 years.

A major reason for Sweden's low unemployment rates relative to those of the other nations studied is the existence of extensive labor market programs. When economic conditions deteriorate, labor market schemes such as public relief work, vocational training, and sheltered workshops are utilized to absorb the excess supply of labor. The number of persons affected by these various schemes fluctuates in conjunction with the business cycle but has exceeded the number of unemployed for the past decade. In 1983, the number of persons enrolled in these programs was equivalent to 3.7 percent of the labor force. In comparison, the unemployment rate was 3.5 percent.

Unemployment in Great Britain rose steadily from 1980 to mid-1983. Since early 1981, the jobless rate has exceeded 10 percent, peaking at 13 percent in mid-1983. In the fourth quarter of 1983, unemployment declined slightly, but the improvement was shortlived—in the third quarter of 1984, unemployment resumed its upward movement and reached a new peak of 13.2 percent.

Quarterly jobless rates approximating U.S. concepts are not available for the Netherlands. However, the number of seasonally adjusted registered unemployed has risen steadily since 1980. By 1983, the Dutch rate averaged more than 14 percent, the highest of any country studied. In 1984, the jobless rate continued to rise, and reached a new high of 15 percent. In response to the rapid rise in joblessness, the Dutch government took "various structural measures designed to lessen unemployment by increasing the profitability of employing young workers and by lessening the attraction of being unemployed."⁵ Minimum wages for persons under age 23 were cut, the length of time for which unemployment benefits are paid to those under age 23 was shortened, and unemployment insurance benefits were reduced by excluding end-of-year bonuses in calculating benefits.

Unemployment rates by sex. In the past, women have had higher unemployment rates than men in all the countries studied, except in Great Britain. (See table 3.) In 1982 and 1983, this historical relationship was reversed in two countries—the United States and Canada. The reason for this reversal was the greater cyclical sensitivity of male employment which overrode the factors which generally push female unemployment higher. In 1984, unemployment rates declined for both men and women. Because the jobless rate

for men declined more rapidly, the historical relationship of higher female unemployment rates reappeared in both countries.

In Japan, Australia, and Western Europe (except Great Britain), female unemployment rates remained well above male rates throughout the recession, although male jobless rates rose more rapidly than female rates with two exceptions—Italy and Japan. In Italy, unemployment growth has generally been faster for men than for women, but this trend was reversed in 1983. In Japan, unemployment rates have generally risen more slowly for men than for women. The Japanese system of lifetime employment which covers "regular employees" is not extended to temporary and casual workers. Seven of ten regular employees are men, while a similar percentage of temporary and casual workers are women.

Job creation: U.S. leads

The contrast between the North American and European experiences in employment creation is stark and predates the recent recession. In the 10 years to 1983, almost 18 million additional jobs were created in North America, while the six Western European countries experienced a net loss of 840,000 jobs. Japan and Australia also gained jobs over the period, but not nearly as fast as North America. (See chart 1.)

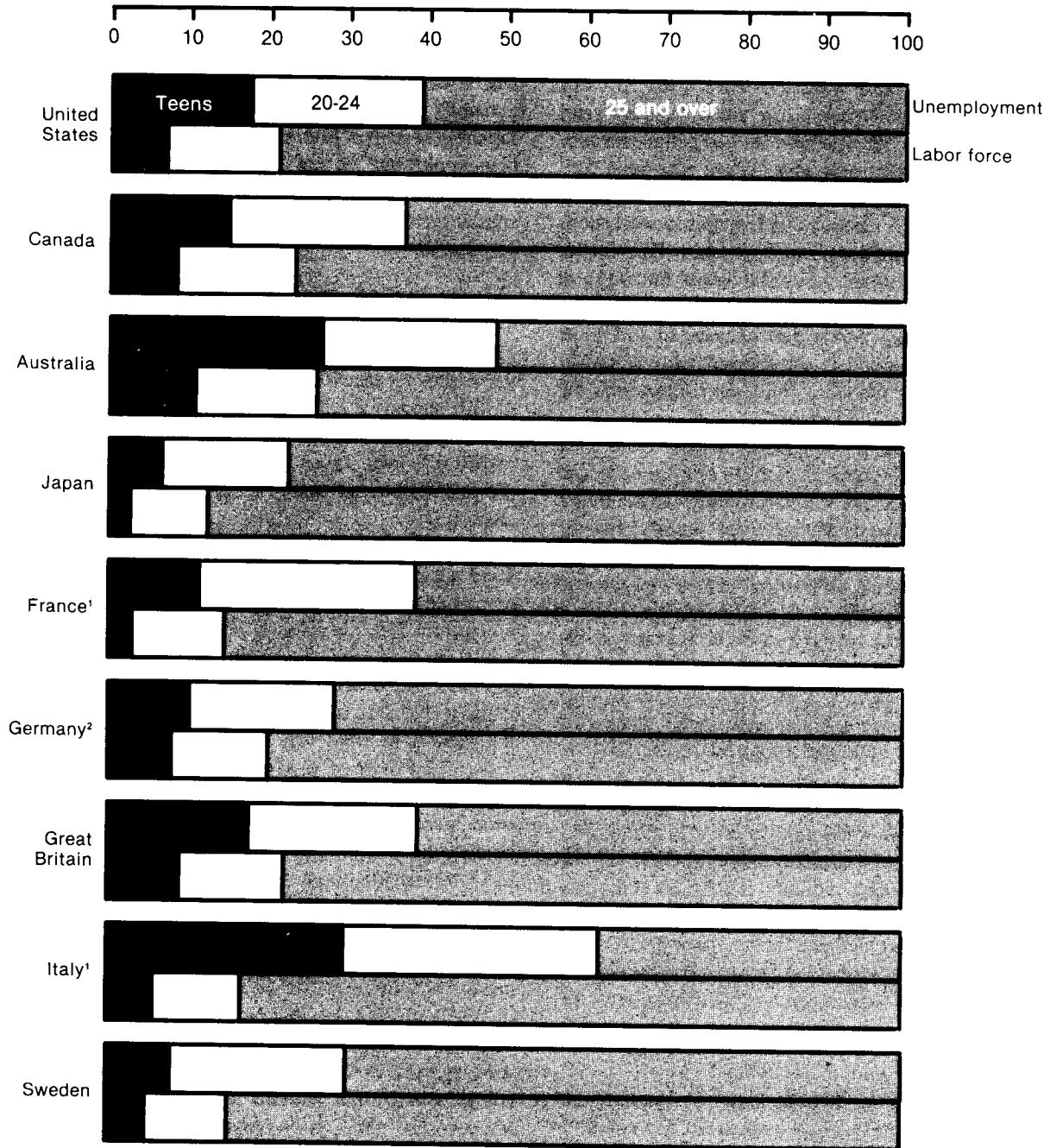
In 1983, U.S. employment rebounded strongly from its 1982 decline. More than 1.3 million jobs were created, in continued sharp contrast with the six European countries which lost 715,000 jobs. U.S. employment growth accelerated in 1984, as 4.2 million jobs were added. Canadian job creation, which had outpaced that in the United States in the 1970's, has not been as strong in the 1980's. Canadian job growth in 1984 was 2.5 percent, compared with the 4.1-percent increase in U.S. employment.

Japanese employment has been rising at a steady pace, even increasing in 1982 when sharp declines occurred in North America. In 1983, nearly 1 million more Japanese had jobs than the year before, and growth continued in 1984. Australia's employment growth resumed in 1984 after declining in the previous year.

In Western Europe, employment has generally declined since 1980, but some turnaround in the trend began to occur in 1983 and 1984. In 1983, small gains in employment were recorded in Italy and Sweden, and the prerecession level was regained in Italy. In 1984, employment continued to rise in Sweden, but resumed its decline in Italy. Great Britain recorded gains in employment in the first half of the year and Germany's jobs increased in the fourth quarter.

