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THE OPERATION OF ASSISTED LABOUR MOBILITY  
POLICY IN A HIGH UNEMPLOYMENT REGION

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degree of Doctor of Philosophy, Department of Social  
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1976.

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SUMMARY

The debate over the relative merits of taking 'work to the workers or workers to the work' dominated regional policy discussion in Britain throughout the 1960's. The approach of taking workers to the work via a system of labour mobility allowances was widely criticised on the grounds of being likely to generate disequilibrating factor flows which, contrary to the predictions of neo-classical labour market theory, would not operate in the direction of reducing inter-regional differences in income and employment, but rather would cause such differentials to increase in magnitude. This non-convergent inter-regional growth path would, it was claimed, result from various external costs of the assisted migration process in both the regions of origin and the regions of destination.

The basis for this criticism of assisted labour mobility policy was extremely unsatisfactory given the complete absence of empirical support for any of the arguments advanced. Accordingly, the rationale of this thesis was to make some attempt to remedy this deficiency through undertaking an examination of the operation and impact of the Employment Transfer Scheme in Scotland for the years 1973-5. The major task of the thesis was to generate a body of data capable of testing the validity and/or magnitude of the allegedly unfavourable effects of the operation of assisted labour mobility policy in a high unemployment region.

Unfortunately not all of the assertions and arguments put forward in the original debate, over which type of adjustment policy should constitute the major element of a regional assistance programme in Britain, were capable of being tested in this thesis. This was because

some of these alleged external costs could only occur in a situation where the assisted movement of labour was of sufficient magnitude to constitute a major component of any net change in the population, workforce and unemployment numbers of a single region. The Employment Transfer Scheme is only a small scale policy in terms of the number of persons assisted to move, and hence the resulting flows of labour are of insufficient size to represent a major influence on total population, workforce or unemployment numbers in either the regions of origin or the regions of destination. As well as precluding the testing of certain hypotheses this fact suggests that a number of the findings presented in this thesis may be specific to the operation of the present sized Employment Transfer Scheme in Britain. As such these results are not capable of generalization beyond the workings of the present scheme.

It was possible to conduct a quite detailed assessment of the workings and impact of this particular policy of assisted labour mobility. This was achieved by expanding the range of testable hypotheses beyond those concerned solely with the unfavourable spillover effects of such a policy. A number of more positive criteria were set up in order to establish whether the Employment Transfer Scheme was producing any longer term social gains or benefits from assisting the geographical movement of unemployed labour.

There were no previously published studies of this particular policy which, in conjunction with the lack of detailed data or information held by the relevant government departments, meant that it was necessary to generate our own set of data for the purposes of

this thesis. The basic set of data utilized in the analysis of this thesis consisted of the following:-

- (i) Information extracted from the internal employment files and records of six local employment exchanges and one Government Training Centre in Scotland. This set of data covered the period January 1973 to June 1974.
- (ii) Questionnaire information obtained from a sample group of 222 assisted migrants to one of twelve employment exchange areas in England and Scotland during the twelve month period July 1974 to June 1975. Additional information was also obtained from the internal application form records of other movers to this group of exchanges.

The results of the thesis provided little support for the major criticisms of the operation of assisted labour mobility policy in a high unemployment region. The workings of the Employment Transfer Scheme appear to have generated very little in the way of external costs in either the regions of origin or the regions of destination. At the same time, however, it was apparent that the scheme was producing very little in the way of positive, longer term social benefits. It was in essence a low cost, low benefit policy under its current mode of operation. The basic reason for its failure to produce substantial social benefits was the non-selective nature of the policy. The Employment Transfer Scheme, as currently administered, concerns itself solely with increasing the volume of assisted migration and pays little attention to the all-important questions of the characteristics of the migrants and the direction of the moves undertaken. The thesis concluded with a number of reform proposals for improving the operation of the Employment Transfer Scheme in these matters.

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## CHAPTER I

### A FRAMEWORK FOR THE EVALUATION OF ASSISTED

### LABOUR MOBILITY POLICY

#### Introduction

The existing body of literature and research on labour mobility and migration in Britain has devoted preponderant attention to the determinants of migration,<sup>(1)</sup> with a resulting neglect of the consequences of the migration process. Even the limited discussion of the consequences of migration has contained very little empirical based analysis, being conducted almost entirely in terms of a priori reasoning. Such discussion has centred on the question of whether migration, once the restrictive assumptions of neo-classical analysis are removed, will be a force for equilibrium or disequilibrium in the labour market. As Thirlwall has summed up the issue, 'there is no dispute that inter-regional differences in welfare, employment opportunity, etc. may induce migration; what is at issue is whether the process of migration causes differences to narrow or widen'.<sup>(2)</sup>

In the static, neo-classical labour market any movement from equilibrium can only result from a single random shock to the system (thus ruling out the possibility of a continuous or cumulative disequilibrium path) which itself sets in motion forces that generate factor flows leading to the restoration of equilibrium. In the two region, two factor neo-classical model, the opening up of an inter-regional income differential will cause labour to move from the low

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(1) A useful summary of the relevant body of literature is contained in Kenneth G. Willis, Problems in Migration Analysis, Saxon House, Farnborough, 1974.

(2) A.P. Thirlwall, 'Migration and Regional Unemployment: Some Lessons for Regional Planning', Westminster Bank Review, November 1966, p. 36.

wage to the high wage region and, on the assumption that the real wage and the marginal productivity of capital are inversely related, capital will flow in the opposite direction thus building in an automatic tendency to factor price convergence between the two regions.

A recognition of the non-static context in which factor movements actually occur necessitates the removal of certain key assumptions underlying the above analysis. The removal of these assumptions means that consideration must be given to the possibility of off-setting, disequilibrium forces stemming from the secondary or spill over effects of the labour migration process. An examination of such secondary effects is vital in any study of the effects and consequences of labour migration as the likelihood of inter-regional income convergence depends critically on the nature and extent of the externalities associated with the process of labour mobility<sup>(3)</sup>. It is these externality effects which, through adversely affecting the welfare of non-movers in both the region of origin and the region of destination, may cause discrepancies to develop between the private and social costs and benefits of movement.<sup>(4)</sup>

The likelihood of external costs resulting from the process of labour migration arises from the removal of the following assumptions of the neo-classical model; the independence of the labour supply and demand functions, constant returns to scale production functions and a homogeneous supply of labour. The equalisation of regional per capita incomes through factor mobility does not necessarily follow in a dynamic context in which output is subject to increasing returns

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(3) Michael J. Greenwood, 'Research on Internal Migration in the United States: A Survey', Journal of Economic Literature, Vol. XIII, No. 2, June 1975, p. 414.

(4) John Riew, 'Migration and Public Policy', Journal of Regional Science, Vol. 13, No. 1, April, 1973. p.65-76.

and in which supply and demand interact with each other.<sup>(5)</sup> This is because the removal of the constant returns assumption causes a break in the marginal productivity - factor price nexus, while recognition of the possible interdependence of labour supply and demand means that the migration of labour will cause a shift of effective demand between regions sufficient to produce secondary job movement through the operation of income-expenditure multiplier effects. In addition, the removal of the assumption of a homogeneous supply of labour permits the possible existence of a selective out-migration process that may denude the region of origin of a disproportionate number of its younger and more skilled workers. The importance of these externality effects is not so much that they necessarily produce a non-convergent or disequilibrium solution between regional income and employment levels, but rather the fact they remove the automatic, in-built tendency to equilibrium which exists in the simple neo-classical labour market model.

#### The Alleged Costs of an Assisted Labour Mobility Policy

The disequilibrium potential of externalities from the process of labour migration was nevertheless strongly emphasised in the 'work to the workers or workers to the work' debate which occupied the centre of regional policy discussion in Britain throughout the 1960's.<sup>(6)</sup> The most noticeable, and at the same time the most disturbing, feature of this debate was that it was conducted entirely in terms of assertions based upon a priori reasoning. In spite of the lack of empirical evidence the weight of academic opinion came down strongly in favour of a policy of industrial relocation. This was because the

- 
- (5) A.P. Thirlwall, 'Regional Economic Disparities and Regional Policy in the Common Market', Urban Studies, Vol. II, No. 1, February 1974, p.2-5.
  - (6) An excellent, if pro-labour mobility, summary of this debate is contained in E.G. West and H.W. Richardson, 'Must we Always Take Work to the Workers?', Lloyds Bank Review, No. 71, January 1964, p. 35-48.

alternative policy approach of assisted labour mobility was seen as being likely to generate significant external costs in both the regions of origin and the regions of destination. The main contentions levelled against assisted labour mobility policy were as follows:-

- (i) It was argued that such a policy would siphon off the younger and more skilled of the out-migration area's unemployed thereby leading to a serious decline in the quality of labour left behind. This in turn would act as a constraint on any policy designed to attract new industry to the area.
- (ii) If one was to encourage and assist the migration of labour from the high unemployment regions this would result in a drainage of purchasing power from the region which would produce downward income-expenditure multiplier effects in the local demand orientated business sector, thereby causing secondary unemployment in the area.
- (iii) It was further claimed that a policy of assisted labour mobility could not aid in the attempt to raise the workforce participation rates of married females in the region of origin. Indeed it was suggested that the operation of such a policy might lower still further the workforce participation levels of married females in the high unemployment regions.
- (iv) Opponents of the policy seemed to envisage labour as moving inevitably from the uncongested parts of the Northern regions of the country into the congested, conurbation areas of the Midlands and South East regions. Such a direction of movement, it was claimed, would bring about an under-utilisation of social capital in the out-migration regions, while at the same time

compounding the already existing difficulties of living in the over-populated, physically congested conurbations of southern Britain. The incoming migrants would place additional demand pressure on the already heavily utilized social capital stock of these areas and their additional consumption expenditure would accentuate any existing inflationary tendencies in the local labour market(s).

The basis for these criticisms of assisted labour mobility policy was extremely unsatisfactory due to the complete absence of empirical support for any of the arguments which were advanced. Accordingly, the aim of this thesis is to make some attempt to at least partially remedy this deficiency by undertaking an examination of the operation and impact of the Employment Transfer Scheme (henceforth referred to as the E.T.S.) in Scotland for the period 1973-5. The central task of the thesis is to generate a body of data which is capable of being used to test the validity and/or magnitude of the allegedly unfavourable effects which stem from the workings of a policy of assisted labour mobility in a high unemployment region.

#### A brief introduction to the E.T.S.

The E.T.S. (formerly the Resettlement Transfer Scheme) which was introduced in April 1972 is designed to assist unemployed workers move away from home in order to take up employment in another area. In order to qualify for assistance a worker must, in addition to being unemployed or liable to redundancy within six months, transfer beyond daily travelling distance of his present home in order to take up full time employment in a new area. There are additional qualifying

conditions for workers who do not live in assisted areas. A full statement of the conditions and benefits of the scheme is set out in Chapter 5 of this thesis.

Scotland was the obvious region for study in this assessment of the impact and effectiveness of the E.T.S. For the years 1966/7-1973/4 a total of 68,166 persons were assisted to move under the labour transference programme and of this total 19,592 workers (29%) were from Scotland.<sup>(7)</sup> On a regional basis this was the largest single group of migrants under the transference programme. As a result a study of the policy's operation in Scotland should provide an excellent basis for examining and generalising about the full effects and implications of assisting labour to relocate from regions of high unemployment.

The general claim that the policy approach of assisted labour mobility had few advantages but many disadvantages, in comparison with a policy of industrial relocation, was originally put forward in the debate over which of the two policies should constitute the major component of a regional adjustment programme in Britain. As a result not all of the assertions and arguments outlined in the previous section can be appropriately examined in this study of the E.T.S. This is because one or two of these contentions necessarily assume a situation where the assisted flows of labour are of such magnitude as to constitute a major determinant of any absolute change in total population, workforce and unemployment numbers in both the regions of origin and the regions of destination.

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(7) These figures were supplied by the Employment Services Agency.

Some of the external costs associated with migration, most notably the under-utilization of social capital argument<sup>(8)</sup>, are only applicable in a policy context where the assisted movement of labour is of sufficient size to produce a quite substantial absolute fall in the total population numbers of the out-migration region. The importance of the size of the migration flows in determining the extent of the external costs which actually occur has been explicitly acknowledged by a number of the critics of assisted labour mobility policy.<sup>(9)</sup>

In the case of the E.T.S., however, there is no possibility of substantial population changes being brought about by the operation of the policy in either the regions of origin or the regions of destination. This is because the assisted movement of labour under the E.T.S. represents only a very small percentage of the population, workforce and unemployment totals in any one region. Assisted migrant numbers also constitute only a small proportion of the total outflow of migrants from the high unemployment regions. In Scotland, for example, workers assisted to move under the E.T.S. have never accounted for more than 4 to 5% of the net out-movement of labour in any one year.<sup>(10)</sup>

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(8) A.J. Brown, The Framework of Regional Economics in the United Kingdom, NIESR, Cambridge University Press, London, 1972, p. 279-80.

(9) In speculating on the inflationary impact of providing for the social capital needs of incoming migrants Needleman and Mishan concluded as follows, 'broadly the larger the immigrant inflow, the greater the confidence that can be placed in our estimates of the investment demand generated'. E.J. Mishan and L. Needleman, 'Immigration: Some Economic Effects', Lloyds Bank Review, No. 81, July 1966, p. 45.

(10) See, for example, the relevant figures reported in a recent study of household mobility in Scotland. Scottish Office, Scottish Economic Bulletin, No. 8, Summer 1975, p. 10.

The small scale operation of the E.T.S., as well as limiting the ability to test certain arguments such as that concerning the under-utilization of the social capital stock, may mean that a number of the findings to be presented in this thesis are specific to the operation of the present sized policy. Hence some of the results from this study of the E.T.S. may not be capable of generalisation to a policy context where assisted labour mobility policy was the major element in a programme of regional adjustment assistance. This qualification must continually be borne in mind when considering the data and results presented in the later chapters of this thesis.

The potential social benefits from a policy of assisted labour mobility

In order to fully evaluate the impact and effectiveness of the E.T.S. it is necessary to broaden the range of hypotheses beyond those concerned solely with the external costs of such a policy. This need stems from the fact that the debate over the appropriate form of regional policy in Britain has been conducted almost entirely within a negative frame of reference.<sup>(11)</sup> The arguments advanced were all too often of the following form: policy alternative A was favoured not because it was demonstrated empirically to yield positive benefits, but rather because it seemed likely to involve less costs than policy alternative B. It is important to move beyond such arguments and evaluate the E.T.S. in more than just negative or cost terms. An exercise which simply concluded that the scheme was less 'harmful' than is generally believed, in the sense that its undesirable secondary costs were in practice minimal, is of very little value in terms of the operational lessons that may be drawn from its findings.

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(11) This point is well illustrated, if unintentionally, by the summary of the debate presented in Frank J.B. Stilwell, Regional Economic Policy, Macmillan, London, 1972, p. 42-7.

The positive case for a manpower policy of the E.T.S. type is based on the inflation/unemployment and growth models and studies which accord the labour supply function a central role in their analysis and findings. This literature, which is surveyed in Chapter 2, suggests that a policy of assisted labour mobility has a potentially useful role to play in any manpower programme concerned with the issues of economic stability and growth. The potential benefits from such a policy derive from the ability to facilitate the movement of labour between 'slack' and 'tight' labour market environments. This facility does not necessarily ensure the success of every scheme of this type and hence whether this potential has been realised must be examined in each individual situation. What are the criteria for assessing whether this potential has been realised? The following list contains what appear to be the major criteria for assessing the positive contribution of a policy of assisted labour mobility:-

- (v) In defraying the costs of migration such a policy should actively seek to move workers who would not or could not have moved in the absence of mobility assistance. The value of such a policy is considerably reduced if it merely subsidises the migration costs of persons who would or could have moved anyway; unless it can be shown that the policy did have a separate, independent influence on the decision making process of these migrants in that, through the assistance of the scheme, they moved to a more socially desirable destination than otherwise, or they moved earlier than would have been possible on an unaided basis.

- (vi) A policy of assisted labour mobility, unlike a retraining programme which aims to deepen the human capital content of a given sized workforce, seeks to transfer a given set of skills to specific geographical areas or industrial sectors where they will generate a higher marginal product;<sup>(12)</sup> the result of this process being an increased volume of output from a fixed stock of manpower.
- (vii) This type of policy should aim to increase the rate of labour redeployment compared to that brought about through the operation of the normal, unassisted market mechanism. This effect should produce two sources of benefit to the workings of the national economy. Firstly, by identifying potential long term unemployed persons at an early stage on the unemployment register and then assisting them to move it can help reduce the incidence and extent of long term unemployment. Secondly, the faster and more efficient filling of job vacancies can eliminate or reduce labour supply bottlenecks in sectors of excess demand that may be a potent source of inflationary pressure.
- (viii) Finally, it is essential to know the 'wastage rate' under such a policy in order to determine whether the scheme is helping to bring about a permanent shift in the geographical location of labour. In order to calculate such a rate it is necessary to know how many of the assisted movers remained employed in the destination areas for a specified period of time following relocation. A high wastage rate, mainly in the form of return

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(12) This argument does not preclude a possible linking of the two policies in order to ensure a better matching of the unemployed migrants skills with the requirements of existing job vacancies.

migration flows, from the destination areas means that part of any employment gain from such a policy will only be short term or transitory in nature.

The original contribution of this thesis lies in its generation and analysis of a set of data from the operation of the E.T.S. in Scotland for the years 1973-5 which permit an examination of the eight (and certain other more minor) hypotheses outlined in this chapter.

#### The absence of cost-benefit calculations in this study

The full list of alleged costs and possible benefits from the operation of a policy of assisted labour mobility consist of a mixture of primary and secondary effects which raises the problem of 'incommensurability' in that the various costs and benefits cannot be reduced to a common scale of measurement. In any study of the consequences of migration the importance of externality or secondary effects, which may be identified but cannot be precisely measured along a numerical scale, severely limits, if it does not rule out, both the ability and desirability of calculating single figure cost-benefit ratios. The American penchant for cost-benefit work has inevitably produced studies of assisted labour mobility policy which have calculated such ratios<sup>(13)</sup>, but the most striking feature of these studies has been the fact that the issues they have assumed away or defined as being outside their area of study are the very questions that should be central to a study of this type of policy.

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(13) See, for example, H. Tyrone Black, et al., 'On Moving the Poor: Subsidizing Relocation', Industrial Relations, Vol. 14, No. 1 February 1975, p. 65-77.

A second reason for making no attempt to calculate cost-benefit ratios in this study is that many of the effects of a policy of assisted labour mobility will manifest themselves, if only marginally, in aggregative level indices such as unemployment and/or workforce participation rates at the level of the regional or macro-economy. Such migration flows are an integral part of the general equilibrium problem of resource allocation, and hence a study of their effects by means of a technique grounded firmly in the *ceteris paribus* assumptions of static, partial equilibrium analysis is to say the least open to question. A multiple aim policy, such as a general scheme of assisted labour mobility, which involves extensive and widespread spill over effects, many of which feed through to various macro-economic indices, is the least suitable policy for evaluation by means of cost-benefit techniques.<sup>(14)</sup>

At the practical level of operation the ability to conduct a cost-benefit evaluation of assisted labour mobility policy is far greater in the United States than in Britain due to the differing ways in which the respective policies are administered. The labour mobility demonstration projects under the U.S. Manpower Development and Training Act are restricted to a limited group of demand and supply regions at any one time,<sup>(15)</sup> and are administered by officials whose sole responsibility and function is the one particular relocation project. This is in marked contrast to the E.T.S. in Britain which is a nationwide policy run by officers of the Employment Services Agency as just one of a number of employment tasks at the

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(14) A.R. Prest and R. Turvey, 'Cost-Benefit Analysis: A Survey', The Economic Journal, Vol. 75, No. 4, December 1965, p. 728-9.

