

to causes. To do this work, one needs to know the internal workings of a regional economy.

Imray stated that there was a trade-off between migration and training policy. In the 1960s, economies felt they could simply import labour. This has now changed with attention turning more directly to (re)training. Andrews observed that imported labour tends to change jobs more often which raises the question as to how well such migrants fulfil the gaps in labour demand. We therefore need to know more about occupational history of migrants. Rose suggested that the present scope for international migration may be being reduced and Brosnan noted that New Zealand's low unemployment levels may have been due to our fine tuning of the labour market by the use of international migration.

GROUP 5. MEASURING HIDDEN UNEMPLOYMENT

Members : Robert Bowie, Rosemary Graham, Nancy McBeth, Kim Saffron.

General observations

- (1) Hidden unemployment represents a wastage of persons both economically and socially. It seems to be a significant phenomenon but the actual data resources with respect to New Zealand are limited and/or indirect.
- (2) Hidden unemployment has to be defined. We understand it to represent those people who are not in the labour force but would be if they thought they could obtain employment. They are not unemployed and seeking work but may have been before they dropped out of the labour force. They have reached the stage where, having become "discouraged" they are no longer seeking work. Thus hidden unemployment may be defined to include the underemployed who register as well as the discouraged unemployed who do not.
- (3) The best data sources currently available are : (a) the Social Indicators Survey 1980-81, Department of Statistics, and (b) the work on women's unemployment in Palmerston North by Susan Shipley. The proposed household labour force survey could provide further information if and when implemented.
- (4) Further information on hidden unemployment would be best obtained by a labour force survey. Regionally based surveys are quite useful but the actual magnitude of the problem would be best determined by a national labour force survey with suitable sample size. In such surveys, other characteristics, e.g. age, sex, social/ethnic group, of the hidden unemployed could be gauged. Problems arise in financing of such a household survey, but other labour market information could also be obtained in such a survey. Repeating the survey at intervals would be most useful

in monitoring how hidden unemployment varies over time and what the key factors are in determining the level.

DISCUSSION

Shipleigh drew attention to their survey in Palmerston North in which age, sex and health characteristics of the domestic situation played an important role in modifying the effects of unemployment. Grimes then noted how the definition of unemployment (i.e. who goes into the category) depends on its use. Graham noted in addition that the number of categories were important and that we must decide whether hidden employment is in fact a problem. Grimes raised the question of hidden overemployment and referred to the presence of people working full-time who would like to work fewer hours.

Cook responded to the group's report by noting that the Departments of Labour and Statistics both support a labour force survey but that compensatory saving means such a survey was not possible at this stage. There is presently a lack of willingness to find funds. Imray then asked what policies would change and how if we had such a survey.

GROUP 6. THE RELATIONSHIP OF LABOUR AND EMPLOYMENT RESEARCH AND POLICY
Members : Jim Lennon, Jacques Poot, Dennis Rose, Susan Shipleigh, Ross Tanner,
Alan Williams.

General observations The group noted that labour market research has not been given high priority in New Zealand. We have no institutions analagous to those in Australia and the United Kingdom whose prime research objective is research into labour markets and employment. New Zealand's neglect probably stems from the long period of full employment. Research is also inhibited by data limitations including, most notably, the absence of a labour force survey. There is a need to develop longitudinal survey material.

Major questions

Three major research areas were identified :

- (1) The functioning of the labour market: At the micro level there is a need for positive description of the functioning of labour markets - at occupational, industry and regional levels. How are the markets structured and how do they operate? What factors inhibit their functioning?
- (2) The impact of policy on the labour market: How is labour market functioning affected by public policies in areas such as training and certification, industrial law, migration control and commercial regulation?
- (3) Macro policy and employment: In addition to research into the micro-economics of labour markets, there is a need for research into links