Besides the large differences in overall employment trends, there is also a marked difference in the types of jobs which are being created. Full-time jobs have been increasing faster than part-time opportunities in the United States. In contrast, part-time jobs have grown more strongly in Europe, Japan, and Australia. OECD estimates indicate that, on a net new

Chart 2. Percent distribution of unemployment and the labor force by age, 1984



¹ Data are for 1983.

² Data are for 1982.

job basis, one of two new jobs created in Europe since the first oil shock in 1973 was a part-time job, compared with one of five new jobs in the United States.⁶

Comparative and current data on part-time work in Europe are difficult to obtain. However, data are available for North America, Japan, and Australia. In the United States, the number of persons working full-time schedules increased faster than part-time employment in both 1983 and 1984. In 1983, 98 percent of the increase in overall employment was accounted for by increased numbers of persons on full-time schedules. In 1984, the increase in full-time employment, 4.4 million, exceeded the 4.2 million increase in overall employment, reflecting the decline in involuntary part-time work. The number of persons voluntarily working part-time schedules, however, rose 2 percent or 260,000, although the proportion of overall employment in this category continued to decline.

In Canada, growth in full-time jobs exceeded growth in part-time jobs in 1984. Almost 90 percent of the 270,000 jobs created were full time. However, full-time employment did not regain its prerecession level or proportion of overall employment. In contrast, the number of part-time jobs has increased steadily since 1980. The proportion of part-time to overall employment stabilized in 1984 after having risen between 1981 and 1983.

The situation in Japan regarding part-time jobs parallels that of Europe. To protect the lifetime employment system for their regular employees, Japanese enterprises have increased the use of part-time and casual workers who can be easily hired and fired. Part-time workers do not receive many of the benefits such as retirement, vacation, and sick leave accorded to regular employees and, therefore, cost less to employ. In 1983, employment of full-time regular employees rose 2 percent, while employment of part-time and cas-

Table 2. Civilian labor force, employment, and unemployment approximating U.S. concepts, 10 countries, 1975-84

[Numbers in thousands]

Year	United States	Canada	Australia	Japan	France	Germany	Great Britain	Italy	Netherlands	Sweden
Labor force:										
1975	93,775	9,974	6,169	52,530	21,600	26,130	25,130	20,080	4,820	4,123
1976	96,158	10,203	6,244	53,100	21,840	25,900	25,290	20,300	4,890	4,149
1977	99,009	10,500	6,358	53,820	22,100	25,870	25,430	20,530	4,950	4,168
1978	102,251	10,895	6,443	54,610	22,290	26,000	25,620	20,630	5,010	4,203
1979	104,962	11,231	6,519	55,210	22,470	26,240	25,710	20,910	5,100	4,262
1980	106,940	11,573	6,693	55,740	22,570	26,500	25,870	21,210	5,290	4,312
1981	108,670	11,904	6,810	56,320	22,640	26,610	25,870	21,410	5,500	4,326
1982	110,204	11,958	6,910	56,980	22,900	26,640	25,880	21,450	5,560	4,350
1983	111,550	12,183	6,997	58,110	22,800	26,640	25,980	21,610	5,720	4,369
1984	113,544	12,399	7,133	58,480	22,990	26,700	26,390	21,600	5,740	4,385
Labor force participation rate:²										
1975	61.2	61.1	63.2	62.4	56.7	54.4	63.1	47.5	49.2	65.9
1976	61.6	61.1	62.7	62.4	56.9	53.8	63.2	47.8	49.1	66.0
1977	62.3	61.6	62.7	62.5	57.0	53.4	63.2	48.0	49.0	65.9
1978	63.2	62.7	62.0	62.8	57.1	53.3	63.3	47.7	48.8	66.1
1979	63.7	63.4	61.7	62.7	57.0	53.3	63.2	47.8	49.0	66.6
1980	63.8	64.1	62.2	62.6	56.7	53.2	63.2	48.0	50.0	67.0
1981	63.9	64.8	62.0	62.6	56.5	52.9	62.2	48.0	51.3	66.8
1982	64.0	64.1	61.8	62.7	56.7	52.5	61.9	47.4	51.2	66.8
1983	64.0	64.4	61.5	63.1	56.1	52.8	62.2	47.2	52.4	66.9
1984	64.4	64.8	61.5	62.7	56.3	53.1	62.7	47.5	52.3	67.0
Employment:										
1975	85,846	9,284	5,866	51,530	20,700	25,230	24,000	19,480	4,570	4,056
1976	88,752	9,477	5,946	52,020	20,850	25,010	23,810	19,600	4,630	4,083
1977	92,017	9,651	6,000	52,720	21,030	24,970	23,840	19,800	4,700	4,093
1978	96,048	9,987	6,038	53,370	21,110	25,130	24,040	19,870	4,750	4,109
1979	98,824	10,395	6,111	54,040	21,110	25,460	24,360	20,100	4,830	4,174
1980	99,303	10,708	6,284	54,600	21,120	25,730	24,100	20,380	4,960	4,226
1981	100,397	11,006	6,416	55,060	20,950	25,520	23,190	20,480	4,990	4,218
1982	99,526	10,644	6,415	55,620	20,980	25,060	22,820	20,430	4,930	4,213
1983	100,834	10,734	6,300	56,550	20,840	24,650	22,650	20,470	4,890	4,218
1984	105,005	11,000	6,490	56,870	20,670	24,610	22,960	20,400	4,880	4,249
Employment-population ratio:³										
1975	56.1	56.9	60.1	61.2	54.3	52.5	60.3	46.1	46.6	64.8
1976	56.8	56.7	59.7	61.1	54.3	52.0	59.5	46.1	46.5	64.9
1977	57.9	56.6	59.2	61.2	54.3	51.6	59.3	46.3	46.5	64.8
1978	59.3	57.5	58.1	61.3	54.1	51.5	59.4	45.9	46.3	64.6
1979	59.9	58.7	57.9	61.4	53.6	51.7	59.8	45.9	46.4	65.3
1980	59.2	59.3	58.4	61.3	53.1	51.6	58.9	46.1	46.9	65.6
1981	59.0	59.9	58.4	61.2	52.3	50.7	55.8	45.9	46.5	65.1
1982	57.8	57.0	57.3	61.2	51.9	49.4	54.6	45.2	45.4	64.7
1983	57.9	56.7	55.4	61.4	51.3	48.8	54.2	44.7	44.8	64.6
1984	59.5	57.4	56.0	61.0	50.6	48.9	54.6	44.8	44.5	64.9

See footnotes at end of table.