(15) See, for example, Gerald G. Somers, Labor Mobility: An Evaluation of Pilot Projects in Michigan and Wisconsin, Industrial Relations Research Institute, University of Wisconsin-Madison, 1972.

local employment exchange level. In the British situation the existence of joint-costs, which have been a frequent source of difficulty in cost-benefit studies of manpower policy<sup>(16)</sup>, would involve extremely awkward cost-allocation problems, unlike the position under the U.S. schemes of assisted labour mobility.<sup>(17)</sup> This practical consideration in conjunction with the issues of principle outlined above explains why no attempt is made in this work to calculate single figure cost-benefit ratios.

It is essential to highlight the significance of the words 'single figure cost-benefit ratios' in the above conclusion. The analysis of the latter chapters is explicitly ordered in a cost-benefit framework with frequent comparisons being made between the pre-migration and post-migration labour market status of the assisted labour migrants. But beyond this ordering of the analysis no attempt is made to produce a single numerical estimate of the outcome of assisted movement under the E.T.S. because of the non-additive nature of the resulting costs and benefits of migration. A cost-benefit ratio could not capture the essence of the workings of the E.T.S. as such an aggregative measure of the policy's outcome, even if it could be computed, would obscure the potential significance of non-complementary relationships or trade offs between the various costs and benefits of the policy. As a result a multi-dimensional scale of evaluation is clearly called for and utilized in this assessment of the operation of the E.T.S. in Scotland.

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(16) Michael E. Borus and Charles G. Buntz, 'Problems and Issues in the Evaluation of Manpower Programs', Industrial and Labor Relations Review, Vol. 25, No. 2, January 1972, p. 240.

(17) Black et al, op. cit., p. 71.

The data base of this study.

At this stage some indication of the nature and source of the data utilized in this thesis is necessary. The lack of a detailed body of data held by any government department, at least beyond that described and analysed in Chapter 5, meant that the analysis of the E.T.S. could only proceed on the basis of data generated by ourselves. The first stage of the data gathering exercise involved drawing on information held in the internal employment records of a number of local employment exchanges in Scotland. This case study approach produced information on a group of assisted migrants for the 18 month period January 1973 to June 1974. As well as extracting data from the exchange records this means of investigation permitted extensive discussion with the officers responsible for the administration of the E.T.S. at the local exchange level. This anecdotal evidence provided some valuable insights in interpreting the data and results of the study, and were of additional use when it came to considering possible operational reforms of the terms and administration of the E.T.S. with a view to increasing both the economic and technical efficiency of the policy.

The range of demographic and labour market information recorded in these internal office files was inevitably quite narrow, and as a result it became necessary to conduct a questionnaire survey of a sample group of assisted migrants in order to produce the more detailed data necessary for a fuller examination of the hypotheses outlined in this chapter. The data obtained from this survey exercise covered the 12 month period July 1974 to June 1975 and provided the basis for the really detailed examination of the workings and impact of the E.T.S. which is presented in Chapters 8-11 of this thesis.

This two-stage data gathering process in itself provided a useful cross-check on the accuracy and consistency of the information on certain major points. The answers to the questionnaire were provided on a self-appraisal basis which could conceivably have lead to a certain amount of inaccurate reporting of information on matters such as the skill level of employment. But if this occurred widely it was likely to be evidenced by an inconsistency with the relevant figures obtained from the internal records of the local employment exchanges. In addition, while the answers to certain questions could best be obtained by the case study method, the nature of certain other issues forced a reliance on the questionnaire approach. The size of wastage rates under the E.T.S. (as reflected in return migration flows) could best be calculated on the basis of the internal exchange records, whereas only the questionnaire returns were capable of indicating whether the scheme had actually helped to move people who could not or would not have moved in the absence of such assistance. The two sets of results when placed together ensured that a reasonably full coverage could be made of all the hypotheses and issues relevant to the workings of the E.T.S.

#### An Outline of the thesis by chapters

The thesis may usefully be divided into three sections. The first section which covers Chapters 2 to 4 provides the necessary background setting for the analysis of the operation of the E.T.S. in Scotland. Chapter 2 sets out a number of economic arguments in favour of the use of a policy of assisted labour mobility. While neo-classical theory provides no general basis for choosing the appropriate type of regional

policy in all circumstances, the evidence of various applied studies concerning the nature and dimensions of regional labour market disequilibrium in Britain is perfectly compatible with the use of a policy of assisted labour mobility. Chapter 3 then attempts to explain why policies of industrial relocation have invariably been the favoured form of regional adjustment assistance in Britain and almost all other countries. The general conclusion is that the political opposition of high unemployment regions has been instrumental in minimising the role and scale of policies of assisted labour mobility. The case for 'taking workers to the work' has been discounted on these grounds with little attention being paid to the relevant facts of a particular regional situation. This theme is developed further in the argument of Chapter 4 which focusses on the Industrial Transference Board policy of the 1930s in Britain. It appears that much of the current scepticism in both government and academic circles regarding the costs and benefits of policies of assisted labour mobility derives from this particular episode in Britain. The argument of Chapter 4 is that such scepticism is unjustified when based on this policy experience due to the exceptionally unfavourable operating circumstances of the time.

The second section covering Chapters 5-11 of the thesis presents the empirical results of the study. Chapter 5 provides a descriptive outline of the minority position of assisted labour mobility policy in the overall regional adjustment programme in Britain. The terms and conditions of the E.T.S. are then outlined in some detail. Finally in this chapter, some description and analysis of the extent and direction of regional and sub-regional flows under the labour transference programme is presented. This examination of the

directional trends in the movement of labour which has originated in Scotland provides the necessary scene setting for the case study and questionnaire results of the chapters to follow. The remaining chapters of this section represent the first empirical investigation of the operation of the E.T.S. in any region in Britain. Chapter 6 examines the operation of the E.T.S. in Scotland for the 18 month period January 1973 to June 1974 by means of a case study approach. The data presented there was extracted from the internal records of six local employment exchanges and one Government Training (now Skill) Centre. Chapter 7 then provides a brief outline of the procedure involved and the response rate achieved in the postal questionnaire survey of a sample group of Scottish assisted migrants conducted during the 12 month period July 1974 to June 1975. The full results of this survey which covered 12 different employment exchange areas in England and Scotland are then presented in Chapters 8-11. It is this material which permits the testing of the various hypotheses that were outlined earlier in this chapter.

The final section of the thesis contains only one chapter. This concluding chapter blends together the major findings of the previous section of the thesis with certain key operational lessons from other countries' experience with this type of policy in order to derive a set of reform proposals for the terms and administration of the E.T.S. This suggested line of reform is necessary to cope with the main problem areas of the policy which were identified in this thesis. Finally certain issues and questions relating to the operation of the E.T.S. are highlighted as requiring further research.

In the following chapter a brief survey is undertaken of the relevant body of inflation/unemployment and growth literature which pays particular attention to the role of the labour supply function in their analysis and findings. It is these models and studies which provide the economic justification for the use of manpower policies such as the T.T.S.

## CHAPTER 2

### THE ECONOMIC JUSTIFICATION FOR THE USE OF A POLICY OF ASSISTED LABOUR MOBILITY

#### Introduction

The need for some form of regional policy has usually been supported by the argument that the various manifestations of labour market disequilibrium, which result from an immobility of factor supplies, are unlikely to be corrected through the normal operation of market forces because of a fundamental difference between social and private interests in the spatial allocation of economic activities.<sup>(1)</sup> According to this diagnosis of the problem the fundamental aim of regional policy is to produce an equilibrium or convergent growth path between regions by improving the spatial mobility of factor flows.

This view of the function of regional policy, which is based on the two region, two factor neo-classical model<sup>(2)</sup> outlined in chapter I, stands in marked contrast to the regional policy prescriptions that stem from the analysis and conclusions of the cumulative and circular causation model<sup>(3)</sup> which emphasize the disequilibrium potential of factor flows.<sup>(4)</sup> The policy recommendations drawn from this latter model are discussed at some length in the following chapter.

The central argument of this chapter is that the policy prescriptions

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- (1) See, for example, A.J. Brown, The Framework of Regional Economics in the United Kingdom, NIESR, Cambridge University Press, London, 1972, chapter I, especially p. 2-3.
  - (2) A useful summary of the neo-classical model is contained in Harry W. Richardson, Elements of Regional Economics, Penguin, Harmondsworth, 1969, p. 50-3.
  - (3) Gunnar Myrdal, Economic Theory and Under Developed Regions, Duckworth & Co., London, 1957,
  - (4) A.P. Thirlwall, 'Regional Economic Disparities and Regional Policy in the Common Market', Urban Studies, vol. 11, No. I, February 1974, p. 2-5.

of neo-classical analysis are essentially neutral in the choice between whether to take work to the workers or workers to the work. The presence of externalities in the neo-classical model certainly provides a legitimate basis for policy intervention in the workings of the market system,<sup>(5)</sup> although this body of analysis does not provide any general criteria by which to choose the most appropriate form of such policy intervention. The general emphasis on the importance of increasing resource mobility in order to produce equilibrating factor flows is consistent with both policy approaches of encouraging and assisting labour and capital mobility. Even when one removes from this model the three assumptions discussed in chapter I the result is not necessarily support for a policy of industrial relocation or demand side intervention, unless it is further assumed (as is so often done) that only labour migration flows are capable of producing negative externalities that may operate to bring about or sustain an inter-regional disequilibrium or non-convergent growth path.<sup>(6)</sup>

The basis for a supply side regional policy in the form of subsidies to encourage labour mobility rests essentially on the ability of such policies to move labour from sectors of excess supply to those of excess demand. The importance of such a policy function derives from a number of models and studies of both economic growth and unemployment/inflation which accord the labour supply function a central role in their analysis and findings. The implication of these studies is that the operation of a policy such as the E.T.S. may, in a

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(5) This point is made in any elementary price theory text book, such as C.E. Ferguson, Microeconomic theory, Richard D. Irwin Inc., Illinois, 1969, p. 460-5.

(6) There have been few regional economists who have explicitly acknowledged that capital flows, as well as those of labour, are capable of generating adverse secondary or spill over effects. The major exception is Brown op.cit., p. 23-5.

situation of sectoral imbalance in the labour market, make a significant contribution to the achievement of government policy aims in the areas of economic stability and growth. These two policy areas constitute the major aims of regional policy in Britain<sup>(7)</sup> and hence the intention of this chapter is to outline a number of arguments, revolving around the issues of growth and stability, which favour the use of a policy such as the E.T.S. These arguments will be couched in general terms so that the analysis does not pertain solely to Britain, although the supporting empirical evidence will be drawn solely from British sources.

#### Inflation/unemployment and a segmented labour market structure.

In recent years discussion of the role of the labour market in the inflationary process has witnessed the emergence of a body of theory referred to as 'the micro-economics of inflation and employment theory'. This work seeks to provide a satisfactory micro-basis to the concept of an inflation-unemployment trade off by means of various dynamic models of the labour market adjustment process.

The most well known of these models has been the job search model put forward by Charles Holt<sup>(8)</sup>. This model postulates that the inflationary potential of an economy is a direct function of the existence and extent of a segmented labour market structure. A segmented labour market is characterised by the existence of persistent differences in vacancy-unemployment ratios between the different sub-markets, and the

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(7) For a useful classification of the evolution of British regional policy aims see M.C. MacLennan and D.J. Robertson, 'Regional Policy in the United Kingdom' in E.A.G. Robinson (ed), Backward Areas in Advanced Countries, Macmillan, New York, 1969, p. 39-40.

(8) C.C. Holt, 'Improving the Labor Market Trade-off between Inflation and Unemployment', American Economic Review, Papers and Proceedings, vol. 59, No. 2, May 1969, p. 135-146.

immobility of labour resources resulting from various allocative frictions is the underlying cause of this segmented structure. The more deeply the labour market is segmented - i.e. the wider is the dispersion of vacancy/unemployment ratios between the different market segments - the greater will be the rise in wages for any given level of national unemployment.

The key components of the model which determine the shape and position of the Phillips curve are the rate of labour turnover, mean job search time, the number of sectors into which the labour force is segmented and the extent of variation in vacancy/unemployment ratios between the different market segments.<sup>(9)</sup> In the sectors of excess supply unemployment, which results from above average job search time and/or above average turnover rates, persists through time because the unemployed worker is geographically immobile and is thus constrained to the one segment of the market. At the same time shortages of labour in the sectors of excess demand are a source of above average wage increase which are likely to spill over into other sectors of the labour market.<sup>(10)</sup>

This sectoral imbalance or dispersion of vacancy/unemployment ratios is a source of inflationary pressure in that wages are raised more by the excess of vacancies relative to unemployment in the tight labour market sectors than they are restrained by the excess of unemployment over vacancies in the slack segments. This follows from an asymmetry in wage/price behaviour - i.e. wages/prices are flexible upwards but not downwards in response to changes in demand - which

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(9) A useful summary of this model is contained in R.A. Gordon, 'Some Macro-economic Aspects of Manpower Policy' in Lloyd Ulman (ed), Manpower Programs in the Policy Mix, John Hopkins, Baltimore, 1973, p.17-23.

(10) G.C. Archibald, 'The Phillips Curve and the Distribution of Unemployment', American Economic Review, Papers and Proceedings, vol. 59, No. 2, May 1969, p.124-134.

produces a ratchet effect such that the average wage/price level in the economy will always rise if there is excess demand in any labour sub-market.<sup>(11)</sup> The inflationary bias imparted by this ratchet effect may be compounded by wage spill over effects transmitted through the system by the widespread use of wage 'comparability' in a system of collective bargaining which rejects or minimizes the place of inter-regional wage differentials.<sup>(12)</sup>

A segmented labour market structure results from the immobility of labour, which is itself caused by the existence of various allocative frictions. The following list contains the most important frictions which are likely to impede an efficient spatial allocation of labour:-

- (i) The non-pecuniary attachment of a person to a particular area. This may stem from an individual's preference for the physical, cultural, etc, characteristics of a particular area, or from the fact that a person's friends and family live in this one area.
- (ii) The existence of imperfect labour market information which restricts an individual's knowledge of the full range of job opportunities available outside the one labour market segment.
- (iii) The financial costs involved in actually searching for and moving to employment in a distant area.
- (iv) The existence of a set of immobility constraints such as firm specific training, non-transferable seniority or pension rights,

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(11) C.L. Schultz, 'Sectoral Shifts and Inflation' in R.J. Ball and Peter Doyle (eds), Inflation, Penguin, Harmondsworth, 1969, p.209-18.

(12) A.P. Thirlwall, 'Regional Phillips Curves', Bulletin of the Oxford Institute of Economics and Statistics, vol. 32, No. 1, February 1970, p.19-32.

'tied' housing tenure or employment in a particular industry which involves 'closing occupation' attributes.<sup>(13)</sup>

It is frictions such as these which operate to limit an individual's spatial area of job search and employment opportunity, and thus perpetuate the existence of a segmented labour market structure.

The inflation/unemployment dilemma for policy purposes derives from such sectoral imbalances and hence Holt advocates the adoption of an extensive programme of manpower policies in order to simultaneously eliminate or reduce unemployment and labour shortages. The general function of this manpower programme is to improve labour mobility between the different sub-markets and/or eliminate the basis of market segmentation by consolidating particular sub-markets into larger sectors. If this policy mix can eliminate the allocative frictions underlying the segmented labour market structure it will permit the essential movement of labour from sectors of excess supply to those of excess demand. A policy of assisted labour mobility is specifically accorded an important role in the overall programme attempt to eliminate sectoral imbalances.<sup>(14)</sup> The work of such a policy in moving the sectoral supply curves in opposite directions is seen by Holt as having a vital complementary role to the work of the various other corrective measures.

#### The role of labour supply in economic growth

The use and potential value of a policy of the E.T.S. type is also supported by the various models and studies of economic growth which have emphasised the importance of the labour supply function as a

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(13) J.H. Smith, 'The Analysis of Labour Mobility' in B.C. Roberts and J.H. Smith (eds), Manpower Policy and Employment Trends, Bell, London, 1966, p. 89-97.

(14) Charles C. Holt, et al, 'Manpower Policies to Reduce Inflation and Unemployment', in Ulman, op.cit., p. 81.

restrictive or permissive factor in raising the output capacity of an economy.

The unsatisfactory growth performance of the British economy in the post war years has typically been attributed to both an inadequate expansion of overall labour supply and to a sectoral misallocation of the current industrial distribution of the workforce. It has been claimed that the maturity of the British economy has exhausted the scope for reallocating resources from low wage sectors (in particular agriculture) to high wage, high productivity manufacturing sectors. The result is an inelastic labour supply function relative to other European countries which have continued to draw on this source of labour as a means of adding to their industrial workforce.<sup>(15)</sup>

In an extensive review of the post war growth performance of various European countries Kindleberger contended that the major factor in stimulating growth in the successful countries was their ability to draw on the excess labour supply of the agricultural sector.<sup>(16)</sup> In contrast, lack of such a source of labour supply in Britain had hindered overall expansion and growth. The problems resulting from an inadequate labour supply in a tight overall market situation in Britain led to price rises after only 15-18 months of expansion. And the results of Britain's prices rising out of line with those of her trading partners was a balance of payments deficit which precipitated the use of restrictive monetary and fiscal policy. This slowed down the rate of investment which in turn caused the rate of growth to slacken thus producing the well established pattern of

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(15) Angus Maddison, Economic Growth in the West, George Allen & Unwin, London, 1964, esp. p. 60-1.

(16) Charles P. Kindleberger, Europe's Post War Growth: The Role of Labour Supply, Harvard University Press, London, 1967.

'stop-go' expansion.

The conclusion of the Kindleberger study was that '... in Britain demand runs into supply bottlenecks, immobility of labour in particular, and the remedies for supply bottlenecks are not understood'.<sup>(17)</sup> In order to try and eliminate or reduce the magnitude of the problems resulting from these labour supply difficulties Kindleberger advocated reforms in housing policy, unemployment benefit and in financial assistance for aiding the relocation of labour. The constraining influence of labour supply on Britain's recent growth performance has also been emphasised by a number of other economists.<sup>(18)</sup>

As well as this inadequate growth of overall labour supply concern has also been expressed over the likely sectoral maldistribution of the labour force in Britain. The industrial performance of the British economy has been seen as suffering from an inadequate flexibility in reallocating factors of production in response to changing demand and cost conditions.

In line with this argument various government reports in the 1960's pointed to the likely frustration of proposed growth targets as a result of such labour supply constraints.<sup>(19)</sup> The industrial survey undertaken by the Department of Economic Affairs in preparation for the National Plan indicated that the proposed target of a 25% rate of growth in GNP from 1965 to 1970 could not be achieved under the then

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(17) Kindleberger, op.cit., p. 86.

(18) Most notably by Nicholas Kaldor, Causes of the Slow Rate of Economic Growth of the United Kingdom, Cambridge University Press, London, 1966.

(19) See, for example, National Economic Development Council, Growth of the United Kingdom Economy, 1961-6, 1963, HMSO, London.

prevailing labour supply circumstances. As a result the National Plan document argued that '... with total manpower going up very slowly in the next five years it is particularly necessary to get labour redeployed from where it can be spared to where it is needed'. (20)

The scale of the necessary sectoral redeployment is indicated by the following examples taken from the National Plan; agriculture, mining and inland transport required 400,000 less workers, the aircraft, textiles clothing and footwear industries 200,000 less, while sectors such as mechanical and electrical engineering, construction, public administration, health, education and other services needed an additional 1,400,000 workers. While labour could be 'shaken out' of excess supply sectors by various negative measures (as was indicated by the July 1966 measures) a policy of assisted labour mobility was seen by many as a necessary precondition for ensuring that the displaced labour was efficiently redeployed in the 'right' direction - i.e. to sectors of excess demand. (21)

### Conclusion

The intention of this short chapter has been to argue that neo-classical theory, while justifying policy intervention in the presence of spatial disequilibrium in the labour market, does not provide any definite basis or criteria for choosing the type or form of such a policy. The prescription of neo-classical labour market analysis for regional policy is that such policy should seek to assist the movement of equilibrating factor flows, but of both labour and

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(20) The National Plan, 1965, Cmd. 2764, HMSO, London, p. 4-5.