Table 2. Continued—Civilian labor force, employment, and unemployment approximating U.S. concepts, 10 countries, 1975–84

[Numbers in thousands]

Year	United States	Canada	Australia	Japan	France	Germany	Great Britain	Italy	Netherlands	Sweden
Unemployment:										
1975	7,929	690	302	1,000	900	890	1,130	610	250	67
1976	7,406	726	298	1,080	990	890	1,480	700	260	66
1977	6,991	849	358	1,100	1,070	900	1,590	740	250	75
1978	6,202	908	405	1,240	1,180	870	1,580	760	260	94
1979	6,137	836	408	1,170	1,360	780	1,350	810	270	88
1980	7,637	865	409	1,140	1,450	770	1,770	830	330	86
1981	8,273	898	394	1,260	1,690	1,090	2,680	920	510	108
1982	10,678	1,314	495	1,360	1,920	1,580	3,060	1,020	630	137
1983	10,717	1,448	697	1,560	1,960	1,990	3,330	1,140	830	151
1984	8,539	1,399	642	1,610	2,320	2,090	3,430	1,200	860	136
Unemployment rate:										
1975	8.5	6.9	4.9	1.9	4.2	3.4	4.5	3.0	5.2	1.6
1976	7.7	7.1	4.8	2.0	4.5	3.4	5.9	3.4	5.3	1.6
1977	7.1	8.1	5.6	2.0	4.8	3.5	6.3	3.6	5.0	1.8
1978	6.1	8.3	6.3	2.3	5.3	3.4	6.2	3.7	5.2	2.2
1979	5.8	7.4	6.3	2.1	6.1	3.0	5.3	3.9	5.3	2.1
1980	7.1	7.5	6.1	2.0	6.4	2.9	6.8	3.9	6.2	2.0
1981	7.6	7.5	5.8	2.2	7.5	4.1	10.4	4.3	9.3	2.5
1982	9.7	11.0	7.2	2.4	8.4	5.9	11.8	4.8	11.3	3.1
1983	9.6	11.9	10.0	2.7	8.6	7.5	12.8	5.3	14.5	3.5
1984	7.5	11.3	9.0	2.8	10.1	7.8	13.0	5.6	15.0	3.1
Unemployment rate, as published:⁴										
1975	8.5	6.9	4.9	1.9	4.2	4.7	3.9	5.9	5.0	1.6
1976	7.7	7.1	4.8	2.0	4.5	4.6	5.4	6.7	5.3	1.6
1977	7.1	8.1	5.6	2.0	4.8	4.5	5.7	7.2	5.1	1.8
1978	6.1	8.3	6.3	2.2	5.3	4.3	5.6	7.2	5.1	2.2
1979	5.8	7.4	6.3	2.1	6.0	3.8	5.2	7.7	5.1	2.1
1980	7.1	7.5	6.1	2.0	6.4	3.8	6.7	7.6	5.9	2.0
1981	7.6	7.5	5.8	2.2	7.5	5.5	10.2	8.4	9.1	2.5
1982	9.7	11.0	7.2	2.4	8.4	7.5	11.9	9.1	12.6	3.1
1983	9.6	11.9	10.0	2.6	8.6	9.1	12.7	9.9	17.1	3.5
1984	7.5	11.3	9.0	2.7	10.1	9.1	12.9	10.4	17.6	3.1

¹Preliminary estimate.²Civilian labor force as a percent of the civilian working-age population.³Civilian employment as a percent of the civilian working-age population.

⁴Published and adjusted data are identical for the United States, Canada, and Australia. For France, unemployment as a percent of the civilian labor force; for Japan, Italy, and Sweden, unemployment as a percent of the civilian labor force plus career military personnel; for Germany, Great Britain, and the Netherlands, registered unemployed (excluding adult students in Great Britain) as a percent of employed wage and salary workers plus the unemployed. Except for France, which does not publish an unemployment rate, these are the usually published unemployment rates for each country. Published rates shown for Germany, Great Britain, and the Netherlands cannot be computed from data contained in this table.

NOTE: Data for the United States relate to the population age 16 and over. Published data for France, Germany and Italy relate to the population age 14 and over; for Sweden, to the population age 16 to 74; and for Canada, Australia, Japan, Great Britain, and the Netherlands, to the population age 15 and over. Beginning in 1973, published data for Great Britain relate to the population age 16 and over. The adjusted statistics have been adapted, insofar as possible, to the age at which compulsory schooling ends in each country. Therefore, adjusted statistics for France relate to the population age 16 and over; for Germany, to the population age 15 and over; and for the Netherlands, to the population age 14 and over for 1973–74, and to the population age 15 and over from 1975 onward. The age limits of adjusted statistics for Canada, Australia, Japan, Great Britain, and Italy coincide with the age limits of the published statistics. Statistics for Sweden remain at the lower age limit of 16, but have been adjusted to include persons age 75 and over.

ual workers rose 9 percent. However, the number of full-time jobs created was more than double the number of new part-time jobs. During the 1978–82 period, the part-time work force rose by an average 2.5 percent a year. As indicated earlier, the majority of part-time and casual workers are women, while the majority of regular employees are men.

In 1984, the use of part-time workers continued to increase in Japan. According to a survey on part-time employment conducted in late 1984, manufacturing and wholesale and retail enterprises tended “to cut down their regular payroll work forces in favor of more part-timers”⁷ to minimize payroll costs.

In Australia, growth in part-time jobs also accelerated in 1984. Part-time jobs increased twice as rapidly as full-time jobs. However, the number of full-time jobs created, 133,000, far exceeded the number of part-time jobs, 56,000. The

proportion of full-time employees to overall employment has continued to decline.

The part-time category may include persons working reduced hours both voluntarily and involuntarily. The discussion here focuses on involuntary part time only. Trends in the number of persons working part time for economic reasons gives further background to comparative employment trends. These data indicate that some countries have a much larger group of underemployed persons than do others.

Employers in all countries use the mechanism of short-time work to varying degrees to maintain their experienced work forces during times of reduced business. In Europe and Japan, unemployment compensation systems provide for payments to workers on shorter hours for economic reasons. This is generally not the case in the United States and Canada.

Table 3. Labor force participation rates and unemployment rates (civilian labor force basis), by sex, 1975-84

Year	United States	Canada	Australia	Japan ¹	France	Germany	Great Britain	Italy	Netherlands ²	Sweden
Labor force participation rate³										
Men:										
1975	77.9	78.4	82.2	81.2	74.4	73.1	81.4	70.4	73.1	77.0
1976	77.5	77.6	81.5	81.0	74.4	72.1	81.3	70.2	(⁴)	76.5
1977	77.7	77.7	81.0	80.4	74.0	71.6	80.8	69.2	71.8	75.6
1978	77.9	78.1	79.8	80.1	73.8	71.3	80.3	68.5	(⁴)	75.1
1979	77.8	78.5	79.5	79.9	73.0	71.1	79.7	68.1	70.4	75.1
1980	77.4	78.4	79.2	79.6	72.4	70.4	79.5	67.7	(⁴)	74.9
1981	77.0	78.4	78.9	79.6	71.8	69.6	78.6	67.5	70.0	73.9
1982	76.6	77.0	78.4	79.3	71.3	68.8	⁵ 77.7	66.6	(⁴)	73.5
1983	76.4	76.7	77.7	79.2	69.5	68.8	⁵ 77.0	65.9	69.8	⁵ 73.1
1984	76.4	76.6	⁵ 77.3	78.5	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	⁵ 72.7
Women:										
1975	46.3	44.4	44.5	44.8	40.8	38.4	46.6	26.6	26.9	55.2
1976	47.3	45.2	44.3	44.8	41.1	38.2	46.9	27.5	(⁴)	55.8
1977	48.4	46.0	44.8	45.7	41.8	37.8	47.4	28.6	27.6	56.7
1978	50.0	47.9	44.5	46.4	42.1	37.8	48.0	28.6	(⁴)	57.5
1979	50.9	49.0	44.3	46.6	42.6	37.9	48.2	29.2	29.1	58.5
1980	51.5	50.4	45.5	46.6	42.6	38.2	48.3	29.9	(⁴)	59.3
1981	52.1	51.7	45.5	46.7	42.8	38.3	47.8	30.1	32.9	60.1
1982	52.6	51.7	45.4	47.0	43.5	38.4	⁵ 47.5	30.0	(⁴)	60.5
1983	52.9	52.6	45.5	48.0	44.0	38.8	⁵ 47.8	30.1	34.8	⁵ 61.0
1984	53.6	53.5	⁵ 46.2	47.8	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	⁵ 61.5
Unemployment rate										
Men:										
1975	7.9	6.2	3.8	1.9	2.9	3.3	4.9	2.2	3.8	1.4
1976	7.1	6.3	3.9	2.1	3.0	3.1	6.3	2.4	(⁴)	1.3
1977	6.3	7.3	4.6	2.0	3.2	2.9	6.6	2.5	4.0	1.5
1978	5.3	7.5	5.4	2.2	3.7	2.7	6.2	2.5	(⁴)	2.1
1979	5.1	6.6	5.2	1.9	4.2	2.3	5.5	2.7	3.7	1.9
1980	6.9	6.9	5.1	1.7	4.2	2.3	7.3	2.7	(⁴)	1.7
1981	7.4	7.0	4.8	1.9	5.2	3.4	11.3	2.9	6.4	2.4
1982	9.9	11.1	6.4	1.9	6.1	5.2	⁵ 13.1	3.3	(⁴)	3.0
1983	9.9	12.1	9.7	(⁴)	6.6	6.6	⁵ 14.2	3.7	12.4	3.4
1984	7.4	11.2	8.7	(⁴)	(⁴)	⁵ 6.7	⁵ 14.3	(⁴)	(⁴)	3.0
Women:										
1975	9.3	8.1	7.0	3.8	6.2	3.6	3.9	5.0	6.9	2.0
1976	8.6	8.4	6.4	3.8	7.1	4.0	5.1	5.8	(⁴)	2.0
1977	8.2	9.4	7.5	4.3	7.5	4.5	5.7	6.0	6.7	2.2
1978	7.2	9.6	7.9	4.3	7.9	4.4	6.1	6.2	(⁴)	2.4
1979	6.8	8.8	8.2	4.1	9.0	4.1	4.9	6.4	8.1	2.3
1980	7.4	8.4	7.9	3.3	9.8	3.8	6.2	6.7	(⁴)	2.3
1981	7.9	8.3	7.4	3.6	10.9	5.1	8.8	7.1	11.4	2.7
1982	9.4	10.9	8.5	4.0	11.7	7.0	⁵ 9.9	7.5	(⁴)	3.4
1983	9.2	11.6	10.4	(⁴)	11.5	8.8	⁵ 10.8	8.5	16.2	3.5
1984	7.6	11.4	9.5	(⁴)	(⁴)	⁵ 9.6	⁵ 11.3	(⁴)	(⁴)	3.2