(21) Keith Hartley, 'Public Policy and the Regions', District Bank Review, No. 159, September 1966, p. 64.

capital. In short this theory is, in abstract terms anyway, essentially neutral as regards the question of whether policy should seek to encourage and assist labour or capital mobility.

The choice between these two forms of intervention, or more appropriately the respective mixture of the two policies, can only be made on the basis of applied studies of the nature and extent of a particular economy's regional problem. In the absence of such work one can do little more than conclude as follows,

The real regional issue is hardly ... the choice of two extremes: taking the work to the workers or the workers to the work. Both will certainly be necessary to national growth and both will happen. Where, in fact, the final balance between the movement of firms into the less prosperous regions and the movement of workers out of them would fall it is not possible to predict. (22)

The avowed aim of British regional policy is to eliminate the various manifestations of spatial labour market disequilibrium in order to bring about improved national economic performance in the areas of growth and stability. Such aims when taken in conjunction with the existing empirical evidence, which is admittedly rather limited, can be used to provide support for the role and value of assisted labour mobility policy in the overall regional adjustment programme. (23) Yet until recently the place of such a policy in

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(22) National Economic Development Council, Conditions Favourable to Faster Growth, 1963, HMSO, London, paragraph 103, p.27.

(23) Much of the evidence in this chapter is admittedly equally consistent with the use of a policy of industrial relocation, although one would have to assume an almost infinitely elastic supply of potentially mobile plants in order to rule out the need for some measure of labour relocation policy.

overall regional strategy has been a minimal one in Britain as well as in other countries. The reasons for the limited role of assisted labour mobility policy in regional corrective programmes are outlined in the following two chapters.

### CHAPTER 3

## THE OPPOSITION OF HIGH UNEMPLOYMENT REGIONS TO POLICIES OF ASSISTED LABOUR MOBILITY

### Introduction

Since the 1930's regional policy in Britain has relied overwhelmingly on taking work to the high unemployment regions by means of a system of investment incentives and controls. The emphasis of this policy framework has '... built into the full employment objective ... the right to a job for a Welshman in Wales, a Scotsman in Scotland ... even the right to a job for a Clydesider on Clydeside'.<sup>(1)</sup> In 1966/7 annual expenditure on these various investment incentives totalled some £70 million, a figure that had risen dramatically to approximately £346 million by 1971/2.<sup>(2)</sup> In comparison the expenditure outlay for facilitating the mobility of labour has been minute. For the same two years total expenditure on labour transference came to only £467,112 and £1,645,129 respectively. Although the E.T.S. contained additional forms of assistance and higher levels of financial benefit in general than its predecessor the Resettlement Transfer Scheme annual expenditure on labour mobility still came to only £4,513,187 in 1972/3.<sup>(3)</sup>

The priority accorded to the approach of taking work to the workers is not unique to Britain as policies of supply side intervention in the form of subsidies to encourage labour mobility have

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- (1) A. Peacock and D. Dosser, 'The New Attack on Localised Unemployment', Lloyds Bank Review, No. 55, January 1960, p. 17-18.
  - (2) T. Wilson, 'British Regional Policy in the European Context', The Banker, Vol. 123, February 1973, p. 165.
  - (3) These expenditure figures were supplied by the Employment Services Agency.

played very much a minor role in the regional programmes of virtually all countries in Europe and North America.<sup>(4)</sup> How does one account for this fact? As was argued in Chapter 2 the central importance of the labour supply function in various models and explanations of growth and unemployment/inflation points to the need for and likely value of utilizing a policy of assisted labour mobility in the attempt to bring about regional adjustment. As a result there seems no obvious, compelling economic reasons why a policy of industrial relocation should always be the favoured choice in a programme of regional adjustment assistance. There is certainly no straightforward explanation of this choice provided by economic theory, as the argument in favour of a general policy solution applicable in all circumstances is highly questionable on both analytical and empirical grounds.<sup>(5)</sup>

In practice the limited role of policies of assisted labour mobility in Britain and elsewhere is more explicable in political than economic terms. It has been political opinion at both the national and regional levels of government which has been instrumental in curtailing the role and size of policies such as the E.T.S. The strongest political opponents of a major programme for the relocation of labour have always been the representatives of constituencies situated in the high unemployment regions.<sup>(6)</sup> This fact is hardly surprising as out-migration from high unemployment regions has invariably been characterised as one of the major undesirable symptoms or manifestations of disequilibrium in regional labour markets.<sup>(7)</sup>

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(4) OECD, The Regional Factor in Economic Development, Paris, 1970; see also Martin Schnitzer, Regional Unemployment and the Relocation of Workers, Praeger, New York, 1970.

(5) For an elaboration of this contention see Harry W. Richardson, Regional Economics, Weidenfeld and Nicolson, London, 1969, p. 386-9.

(6) Edward C. Koziara and Karen S. Koziara, 'Development of Relocation Allowances as Manpower Policy' Industrial and Labor Relations Review, Vol. 20, No.1 October 1966, p. 70.

(7) See, for example, Department of Trade and Industry, Industrial and Regional Development, Cmnd. 4942, HMSO, London, 1972, p. 1. In the case of America see, for example, Annual Report of the Council of Economic Advisers to the President, 1965, p. 139.

There has been a strong unwillingness on the part of governments' to consider the possible value of out-migration as a solution to the problem of regional labour market disequilibrium. This unwillingness has been based on the belief that the effect of schemes such as the E.T.S. will be to accelerate the natural process of out-migration thus producing external costs (of the type discussed in Chapter 1) whose effect would be to add to the longer term recovery difficulties of the high unemployment areas. The implicit assumption in this argument is that secondary costs stemming from assisted migration flows would not only negate the automatic tendency to inter-regional equilibrium in factor prices postulated in the two region, two factor neo-classical model, but furthermore would be a force for disequilibrium which would maintain or even increase existing wage and employment inter-regional differentials thus resulting in a non-convergent growth path between regions.

The above argument which forms the heart of the case for minimising the role and scale of policies of assisted labour mobility rests on the following propositions; the belief that the best way to ensure "people prosperity" is to guarantee "place prosperity", and an equally firm conviction in favour of the explanatory and predictive power of the circular and cumulative causation model of regional economic growth. These two articles of faith are discussed in turn in the following sections of this chapter.

#### The concept of place prosperity

The acceptability of any policy of regional adjustment to the policy making authorities and communities of distressed areas is largely determined by the extent of the policy's compatibility with

'... the determination of most communities to preserve themselves and ... secure a share of the national growth'.<sup>(8)</sup> A policy that ignored this consideration would have little chance of being politically acceptable to the interest groups of high unemployment regions. This self-interest attitude derives from the fact that the power and standing of local political and business interests is dependent more on the total than the per capita income of an area.<sup>(9)</sup> As a result it is not surprising to find instances of interest groups in distressed areas having actively opposed the introduction of relocation of worker policies.<sup>(10)</sup>

In addition to being based on such self-interest considerations the concept of place prosperity does embody the belief or value that '... no-one should have to move in order to better himself any more than he should have to change his religion, political affiliation or skin colour'.<sup>(11)</sup> The acceptance of this proposition leads directly to the policy conclusion that the best way to help an individual is by guaranteeing the overall prosperity of the region in which he lives<sup>(12)</sup>. Hence place prosperity and people prosperity become interchangeable terms.<sup>(13)</sup> The policy conclusion drawn from this line of reasoning is that the most efficient means of eliminating inter-regional unemployment differentials is through the application of corrective policies at the source of the problem, i.e. in the high

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- (8) A.J. Brown, 'Regional Economics with Special Reference to the United Kingdom', The Economic Journal, Vol. 79, No. 4, December 1969, p. 787.
- (9) Edgar M. Hoover, An Introduction to Regional Economics, Alfred A. Knopf, New York, 1971, p. 257.
- (10) See the examples cited in Koziara and Koziara, loc.cit.
- (11) Hoover, op. cit., p. 274.
- (12) In this argument potential but not actual migrants are included among the set of persons whose welfare the high unemployment region seeks to maximise. If taken to its logical conclusion this place prosperity argument implies that no region has responsibility for the welfare of the migrants.
- (13) For an analysis and critique of this argument see B.G. West, 'Regional Planning: Fact and Fallacy', Lloyds Bank Review, No. 80, April 1966, p. 33-49.

unemployment regions. And such a view effectively rules out the use of worker relocation policies, at least on any sizeable scale.

The principle of cumulative and circular causation

The above argument implies that there is really no need for policies of assisted labour mobility due to the fact that place prosperity, which can be brought about and maintained by bringing work to the workers, will ensure the welfare of all persons who remain in the area. This contention is normally accompanied by a more 'active' condemnation of assisted labour mobility policy which is based on the cumulative and circular causation analysis originally outlined by Gunnar Myrdal.<sup>(14)</sup> It is this model which implicitly underlies the assertion that the external spill over costs of labour migration flows are a force for disequilibrium that will produce or at least maintain a non-convergent growth path between regions.

In his original formulation of the argument Myrdal started from the position of assuming an adverse change in regional circumstances such as a major local employer ceasing production. The resulting displacement of labour would reduce the level of effective demand in the area which would set off a chain reaction of increased unemployment and lowered income and demand among the firms having production or demand linkages with the original firm and/or its employees. This would reduce the appeal and attraction of the region to outside industry and workers who had been considering moving there. As the process gathered momentum some firms and workers would actually

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(14) G. Myrdal, Economic Theory and Under-Developed Regions, Duckworth & Co., London, 1957.

emigrate from the region thus causing a further reduction in the level of regional income and demand. The central mechanism at work to produce cumulative deviations from equilibrium is the interdependence of the supply and demand functions. This interdependent relationship which produces 'this simple model of circular causation with cumulative effects released by a primary change ....'(15) results in a dynamically unstable growth path between regions.

A cumulative process of the same general character will also be brought about by a change in the terms of trade of a community (provided that the change is large and persistent), or by any change likely to have a significant impact on the inter-related variables of demand, income, investment and production. The central conclusion of the argument is that the interdependence of supply and demand will tend to increase, rather than decrease, the inequalities between regions.(16) This outcome results from three main transmission mechanisms through which the cumulative process operates. These mechanisms are the migration of labour, capital movements(17) and trade flows which act in such a way as to aid the already growing regions, but cause further harm to distressed areas through the creation of negative or 'backwash' effects. It is through these means that the already prosperous regions continue to grow at the expense of the distressed regions which become increasingly left behind.

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(15) Myrdal, op. cit., p. 24.

(16) Myrdal, ibid., p. 26.

(17) Although the potential destabilising secondary effects of capital flows were acknowledged by Myrdal they have been largely ignored by others who have subsequently taken up this argument.

The basic Myrdal model has been drawn upon by various statements and arguments seeking to justify the present emphasis of British regional policy on taking work to the workers. Among the most obvious statements to this effect is the following comment taken from a recent OECD report,

In the British discussion on these questions weight has been given not only to those political and social aspects which indicate a job-to-the-workers approach, but also to an alleged tendency for an exodus from less developed areas to become cumulative ... (18)

The argument of this report was that a state of cumulative decline was likely to set in as a result of the labour migration process removing a disproportionate number of skilled workers from the high unemployment areas and draining off effective demand from the region which would cause secondary unemployment through the operation of a downward income-expenditure multiplier effect. Proponents of this view of the regional growth process have also emphasised the growing physical congestion problems which were likely to result from labour being assisted to move to the South East and Midlands regions. (19)

The important point to emphasise about these contentions is that they are no more than contentions, although they are now so widely accepted that they have become firmly entrenched in the folklore of regional policy debate in Britain. (20) A fuller and more detailed

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(18) OECD, Manpower Policy in the United Kingdom, Paris, 1970, p. 18.

(19) Douglas Jay, 'Distribution of Industry Policy and Related Issues', The Economic Journal, Vol. 75, No. 4, December 1965, p. 736-41.

(20) H.W. Richardson and E.G. West, 'Must We always Take Work to the Workers?' Lloyds Bank Review, No. 71, January 1964, p. 37.

examination of these various effects will have to await the results of later chapters, but even a brief look at the evidence on general, unassisted migration from Scotland appears to call into question the validity of a number of these contentions. Some of this evidence is reviewed in the following section of this chapter.

#### Some trends in Scottish migration

During the years 1951-68 Scotland's total population increased by just under 2% compared to a 10% increase for the United Kingdom as a whole. This was not due to a low rate of natural increase (which was high enough to have increased Scotland's population by 12% in these years, if population increase had been solely a function of the trend in natural increase), but rather resulted from the fact that 90% of Scotland's natural increase in population was lost through net out-migration during this period. In fact the years 1961-68 saw population growth in Scotland virtually stagnate due to this heavy net out-migration.<sup>(21)</sup> The relevant details are set out below in Table 3.1.

Table 3.1

The Loss of Population from Scotland through Net Migration, 1951-68('000)

Period	Actual Increase in population	Natural Increase	Net loss by migration	Net loss as % of natural increase
1951-61	82	368	286	78
1961-68	4	298	294	99
1951-68	86	666	580	87

Source: Calculated from data reported in the relevant issues of the Annual Abstract of Regional Statistics

(21) The reduction in the unemployment differential between Scotland and the rest of the United Kingdom from the mid and late 1960's has produced a substantial fall in the level of net out-migration from the region. See the annual figures for this period reported in Scottish Office, Scottish Economic Bulletin, No. 6, July 1974, p. 20.

In view of these figures it is not surprising that the issue of out-migration has caused such concern to the policy making authorities in Scotland. The 1966 White Paper on the Scottish economy, for example, considered the possibility of a progressive reduction in net out-migration to half its current level by 1970 as one of the major benefits likely to result from an improved growth performance of the Scottish economy. (22)

A disaggregation of the above figures by various spatial and demographic characteristics permits a preliminary consideration of some of the alleged costs of migration. What are the predominant destination areas of the migrants from Scotland? The 1966 Census data revealed that between 1961 and 1966 some 15% of Scottish migrants went to the East Midlands area, mainly to the new town of Corby. More than 35% of the Scottish movers went to the South-East region, although only 13% of them went to the Greater London area. The majority of Scottish migrants to the South-East favoured the Outer-Metropolitan area and the counties between London and Birmingham. Similarly among the 11% of migrants from Scotland who went to the West Midlands only 1.5% went to the Birmingham conurbation area, with the bulk of the remainder tending to favour the area around Coventry. The general pattern to emerge from these Census figures was not, as is so frequently asserted, one of migrants moving in large numbers to the densely populated, congested inner city areas of the Birmingham and London conurbations. (23) Instead the destination areas of the majority of out-movers from Scotland appeared to conform more to the

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(22) Scottish Office, The Scottish Economy 1965 to 1970: A Plan for Expansion, Cmnd. 2864, HMSO, Edinburgh 1966, p. 7.

(23) This pattern is largely explicable in terms of the employment trends of the time. Between 1961 and 1966 total employment increased by 3.6% in Britain as a whole, while for the conurbation areas as a group it decreased by 2.6%.

following pattern,

The typical inter-regional migrant seems very likely to be someone leaving one of the Northern conurbations and moving to a small town in the Midlands or South. This is a very different picture from the normally accepted stereotype of migration which is of people leaving the uncongested North and moving to London.<sup>(24)</sup>

This general pattern of movement for unassisted movers may not be faithfully replicated by the migrants assisted to move under the E.T.S. This is because the motives of the unassisted (employed) movers are likely to be quite different from those of the assisted (unemployed) migrants<sup>(25)</sup>, and the result may be quite distinctive spatial patterns of movement with equally different implications and effects resulting from them. This likelihood is examined in later chapters.

The concern in Scotland with the issue of migration reflects the belief that out-movement is selective in composition in that 'the great majority of the people who move are in the younger age groups, and such evidence as is available indicates that it is the more highly skilled and more technically qualified rather than the unskilled who migrate'.<sup>(26)</sup> The original exposition of the circular causation argument by Myrdal considered age selective migration from the depressed areas as one of the important transmission mechanisms for the dissemination of backwash effects.<sup>(27)</sup> The available evidence from the 1966 Census, which is set out below in Table 3.2, certainly appears to support this contention in the case of Scotland.

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(24) Harold Lind, 'Internal Migration in Britain' in J.A. Jackson (ed), Migration, Cambridge University Press, London, 1969, p. 84-5.

(25) John Cready, 'Inter-Regional Mobility: A Cross Section Analysis', Scottish Journal of Political Economy, Vol. 21, No. I, February 1974, p.41.

(26) Cmnd. 2864, op. cit. p.2.

(27) Myrdal, ibid, p.27.

Table 3.2The Age Distribution of Scottish Migrants to England and Wales, 1961-6(%)

Age Group	Migrants from Scotland to England and Wales (%)	Population of Scotland (%)
5 - 14	19.4	18.5
15 - 19	8.3	7.9
20 - 24	14.3	7.1
25 - 44	41.8	28.2
45 - 59	10.6	21.2
60 - 64	1.9	5.5
65 +	3.8	11.7

Source: Calculated from the 1966 Census of Scotland, Migration Tables, Part 1 and reported in Huw R. Jones, 'Migration to and from Scotland since 1961', Institute of British Geographers: Transactions and Papers, No. 49, March 1970, Table III, p. 154.

The proportion of migrants aged below 45 is considerably higher than this age group's representation in the Scottish population in general, while the reverse is true for the older groups. This indicates that Scotland has experienced a disproportionate loss (in both absolute and percentage terms), through out-migration, of its younger aged work force members. It has been calculated that if the net outward movement of the younger aged population from Scotland had remained at the mid-1960's level of some 40,000 persons a year the region's economically active population would have fallen from 61% to 55% of the total population by 1980.<sup>(28)</sup>

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(28) Cmd. 2864, ibid, p. 1.

The full selective migration hypothesis is that the out-migration flows from high unemployment regions contain not only a disproportionate number of younger aged workers, but also of skilled and educated workers.<sup>(29)</sup> In an extensive review of previous studies of migration and mobility in Britain, Michael Mann concluded that '... the younger, and the higher the occupation level, the more likely to move, and the more likely to move far'.<sup>(30)</sup> Unfortunately the 1966 Census did not contain tabulated evidence for the occupational level of immigrants and emigrants for Scotland as a whole which would have permitted a reasonably complete examination of the skill drain hypothesis. There were tables for the six planning regions of Scotland, but these could not be satisfactorily amalgamated in order to provide an overall picture of the Scottish position due to the double counting problems involved. As a result Table 3.3 contains only the relevant occupational information for the West Central planning region of Scotland. As this particular region has been the major source of out-migration from Scotland it was the obvious choice to present here. Nevertheless similar calculations were carried out for the other planning regions and the same basic results emerged as those presented in Table 3.3.

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(29) Again it should be noted that this added dimension of skill goes beyond the original argument of Myrdal who only claimed that out-migration would be age-selective.

(30) Michael Mann, Workers on the Move, Cambridge University Press, London 1973, p. 9.

Table 3.3

The Socio-Economic status of Immigrants to and Emigrants from the  
West Central Planning Region of Scotland, 1961-66.

Census categories	Socio-economic group	Migrant Numbers in          out		% Excess of emigration over immigration
1+2+13	Employers & Managers	4210	5850	38.95
3+4	Professions	3470	4450	28.24
8+9+12+14	Skilled Manual	5980	13680	128.76
7+10+11	Unskilled Manual	5960	15380	158.05
5+6	Intermediate and Junior non-manual	12600	18180	44.29

Source: Sample Census of Scotland 1966, Migration Tables Part 1, p.61.