¹Unemployment rates estimated on the basis of special March survey data for 1977 through 1980. Adjustments for 1975-76 are based on March 1977 data, and adjustments for 1981-82 are based on March 1980 data.

²Data refer to March-May.

³Data relate to the civilian labor force approximating U.S. concepts as a percent of the civilian noninstitutionalized working-age population. Working age is defined as 16 years and over in the United States, France, and Sweden; 15 years and over in Australia.

Canada, Germany, and Japan; and 14 years and over in Italy. For Great Britain, the lower age limit was raised from 15 to 16 in 1973. For the Netherlands, the lower age limit was raised from 14 to 15 in 1975. The institutionalized working-age population is included in Japan and Germany.

⁴Not available.

⁵Preliminary estimate.

In the United States, the number of persons working part time for economic reasons (persons on reduced hours as well as persons employed in part-time jobs who want full-time work) rose between 1980 and 1983. In 1982, the number increased 30 percent to 6.2 million, or 6.2 percent of the employed. In 1983, the number continued to rise, although at a much slower pace, and the ratio of persons affected remained unchanged. In 1984, the number of persons working part-time for economic reasons declined to 5.7 million, or 5.5 percent of the employed.

The number of U.S. workers on reduced hours increased steadily from 1978 to 1982. In 1982, the number rose by

one-third to 3.3 million, approximately 3.3 percent of civilian employment. In 1983, the number began to decline and, by 1984, fewer than 2.5 million persons, 2.3 percent of employment, were on reduced work schedules.

The number of persons in the United States working part time because they could only find part-time jobs also increased by one-third in 1982. However, the peak occurred in 1983, when there were 3.1 million part-time workers who were unable to find full-time jobs. This group typically continues to increase even after employers restore the hours of those they have put on short work hours. In 1984, the number who could find only part-time jobs declined for the

first time since 1978 to 2.9 million, or 2.8 percent of employment.

In Canada, persons whose hours were cut back for economic reasons followed a similar pattern. The number affected rose from 1980 to 1982, with a dramatic increase of 76 percent to 146,000 (1.4 percent of civilian employment) by 1982. In the following 2 years, the number of persons working shorter hours for economic reasons decreased. By 1984, 112,000 (1.2 percent of civilian employment) were on reduced work schedules.

Data are also collected on the number of Canadians working part time because they could only find part-time work. In 1980, nearly 250,000 part-time workers wanted to work full time but could not find such jobs. By 1984, the number had more than doubled to 510,000 persons. The proportion of employed persons working part time who want full-time work also doubled, rising from 2.3 percent in 1980 to 4.6 percent in 1984.

In France, the number of persons who were compensated for working shorter hours peaked in 1981. About 320,000 workers (1.5 percent of civilian employment) were compensated for 17.4 million days not worked. In 1982, the number of persons affected declined 40 percent and the number of days compensated fell 30 percent. In 1983, the numbers of both workers and days compensated rose 20 percent. Approximately 240,000 French workers (1.1 percent of civilian employment) were reimbursed for 14.6 million days not worked. In 1984, the number of workers receiving short-time compensation rose 15 percent, while the number of days compensated rose 5 percent. Nearly 275,000 workers (1.1 percent of civilian employment) were paid for 15.2 million days not worked.

In Germany, the number of persons receiving payments for shortened work schedules continued to increase in 1983, but the rate of growth decelerated significantly, rising just 11 percent, compared with 75 percent in 1982. Approximately 675,000 employees, 2.7 percent of German employment, worked shorter hours for economic reasons in 1983. In 1984, the number of persons receiving short-time benefits decreased 40 percent; approximately 385,000 persons, or 1.6 percent of German employment, worked shorter hours for economic reasons in 1984.

In Italy, the number of hours subsidized by the Wage Supplement Fund increased each year from 1980 to 1983. The rate of increase ranged from 85 percent in 1981, to 6 percent in 1982, and to 30 percent in 1983. By 1983, the number of hours subsidized had risen to almost 700 million, equivalent to 390,000 person years, or 1.9 percent of civilian employment. In 1984, the number of hours subsidized rose an additional 9 percent to 760 million hours, equivalent to 420,000 person years, or 2.1 percent of civilian employment.

In Great Britain and the Netherlands, the number of persons affected by involuntary short-time schedules declined in 1983. In Britain, emphasis has shifted away from the

Temporary Short Time Working Compensation Scheme. This scheme, which ended in September 1984, subsidized 68,000 workers in 1983, about one-eighth the number subsidized in 1981. Approximately 0.3 percent of total employment was affected in 1983, compared with 2.3 percent in 1981. In the Netherlands, the number of persons on shorter hours has declined since 1982, although the number of hours compensated rose until 1983. The number of persons affected fell nearly 30 percent over the 1982–83 period, to 16,200, or about 0.3 percent of employment. Hours compensated declined 17 percent to 9.5 million.

Other indicators favorable for U.S.

Unemployment and employment are the key indicators of the labor market, but there are other statistics which give added perspective to international comparisons. The labor force brings together the two key indicators in one concept as it represents all persons either working or seeking work. The labor force participation rate and the employment-population ratio show the extent to which labor force and employment growth are keeping pace with population growth. Finally, trends in the number of discouraged workers tell us about an important group of potential labor force entrants.