In the case of the managerial, professional and intermediate worker groups the excess of out-migration over in-migration was found to be quite small, thus providing little obvious support for the claim that internal migration will, in a situation of regional differences in economic growth, have a polarising effect due to the low growth region losing a disproportionate number of key technicians and managers to the high growth areas.<sup>(31)</sup> In both the skilled and unskilled manual categories, however, the excess of out-movement over in-movement was very substantial. While these figures are not

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(31) A. Hirschman, Strategy of Economic Development, Yale University Press, New Haven, 1958, p. 188.

completely consistent with the hypothesis that out-movement is basically concentrated among the skilled workers the extent of the loss of skilled manual workers is nevertheless seen as a matter for policy concern and correction. However, if one relates such flows to the appropriate base population figures, in order to see if they are selective in composition the admittedly rather limited evidence suggests that the fear of a widespread skill drain from the West Central area may be somewhat exaggerated.<sup>(32)</sup>

It must be emphasised that the figures presented in this section do not necessarily refute the arguments against the adoption of a large scale policy of assisted labour mobility. The use of this evidence for such a purpose would involve the very questionable assumptions that the trends identified here were largely independent of relative employment opportunities, which were in turn independent of the influence and effects of the dominant policy approach of industrial relocation.

Nevertheless a further examination of the out-migration figures from Scotland provides added support for the suggestion that the skill drain argument may have been over-stated. The regional education statistics in the 1951 and 1961 Census Reports revealed that Scotland has suffered a smaller net loss of educated manpower than other areas such as the Northern region of England. Furthermore, the figures revealed that the rate of increase in educated manpower in Scotland between the years 1951 and 1961 was well above the British average. The really interesting finding from these figures, however,

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(32) See, for example, West-Central Scotland Plan, Supplementary Report No. 4, 'Social Issues', 1974, p. 32.

was that while the proportion of highly educated persons in the age group 20-29 was very low in Scotland, the proportion rose very sharply for the age groups beyond 30 and was well above the British average for this age range. Such a finding is open to a number of interpretations, but it seems likely that many of the younger, more educated people who move out of Scotland do so for only a short period of time and then return home. On the basis of these educational statistics Brown concluded '.... that Scots have perhaps less reason to be worried about the brain drain than one might have taken for granted, and certainly less reason than Welshmen or Yorkshiremen have'.<sup>(33)</sup>

### Conclusion

The issues raised in this chapter will be examined in greater detail when the operation of the M.T.S. in Scotland is reviewed in later chapters. At this stage I merely wish to pose the question whether one can meaningfully discuss the impact and effects of the operation of an assisted labour mobility policy on a high unemployment area by simply generalising from the evidence of previous studies of unassisted mobility. Such an approach, which has been followed in most discussions of this subject in Britain, would seem to be acceptable only if the two types of migration process differ in a matter of degree. The investigation of this question provides one of the central themes taken up in the subsequent analysis of this thesis.

In this chapter discussion has centred on the question of why policies of assisted labour mobility have had only a minor role in

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(33) A.J. Brown, 'Some English Thoughts on the Scottish Economy', Scottish Journal of Political Economy, Vol. 16, No. 3, November 1969, p. 247.

the programmes of regional adjustment assistance adopted in Britain and elsewhere. It has been argued that this reluctance derives from the political opposition of depressed areas to any policy likely to encourage and involve population loss from the region. This opposition has stemmed from more than just self-interest considerations. The underlying belief has been that policies of assisted mobility policy would not be necessary if one could guarantee place prosperity through bringing work to the high unemployment areas. Related to this contention has been the widespread acceptance in policy making circles of the policy prescriptions of the circular and cumulative causation model of regional growth. These prescriptions have been critical of the role of assisted labour mobility policy on the grounds that their operation would produce various external costs that would undermine the longer term recovery prospects of the distressed areas.

There is an additional factor unique to Britain that helps account for the widespread government and academic scepticism of the value of worker relocation policies. Many of the fears and reservations about the effects of such policies which are held by government planning bodies and economists in Britain derive from the 'unfavourable' experience of the Industrial Transference Board during the 1930s. In the next chapter the operation and impact of the Board are considered. The argument of that chapter is that in view of the exceptionally unfavourable circumstances in which the Board was forced to operate generalisations based on that episode have not given labour relocation policies a fair chance to prove their worth.

CHAPTER 4THE WORK OF THE INDUSTRIAL TRANSFERENCE BOARD, 1928-38Introduction

Although the existing apparatus of regional policy in Britain does not completely deny that a certain mixture of the two policies of industrial and labour relocation can complement each other, the emphasis is very much on the use of investment incentives and controls to encourage industrial relocation. This emphasis is, as was argued in Chapter 3, a reflection of the belief that it is desirable to solve the problem of unemployment at its source i.e. in the region of origin. There has only been one policy period when it was considered desirable to encourage a large scale movement of labour from the regions of high unemployment. These were the years 1928-38 during which time the Industrial Transference Board sought to encourage and assist the movement of labour out of the depressed northern regions of the country.

The importance of this period for our present purposes derives from the fact that much of the current scepticism in British academic and government circles concerning the value of policies of assisted labour mobility can be traced back to this period. Certainly most of the standard arguments against this form of policy, which were outlined in Chapter I, had their origin in the various criticisms of the workings of the Transference Board. As will be argued in this chapter, many of the criticisms of the Board had little empirical support at the time, and even if valid in the particular circumstances of that period are likely to have little applicability to the operation

of this type of policy in present day labour market conditions. The result is that the policy lessons of this particular episode are not really capable of generalization beyond the operating circumstances of that very exceptional period of time.

### The Unemployment Background

During the 1920's unemployment in Britain averaged approximately 1 million persons per annum, a figure that rose to 3 million during the worst slump years of the 1930's. This unemployment was not spread evenly between the regions of the country. Contemporary opinion tended to draw a distinction between a relatively prosperous Inner Britain (the South East, South West, London and the Midlands) and a depressed outer Britain. The latter group, consisting principally of South Wales, Northern England and Scotland, experienced unemployment rates of 25-30% in the early 1930's, compared to some 15% in London and the South East. The regional unemployment figures for the years 1929-37 are set out below in Table 4.1.

The areas which avoided the heaviest impact of the slump were those which had a relatively broad based industrial structure.<sup>(1)</sup> In contrast, the depressed areas were seen as being overly dependent on a few staple industries that were experiencing labour displacement problems due to increased overseas competition, the pressure of technological change and an unfavourable export situation. These areas were the ones that had a relatively high specialisation in coal mining, shipbuilding, iron and steel and textiles. In March 1933, for example, the national unemployment rate in shipbuilding was 61%, in metal

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(1) G.C. Allen, 'Labour Transference and the Unemployment Problem', The Economic Journal, vol. XL, No. 2, June 1930, particularly ps.243 and 246.

Table 4.1

Unemployment Rates by Regional Divisions, 1929-37

	1929	1930	1931	1932	1933	1934	1935	1936*		1937
London	5.6	8.1	12.2	13.5	11.8	9.2	8.5	7.2	7.0	6.3
South-Eastern	5.6	8.0	12.0	14.3	11.5	8.7	8.1	7.3	7.2	6.7
South-Western	8.1	10.4	14.5	17.1	15.7	13.1	11.6	9.4	9.4	7.8
Midlands	9.3	14.7	20.3	20.1	17.4	12.9	11.2	9.2	9.2	7.2
North-Eastern	13.7	20.2	27.4	28.5	26.0	22.1	20.7	16.8	13.5	11.0
North-Western	13.3	23.8	28.2	25.8	23.5	20.8	19.7	17.1	17.0	14.0
Northern	-	-	-	-	-	-	-	-	22.9	17.9
Scotland	12.1	18.5	26.6	7.7	26.1	23.1	21.3	18.7	18.7	15.9
Wales	19.3	25.9	32.4	36.5	34.6	31.2	31.2	29.4	29.4	22.3
Great Britain	10.5	16.3	21.6	22.2	20.0	15.5	15.5	13.2	-	10.8
South Britain	7.1	10.5	15.0	16.2	14.0	9.7	9.7	8.1	-	6.9
North Britain & Wales	13.8	21.7	28.0	28.2	26.0	21.5	21.5	18.6	-	15.0

Source: William H. Beveridge, Full Employment in a Free Society, George Allen and Unwin Ltd., London, 1944, p.61.

\* The Administrative Divisions were re-arranged in August 1936, and hence two sets of figures are provided for 1936 in order to avoid any possible distortions from this re-arrangement.

manufacture it was 35%, in coal mining 26% and in textiles 24%.<sup>(2)</sup>

The data set out below in Table 4.2 indicates the extent of area concentration with respect to these problem industries.

#### The establishment of the Transference Board

The three man Board was appointed by the Minister of Labour on 6th January 1928 'for the purpose of facilitating the transfer of workers, and in particular of coal miners, for whom opportunities of employment in their own district or occupation are no longer available'. The Board estimated that there was a permanent surplus of some 200,000 men in coalmining and 100,000 men in the ship-building, iron and steel and heavy engineering industries. The Board also pointed out that certain sections of the textile industry were likely to require a permanent reduction of manpower, but they did not specify the size of the surplus in this industry. On a regional basis they saw these problems of excess manpower as being most acute in Northumberland, Durham, South Wales and Scotland. In carrying out the task of labour redeployment the Board stressed that this policy must rest on the following three pillars:-

- (i) a man's willingness to move. In line with this they rejected the use of relief works in the depressed areas as being likely to reduce the motivation to move.
  - (ii) the active help of employers and of all agencies and private persons who can give a man the opportunity of employment.
- In August of that year (1928) a letter of appeal signed by the Prime Minister was issued by the Ministry of Labour to

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(2) Gavin McCrone, Regional Policy in Britain, George Allen and Unwin, London, 1969, Footnote I, p. 92.

Table 4.2

The Regional and Sub-Regional Distribution of Employees in Declining Industries, July 1923

	Great B Britain	London & Home Counties	Midlands	West Riding & Notts., Derby	Mid- Scotland	Lanca- shire	North- umberland and Durham	Glamorgan
Coal	11.2	0.1	8.8	21.0	10.7	6.6	37.6	51.3
Cotton	5.2	0.0	0.2	3.5	2.5	26.5	0.0	0.0
Wool	2.4	0.1	0.5	15.1	0.2	0.5	0.1	0.0
Shipbuilding	2.2	0.9	0.0	0.1	7.3	1.4	8.9	2.2
Iron and Steel	2.1	0.05	2.8	3.7	3.6	0.8	2.6	5.6
Total	23.1	1.1	12.3	43.4	24.3	35.8	49.2	59.1

Source: Royal Commission on the Distribution of the Industrial Population, Cmd. 6153, HMSO, London, 1940, p. 268.

166,000 employers in Britain urging them to give consideration to the employment of surplus coal miners referred to them by their local employment exchanges.

(iii) help, where necessary, by training or by grants towards the cost of moving.

The Board's terms of reference and powers were as follows,

We are not appointed to supercede existing departments or agencies, nor were we given executive power or responsibility ourselves to effect transfers. We were appointed in order to advise how best to accelerate and intensify the process of transfer of labour already going on through individual initiative, through the machinery of the employment exchanges, the government training centres for unemployed adults, (both for home and overseas), the juvenile unemployment centres and the facilities provided for transfer overseas both under the Empire Settlement Act, 1922, and by ordinary migration. (3)

The main operational arm of the transference policy was the government employment service. Exchanges in prosperous areas canvassed employers to obtain vacancies for workers from depressed areas. If a local exchange in a 'prosperous' area could not find suitable local candidates for a vacancy it was to seek men from the depressed regions before giving the vacancy wider circulation. For a period of time local exchanges in the non-depressed areas were actually assigned a quota of men from the depressed regions for whom they were obliged to find a job. In addition, grants were made for the financing of local authority public works in the more prosperous regions. The terms of these grants stipulated that 50% of the men

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(3) Industrial Transference Board Report, Cmnd. 3156, HMSO, London, 1928, p. 4-5.

employed on such projects must be from the distressed regions.<sup>(4)</sup>  
 This type of measure was seen as a prelude to these men gaining regular employment in the new area.

In addition to moving workers directly to existing vacancies in other areas the Ministry of Labour also transferred persons to prospective employment, that is to areas where employment opportunities were considered likely to arise in the near future. This experimental measure of 1928 came into full operation in August 1935. A free rail warrant was also available for persons who had obtained employment in a new area by means other than the employment exchange. Finally, discretionary grants were available for persons who came forward on their own initiative and were considered worthy of special consideration.<sup>(5)</sup> In regard to financial assistance transferees from mining districts were entitled to the most aid. Married men from these areas received a grant towards the cost of lodging, an advance of travelling expenses and the payment of costs for the removal of the family's household effects. Single men from mining regions had the cost of their fare to the new area paid and were entitled to a maintenance grant to help support them until they received their first pay in the new job.

In 1928 Government Training Centres were established to train unemployed workers in a new trade, or to 'recondition' workers who had lost their former skills as a result of a period of prolonged unemployment. The Transfer Instructional Centres set up in 1929 for all unskilled workers (except miners) were designed to rehabilitate men who had lost their physical fitness or industrial 'morale' due to prolonged unemployment. For the years 1934-38 some

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(4) In 1929, for example, the Unemployment Grants Committee distributed over £10 million for such projects.

(5) For more details, see the Annual Report of the Unemployment Assistance Board 1936, Cmd. 5526, HMSO, London, p. 52.

20% of the transferees came from the training centres and a further 6% from the instructional institutions.<sup>(6)</sup> The Ministry of Labour acted as the executive body responsible for co-ordinating all the transference arrangements. The necessary finance was forthcoming from the Ministry itself, with additional amounts from the Unemployment Assistance Board and the Commissioner for Special Areas. The Ministry of Labour also enlisted the aid of welfare groups such as the National Council of Social Services to assist relocatees find suitable housing and to help adjust them to their new environment. These supportive services were seen as being especially important for aiding the transfer of juveniles, a scheme for which was introduced in 1928 and revised and extended in 1934. The supportive services included selection and approval of suitable lodgings by juvenile employment officers and the use of 'after-care committees' to co-ordinate local welfare efforts with a view to providing recreational and club activities for the juvenile migrants.<sup>(7)</sup>

#### The size and direction of the assisted flows

The net change in regional population numbers for the years 1923-36 due to overall migration flows were as follows; the Home counties, the South East and South West had a net gain of 2,400,000 inhabitants, the Midlands experienced almost no net change, while the North East, North West, Scotland and Wales lost some 2,200,000 people.<sup>(8)</sup> Some more detailed regional figures for the years 1931-39 are provided in Table 4.3 below.

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(6) S.R. Dennison, The Location of Industry and the Depressed Areas, Oxford University Press, London, 1939, p. 177.

(7) Annual Report of the Ministry of Labour, 1936, Cmd. 5431, HMSO, London, p. 43.

(8) G.D.N. Worswick, 'The Stability and Flexibility of Full Employment' in The Economics of Full Employment, The Oxford Institute of Economics and Statistics, Basil Blackwell, Oxford, 1948, Footnote 4, p. 75.

Table 4.3Regional Net Migration Flows, 1931-39, ('000)

Region	Numbers
<u>The North</u>	
Northern	-149
East and West Ridings	-41
North Western	-59
Wales	-182
Scotland	-32
Total	-463
<u>The South</u>	
North Midlands	+32
Midlands	+100
Eastern	+201
London & the South-East	+458
Southern	+129
South West	+36
Total	+956

Source: Brinley Thomas, Migration and Urban Development, Methuen & Co. Ltd., London, 1972, Table 6.5, p. 182.

The number of unassisted movers was considerably more than the number officially transferred. The typical estimate is that persons moving of their own accord were twice the number moved under the various transfer arrangements.<sup>(9)</sup> In the eighteen months from January 1936 to June 1937, for example, 61,600 unemployed men moved on their own initiative compared to only 30,000 who were officially transferred.<sup>(10)</sup> The annual number and categories of persons assisted to move for the years 1929-38 are detailed below in Table 4.4.

Table 4.4

The Number of Persons Assisted to Move under the Authority of the Industrial Transference Board, 1929-38

Year	Adults		Juveniles		Family Removals
	Men	Women	Boys	Girls	
1929	36843	2239	2622	1994	-
1930	28258	1752	1313	1708	-
1931	17889	2631	868	1968	1680
1932	8359	2651	638	2502	990
1933	5333	4038	1117	2955	605
1934	6928	4420	1661	3512	1308
1935	13379	6330	5376	4643	3718
1936	20091	8008	8699	5937	10179
1937	17585	6416	7675	6450	7673
1938	11687	6214	4131	5496	3500

Source: Beveridge, op.cit., p. 64; S.R. Dennison, The Location of Industry and the Depressed Areas, Oxford University Press, London, 1939, Table XI, p. 177.

As regards the direction of movement, the two depressed mining areas of Northumberland/Durham and South Wales provided 66% of the

(9) A.J. Brown, The Framework of Regional Economics in the United Kingdom, NIMSR, Cambridge University Press, London, 1972, p. 282.

(10) Dennison, op.cit., Footnote 1, p. 172.

male out-migrants, and about 60% of the females transferred for the period 1932 to June 1937. The London and the South-East region received nearly 50% of the males, but only about 15% of the females. The small out-movement from Scotland and the low intake by the Midlands were the main 'surprises' revealed by the figures.<sup>(11)</sup> Some figures available on the juvenile transfer scheme for the years 1934-36 revealed that the boys went overwhelmingly to London and the Midlands, while the girls, although showing a strong bias towards London, did not go in any numbers to the Midlands, but instead tended to favour the North-East region.<sup>(12)</sup>

Information about the industries affected by the transference process is limited to the period 1936 to June 1937. Looking at the 27,000 workers transferred in these eighteen months, over 25% came from coalmining and about 8% from each of the shipbuilding and engineering industries. Skilled and semi-skilled workers totalled some 15,000 of the 27,000 movers during these eighteen months, and of these 45% went into engineering and over 20% into the building trades. Public works absorbed 25% of the unskilled workers and the construction industry a further 12% of these movers.<sup>(13)</sup> For 1936 a breakdown of the industries into which the juveniles moved revealed that the key attraction industries for girls were domestic service, hotels and restaurants, sections of textile manufacturing, hospitals and related institutions. The male juveniles in this year were predominantly placed in hotels and restaurants, general and electrical engineering, metal manufacture and in the manufacture of footwear.<sup>(14)</sup>

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(11) Dennison, *ibid.*, p. 179.

(12) Cmd. 5431, *op.cit.*, p. 113.

(13) Dennison, *ibid.*, p. 180.

(14) Cmd. 5431, *ibid.*, p. 114.

An assessment of the work of the Transference Board

The view typically expressed in most evaluations of this policy period is that the Board was a failure,<sup>(15)</sup> although rarely if ever are the criteria by which it is judged to have failed made explicit. If this judgment is based on the failure to significantly reduce unemployment numbers then there is little scope for disagreement (although to be consistent it must be admitted that there is little evidence to suggest that the demand side policies performed any better in this regard). The most sensible judgment is undoubtedly that put forward by Brown, namely that 'against the background of massive general unemployment, massive inter-regional differences of unemployment and large voluntary movements of labour ..... specific effects of the transfer policy are not identifiable by inspection'.<sup>(16)</sup> Accordingly the ability to draw any meaningful conclusions or lessons about the effectiveness and value of any policy concerned with inter-regional movements of labour (or capital resources) in a situation of severely depressed aggregate demand is strictly limited. While whole-heartedly endorsing this general conclusion there are nevertheless some indications that the transference policy, despite the many constraints under which it operated, achieved somewhat more than many critics have been prepared to concede.