Even during the recession years of the 1980's, the labor force increased in all countries, with two exceptions—1983 declines in France and Germany. Labor force growth was far more rapid in Canada, the United States, Australia, and Japan, than in Western Europe. North American and Japanese increases in the 1980–83 period represented expanding employment and unemployment components, except in 1982, when North American employment declined. In 1984, big employment increases fueled labor force growth in the United States and, to a lesser extent, in Japan, Canada, and Australia. In contrast, European labor force growth so far in the 1980's has been associated with sharp growth in joblessness and declining employment.

Although all countries' labor forces were larger in the 1983–84 period than in 1980, only the United States, Canada, Japan, and the Netherlands had seen increases in labor force participation rates. In other words, labor force growth exceeded working age population growth in these nations. In Australia and Western Europe—except the Netherlands—participation rates either declined or remained virtually unchanged (in Sweden), as labor force growth fell below population growth. In some European countries, notably Germany, increasing emigration of foreign workers contributed to the decline. Programs promoting early retirement have been a factor in France, Germany, Great Britain, and Italy. Rising numbers of discouraged workers (discussed later) have also contributed to the decline in European participation rates.

Activity rates for men fell in all countries after 1980, while rates for women rose in all countries. (See table 3.) In most cases, these developments were continuations of longer term trends, and the reasons for them have been

described by Constance Sorrentino in 1983.⁸ Although there are many reasons for the rising participation of women, this trend may partly reflect the “added worker” phenomenon. When household income is rising slowly or has been reduced (either because of unemployment or shorter hours), the desire for additional income tends to draw women from non-market activities into the labor market.

In Japan, women formerly moved from employment to out of the labor force, bypassing unemployment. In recent years, however, they have tended to remain in the labor market, immediately seeking work upon becoming jobless, and thus maintaining rising participation rates. This pattern is also beginning to emerge in the Netherlands.

The United States was the only country with a higher employment-to-population ratio in 1984 than in 1980. Even in Canada, Japan, and Australia—countries with higher employment in 1984 than in 1980—employment growth was outpaced by population growth, and employment ratios declined. Some of the Western European countries had particularly sharp decreases in this ratio because employment actually declined while the working-age population increased.

Discouraged workers. Discouraged workers are persons not in the labor force who state a current desire for work but who are not actively seeking a job because they think they cannot find one. Current data on these workers are available for five countries—the United States, Canada, Australia, Italy, and Sweden. However, because definitions vary from country to country, international comparisons should be made cautiously.

In the United States, the number of discouraged workers peaked at the same time as the number of unemployed. In the fourth quarter of 1982, the number of discouraged workers, 1.8 million, was equal to about 15 percent of the unemployed. By the fourth quarter of 1984, the number had declined by .5 million, but was still equivalent to about 15 percent of unemployment.

In the United States, there is no requirement of prior job search in order to be classified as discouraged. Data from several sources indicate that a large proportion of discouraged workers test the job market only infrequently. More than half report no jobseeking efforts in the year preceding the interview.⁹

In Canada, however, the definition of discouraged workers requires that active steps to find work must have been taken within 6 months prior to the interviews. The number of Canadian discouraged workers has declined steadily from the fourth quarter 1982 peak of 133,000, equivalent to 9 percent of unemployment. By the fourth quarter of 1984, discouragement was reported at 84,000 persons, equivalent to 6 percent of the number of jobless.

In Australia, the definition of discouraged workers is also more restrictive than in the United States. Australia requires persons who want a job but who have not taken active steps

to find work to be available to start work within 4 weeks. (The United States does not specifically apply an availability criterion to its discouraged worker definition.) This availability criterion was applied to the Australian definition of discouraged workers beginning in September 1983. In a supplementary survey conducted in March 1984, discouraged workers numbered 116,000, comparable to 17 percent of the unemployed. In addition, persons who wanted to work, had not actively sought work, and who were not available to begin a new job within 4 weeks, averaged 224,000 in the March 1984 survey, comparable to one-third of the unemployed.

In Italy, discouraged workers—according to U.S. definitions—outnumber the unemployed. In 1982 and 1983, the ratio of discouraged workers to the unemployed was approximately 11 to 10. However, approximately 90 percent of these discouraged workers are classified as unemployed by the Italian authorities because they have sought work, although not in the past month, the cutoff point in the U.S. definition of unemployment. In Italy, discouraged workers are defined as persons not in the labor force who declare their desire and availability for work at the time of the survey but who have not sought work because they think they cannot find a job. When this definition is used, the ratio of discouraged workers to the unemployed is less than 8 percent.

In Sweden, the number of discouraged workers fell to 50,000 in 1984 after averaging 60,000 in 1982 and 1983. The number of discouraged jobseekers in 1984 was comparable to almost 40 percent of the unemployed. This proportion has declined steadily since 1979.

Youth unemployment stays high

The recession of the early 1980’s aggravated an already serious problem of high youth (under age 25) unemployment. Even in prosperous years, young persons experience higher unemployment rates than adults. Youth problems in the labor market have been attributed to such factors as lack of skills, inadequate training or counseling, the difficulties of transition from school to work, insufficient work experience, and loose labor force attachment. Cyclical downturns compound these problems because young people lack seniority and are more vulnerable to dismissal.

The extent of youth unemployment varies widely, and international differences have changed dramatically over time.¹⁰ For instance, during the 1960’s through the early 1970’s, European countries, with the exception of Italy, had much lower levels of youth unemployment than the United States and Canada. In 1970, the youth jobless rates in the United States, Canada, and Italy averaged around 10 percent, compared with rates of 2 to 6 percent in Australia, Japan, France, Great Britain, and Sweden. The German youth unemployment rate was under 1 percent.

Since the 1974–75 recession, however, the traditional gap between North American and European youth rates has narrowed or disappeared. Youth rates in Western Europe

first matched and then exceeded the rates in the United States and Canada. In 1982, youth unemployment rates rose in all countries and reached new highs. (See table 4.) The rates for persons under age 25 were 18 to 21 percent in North America, France, Great Britain, and Italy; 14 percent in Australia; and 4 to 8 percent in Japan, Germany, and Sweden, three of the four countries with the lowest overall jobless rates. In 1983, the youth unemployment rate moved downward slightly in the United States and Great Britain, but continued to rise in the other countries studied. Unemployment rates for persons under age 25 in all countries but Japan, Germany, and Sweden exceeded those in the United States.

In 1984, the youth unemployment rate declined in North America, Australia, and Sweden, and fell back to its pre-recession level in the United States. In Britain, the youth jobless rate remained unchanged. In contrast, it continued to rise among Japanese youth.

The dramatic turnaround in demographic trends was an important factor influencing the comparative youth unemployment picture. In North America, birth rates peaked in the late 1950's. In Western Europe, however, the peak occurred in the early to mid-1960's, which coincided with the tapering off of North American birth rates. In Australia and Japan, the peak was reached much later, in the 1970's.

In the United States and Canada, the children born during

the baby boom reached working age in the early 1970's, whereas those in Western European countries reached working age nearly 10 years later, during a period of generally declining economic growth. For Australia and Japan, the entry of the baby-boom generation is just beginning or yet to come.

Trends for teenagers. Aggregate unemployment rates for persons under 25 years of age tend to mask the separate trends for teenagers (under age 20)¹¹ and young adults (age 20 to 24).

Historically, unemployment rates among teenagers have been considerably higher than those for young adults in all countries studied except Germany. Double-digit teenage unemployment rates have been the rule rather than the exception in North America, Australia, and most of Western Europe in the last decade.

In 1975, teenage jobless rates rose sharply in all countries studied except Sweden, where extensive labor market programs were implemented to maintain employment. Teenage jobless rates reached new highs of nearly 20 percent in the United States, and 13 to 17 percent in Canada, Australia, France, Great Britain, and Italy. In Japan, Germany, and Sweden, the rates were much lower, around 5 percent.