In their original terms of reference the Board was instructed to pay particular attention to the relocation of coalminers from the depressed areas. Between 1927 and 1937 workforce numbers in coalmining contracted by some 26% giving it a rate of contraction exceeded only by the cotton section of the textile industry.<sup>(17)</sup> The Makower study

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(15) McCrone, op.cit., p. 99.

(16) Brown, op.cit., p. 284.

(17) William H. Beveridge, Full Employment in a Free Society, George Allen & Unwin Ltd., London, 1944, p. 63.

also concluded that among the industries that should have contracted coalmining (together with cotton and wool textiles) had the highest co-efficient of re-adjustment, while the shipbuilding industry had the lowest.<sup>(18)</sup> The extent of contraction achieved in coalmining, while not due solely to the work of the Transference Board, was certainly not unimpressive in an industry noted for its 'closing occupation' characteristics,<sup>(19)</sup> especially so in view of the depressed state of aggregate demand. Indeed the extent of contraction in the coalmining industry would have been even greater if the out-flow of adult labour had not been partially offset by the continued recruitment of juvenile labour,<sup>(20)</sup> particularly during the early part of the period.

The achievement of the transference arrangements in this and other industries would undoubtedly have been much greater, but for the widespread unpopularity of the policy in both the in-migration and out-migration areas of the country. The Board's lack of executive power greatly restricted their ability to actively 'push' the policy as they were forced to operate through the medium of existing agencies. They exhorted employers and local authorities in the southern regions to notify the employment exchanges of all available vacancies in order to allow them to be made available to unemployed miners in the north. But in the unfavourable macro-environment in which the policy had to operate the necessary degree of co-operation was rarely forthcoming. Opposition from authorities in the

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(18) H. Makower et al, 'Studies in the Mobility of Labour, Part II', Oxford Economic Papers, vol. I, No. 2, 1938, p. 55.

(19) J.H. Smith, 'The Analysis of Labour Mobility' in B.C. Roberts and J.H. Smith (eds) Manpower Policy and Employment Trends, Bell, London, 1966, p. 95.

(20) Makower et al, op.cit., p. 57-8.

South<sup>(21)</sup> was a constant fact of life which intensified considerably when the availability of work on local relief projects began to 'dry up' and/or when there was a general downturn in the business cycle. And as '.... it was necessary to avoid too blatantly taking the bread out of the mouths of local candidates for jobs in the regions of destination'<sup>(22)</sup> this made the number of transferences extremely sensitive to movements in the trade cycle.

The opposition to the transference policy was even more pronounced in the high unemployment, out-migration regions. The District Commissioner for the South Wales Special Area expressed the flavour of this opposition in the following terms, 'the policy of transference has been, and still is, criticised. In common with many others, one cannot but deplore a policy which has the effect of robbing Wales of her most enterprising sons and daughters'.<sup>(23)</sup> It was widely held that in order to maintain the acceptability of the scheme to employers only the most employable of the unemployed were assisted to move. Hence the effect of the policy was to cream off the youngest and most skilled workers of the high unemployment regions. This view was accepted by a number of academic critics of the transference policy. Dennison for example, claimed that 'it seems clear that the policy will have affected in only slight degree just those workers who can be regarded as surplus; rather it has assisted the movement of the better quality, .... hence it cannot be said that the policy ....

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(21) Annual Report of the Ministry of Labour, 1935, made explicit reference to the varying extent of co-operation in the transfer of juveniles. A considerable number of local authorities in the southern regions simply refused to allow the scheme to operate in their area.

(22) Brown, ibid., p. 282.

(23) Report of the Commissioner for the Special Areas in England and Wales, 1937, HMSO, London, Cmd. 5595, p. 44.

has been ... appropriate to the needs of the depressed areas.<sup>(24)</sup>

The amount of evidence put forward in support of these contentions is, as always, very little. The limited data tends to suggest a predominance of younger aged movers<sup>(25)</sup>, but in regard to skill level the figures are much less conclusive.<sup>(26)</sup> Even if substantiated, the longer term adverse consequences of such selective flows of labour may be somewhat exaggerated. Although the South Wales area suffered the largest outflow of labour it still retained in 1938 as high a percentage of younger aged workers as Britain as a whole.<sup>(27)</sup> This may have been the result of high return migration rates, particularly during the latter years of the decade when employment prospects began to improve in the northern regions.<sup>(28)</sup> It was estimated that of the 150,000 men and 40,000 women relocated during the period August 1928 to June 1937 some 50,000 men and 5,600 women had returned home.<sup>(29)</sup> These return migration figures suggest that even if there was a disproportionate out-flow of younger, more skilled workers they were not irretrievably lost to the area, and as such their temporary absence could not be held to have seriously undermined the longer term recovery prospects of the regions.

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(24) Dennison, *ibid.*, p. 185.

(25) See, for example, Dennison, *ibid.*, Table XIII, p. 191.

(26) For the eighteen months January 1936 to June 1937 skilled and semi-skilled workers together comprised only 55% of the 27,000 assisted movers.

(27) M.P. Fogarty, Prospects of the Industrial Areas of Great Britain, Methuen and Co., London, 1945, Tables 18 and 19, p. 97-8.

(28) '... except in the case of family removal ... transference is often regarded as a merely temporary means of obtaining employment until chances in the depressed areas improve'. Dennison, *ibid.*, p. 188.

(29) Royal Commission on the Distribution of the Industrial Population, 1940, Cmd 6153, HMSO, London, p. 150.

A number of other externalities from the migration process were claimed to have adversely effected the out-migration regions in this period. In regions such as Wales, where total population numbers actually fell as a result of net out-migration, it was claimed that the social capital stock became seriously underutilized.<sup>(30)</sup> Again in areas of falling population local authority receipts from the block grants were said to have been seriously reduced. It was claimed that the Rhondda Valley in South Wales, for example, lost over £43,000 of its block grant during the years 1934-9.<sup>(31)</sup>

It is noticeable that the few scattered pieces of evidence on these and the other alleged costs of the policy always pertained to areas such as the Rhondda Valley. The situation in these isolated mining centres where there was an absolute decline in population numbers, which reflected their limited long term economic prospects, may well be an extreme case not accurately reflecting the general position in the high unemployment regions. Even leaving aside this qualification it is essential to note that these latter costs of the migration process are unique to this particular period of time. Their validity depends on a fall in absolute population numbers and on a decentralised system of public finance<sup>(32)</sup>, both of which have little relevance to present day conditions in Britain. As Hancock has so aptly put the point, 'in an environment of high employment, transference may be a realistic remedy for the problem of depressed areas

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(30) This argument usually went on to claim that the transference policy forced the creation of new social capital in the areas of in-migration which meant a wasteful use of resources. This waste argument was to say the least an odd argument to put forward in the context of high, general unemployment.

(31) Dennison, *ibid.*, p. 192.

(32) 'The vicious circle of reduced rate income, increased need and poorer services, which was one of the most notable mechanisms of inter-regional destabilisation, is now greatly weakened'. Brown, *ibid.*, p. 13-14.

but in the circumstances of the twenties it was calculated to produce frustration, disillusionment and hostility'.<sup>(35)</sup>

The views of economists writing at the time were overwhelmingly hostile to the policy of large scale labour transference. The most extensive critique of the transference policy came from Singer,<sup>(34)</sup> whose arguments may be summarized as follows:-

- (i) The policy lowered the quality of the people left behind in the depressed regions. They were likely to be less enterprising, older and have more dependants. This would give the area an even more depressing image that would deter industrialists from establishing plants in the region.
- (ii) It would lead to the creation of secondary unemployment in the out-migration area as purchasing power was removed from the region. This would further handicap any attempt to establish consumer goods industries in the areas that were dependent on the existence of a considerable sized local market.
- (iii) Finally, it would involve the wasteful duplication of social capital, such as schools and hospitals, in the incoming and outgoing areas.

As indicated in Chapter I, these arguments still form the heart of the present day case against the use of relocation of worker policies. There was little or no empirical evidence used to support these arguments during the 1950s, and even if supporting evidence had been forthcoming at that time the extent, if not the existence, of these

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(33) K.J. Hancock, 'The Reduction of Unemployment as a Problem of Public Policy, 1920-29', The Economic History Review, vol. XV, No. 2, 1962, p.341.

(34) H.W. Singer, Unemployment and the Unemployed, King and Son, London, 1940, Ch. V. See also A.D.K. Owen, 'The Social Consequences of Industrial Transference', Sociological Review, vol. 29, No. 4, October 1957, p. 331-354.

various alleged migration costs are likely to have little general applicability. This is due to the special circumstances of the 1930's which consisted of the highly depressed state of aggregate demand, an absolute decline in the population of certain areas, concentration on an industry (coalmining) whose workforce is noted for its highly immobile nature, a decentralised public finance system and extreme political opposition in virtually all areas of the country to an administrative body having limited powers and resources.

### Conclusion

The main point to emerge from a review of the evidence of this episode is that in a state of severely depressed aggregate demand any manpower policy is likely to experience severe operational difficulties. It therefore appears a rather hasty and harsh judgment on the potential usefulness of relocation of worker policies to generalise from the experience of this period. Indeed it is unfortunate that so much of the justification for post-war regional policy in Britain being based so heavily on taking work to the workers has drawn on this highly exceptional policy period.

CHAPTER 5THE SIZE AND DIRECTION OF ASSISTED LABOUR MIGRATION FLOWS UNDER THE  
A.T.S., WITH SPECIAL REFERENCE TO SCOTLANDIntroduction

Although post-war regional policy in Britain has relied overwhelmingly on the industrial relocation approach, the existing policy apparatus does include three schemes<sup>(1)</sup> for assisting the movement of labour. These are as follows:-

- (i) The Key Workers Scheme designed to assist employed workers who are moving on either a temporary or permanent basis to an area beyond daily travelling distance of their home area in order to take up key employment positions in new or expanding firms situated in assisted regions.
- (ii) The Nucleus Labour Force Scheme which permits firms establishing branch plants in development areas to recruit unemployed labour there, and then transfer them to their central plant situated outside the development region for a period of training, upon completion of which they are to take up employment in the branch plant located in the assisted area. These two schemes seek to facilitate the recruitment and training of labour by firms situated in the high unemployment regions, and as such are among the measures for aiding industrial relocation.

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(1) The coalmining and railway authorities also operate schemes of worker relocation, but only for movement within their particular industries. Hence they are not discussed in this thesis.

(iii) The E.T.S. which operates to move unemployed labour primarily although not necessarily from the assisted regions is the only policy measure in Britain designed to take workers to the work. The aims and conditions of the E.T.S. were set out briefly in Chapter I. And in this chapter a more detailed discussion of the terms, conditions and overall flows of labour under the scheme is presented as a background for the analysis of the operation and impact of the E.T.S. in Scotland which is taken up in the following chapters of this thesis.

#### The earlier Resettlement Transfer Scheme

The Resettlement Transfer Scheme<sup>(2)</sup>, which existed prior to the E.T.S., was first introduced under a section of the 1948 Employment and Training Act. Between 1950 and September 1962 this policy was confined to aiding the movement of unemployed workers from areas of substantial labour surplus, and to assisting special cases such as ex-regular military personnel being re-adjusted to civilian life. During this same period a temporary transfer scheme was also in operation to help the movement of married workers forced to take temporary work outside their local area until work became available nearer to home. In September 1962 the various features of these two schemes were combined in order to extend the coverage of the Resettlement Transfer Scheme. The resulting scheme remained in

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(2) The conditions and provisions of this scheme are described in Martin Schnitzer, Regional Unemployment and the Relocation of Workers, Praeger, New York, 1970, p. 64-6.

operation until the E.T.S. was introduced in April 1972.<sup>(3)</sup>

The expenditure involved and the number of assisted movers under the Resettlement Transfer were both extremely small, as indicated by the figures set out below in Table 5.1. The expenditure figures represent the combined outlay for the three transfer schemes, but as the Nucleus Labour Force and Key Worker Schemes have been so little used<sup>(4)</sup> the vast majority of expenditure is accounted for by the Resettlement Transfer Scheme. (The number of movers are for the Resettlement Transfer Scheme only).

Table 5.1

Number of Movers and Expenditure Outlay under the Resettlement Transfer Scheme, 1963/4-1971/2.

Financial Year (ending 31/3/-)	Numbers assisted to move	Expenditure involved
1963/4	3864	328,108
1964/5	3228	351,500
1965/6	4013	459,092
1966/7	2753	467,112
1967/8	4509	580,861
1968/9	6091	661,398
1969/70	6318	725,606
1970/1	7144	937,284
1971/2	8368	1,645,129

Source: Unpublished figures supplied by the Employment Services Agency.

- (3) Financial benefit levels under the Resettlement Transfer Scheme were increased in 1965, 1969 and 1971.
- (4) The number of movers under these two schemes ranged from a minimum of 440 in 1968 to a maximum of 913 in 1970.

The small scale operation of the Resettlement Transfer Scheme evidenced in Table 5.1 was seen to be the result of two major factors. Firstly, the level and range of financial assistance available compared unfavourably with the scale of benefits under other such schemes.<sup>(5)</sup> The essence of this criticism was well summed up by Wedderburn in the following terms, '... there is a certain ambivalence in the Ministry's approach to forms of financial assistance for transfers, and it is not difficult to detect the germ of a feeling that workers should not positively benefit financially from such a change'.<sup>(6)</sup> The low levels of financial assistance were felt to be barely adequate to make the idea of relocation acceptable, much less attractive, 'as the grants and allowances given to workers under the Ministry of Labour Resettlement Transfer Scheme are no more than a contribution to the minimum necessary expenses of removal'.<sup>(7)</sup>

The effectiveness of the scheme, in terms of its ability to assist the movement of a greater number of unemployed workers, was further constrained by limited knowledge of the availability of assistance among large sections of the unemployed. A number of unemployment surveys revealed that only a small number of its potential clientele of unemployed workers even knew of its existence, let alone had any detailed knowledge of the individual

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(5) I.L.O., Unemployment and Structural Change, Geneva, 1962, p.168

(6) Dorothy Wedderburn, Redundancy and the Railwaymen, University of Cambridge, Department of Applied Economics Occasional Paper No. 4, 1965, p. 178.

(7) National Economic Development Council, Conditions Favourable to Faster Growth, HMSO, London, 1963, par. 44, p. 11.

provisions of the policy.<sup>(8)</sup> These findings were interpreted by some economists to mean that, as the number of actual movers was a very small percentage of the group of potential migrants, the potential value of the policy was being limited more by operational constraints than by any innate unwillingness to move.<sup>(9)</sup>

#### The Provisions of the E.T.S.

The rise in unemployment during the early months of 1972 resulted in the introduction of a set of regional assistance measures in April 1972<sup>(10)</sup>. The E.T.S. was one of these measures. The new scheme contained additional forms of assistance (notably a rehousing grant) and generally higher levels of financial benefit than had existed under the Resettlement Transfer Scheme. In introducing the scheme the Secretary of State for Employment also mentioned that it was intended to relax certain of the previous eligibility conditions for obtaining relocation assistance. The eligibility conditions which were specifically mentioned here had to do with the availability of suitable alternative labour in the area to which a transfer was being contemplated, and the previously quite rigorous insistence on permanent re-settlement in the new area.<sup>(11)</sup> The original terms and conditions of the scheme, together with certain amendments subsequent

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(8) See, for example, S.A. Parker et al., Effects of the Redundancy Payments Act, 1969, HMSO, London, p. 114; W.W. Daniel, Whatever Happened to the Workers in Woolwich? PLF Broadsheet No. 537, London, 1972, p. 116.

(9) This is the basic argument presented in H.A. Richardson and L.G. West, 'Must We Always Take Work to the Workers?' Lloyds Bank Review, No. 71, January 1964, p. 35-48.

(10) See Department of Trade and Industry, Industrial and Regional Development 1972, Cmd 4942, HMSO, London.

(11) Hansard, March 23rd 1972, col. 350-1.

to its introduction, are set out in detail in the remainder of this section.

In order to qualify for assistance a worker must, in addition to being unemployed or liable to redundancy within six months, transfer beyond daily travelling distance of his home to full time employment in a new area. A worker who does not live in an assisted area prior to the transfer must also:-

- (i) Be without early prospects of a job in his home area.
- (ii) Have his new job approved by the Department of Employment as being work which will provide reasonable prospects for permanent resettlement, and for which there is no suitably qualified labour available in the local destination area.
- (iii) Be willing to move permanently to the new area or, if the migrant wishes the transfer to be regarded as a temporary one be prepared to return home as soon as suitable employment becomes available in his home area.

A worker in the following categories cannot qualify for assistance:-

- (i) A seasonal worker transferring to seasonal work. The self-employed are also excluded from coverage under the scheme.
- (ii) If the worker has not been resident in Great Britain for a three month period prior to the transfer application.
- (iii) The scheme will not aid the movement of anyone outside Great Britain.

- (iv) A person taking up a job where the starting pay exceeds £2,650 per year or £50.96 a week. In September 1973 this salary limit was raised to £3,100 per year or £59.61 a week. In August 1974 the limit was again raised, in this case to £3,300 per year.
- (v) An individual taking up a job in the building, civil engineering or construction industries which is beyond daily travelling distance of his employer's headquarters, main yard or workshop, or established branch office. If a transfer was obtained in any of these industries, it was necessary for the person to sign a declaration stating their intention to resettle permanently in the new area.
- (vi) The transfer cannot be within the service of one employer i.e. an intra-firm transfer.
- (vii) An ex-regular member of the armed forces starting work in the area in which he was resettled by the service authorities, or if within the last year he had received a capital payment of £1,500 or more.

Every worker transferred under the E.T.S. was entitled to all of the following benefits:-

- (i) A free return fare for any interview which is necessary before the worker is hired for the job. A supplementary measure, the Speculative Transfer Scheme, was introduced from 12th September 1973. This job search facility paid fares and a special lodging allowance to unemployed workers from the assisted areas to enable them to spend up to a fortnight looking

for work in areas where the employment prospects were better than in their home area.

- (ii) A free fare for the journey to start the new job.
- (iii) A settling-in grant of £6.00 paid to married or single movers as soon as they start work in the new area. In August 1974 this allowance was raised to £7.84.
- (iv) Free fares for themselves or near relatives in case of sickness or other domestic emergency.
- (v) Single workers who prior to transfer had lived in development or intermediate areas were paid a disturbance allowance of £2.00 a week for up to one year. In August 1974 this allowance was raised to £2.50 a week.

Workers who continued to maintain dependants in the home area were also entitled to:-

- (i) A lodging allowance of £6.58 a week towards the cost of lodgings. This ceased when the worker's dependants joined him in the new area. In August 1974 this allowance was increased to £7.84 a week.
- (ii) A continuing liability allowance of up to £6.58 per week payable in cases where a worker was still liable for rent, mortgage payments etc. in the old area, even after he had moved his family to accommodation in the new area. In August 1974 this allowance was raised to £7.84 per week.

- (iii) Six assisted fares home a year to permit visits to friends and family. The worker was expected to pay the first 62.5p of each fare, although in August 1974 the worker contribution was raised to the first £1 of each fare.

Workers with dependents who decided to stay permanently in the new area were entitled to the following additional benefits:-

- (i) Expenses to meet the removal of household furniture and effects.
- (ii) Free fares for dependants to join the worker in the new area.
- (iii) A rehousing grant upon completion of household removal to unfurnished accommodation in the new area. There were three categories of entitlement here,
  - (a) £600 to a government sponsored trainee taking his first job in the trade for which he was trained, provided that the course was not less than 12 weeks in length, was in a basic craft skill or specialised skill and the new employment was started within six months of completing the training course.<sup>(12)</sup>
  - (b) £400 to a worker who prior to transfer lived in a development or intermediate area. This was to be paid whether the move was within or from the assisted region.
  - (c) £100 to all other workers. This was raised to £135 in August 1974.

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(12) In view of the argument presented in Chapter 3 it is pertinent to note that the differentiation of the rehousing grant in favour of trained workers came in for considerable opposition from the spokesmen for the high unemployment regions. See Hansard, 23rd March 1972, col. 1726-7 and 1746.

- (iv) Grants towards the cost of solicitors and house agent's fees arising from the sale and/or purchase of a house on moving to a new area. This was up to a maximum of £145 for either sale or purchase, or £240 where both sale and purchase were involved. These sums were raised to £170 and £250 respectively in August 1974.

In general assistance under the scheme continued up to two years from the date of transfer. The introduction of the E.T.S. was accompanied by an extensive press, television and radio campaign designed to give as much publicity as possible to the existence and contents of the new transfer scheme. The managers of local employment exchanges were also instructed to draw the attention of major local employers to the availability of the scheme.

Under the Resettlement Transfer Scheme the highest number of assisted migrants in any one year was 8,368 in 1971/2, whereas in 1972/3 and 1973/4 there were 18,083 and 14,890 assisted movers respectively under the E.T.S.<sup>(13)</sup> A similar increase in expenditure also followed the introduction of the E.T.S. The maximum outlay under the Resettlement Transfer Scheme had been £1,645,129 in 1971/2, whereas for the E.T.S. the level of expenditure rose to £4,513,187 in 1972/3 and £4,494,610 in 1973/4.<sup>(14)</sup> These changes do not necessarily herald the start of a strong upward trend in the extent of assisted movement. The fall in migrant numbers between 1972/3 and 1973/4 is a warning against drawing such a conclusion at this stage.

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(13) Unpublished figures supplied by the Employment Services Agency.

(14) Unpublished figures supplied by the Employment Services Agency.

The introduction of the scheme in 1972 nevertheless represented a definite break with previous government thinking on the role and value of this type of policy. The introduction of the E.T.S. was the first real attempt to 'activise' the role of this form of adjustment policy in Britain. Although there is no question of any reversal or even sharp alteration in attitude regarding the appropriate regional policy mix in Britain it has become clear that the government would like the E.T.S. to assist the movement of an increasingly larger number of unemployed workers.

The reason for the above change of attitude is not hard to find. Since 1971 total unemployment in Britain has been rising steadily, and for the first time the traditionally prosperous regions appear to have experienced a disproportionate share of the increased unemployment. If this change in the spatial pattern of unemployment is not just a short term phenomenon it suggests that there will be a reduction in the capacity of policy to steer new and expanding industrial plants away from regions such as the West Midlands to the traditionally high unemployment regions. The change in regional unemployment differentials has begun to reduce the willingness and capacity of regions such as the West Midlands to provide a highly elastic supply of mobile plants for relocation to the northern regions.<sup>(15)</sup> And the indications are that retraining and labour relocation will have to play an increasingly important complementary role to industrial relocation policy in the future.

It is now time to consider the regional pattern of movement under the labour transference programme. The figures set out below in Table 5.2 indicate the regional flows of labour under the programme for the years 1966/7-1973/4. The movements in the Table are classified

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(15) See Gerald G. Mannors, 'Regional Policy Rethink', Town and Country Planning, April 1976, p. 208-14.

Table 5.2. Regional Migration Flows under the Labour Transference Programme, 1966/7-1973/4

Regions of Origin

Destination Regions	North	Yorkshire & Humberside	Eastern & Southern	London & South East	South West (assisted)	South West (unassisted)	Wales	Midlands (assisted)	Midlands (unassisted)	North West	Scotland	Total
North	1984	440	108	64	21	61	66	27	156	340	587	3954
Yorkshire & Humberside	1242	1759	151	73	21	118	143	30	297	452	621	4907
Eastern & Southern	3509	1634	1741	809	273	872	1247	45	1073	1114	2633	14948
London & South East	1595	636	975	608	206	766	615	90	497	839	1947	8774
South West (assisted)	32	26	41	22	119	57	12	8	22	59	29	447
South West (unassisted)	456	241	363	244	243	1521	480	27	371	386	401	4733
Wales	98	97	98	77	20	156	1194	59	180	391	122	2402
Midlands (assisted)	20	11	2	8	3	1	12	6	19	12	7	101
Midlands (unassisted)	1941	865	441	249	99	392	616	52	1246	2888	2981	9770
North West	1171	447	165	113	31	139	503	22	304	3660	1335	7990
Scotland	419	157	119	80	24	71	75	16	125	225	8820	10140
Total	12467	6313	4204	2347	1060	4154	4961	4382	4316	8376	19592	68166

Source: Unpublished figures supplied by the Employment Services Agency. Until the Quarter ending 30/6/74 all information pertaining to the Transfer Scheme was classified according to the old Standard Regions.

according to both the regions of origin and the regions of destination.

The reason for choosing Scotland as the region for study in this examination of the workings and impact of the E.T.S. is obvious from the contents of Table 5.2. On a regional basis the largest single group of movers under the labour transference programme have, perhaps not surprisingly, come from the high unemployment region of Scotland. The 19,592 migrants of Scottish origin account for just under 29% of the total movement of 68,166 persons under the programme for these years. The second largest number of assisted migrants originated in the Northern region of England, although this number represented only some 18% of total movement. As a result of its numerical dominance of the assisted migration flows Scotland provides the ideal testing ground for any study of the effects and implications of assisting labour to move from regions of high unemployment.

The following two sections of this chapter discuss in turn assisted migration within Scotland and assisted migration from Scotland. The contents of these two sections provide the necessary background for the case study and survey material to be presented in the following chapters of the thesis.

#### Movement within Scotland

The most striking trend evident in the figures of Table 5.2 is the importance of intra-regional movement in all areas of the country, regardless of whether they are designated for development assistance or not. In no other region is this trend more important than in the case of Scotland. A casual glance at the contents of Table 5.2 seems to suggest that Scotland is the second largest

destination area for movers under the scheme with 10,140 persons moving into Scotland.<sup>(16)</sup> In fact, some 8,820 persons (87%) of this total number were workers moving within the regional boundaries of Scotland. For the period 1966/7-1973/4 intra-regional movers accounted for some 45% of all Scottish assisted migration. The proportion of intra-regional movers within the total movement for Scotland has risen significantly throughout this period, undoubtedly reflecting the recently improved employment position in parts of Scotland relative to the rest of the United Kingdom. In 1966/7 intra-regional movers represented only 30% of total Scottish movement, a figure that gradually rose to 35% in 1970/1. But for the years 1971/2, 1972/3 and 1973/4 the relevant figures were 43%, 52% and 60% respectively.

Unfortunately for our purposes there is no continuous series of migration data for movement solely within Scotland, such as was presented in Table 5.2 for inter-regional migration. In Table 5.3 below figures indicating the extent of E.T.S. movement for the planning regions of Scotland are set out. This series only covers the period from the quarter beginning March 1972 to the quarter ending December 1974.

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(16) Assisted migration from other regions to Scotland has never exceeded more than 200 persons a year. The small number of incomers have come predominantly from the neighbouring Northern and North-West regions.

Table 5.3. Movement under the Employment Transfer Scheme by the planning regions of Scotland, March 1972-December 1974\*

Areas of Origin	Destination Areas								Total
	Highlands	North East	Tayside	Edinburgh	Falkirk/ Stirling	West Central	South West	Borders	
Highlands	1545	72	37	63	11	119	6	8	1857
North East	187	221	40	57	5	57	4	36	599
Tayside	125	135	69	177	12	62	5	6	591
Edinburgh	251	117	90	148	26	176	15	62	885
Falkirk/ Stirling	94	18	26	46	5	51	5	9	254
West Central	652	120	110	696	41	413	47	85	2164
South West	17	11	6	30	5	97	72	16	254
Borders	15	4	7	38	2	21	7	40	134
	2886	698	385	1253	107	996	161	233	6746

Source: Unpublished figures supplied by the Edinburgh Regional Office of the Department of Employment.

\*Note there were no figures compiled for the September Quarter of 1974.

Discussions with Department of Employment officials in Edinburgh indicated that the figures in Table 5.3 were an accurate representation of the assisted labour flows within Scotland for the early years of the 1970's. In terms of the Scottish planning regions the flows of labour are broadly from the West Central region to the Edinburgh and Highlands and Islands planning regions. A large number and variety of cities and towns in Scotland have received small numbers of transferees, but the major flows of assisted movement are of two basic types. Firstly, workers (presumably motivated in the main by housing considerations) moving to the New Towns of Glenrothes and Livingston in the Edinburgh planning region. (Irvine New Town in the West-Central region is also important in this regard). Secondly, and on a much larger scale, the movement of workers to employment in the various oil development centres in the North East region and eastern section of the Highlands and Islands planning region.

The pivot of the major flow of assisted migrants within Scotland is the Highlands and Islands region which is largely due to the rapid growth of oil-related employment in the area. The so-called 'Highland Problem' has manifested itself for over a century in a heavy out-movement of population, concentrated particularly in the younger age groups. The North East region has also suffered from a similar problem in the past, although to a lesser extent than the Highlands. The onset of oil developments in these areas has changed this situation dramatically.

The rapid growth of oil employment constitutes an excellent example of the role of 'intervening opportunities' in redirecting traditional migration paths and patterns. This theory of intervening opportunities<sup>(17)</sup> contends that the number of persons migrating a given distance is directly proportional to the number of opportunities, which is here defined as the extent of available employment at that distance, and inversely proportional to the number of intervening opportunities between the areas of origin and potential destination. As a result of the oil developments in Northern Scotland it is no longer necessary to 'drift south' in search of employment as this can now be obtained by making only a short distance, intra-regional move. Intra-regional migration has come increasingly to be substituted for inter-regional movement in the case of Scotland.

As a result of the vastly improved economic performance of this area of Scotland - Aberdeen's unemployment level during 1975 fell below that for the South East of England - the traditional loss of labour to England has not only been checked, but actually reversed. During 1973/4 immigration to Scotland exceeded emigration<sup>(18)</sup>, something which has occurred only twice before in the twentieth century.

Throughout the 1970's assisted labour migration within the Highlands region exhibited a strong West to East trend. Unemployed labour was assisted to move from centres such as Wick, Thurso and Stornoway to employment in oil platform construction at Nigg and

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(17) S.L. Stouffer, 'Intervening Opportunities: A Theory Relating Mobility and Distance', American Sociological Review, Vol. 5, No. 6, December 1940, p. 845-67.

(18) Scottish Office, Scottish Economic Bulletin, No. 8, Summer 1975, p.18.

Invergordon in the Moray Firth area. A special analysis of E.T.S. movement to Invergordon during the March quarter of 1973 revealed that 284 of the 323 incomers to Invergordon came from Wick, Thurso and Stornoway.<sup>(19)</sup> The other major receiving centre for transferees to oil employment is of course Aberdeen. During the March quarter of 1974, for example, there were 296 incomers to Invergordon and 137 to Aberdeen. For the same period some 177 workers moved out of Wick, Thurso and Stornoway.<sup>(20)</sup> These are particularly large and sustained flows of labour for individual employment exchanges under the E.T.S.

There is some suggestion, however, that the numbers involved in this West to East movement within the Highlands may slacken off in the not too distant future. This possibility is likely to result from two main causes. Firstly, the short term, unstable nature of employment in platform construction in the Easter Ross area. In June 1974, for example, over 3,300 workers were employed by Highland Fabricators at the Nigg site. But two months later, after the floating out of the first platform, some 1,600 workers were laid off.<sup>(21)</sup> Such instability in workforce numbers is inherent in the nature of oil platform construction. The second factor is the recent establishment of certain new oil developments in the western half of the Highlands, particularly around Stornoway and Loch Kishorn in Wester Ross.<sup>(22)</sup> The Stornoway development alone is

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(19) Unpublished figures supplied by the Edinburgh Office of the Department of Employment.

(20) Unpublished figures supplied by the Edinburgh Office of the Department of Employment.

(21) D.I. MacKay and G.A. MacKay, The Political Economy of North Sea Oil, Martin Robertson, London, 1975, p. 123-7.

(22) MacKay and MacKay, op. cit., p. 130-I.

expected to provide employment for up to 1,000 men. Although quantitatively very important at present, the lack of a long term, stable employment base (except perhaps in Aberdeen) suggests that this West to East flow of labour may possibly begin to decline in the near future. The unemployment implications of such a change are likely to be of considerable future concern to the authorities responsible for administering the A.T.S. in Scotland. We turn now to consider the assisted movement of labour from Scotland to other regions of the United Kingdom.

#### Movement to Other Regions from Scotland

If one refers back to Table 5.2 we find that in aggregate terms the major destination regions for assisted labour migrants have been the Eastern and Southern region with 14,948 persons (22%) out of the total movement of 68,166 persons, the Midlands (unassisted) with 9,770 (14%) and London and the South East with 8,774 (13%) incomers. Looking solely at the Scottish figures, the destination areas of the outmovers are reasonably similar to those for Britain as a whole. Some 2,981 (15%) of all Scottish relocatees have gone to the Midlands, 2,633 (13%) to the Eastern and Southern region and 1,947 (10%) to London and the South East.

If we focus on the regional level of assisted migration, how does one account for the 'popularity' of the regions to which the Scottish unemployed moved during the years 1966/7-1973/4? In other words, can we identify the 'pull' or attraction aspect of the traditional push-pull explanation of out-migration, in the case of assisted movement from Scotland?

If one accepts the conventional view in Britain that long distance migrants are basically employment motivated, in contrast to the much greater volume of short distance movement which is in response to housing considerations, then the most obvious hypothesis is that this pattern of movement will depend on the number of jobs which are available in the region to which migration takes place. If one further assumes that low unemployment correlates reasonably well with the probability of obtaining employment, then the number of jobs available in a region can be represented by the unemployment rate of that particular region. The use of unemployment as an explanatory variable here is intuitively appealing given that the specific function of the E.T.S. is to relocate unemployed workers.<sup>(23)</sup> Furthermore, as unemployment is more subject to marked fluctuations than other possible determinants of migration (such as wages) its role in explaining the all-important short run variations in the number of persons moving to different regions is likely to be of considerable importance.

After removing the intra-regional component of the assisted migration total the number of assisted movers from Scotland to all other Standard Regions was regressed on the appropriate regional unemployment rates for the years 1966-1973.<sup>(24)</sup> The figures in Table

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(23) Unlike previous migration studies in Britain, which have examined the movement of employed persons the unemployment variable here is hypothesized to be a direct rather than proxy influence on migration.

(24) In our regression analysis the possibility of simultaneous equation bias does not seriously arise due to the small number of assisted movers from Scotland relative to the number of unemployed workers in each of the receiving regions. This means that there is unlikely to be any problem of two-way causation involved in the estimating procedure.

5.2 for Scottish inter-regional migrants were disaggregated on an annual basis which permitted us to run eight cross-section regression equations. This approach was favoured over that of using a single time series equation because of the doubtful assumption in the latter case that the same regression coefficient(s) on the unemployment variable would hold for each year of the period under consideration. It is quite possible that in a year of relatively severe overall unemployment the reaction of migration to regional unemployment differentials would be quite different from what it would be in a year of less severe aggregate unemployment.<sup>(25)</sup> If there was such a variable reaction the use of a single time series equation would involve an aggregation bias. This was a hypothesis certainly worthy of investigation.

The reaction of migration to changes in regional unemployment rates is unlikely to be instantaneous so that it was necessary to consider the possibility of a lagged relationship. The data for migration and unemployment were available in a form which permitted the estimating equations to be run on an unlagged basis, and then with lags of 3, 12 and 15 months. There was no satisfactory a priori basis for determining the appropriate lag time<sup>(26)</sup> and hence it was necessary to test the equations using all of the above lag periods. The 'best fit' equation(s) was that using a 3 month lag. This result had a considerable amount of intuitive appeal to

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(25) This suggestion was taken from Johnston's comments on F.A. Oliver, 'Inter-Regional Migration and Unemployment 1951-61', Journal of the Royal Statistical Society, Vol. 127, Part 1, 1964, p. 71.

(26) '..... lag models involve a high degree of empiricism which is due to the unsatisfactory state of economic theory, with regard to the length of the adjustment process of economic phenomena'. A. Koutsoyiannis, Theory of Econometrics, Macmillan, London, 1973, p. 286.

recommend it and a visual scanning and plotting of both the unemployment and migration data provided further support for the choice. The form of the estimating equation was as follows:-

$$M_{ij} = a + bU_j + c$$

where

$M_{ij}$  = assisted migration from Scotland to region j

$U_j$  = unemployment rate (males and females) in region j

a = constant

b = coefficient on the unemployment variable

c = random disturbance term.

The results for this estimating equation are detailed below in Table 5.4.

Table 5.4 Regression Results: The Regional Pattern of Assisted Migration Flows from Scotland as a Function of Regional Unemployment Rates

Year	Regression coefficient on the unemployment variable. The standard error is in parentheses	t statistic	$R^2$ , unadjusted for degrees of free- dom.
1966	- 86.68301 (49.73937)	1.74*	.33607
1967	- 84.97295 (55.76007)	1.52*	.27904
1968	- 52.98544 (37.64456)	1.41	.24822
1969	- 70.73754 (47.54273)	1.48*	.26952
1970	- 74.25413 (46.43766)	1.59*	.29881
1971	- 61.02460 (28.98399)	2.14**	.42490
1972	-107.98371 (53.36815)	2.02**	.40559
1973	-136.13018 (57.73137)	2.35**	.48097

\* significant at .10 level (2 tailed test)

\*\* significant at .05 level (2 tailed test)

The results of this simple exercise were quite encouraging, particularly in view of the well established difficulties of testing and making inferences from a short series of highly aggregative migration data at the regional economy level.<sup>(27)</sup> The signs on the unemployment variable were all in the right direction indicating that high in-migration was as expected to regions of low unemployment. The regression coefficients were statistically significant in seven out of the eight equations, although the first four were only so at the .10 level. The  $R^2$  for each of the years 1966/7 to 1970/1 was admittedly rather low, explaining only some 25 to 34% of the variance. But for the three years 1971/2, 1972/3 and 1973/4 the  $R^2$  rose to over 41% in each case, a particularly satisfactory result for an equation having only one independent variable. The improved predictive performance of the migration-unemployment relationship for these years is an interesting finding which clearly requires some explanation.

Prior to 1971 the major destination regions for Scottish assisted movers were, in order of importance, the Midlands, the Eastern and Southern region and London and the South East. The year 1971 witnessed a sharp break in this regional pattern. After 1971 the regional positions were reversed with the order becoming London and the South East, the Eastern and Southern region and the Midlands. The years 1971-3 were recession years for the British economy with perhaps the most noticeable feature being the above average downturn in the fortunes of the traditionally prosperous West Midlands economy. The West Midlands region certainly bore more

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(27) These problems are well discussed in R.M. Hart, 'The Economic Influences in Internal Labour Force Migration,' Scottish Journal of Political Economy, Vol. 19, No. 2 June, 1972, p. 156-7.

than its traditionally proportionate share of the increase in unemployment for these years. As a recent County Council Report for the West Midlands concluded with regard to unemployment, 'in the latest recession (1971-1973) the region slumped further from its average than the country (for the first time) and was slower than the country to recover (again for the first time)'.<sup>(28)</sup> In particular it was the unfavourable movement in local vacancy/unemployment ratios in the West Midlands after 1971 that caused firms in metal manufacture, engineering and vehicles to cut back on their inter-regional recruitment of labour from Scotland.

The major implication of this statistical exercise is that the assisted movement of labour from Scotland became appreciably more sensitive to inter-regional unemployment differentials within the context of rising national unemployment after 1971. This was most dramatically evidenced in both the relative and absolute decline of the Midlands as a destination area for assisted migrants from Scotland.