Following the 1974-75 recession, teenage jobless rates declined slowly in the United States, but continued to rise

Table 4. Unemployment rates (civilian labor force basis), by age, 1980-84

Age group	United States	Canada	Australia	Japan	France ¹	Germany ¹	Great Britain ²	Italy	Sweden
1980:									
All working ages	7.1	7.5	6.1	2.0	6.1	2.7	6.6	3.9	2.0
Under 25 years	13.9	13.2	12.6	3.5	16.2	3.5	12.6	14.5	5.1
Teenagers ³	17.8	16.2	17.1	4.2	25.9	3.5	15.7	18.4	7.7
20-24 years	11.5	11.0	8.9	3.3	13.0	3.5	10.3	12.1	3.7
25 years and over	5.1	5.4	3.7	1.8	4.3	2.4	4.9	1.7	1.4
1981:									
All working ages	7.6	7.5	5.8	2.2	7.0	3.6	10.1	4.3	2.5
Under 25 years	14.9	13.2	11.4	4.1	18.2	4.8	18.1	16.0	6.5
Teenagers ³	19.6	16.2	15.6	5.6	29.1	4.3	21.1	20.9	9.6
20-24 years	12.3	11.2	8.2	3.7	15.1	5.1	15.9	13.0	4.9
25 years and over	5.4	5.6	3.7	2.0	5.0	3.3	7.9	1.9	1.8
1982:									
All working ages	9.7	11.0	7.1	2.4	7.8	5.3	11.8	4.8	3.1
Under 25 years	17.8	18.8	13.9	4.3	20.3	7.5	20.6	17.7	7.6
Teenagers ³	23.2	21.9	18.5	5.6	31.3	6.9	24.1	23.7	10.9
20-24 years	14.9	16.8	10.4	4.0	17.3	8.0	18.0	14.2	6.0
25 years and over	7.4	8.4	4.7	2.1	5.6	4.8	9.3	2.1	2.3
1983:									
All working ages	9.6	11.9	9.9	2.7	8.0	(⁴)	11.6	5.3	3.5
Under 25 years	17.2	19.9	18.3	4.6	21.2	(⁴)	20.4	19.2	8.2
Teenagers ³	22.4	22.2	23.6	6.4	30.7	(⁴)	23.4	26.6	10.6
20-24 years	14.5	18.5	14.6	4.1	18.8	(⁴)	18.2	15.6	7.0
25 years and over	7.5	9.4	6.9	2.4	5.8	(⁴)	9.1	2.5	2.6
1984:									
All working ages	7.5	11.3	9.0	2.8	(⁴)	(⁴)	11.6	(⁴)	3.1
Under 25 years	14.0	17.9	16.8	5.1	(⁴)	(⁴)	20.4	(⁴)	6.1
Teenagers ³	18.9	20.0	22.3	6.9	(⁴)	(⁴)	22.8	(⁴)	5.0
20-24 years	11.5	16.8	12.9	4.6	(⁴)	(⁴)	18.8	(⁴)	6.7
25 years and over	5.8	9.3	6.3	2.5	(⁴)	(⁴)	9.1	(⁴)	2.6

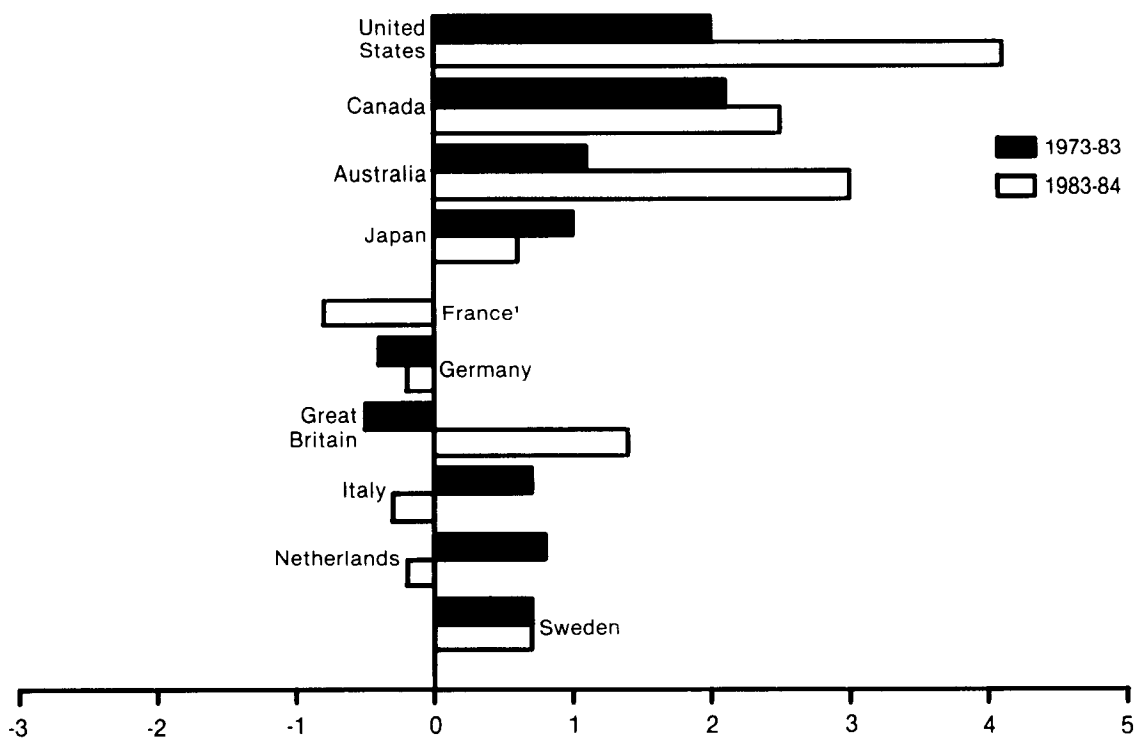
¹French data are for March 1980, 1981, and 1983 and April-May 1982; German data are for April 1980 and 1982 and May 1981.

²Data are not adjusted to U.S. concepts. Adjusted figures for youth would be slightly higher than those published here and adult rates would be slightly lower.

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

⁴Not available.

Chart 1. Average annual percent change in employment, 10 countries, 1973-83 and 1983-84



¹ Zero percentage change in France during the 1973-83 period.

in most of the other countries studied. By 1979, teenage rates matched or surpassed the U.S. rate of 16 percent in Canada, Australia, France, and Italy. In the early 1980's, teenage jobless rates were once again rising sharply in all countries studied. In 1982, new highs were recorded, 31 percent in France and 20 to 25 percent in North America, Australia, Great Britain, and Italy. Swedish teens had rates in excess of 10 percent for the first time. Japanese and German teens recorded jobless rates of around 6 percent, the lowest among the countries studied here. In 1983, teenage jobless rates declined in the United States, France, Great Britain, and Sweden, but continued to rise in the other countries studied. In 1984, teenagers in the United States, Canada, Australia, Great Britain, and Sweden recorded lower unemployment rates than in the previous year. In Japan, the teenage jobless rate continued to rise.

Trends for young adults. Historically, unemployment rates among young adults have remained lower than among teenagers in all countries studied except Germany. Since 1977, the German teenage jobless rate has been lower than that for young adults. In addition, unemployment rates for young adults have risen more rapidly than teenage rates in Germany, as well as in Canada, Australia, France, Great Britain, and Sweden.

In 1975, young adult jobless rates ranged from 10 to 15 percent in North America and Italy to less than 5 percent

in Japan, Germany, and Sweden. From 1976 to 1978, the young adult rate moved downward in the United States, while continuing to rise in most of the other countries. In 1979, the rates remained unchanged or declined in all countries but France.