The various studies of migration in Britain have typically adopted an inter-regional frame of reference. This involves quite arbitrary labour market boundaries designed essentially for economic planning purposes. The popularity of such a scale of study derives less from a belief in the relevance of the concept of a regional labour market than from necessity dictated by the way in which the migration data is collected and classified.<sup>(29)</sup> Such an approach

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(28) West Midlands County Council, A Time for Action: Economic and Social Trends in the West Midlands, September 1974, p. 14.

(29) James H. Johnson et al, Housing and the Migration of Labour in England and Wales, Saxon House, Farnborough, 1974, p. 32-3.

in ignoring the heterogeneity of employment conditions within a single destination region implicitly assumes that the migrants will distribute themselves in an even spatial pattern throughout the destination area. The acceptability of this assumption is considered in the following section which examines assisted migration flows to individual employment exchanges in the destination areas.

The leading sub-regional destination centres for assisted migrants from Scotland

The implicit assumption of inter-regional migration models that there will be an even spatial distribution of migrants within the destination regions stands in marked contrast to the views of regional and urban policy making bodies in Britain. The latter authorities have deliberately sought to check the North to South movement of labour in the belief that there would be an uneven spatial distribution of migrants within the southern regions where the major attraction centres for these inter-regional movers would be the over populated, physically congested London and Birmingham conurbations. This assumed direction of movement was deemed to be socially undesirable and hence should be corrected by the implementation of various policy control measures.

In order to test these two contradictory assumptions one would need to disaggregate all the figures in Table 5.2 by individual employment exchanges. Unfortunately the full data in this table could not be made available in this form. The Department of Employment did, however, agree to undertake the task of providing a detailed breakdown of the major receiving centres for Scottish relocatees

for the 12 month period ending 31st March 1974. A period during which there were 4,878 assisted movers of Scottish origin. This survey covered only receiving centre exchanges situated outside Scotland. (It was this information which provided the rationale for the choice of sampling points through which to establish contact with assisted movers from Scotland who were willing to take part in our survey investigation).

The overall impression gained from this exercise was one of a spatially diffuse pattern of movement with a large number and variety of cities and towns in England each taking a small number of transferees over the period. Some centres naturally experienced an above average intake of migrants, but these were not found to be large metropolitan centres in the Midlands and South East regions. During these 12 months 452 settling-in grants were paid to Scottish incomers to the Midlands. The centres of above-average intake in this region were Corby (153), Rugby (65) and Coventry (24). Movement to the Birmingham conurbation appeared to be virtually non-existent. In the Eastern and Southern region a total of 497 settling-in grants were paid to transferees from Scotland. Here again the only centres of sizeable intake were towns dominated in the main by a single manufacturing plant; in this case Luton (63) and Cambridge (37).

In the London and South East region a total of 569 settling-in grants were paid to Scottish movers during this 12 month period. The results of the survey indicated that 290 workers of Scottish

origin moved into eight exchange areas in Greater London, with 173 of these going to the congested inner city areas of London. When these figures for London are placed alongside the total of 4,878 settling-in grants paid to Scottish movers during this period they pale into insignificance.

A more complete examination of the London position is possible from some more recent government figures. The Employment Services Agency changed the basis of their regional classification of assisted migration flows from 30th June 1974, and the new classification specifically separated out in-movement to London from all regions of origin. If one considers the nine month period March to December 1974 a total of 11,009 settling-in grants were paid out under the M.T.S., of which only 1,324 grants were paid to incomers to London. At less than 10% of total movement this result is in line with our earlier figures in indicating that the locational preferences of assisted migrants for the large metropolitan centres of the South East and Midlands are relatively limited under the present M.T.S.

### Conclusions

Although the results of this investigation appeared to confirm the suggestion of an uneven spatial distribution of migrants within the receiving regions they provided little support for the contention that the inner city areas of Birmingham and London were being flooded with assisted migrants from the northern regions. However, these particular trends may well be specific to the operation of the present M.T.S. If this is so, they cannot be cited as evidence disproving the original congestion argument put forward in the

debate over whether industrial or labour relocation should be the major component of regional adjustment policy in Britain. Their use for this purpose would be unacceptable as it would involve making the questionable assumptions that the locational preferences identified here were basically independent of differential employment opportunity, which in turn was largely independent of the influence of existing industrial relocation policy.

The importance of centres such as Corby, Rugby, Luton and Dagenham was established. These towns are dominated by a single manufacturing plant that has been unable to recruit labour in sufficient numbers within their tight local labour markets. In consequence they have been forced to expand the spatial frontiers of their labour catchment area in order to try and cope with the problem of local shortages.<sup>(30)</sup> A number of interesting implications may be drawn from this finding.

Firstly, recognition of the heterogeneous economic conditions within regional labour markets suggests that a model which utilised weighted sub-regional unemployment rates might considerably improve the statistical fit of the migration-unemployment relationship. Alternatively, as a reduction in demand may cause only a slight increase in unemployment among established workers in the destination area and yet cause a substantial reduction in the recruitment of labour, an attempt to devise a meaningful measure of the accession or hiring rate may provide an ever better measure of the migrants probability of obtaining work than the local unemployment rate.<sup>(31)</sup>

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(30) Derek Robinson, Wage Drift, Fringe Benefits and Manpower Distribution, OECD, Paris, 1969, p. 130-2.

(31) Albert Rees, The Economics of Work and Pay, Harper & Row, New York, 1973, p. 107.

The various models and studies of migration and mobility in both Britain and elsewhere have been explicitly formulated in the context of individual utility maximisation. The implied assumption in such work is that the movement of labour from area A to area B is due entirely to persons in area A wanting to move to area B in order to try and improve their income and employment prospects. The individual mover is seen as the pivot of the migration process, while the existence and importance of employer outreach from the demand area in seeking to actively recruit labour is almost totally ignored. This supply side orientation seems to imply that individual employers in the demand area are merely passive reactors to the fact of in-migration. And yet if one accepts that much of the 'novelty' of the labour market, relative to the workings of more 'pure' markets, derives from the interdependence of the supply and demand functions then the role of employer search or outreach in the migration process demands at least parity of treatment with the factors involved in the individual's decision to move.<sup>(32)</sup> The role of employer outreach will be touched upon at several stages in the following chapters, and will be returned to in the concluding chapter where some suggestions for future research are presented.

The information reported in the previous section provided the basis for choosing the particular exchanges which were to be the sampling points in our survey study. A similar set of information for Scottish local exchanges was provided by the Edinburgh office of the Department of Employment and this was used to select a number of exchanges for case study purposes. The material drawn from the internal employment files of these Scottish exchanges is analysed in the following chapter.

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(32) One of the few writers to explicitly recognise the role of employer search in motivating labour mobility is W.B. Reddaway, 'Wage Flexibility and the Distribution of Labour', Lloyds Bank Review, No. 54, October 1959, p.32-48.

APPENDIX 5 ARECENT CHANGES IN THE TERMS AND PROVISIONS OF THE E.T.S.

A number of alterations have been made to the contents of the E.T.S. subsequent to the period under investigation in this thesis. These changes, which were not unexpected given the background of rising unemployment and the government's stated intention of seeking to increase the overall number of assisted movers, are noted briefly in this appendix. A document published in October 1974 set out a number of proposed changes in the terms and administration of the E.T.S.<sup>(1)</sup> These proposals included a setting of specific objectives to be achieved by the scheme, the linking of employment exchanges in certain demand and supply areas, and the introduction of a new scheme of job search payments. A modest increase in local exchange staff numbers working on the scheme was also envisaged.

The first change to follow this statement came in February 1975 with the announcement of the decision to phase out the Training Allowances Scheme. Henceforth persons aged below 18, who previously would have been entitled to receive removal assistance under this scheme, were to become eligible for aid under the E.T.S. This particular change, which was in response to an increased recognition of youth unemployment problems, was one of the main recommendations contained in a Working Party report prepared by the National Youth Employment Council.<sup>(2)</sup>

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(1) The Employment Service: Plans and Programmes, Employment Services Agency and Manpower Services Commission, HMSO, London, 1974, p.22-3.

(2) Unqualified, Untrained and Unemployed, Department of Employment, HMSO, London, 1974, par. 170-1.

In July 1975 the Employment Services Agency issued a Press statement expressing concern over the fact that (in spite of rising unemployment) not enough use was being made of the E.T.S. This concern reflected the fact that assisted migrant numbers had fallen steadily from the high point immediately after the introduction of the scheme in April 1972. The Press statement then went on to mention that a number of proposed changes to the E.T.S. were then currently under discussion with the Manpower Services Commission. As a result of this statement the following changes were announced in November, 1975:-

- (1) The maximum salary limit for qualification under the scheme was raised from £3,300 to £4,400 per year.
- (2) Both the settling-in grant and lodging allowance were raised from £7.84 to £15 a week.
- (3) The disturbance allowance was raised from £2.50 a week to £12 a week for the first three months, and to £6 a week for the next nine months.
- (4) The rehousing grant was raised from £135 to £150 for movers from non-assisted areas, from £400 to £500 for persons from assisted areas and from £600 to £700 for a mover who had recently completed a government sponsored retraining course.
- (5) The number of subsidised fares home each year was raised from six to twelve.

- (6) A new provision was the introduction of a £1,000 grant for migrants purchasing a home for the first time.
- (7) Finally, a separate job search scheme was introduced. This provided free fares for the journey and an allowance of £5 for the first night away from home and £3.50 for each subsequent night away. Temporary transfer facilities along these lines had previously been part of the E.T.S., with the rates for overnight stay being £2.40 and £1.70 respectively.

This was the state of the scheme's provisions at the time of the completion and submission of this thesis.

## CHAPTER 6

### SOME CASE STUDY EVIDENCE ON THE OPERATION OF THE E.T.S. IN SCOTLAND, 1973-4

#### Introduction

The logical starting point for a study of the workings of the E.T.S. was to seek access to any available data held by the London or Edinburgh offices of the Department of Employment or Employment Services Agency. Unfortunately no such information (beyond that presented in the previous chapter) was collected and retained at the central or regional office level<sup>(1)</sup> and hence it was necessary to set about generating our own set of data. The first step in this process involved obtaining access to the relevant internal employment files of a number of local exchanges in Scotland.<sup>(2)</sup> The material from this source permitted us to test a number of the hypotheses outlined in Chapter 1. The results obtained from this exercise were also important in convincing officers of the Employment Services Agency of the value of the proposed questionnaire study, whose results form the basis of the analysis presented in Chapters 8-11.

In order to identify the particular exchanges in Scotland which were responsible for initiating a substantial proportion of the region's movement under the scheme, the Edinburgh office of the Department of Employment provided a full exchange level breakdown

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- (1) The only information available was from a five month monitoring operation of the Resettlement Transfer Scheme in 1965. See Ministry of Labour Gazette, September 1965, p. 387.
  - (2) This was the method employed by Willis in a small study of assisted movement, under the Resettlement Transfer Scheme, from the Jarrow and Hebburn exchange areas on Tyneside during the period March 1966 to May 1969. See K.G. Willis, Papers on Migration and Mobility in Northern England, Discussion Paper No. 11, Department of Geography, University of Newcastle-upon-Tyne, 1972, p. 25-31.

of the Scottish E.T.S. figures for the March quarter of 1974. These figures, together with information obtained in discussion with officers of the Department of Employment in Edinburgh, provided the basis for choosing the following exchanges for case study purposes; Glasgow Southside, Clydebank, Greenock, Dundee, Irvine New Town and Edinburgh. An additional study was also carried out at the Hillington Government Training (Skill) Centre in West Central Scotland.

In the case of Scotland movement under the E.T.S. is broadly intra-regional in nature, or directed to the low unemployment regions of the Midlands and South East of England. But at the level of the individual exchange one frequently finds cases of both in-migration and out-migration flows under the E.T.S. For the Irvine New Town and Edinburgh exchanges only in-migration occurs, while in the Glasgow Southside and Clydebank cases the movement was solely out of the area. The data for the Dundee and Greenock exchanges, however, covered both inflows and outflows under the E.T.S.<sup>(3)</sup> The data obtained from these six exchanges was for assisted moves undertaken during the 18 month period January 1973 to June 1974. In order to facilitate clarity of exposition the out-migration and in-migration flows will be discussed separately in this chapter. The out-movement of labour under the E.T.S. from the Glasgow Southside, Clydebank, Greenock and Dundee exchanges is discussed in the following section.

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(3) The application form information for persons assisted under the E.T.S. is held at local exchanges in the destination areas. Most of the exchanges which had initiated out-movement of labour, however, compiled some unofficial records for the scheme, although a complete coverage of all moves from these exchanges was not always possible.

The destination areas of the out-movers

The numbers involved, together with the regional destinations of the moves, from these four exchanges are set out below in Table 6.1.

Table 6.1. The Destination Regions of Assisted Migrants from Four Scottish Employment Exchange Areas, 1973-4 (%)

<u>Region</u>	<u>Percentage of the Total Movers</u>
Scotland	35.83
Eastern and Southern	26.08
London and the South East	12.38
Midlands	8.63
North Western	6.57
Yorkshire and Humberside	3.75
Northern	3.38
South Western	2.25
Wales	1.13
	<hr/>
Base Total	100.00 (533)
	<hr/>

The figures in Table 6.1 are broadly in line with the regional pattern of movement for Scotland as a whole, although the extent of intra-regional movement and movement to the Midlands region in this case was below the average for Scotland as a whole. If the figures in Table 6.1 are disaggregated by local employment exchange areas, do they support the conclusion of Chapter 5 that only a

relatively small percentage of movement under the present E.T.S. is to the conurbation areas of the Midlands and South-East?

Among this group of assisted migrants there was only minimal movement to the inner-conurbation areas. Less than 7% of the 533 assisted migrants went to London, while only another 3% moved to the Birmingham, Manchester, Liverpool, Leeds and Newcastle-upon-Tyne areas. The destination area pattern of the migrants' was virtually a replica of that identified in Chapter 5. Movement was spatially diffuse in destination area terms, the largest single group of migrants made moves within Scotland, the number of moves to outer-conurbation area destinations far exceeded those to inner-conurbation centres<sup>(4)</sup>, and the only centres of above average intake were the oil employment areas and New Towns of Scotland and the one plant dominated labour market centres in England.

Under the heading of the direction of movement consideration should also be given to the particular industries to which labour was moving. In this matter only information from the Glasgow Southside exchange was available. This data, which covered the 12 months of 1973, indicated that the major attraction industries for the migrants' were metal manufacture, mechanical and electrical engineering and vehicle manufacture. Approximately 51% of the 228 relocatees from the Southside exchange took up employment in these industrial groups. The only other industries of any significance were construction (10%),

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(4) The marginal impact of the E.T.S. on movement to over-populated, conurbation areas must be seen in relation to the general movement of population out of these centres. See, for example, Abstract of Regional Statistics, Central Statistical Office, H.M.S.O., London, No. 9, 1973, Table 10, p. 18-19.

oil rig platform construction (6%) and public administration which also accounted for some 6% of all jobs obtained in the destination areas. The few scattered pieces of evidence from the other three exchanges also tended to point to the metal, vehicle and engineering industries as the leading recruitment sectors. This small body of data does not permit anything more definite to be said at this stage, and hence a more detailed, conclusive analysis must await the questionnaire results presented in Chapter 10.

#### The demographic and labour market characteristics of the migrants

The identification of the relevant demographic and labour market characteristics of the assisted migrants is an important issue in view of the widely held belief that policies of assisted labour mobility will drain off a disproportionate number of younger, more skilled workers from the high unemployment regions. While there are abundant assertions to this effect it must be stressed that the amount of available, supporting evidence is almost non-existent. At the present time, there is simply no evidence for or against this argument because of the lack of empirical work on the subject.<sup>(5)</sup> This is the issue examined in this section.

There were only 4 females among the 533 relocatees. Marital status details were available for 395 of the movers, and of these 206 were single males and 188 were married men. The incomplete and uneven coverage of variables in this chapter is not the result of any selection or sampling procedure on our part, but rather is the

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(5) See E.M. Hoover, 'Summary Record of Discussion' Section in E.A.G. Robinson (ed), Backward Areas in Advanced Countries, Macmillan, New York, 1969, p. 466.

complete list of data recorded in the employment files of the various exchanges. A full set of observations on each variable was not possible as the data had either not been recorded<sup>(6)</sup>, or the relevant employment files were not available at the time. These files were missing for administrative reasons and hence there was little reason to suppose that any systematic bias was involved.<sup>(7)</sup> Nevertheless the absence of a complete set of observations for all the variables under consideration is a fact that should be borne in mind.

The first step in seeking to identify whether movement under the E.T.S. is selective in character was to consider the age structure of the relocatees. The relevant age categories for the 395 transferees, for whom the necessary information was available, are set out below in Table 6.2.

Table 6.2. The Age Structure of Assisted Migrants from Four Scottish Employment Exchange Areas, 1973-4 (%)

<u>18-25</u>	<u>26-35</u>	<u>36-44</u>	<u>45 and over</u>	<u>Base Total</u>
37.22	27.85	22.27	12.66	100.00 (395)

The figures show that over 87% of the relocatees were less than 45 years of age. This set of figures must be related to some appropriate base

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- (6) This reflected the lack of detailed, systematic records kept by the exchanges responsible for initiating out-movement under the E.T.S. The official application forms are the only required set of information for the scheme, and these are held in the receiving area exchanges. As a result information on the out-movers had to be obtained by any means available. In the case of the Dundee exchange, for example, the names of the assisted migrants were taken from the old railway warrant stubs issued by the office. The names from this source were then used to obtain the necessary information from the current or 'dead' employment files.
- (7) One possible source of bias could be the missing employment files for transferees who had become unemployed in the demand area. In such cases the relevant files are transferred to the receiving area exchange. If one accepts that unskilled workers are most prone to unemployment then these missing files could involve an under-reporting of lesser skilled men among the movers. This view was held by local exchange officers.

measure in order to fully appreciate the disproportionate concentration of younger persons among the migrants. The 1971 Census figures revealed that only 55.87% of the economically active males in Scotland were aged between 18 and 44. Similarly, a large scale Department of Employment study of the characteristics of the unemployed indicated that only 58.2% of the unemployed in Scotland were aged below 45.<sup>(8)</sup>

The figures in Table 6.2 are similar to the age findings of previous studies of unassisted migration in Britain.<sup>(9)</sup> This earlier work in Britain suggested that the age group 15-24 is generally some 70% more mobile than the population as a whole, while the category 25-44 is over 25% more mobile than the population on average. But beyond 45 mobility falls off sharply, and persons in this age range are only 50% as mobile as the population in general.<sup>(10)</sup> The inverse relationship between age and mobility is readily explicable in both life cycle and human capital terms.<sup>(11)</sup>

The theory of cumulative and circular causation, which was discussed at some length in Chapter 3, identified age selective migration as one of the major mechanisms through which inter-regional growth differentials are likely to be maintained and even widened.<sup>(12)</sup>

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- (8) 'Characteristics of the Unemployed: Analysis by Region', Department of Employment Gazette, June 1974, p. 496.
  - (9) A useful summary of these studies is contained in Michael Mann, Workers on the Move, Cambridge University Press, London, 1973, Chapter 2.
  - (10) A.J. Brown, The Framework of Regional Economics in the United Kingdom, NIASR, Cambridge University Press, London, 1972, p. 259.
  - (11) Laurence C. Hunter and Graham L. Reid, Urban Worker Mobility, OECD, Paris, 1968, p. 47-50.
  - (12) Gunnar Myrdal, Economic Theory and Under-Developed Regions, Duckworth & Co., London, 1957, p. 27.