Beginning in 1980, sharp rises in young adult joblessness were recorded. Between 1980 and 1982, the unemployment rate for persons age 20 to 24 rose 20 to 30 percent in the United States, Japan, Australia, France, and Italy, and 50 to 75 percent in Canada, Great Britain, and Sweden. The largest increase by far occurred in Germany, where the rate more than doubled. Nevertheless, the 1982 German rate, 8.0 percent, was still among the lowest of the nine countries. Only Japanese and Swedish young adults had lower rates (4.0 and 6.0 percent). In contrast, young adult unemployment rates clustered between 14 to 18 percent in North America and Western Europe.

In 1983, unemployment rates among 20- to 24-year-olds continued to rise in all countries studied except the United States. The steepest rise was recorded in Australia, where the rate rose 40 percent to 14.6 percent. This was the first time the Australian young adult rate had exceeded that in the United States. Young adults in four other countries—Canada, France, Great Britain, and Italy—experienced higher rates of joblessness than those in the United States. (In 1980, only France and Italy had higher unemployment rates for 20- to 24-year-olds than the United States.)

In 1984, lower jobless rates for 20- to 24-year-olds were recorded in Canada, Australia, and Sweden, as well as in the United States. In Japan and Great Britain, the young adult jobless rate rose at an accelerated pace.

Youth share of unemployment declining

Youth account for a disproportionate share of the unemployed. (See table 5 and chart 2.) In 1980, more than

40 percent of the jobless were under age 25, except in Japan and Germany where just 20 to 25 percent of the unemployed were young persons. During the same year, youth comprised one-fourth of the labor force in North America and Australia, one-sixth in Western Europe, and one-eighth in Japan.

Over the 1981–83 period, the youth share of both the unemployed and the labor force moved downward in all

Table 5. Percent distribution of the labor force and the unemployed, by age, 1980–1984

Age group	United States	Canada	Australia	Japan	France ¹	Germany ¹	Great Britain ²	Italy	Sweden
All working ages	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Labor force									
1980:									
Under 25 years	23.7	26.4	27.3	12.4	15.7	20.1	21.1	17.2	16.3
Teenagers ³	8.8	11.0	12.2	2.6	3.7	8.5	9.2	6.6	5.7
20–24 years	14.9	15.5	15.1	9.8	12.0	11.6	12.0	10.5	10.6
25 years and over	76.3	73.5	72.7	87.6	84.3	79.9	78.9	82.8	83.7
1981:									
Under 25 years	23.1	25.8	27.1	12.2	15.2	20.2	21.6	17.3	15.7
Teenagers ³	8.3	10.5	11.9	2.6	3.4	8.2	9.3	6.5	5.3
20–24 years	14.8	15.3	15.2	9.7	11.8	12.0	12.3	10.8	10.4
25 years and over	76.9	74.2	72.9	87.8	84.8	79.8	78.4	82.7	84.3
1982:									
Under 25 years	22.3	24.7	26.8	12.2	14.9	20.1	22.0	17.2	15.7
Teenagers ³	7.7	9.5	11.5	2.5	3.3	8.0	9.4	6.3	5.3
20–24 years	14.6	15.2	15.3	9.6	11.6	12.1	12.6	10.9	10.4
25 years and over	77.7	75.3	73.2	87.8	85.1	79.9	78.0	82.8	84.3
1983:									
Under 25 years	21.7	23.9	26.5	12.4	14.6	(⁴)	22.2	16.9	15.4
Teenagers ³	7.3	8.8	11.0	2.7	3.0	(⁴)	9.3	5.9	5.2
20–24 years	14.4	15.1	15.5	9.7	11.6	(⁴)	12.9	11.0	10.2
25 years and over	78.3	76.1	73.5	87.6	85.4	(⁴)	77.8	83.1	84.6
1984:									
Under 25 years	21.1	23.3	26.0	12.4	(⁴)	(⁴)	22.2	(⁴)	15.3
Teenagers ³	7.0	8.4	10.8	2.7	(⁴)	(⁴)	9.1	(⁴)	5.0
20–24 years	14.1	14.9	15.2	9.7	(⁴)	(⁴)	13.1	(⁴)	10.3
25 years and over	78.9	76.7	74.0	87.6	(⁴)	(⁴)	77.8	(⁴)	84.7
Unemployed									
1980:									
Under 25 years	45.9	46.7	56.3	21.0	41.1	26.8	40.6	63.9	41.9
Teenagers ³	21.8	23.7	34.3	5.3	15.5	11.3	21.9	31.3	22.1
20–24 years	24.0	22.9	22.0	15.8	25.5	15.5	18.7	32.5	19.8
25 years and over	54.1	53.3	43.7	79.0	58.9	73.2	59.4	36.1	58.1
1981:									
Under 25 years	45.2	45.3	53.7	22.2	39.5	27.2	38.8	64.1	40.7
Teenagers ³	21.3	22.7	32.2	6.4	14.1	9.9	19.4	31.5	20.4
20–24 years	23.9	22.7	21.5	15.9	25.4	17.2	19.4	32.6	20.4
25 years and over	54.8	54.7	46.3	77.8	60.5	72.8	61.2	35.9	59.3
1982:									
Under 25 years	40.9	42.2	52.0	22.1	38.9	28.5	38.5	63.7	38.0
Teenagers ³	18.5	19.0	29.7	5.9	13.4	10.3	19.2	31.4	18.2
20–24 years	22.4	23.3	22.4	16.2	25.6	18.2	19.3	32.4	19.7
25 years and over	59.1	57.8	48.0	77.9	61.1	71.5	61.5	36.3	62.0
1983:									
Under 25 years	38.8	40.0	48.8	21.2	38.6	(⁴)	38.9	61.4	36.4
Teenagers ³	17.1	16.5	26.2	6.4	11.4	(⁴)	18.7	29.8	15.9
20–24 years	21.7	23.5	22.6	14.7	27.2	(⁴)	20.2	32.5	20.5
25 years and over	61.2	60.0	51.2	78.8	61.4	(⁴)	61.1	38.6	63.6
1984:									
Under 25 years	39.1	37.1	48.6	22.6	(⁴)	(⁴)	39.0	(⁴)	30.1
Teenagers ³	17.6	14.9	26.8	6.7	(⁴)	(⁴)	17.8	(⁴)	8.1
20–24 years	21.5	22.2	21.8	15.8	(⁴)	(⁴)	21.2	(⁴)	22.1
25 years and over	60.9	63.0	51.4	77.4	(⁴)	(⁴)	61.0	(⁴)	69.9

¹French data are for March 1980, 1981, and 1983 and April–May 1982; German data are for April 1980 and 1982 and May 1981.

²Data are not adjusted to U.S. concepts.

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

⁴Not available.

Table 6. Ratios of youth-to-adult unemployment rates, 1980–84

Year	United States	Canada	Australia	Japan	France ¹	Germany ¹	Great Britain ²	Italy	Sweden
Youth-to-adult ratio³									
1980	2.7	2.4	3.4	1.9	3.7	1.5	2.6	8.5	3.6
1981	2.8	2.4	3.1	2.0	3.6	1.5	2.3	8.4	3.6
1982	2.4	2.2	3.0	2.0	3.6	1.6	2.2	8.4	3.3
1983	2.3	2.1	2.7	1.9	3.7	(⁴)	2.2	7.7	3.2
1984	2.4	1.9	2.7	2.0	(⁴)	(⁴)	2.2	(⁴)	2.3
Teenage-to-adult ratio⁵									
1980	3.5	3.0	4.6	2.3	6.0	1.5	3.2	10.8	5.5
1981	3.6	2.9	4.2	2.8	5.8	1.3	2.7	11.0	5.3
1982	3.1	2.6	3.9	2.7	5.6	1.4	2.6	11.3	4.7
1983	3.0	2.4	3.4	2.7	5.3	(⁴)	2.6	10.6	4.1
1984	3.3	2.2	3.5	2.8	(⁴)	(⁴)	2.5	(⁴)	1.9
Young adult-to-adult ratio⁶									
1980	2.2	2.0	2.4	1.8	3.0	1.5	2.1	7.1	2.6
1981	2.3	2.0	2.2	1.8	3.0	1.6	2.0	6.8	2.7
1982	2.0	2.0	2.2	1.9	3.1	1.7	1.9	6.8	2.6
1983	1.9	2.0	2.1	1.7	3.2	(⁴)	2.0	6.2	2.7
1984	2.0	1.8	2.1	1.8	(⁴)	(⁴)	2.1	(⁴)	2.6

¹French data are for March 1980, 1981, and 1983 and April–May 1982; German data are for April 1980 and 1982 and May 1981.

²Data are not adjusted to U.S. concepts.

³Ratio of unemployment rate for persons under age 25 to rate for persons age 25 and over.

⁴Not available.

⁵Ratio of teenage unemployment rate to rate for persons age 25 and over.

⁶Ratio of unemployment rate for persons age 20 to 24 to rate for persons age 25 and over.

countries studied. Adult workers were especially hard hit during the recession and their jobless rates rose more rapidly than those for youth, with the result that the adult share of unemployment increased while the youth share decreased. The number of youth reaching working age and entering the labor market tapered off during this period. Increased numbers of young discouraged workers also contributed to the declining youth share of the labor force. The declines in youth shares of unemployment and labor force were larger in North America and Australia than in Europe and Japan.

By 1983, the youth share of the unemployed had fallen to less than 40 percent in all of the countries, except Australia and Italy. However, this was still more than twice their share of the labor force. In 1984, the downward trend in the youth portion of unemployment was reversed in the United States and Japan. The youth share of the labor force reached a plateau in Japan and Great Britain and continued to decline in the other countries.

The trends in teenage and young adult shares of unemployment and labor force do not strictly follow those of youth as a whole. During the 1980–83 period, the teenage share of both the unemployed and the labor force fell in all countries except Japan where the share of unemployment rose and the share of the labor force remained the same. In contrast, the trend for young adults showed more variation. The young adult share of unemployment fell only in the United States and Japan. However, the share of the labor force declined in four countries—the United States, Canada, France, and Sweden. The young adult portion of unemployment rose in Canada, Australia, and Europe, while the share of the labor force rose in Australia, Germany, Great Britain, and Italy.

In 1984, the pattern of falling teenage share of the unemployed and the labor force was continued in Canada, Great Britain, and Sweden. In the United States, Australia, and Japan, the rising teenage portion of unemployment was accompanied by continued declining shares of the labor force. The share of both the unemployed and the labor force among young adults declined in North America and Australia and rose in Great Britain and Sweden in 1984, compared with 1983. Overall, the teenage shares of the unemployed and of the labor force have been lower than the young adult shares although the teenage jobless rates have been higher.

Youth-to-adult unemployment ratios narrow

The ratio of youth-to-adult unemployment rates can be used as an indicator of the relative severity of youth joblessness. (See table 6.) Since 1980, the ratio has narrowed in North America, Australia, Great Britain, Italy, and Sweden. While unemployment rates for both youth and adults have risen steadily, growth in the adult rate has far exceeded growth in the youth rate. In Japan, France, and Germany, the ratio has shown little change, as the growth rates of both adult and youth unemployment rates have been about equal.

In 1983, the youth-to-adult unemployment differential was, by far, widest in Italy where overall youth jobless rates were nearly eight times greater than the adult rate. The teenage-to-adult ratio was even higher—about 11. The young adult-to-adult ratio was, in contrast, about six. In Italy, as in the other European countries studied, legal restrictions and collective bargaining agreements make it very difficult to dismiss workers. Also, institutional arrangements encourage

the use of reduced hours for experienced members of the work force. As conditions improve, employers tend to increase hours rather than initiate hiring of new workers. Thus youth, who are frequently first-time jobseekers, find it very difficult to obtain jobs.

In 1983, the youth-to-adult unemployment ratio averaged 3.5 in Australia, France, and Sweden and 2 in North America, Japan, and Great Britain. The lowest ratio (1.6) was recorded in Germany where apprenticeship programs tend to shield youth from unemployment. In 1984, the youth-to-adult ratios were little changed, except in Sweden, where the ratio fell from 3.2 to 2.3 as the unemployment situation improved for young persons, but not for workers age 25 and over.

The teenage-to-adult unemployment ratio also narrowed steadily between 1980 and 1983 in all countries studied except Italy and Sweden. In Italy, the ratio widened sharply

between 1979 and 1982, but returned to its 1979 level in 1983. In Japan, the ratio peaked in 1981 and has since remained at about that level. In 1984, the U.S. teenage-to-adult ratio rose for the first time since 1981 as the adult jobless rate fell more rapidly than the teenage rate. In Sweden, the reverse occurred, with the ratio dropping 50 percent as jobless rates fell sharply among teenagers and stabilized among adults.

The young adult-to-adult ratio generally followed the same pattern as the teenage-to-adult ratio, with the differential slowly narrowing in the United States, Australia, Japan, Great Britain, and Italy from 1980 to 1984. In France and Germany, however, the ratio widened somewhat. The changes in the young adult-to-adult ratio were smaller than the changes in the teenage ratio. The differential was again highest in Italy and lowest in Germany where the ratios were 6 and 1.5, respectively. □

—FOOTNOTES—

¹For further information, see *International Comparisons of Unemployment*, Bulletin 1979 (Bureau of Labor Statistics, 1978), appendix B; and Supplement to Bulletin 1979 (Bureau of Labor Statistics, 1983), appendix B.

²For additional information, see *Youth Unemployment: An International Perspective*, Bulletin 2098 (Bureau of Labor Statistics, 1981); and Constance Sorrentino, "Youth unemployment: an international perspective," *Monthly Labor Review*, July 1981, pp. 3-15.

³National Institute of Economic Research, *The Swedish Economy, Autumn 1983* (Stockholm, Norstedts Tryckeri, 1983), p. 3.

⁴Organization for Economic Cooperation and Development, *Economic Survey of France* (Paris, OECD, July 1984), p. 27.

⁵Organization for Economic Cooperation and Development, *Economic Survey of the Netherlands* (Paris, OECD, February 1984), p. 12.

⁶Organization for Economic Cooperation and Development, *Employment Outlook* (Paris, OECD, September 1984), pp. 17-18.

⁷"Use of Part-timers Is an Increasingly Favorite Practice of Japanese Business Enterprises for Saving Cost of Labor," *Japan Economic Review*, Jan. 15, 1985, p. 9.

⁸For earlier data and discussion, see Constance Sorrentino, "International comparisons of labor force participation, 1960-81," *Monthly Labor Review*, February 1983, pp. 23-36.

⁹Paul O. Flaim "Discouraged workers: how strong are their links to the job market?" *Monthly Labor Review*, August 1984, pp. 8-11.

¹⁰For earlier data and discussion, see *Youth Unemployment*, Bulletin 2098; and Constance Sorrentino, "Youth unemployment."

¹¹The statistics have been adapted, insofar as possible, to the age at which compulsory schooling ends in each country. Therefore, the adjusted statistics relate to 16- to 19-year-olds in the United States, France, Great Britain, and Sweden; 15- to 19-year-olds in Canada, Australia, Japan, and Germany; and 14- to 19-year-olds in Italy.