This particular argument has been subject to the criticism of drawing too strong a conclusion about the likely effect of age selective migration on regional disparities in growth.<sup>(13)</sup> In order to satisfactorily formulate a general proposition concerning the effect of internal migration on regional income and employment inequalities one needs a great deal more information and data than the one set of figures relating to age structure.

In Britain economists arguing against the extensive use of policies of assisted labour mobility have invariably taken up the age selective contention and enlarged upon it. Needleman, for example, has contended that,

The people who migrate most readily in search of work are the young and the enterprising, the adaptable and the skilled, and it is not among these but among the older workers that persistent unemployment tends to be concentrated. Those who are most likely to take advantage of subsidies to move are likely to be those least in need of such assistance.<sup>(14)</sup>

If relocatees are predominantly the younger and more skilled workers of an area then the effect of this type of policy will be'.... to remove from the area the types of workers who might do most to make new industries possible'.<sup>(15)</sup> Is the age selective movement

- (13) Bernard Okun and Richard W. Richardson, 'Regional Income Inequality and Internal Population Migration', Economic Development and Cultural Change, Vol. 9, No. 2, January, 1961, p. 128-43.
- (14) Introduction by L. Needleman (ed) to Regional Analysis, Penguin, Harmondsworth, 1968, p. 14.
- (15) A book review by E.A.G. Robinson of S.R. Dennison, The Location of Industry and the Depressed Areas, Oxford University Press, 1939 in The Economic Journal, Vol. 50, No. 2, June 1940, p. 269.

documented in Table 6.2. also skill selective in composition? Information on this question was sought from these four employment exchanges. Useable information was obtained for 285 of the migrants and the results are detailed below in Table 6.3. The classification in the Table is based on the occupational title of the migrant that was recorded on his local exchange employment file.

Table 6.3. The Skill Level of Assisted Migrants from Four Scottish Employment Exchange Areas, 1973-4 (%)

Unskilled	Semi-skilled	Skilled	Commercial/ Professional	Row Total
44.21	6.67	42.46	6.67	100.00(285)

In contradiction to Needleman's contention the number in the lesser skilled categories exceeded (if only marginally) the total in the higher skilled categories. This finding is at variance with the results of previous studies of unassisted mobility in Britain which have established a quite strong, positive relationship between mobility and the skill level of employment.<sup>(16)</sup> This suggests that the difference between the processes of assisted and unassisted labour mobility may be more than a matter of degree, as the characteristic profile of an assisted mover does not have both the personal correlates of younger age and skill which have been so well established for the unassisted mover. The evidence here suggests that only a similar age structure is common to both the assisted

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(16) Mann, op. cit., p. 9

and unassisted migration flows.

The figures in Table 6.3. describe an almost perfect bi-modal distribution. A distribution of this type may result from the fact that, 'for any given origin, some of the migrants who leave are responding to 'plus' factors at destination and therefore tend to be positively selected, while others are responding to 'minus' factors and therefore tend to be negatively selected.'<sup>(17)</sup> It would appear on the basis of this evidence that movement under the E.T.S. has involved members of both incentive categories. The mover with the positive or 'pull' incentive is likely to be the skilled man moving in order to continue employment in his particular trade, while the unskilled man in the negative incentive category is pushed out of a 'slack' labour market environment by unemployment to any area having more job openings due to a generally higher level of demand.

The low percentage of semi-skilled workers in Table 6.3. calls for some comment. The mobility, redeployment difficulties of semi-skilled workers have been documented in a number of British studies.<sup>(18)</sup> This phenomenon has typically been explained in terms of the limited mobility potential of persons who have received specific as opposed

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(17) Everett S. Lee, 'A Theory of Migration', in J.A. Jackson (ed), Migration, Cambridge University Press, London, 1969, p. 296.

(18) See, for example, D.I. Mackay 'After the Shake Out', Oxford Economic Papers, Vol. 24, No. 1, March 1972, p. 89-110; F. Herron, 'Redundancy and Redeployment from UCS 1969-71', Scottish Journal of Political Economy, Vol. 19, No. 3, November 1972, p. 231-51.

to general on the job training. If one follows Becker<sup>(19)</sup> in defining specific and general training according to the applicability of the training to a single versus a multiple number of firms or industries, then a functional correlation is established between mobility and the degree of generality or specificity of the training. And if one assumes that it is semi-skilled workers who have received firm or industry specific training then, as a matter of definition, their mobility is limited relative to that of both unskilled and skilled workers. The specific training produces wage benefits for the semi-skilled worker in that particular firm, but at the cost of a reduced potential for mobility.

The small number of semi-skilled workers among the relocatees may, on the other hand, be a purely spurious finding due to the quite sizeable number of missing observations for this variable. In allocating the relocatees to their appropriate skill categories the work was carried out in close consultation with officers of the Employment Services Agency. On any occasion in which there was some uncertainty as to whether a migrant was skilled or not the tendency was to err on the side of generosity in placing him in the skill hierarchy. In this way we ensured that the selectivity hypothesis got a fair, or more than fair, test. In short, the number of skilled workers reported in Table 6.3 is, if anything, overstated. The category most likely to suffer from any such over-estimate of

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(19) G. Becker, Human Capital, National Bureau of Economic Research, New York, 1964, p. 18.

skilled numbers is the semi-skilled one. As well as some possible marginal discrepancies resulting from the skill classification procedure a problem of greater potential significance may arise if there is any skill bias involved in the missing observations. When questioned about this matter the officers in the relevant employment exchanges were of the opinion that, if anything, the proportion of unskilled and semi-skilled workers were under represented in Table 6.3. due to the missing observations. There seemed little likelihood that any bias in the missing data would obviate our general finding that there was not a disproportionate out-flow of skilled workers under the scheme. But the number of semi-skilled workers among the migrants may have been somewhat understated due to this fact.

The number of assisted migrants in the different skill categories will be sensitive to the percentage representation of these skill levels in the base unemployment total from which the assisted migrants are drawn. One should therefore relate these flows to the skill composition of the then current stock of unemployed in Scotland. Calculations based on the Department of Employment's occupational analysis of unemployed adult workers revealed that the 'general labourer' category constituted between 57 and 59% of the male unemployed in Scotland during this period.<sup>(20)</sup> This suggests that the unskilled relocatees were somewhat under-represented relative to their unemployment numbers. The discrepancy may well

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(20) Unpublished figures supplied by the Edinburgh Office of the Department of Employment.

disappear, however, when one recalls that the missing observations were felt to be overwhelmingly concentrated among unskilled and semi-skilled workers.

As a further test of the selectivity hypothesis the age and skill variables were cross-tabulated in order to examine whether the characteristics of younger age and skill invariably went together. The results of this exercise, for 163 individuals<sup>(21)</sup> from the four exchanges, are presented below in Table 6.4.

Table 6.4. A Comparison of the Age and Skill Level of a Sub-Group of Assisted Migrants from Four Scottish Employment Exchange Areas, 1973-4 (%) \*

Age	Unskilled	Semi-skilled	Skilled	Commercial/Professional
18-25	20.2	1.8	16.0	1.8
26-35	11.7	1.2	12.3	2.5
36-44	7.4	1.2	10.4	0.6
45 & over	2.5	0.6	6.7	2.5

\* Percentages add only to 99.4 as there was 1 missing value

The contents of the Table do not support the contention that most assisted migrants will have both characteristics of younger age and skill. The unskilled actually outnumbered the skilled in the age group 18-25, while for the category 26-35 skilled workers only

(21) Some of the data obtained from the exchanges was not available in a suitable form for this type of analysis. This was because it was compiled on a characteristic(s) series basis, that is one co-relate at a time (all age data collected, then all the skill data, etc.) rather than all characteristics being recorded for the one individual simultaneously. It was therefore not possible to present a complete coverage of all the previous data in this way.

marginally outnumbered the unskilled. It is only in the range 36-44 that the skilled men clearly exceeded the unskilled. In the over 45 age group (which is of limited significance for mobility purposes) the skilled workers were also the largest single group. The results of this exercise further revealed that 94% of the unskilled workers were aged below 45 compared to 84% of the skilled manual group. The Kendall correlation coefficient between the two variables was only 0.1762 indicating no significant degree of interdependence. In short the data suggested that the only fact that could be predicted with any degree of certainty about an E.T.S. mover was that he was most likely to be aged below 45. But beyond this he was at least as likely to be an unskilled worker as a skilled one.

The nature of the relocation-retraining nexus: a brief digression

The identification of the nature of the relationship between retraining and relocation is an important sub-issue of the general skill drain argument examined above.<sup>(22)</sup> This is because policies for stimulating occupational and geographical mobility have been widely regarded as natural complements in that the geographically mobile trainee will secure an earnings differential over both the mobile non-trainee and the non-mobile trainee. The knowledge of this differential, it has been argued, will act to stimulate the geographical mobility of large numbers of government centre trainees.<sup>(23)</sup>

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(22) In the United States one of the leading aims of the labour mobility demonstration projects under the Manpower Development and Training Act has been to provide an answer to this specific question. See Gerald G. Somers 'Our Experience with Retraining and Relocation' in R.A.Gordon (ed) Towards a Manpower Policy, Wiley, New York, 1967, p.230-2.

(23) See, for example, Office of the Ministry of Reconstruction, Employment Policy, 1944, Cmd. 6527, HMSO, London.

In addition to this private gain society at large would benefit from such an outcome if the courses at the training centres were specifically orientated to shortage occupations in the high demand areas. This arrangement would then ensure a reasonable matching of the unemployed's skills with existing job vacancy requirements which would assist in the removal of bottlenecks on the supply side of the labour market, which in turn should operate to reduce any inflationary pressure from this source. Such action should also minimise the extent and impact of unfavourable externalities from the retraining programme, such as displacement effects.<sup>(24)</sup> And finally, as trade union restrictions on skill dilutees are most rigidly enforced in the high unemployment regions,<sup>(25)</sup> the ability of the trainee to fully utilise his newly acquired skills, to both his and society's advantage, may be heavily dependent on his geographical mobility.<sup>(26)</sup>

In addition to the natural encouragement to geographical relocation which results from retraining, it has been suggested that any scheme of transfer payments should be suitably differentiated in favour of retrainees so as to encourage greater numbers of unemployed workers to acquire new skills which will permit them to take up employment in the high demand areas of the country.<sup>(27)</sup>

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(24) Daniel S. Hamermesh, Economic Aspects of Manpower Training Programs D.C. Heath and Co., Lexington, 1971, especially Chapter 2.

(25) The Royal Commission on Trade Unions and Employer Associations, (Donovan), 1968, Cmd. 3623, HMSO, London, Par.345, p. 89.

(26) H.W. Richardson and E.G. West, 'Must We Always Take Work to the Workers?', Lloyds Bank Review, No. 71, January 1964, p. 48.

(27) Keith Hartley, 'Public Policy and the Regions', District Bank Review, No. 159, September 1966, p. 52-7.

As was pointed out in the previous chapter, an element of such differentiation does exist in the terms and provisions of the E.T.S. When the scheme was first introduced in April 1972 a worker who lived in an assisted area (prior to transfer) was entitled to a £400 rehousing grant, but if he had completed a government sponsored retraining course he was entitled to the maximum grant of £600. It was this differential payment in favour of trainees that produced opposition to the scheme's introduction among spokesmen from the high unemployment regions.<sup>(28)</sup>

The assumption underlying this arrangement is that relocation and retraining are complements in the preference patterns of worker's undertaking retraining.<sup>(29)</sup> This is accepted by both the advocates and opponents of an explicit link between the two policies. In order to test the validity of this belief a small study was made of the use of the E.T.S. in the direct placement work of the Hillington Government Training Centre in West Central Scotland. As the Hillington centre is the largest training centre in Scotland, in terms of both trainee numbers and the range of available courses, and is situated in the traditionally high unemployment West Central area, it was the obvious choice for this particular study. If any training centre had made extensive use of the E.T.S. in placing its trainees it would be the Hillington centre.

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(28) Hansard, 23rd March 1972, Col. 1726 and 1746.

(29) It should be noted that a willingness to move upon the completion of training is one of the necessary preconditions for an applicant being accepted for a government sponsored retraining course.

The placement records at Hillington were examined for the 12 months of 1973, a period during which 219 trainees were directly placed by the centre. These placements were made by the relevant officer at the centre, and not by local employment exchange officers following referrals by the training centre. As the centre attempts to directly place all trainees in the last 6 weeks of their 26 week training course, these early placements should be a reasonable indication of what the individual trainee would like to do, as opposed to what he is forced to do through subsequent employment difficulties. Out of the 219 direct placements in 1973 only 26 of the trainees moved outside the West Central labour market area with the aid of the E.T.S. Just under 50% of those who did move were in the engineering trades, with the remainder being divided between those in radio and television repair work and agricultural fitters.

This small-sized out-movement of trainees seems somewhat surprising in view of a comparison between the post-training earnings of movers and non-movers. The records at Hillington indicated that a trainee, especially in the engineering and radio/television repair trades, could and did obtain at least an extra £10-£15 per week at that time if he was prepared to move away from the West Central area. By moving to a tight labour market area the trainee could enjoy such a wage gain through obtaining access to a considerable amount of overtime that was not available on the same scale in the slacker labour market of West Central Scotland. This was particularly so in the case of engineering trainees.

Despite the apparent evidence that retraining and relocation complement each other, in terms of a differential wage gain to persons

taking advantage of both policies, the number of trainees who moved from the West Central area with the aid of the E.T.S. was insignificant relative to the total number of trainees at Hillington. This suggests that retraining is seen largely as an alternative or substitute for relocation in the preference patterns of the majority of persons undertaking and completing a training course. The impression is that retraining is valued by an unemployed worker as a means through which to obtain employment in the local area, and only if he experiences difficulty in this regard will he be prepared to use the relocation scheme as a last resort to try and obtain satisfactory employment.

The findings presented here receive indirect support from a recently published study of the post-training employment experience of government trainees in East Central Scotland.<sup>(30)</sup> This study reported that only some 13% of their sample of 258 trainees moved outside the local labour market upon completion of their training. And over 33% of these moves appeared to be enforced ones in that the migrants' stated a preference for local area employment. In fact just under 20% of their sample claimed that they undertook a training course specifically to avoid having to move away from home. Their general conclusion was that 'geographical mobility appears to be related only to age, previous geographical mobility and housing, and not to training .....'<sup>(31)</sup> Similarly, only 9% of the sample

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(30) Kenneth Hall and Isobel Miller, Retraining and Tradition, George Allen and Unwin, London, 1975.

(31) Hall and Miller, op. cit. p. 109.

in the Parker Report had undertaken a training course within the 12 months prior to relocation, and only 3% of the sample relocated immediately upon completing their training.<sup>(32)</sup> These tentative findings in favour of a substitute relationship between retraining and relocation under the E.T.S. are in line with the results obtained from a number of more detailed studies of this question which have been conducted in the United States.<sup>(33)</sup>

The evidence detailed in this section is suggestive, but is clearly not a sufficient test of an assumption that has such important operational implications for both regional and labour market policy in Britain. A great deal more study is needed before anything approaching<sup>a</sup> conclusive statement can be made about the direction of the relationship between the retraining and relocation of unemployed labour.

#### The duration of unemployment prior to migration

If we return to the group of assisted migrants from our four Scottish exchanges, the next issue for attention is the migrants' duration of unemployment prior to obtaining the job that necessitated movement outside the local labour market area. The relevant information which was available for 225 of the movers is set out in Table 6.5 below. Some interesting points of contrast emerge

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(32) Stanley Parker, Assisted Labour Mobility, Unpublished Report prepared for the Department of Employment, 1975, p. 7 and 26.

(33) G.H. McKechnie, Retraining and Geographic Mobility: An Evaluation, Unpublished Ph.D. Dissertation, Industrial Relations Research Unit, University of Wisconsin-Madison, 1966.

when the unemployment duration figures for a sample group of Scottish unemployed workers in 1973<sup>(34)</sup> are placed alongside the duration of unemployment figures for the assisted migrant group.

Table 6.5    The Duration of Unemployment of Assisted Migrants from Four Scottish Employment Exchange Areas in Comparison with the Distribution from the Department of Employment's 1973 Survey of the Scottish Unemployed (%)

Group	Under 2 weeks	2-5 weeks	6-9 weeks	10-13 weeks	14-26 weeks	27-52 weeks	52 weeks plus	Row Total
BTS movers, 1973-4	11.56	24.89	8.89	14.67	18.22	13.33	8.44	100.00 (225)
DE survey of Scottish unemployed, 1973	←———— 36.9 —————→				14.9	14.7	33.5*	100.0

\* 19.8% of this group had been unemployed for over 2 years.

Some 60% of the assisted migrants had been unemployed for less than 14 weeks in comparison to 36.9% of the Department of Employment's sample group. Conversely, only 40% of the migrants had been unemployed for more than 14 weeks, whereas 63.1% of the Department of Employment's sample had been out of work for this period of time. The fact that only a minority of the migrants were in the longer term unemployment category is undoubtedly explicable in terms of the

(34) See Department of Employment Gazette, June 1974, p. 497.

evidence presented earlier in Table 6.2 which indicated the disproportionate number of younger aged persons among the migrants. This contention follows from the results of various unemployment studies which have identified age as the single most important personal characteristic influencing an individual's time out of work.<sup>(35)</sup> In addition, a number of previous studies have utilized 'willingness to leave the home area to take up a job' as one of the major indices of job search motivation.<sup>(36)</sup> If one accepts this as a valid proxy for motivation then again one would expect to find a below average number of longer term unemployed workers among the migrants.

However, it should not be concluded from the figures in Table 6.5 that assisted labour mobility policy can only assist the short term unemployed who, because of favourable personal and labour market characteristics, have experienced little re-employment difficulty.<sup>(37)</sup> The 40% minority who had been unemployed for more than 14 weeks was after all a sizeable minority of the group. Although the Mackay and Herron studies<sup>(38)</sup> used slightly different class intervals, their samples contained a higher percentage of short term unemployed than the E.T.S. group in Table 6.5

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(35) See, for example, D.I. Mackay and G.L. Reid, 'Redundancy, Unemployment and Manpower Policy', The Economic Journal, Vol. 82, No. 4, December 1972, p. 1256-72. See also Frank Herron, Labour Market in Crisis, Macmillan, London, 1975, p. 60-72.

(36) Herron, op. cit. p. 47-8. See also H.R. Kahn, Repercussions of Redundancy, George Allen & Unwin, London, 1964, p. 88.

(37) This seems to be the implication of the remarks in Adrian Sinfield, The Long Term Unemployed, OECD, Paris, 1967, p. 72.

(38) Mackay and Reid, op. cit., Table I, p. 1257; Herron ibid., Table 5.7, p. 62.

and yet both quite justifiably concluded that a substantial number of their respective samples had experienced considerable re-employment difficulties.

The single most important duration category in Table 6.5 was the 2-5 week unemployment group, with the medium to longer term 14-26 week class filling second place. These two quite separate unemployment categories tend to suggest the possibility of two broad groups of assisted movers, distinguished by differences in personal and labour market characteristics and perhaps by job search strategy. The traditional distinction between 'push' and 'pull' motivated migrants may have some validity here, or perhaps some variant of the 'sticker-snatcher' dichotomy postulated in a previous study.<sup>(39)</sup> Unfortunately the absence of the necessary data precludes any detailed investigation of these possibilities. Nevertheless it is worth emphasizing the potential importance of the 14-26 week unemployment category in any final judgement on the re-employment value of the E.T.S.

It is now a well accepted proposition that the probability of moving from unemployment to employment depends to a large extent on the length of the preceeding period of unemployment.<sup>(40)</sup> From this fact it has been argued that the major source of potential benefit of a policy such as the E.T.S. is its ability to accelerate the process of labour redeployment relative to the workings of the

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(39) Mackay, op. cit. p. 103-8

(40) R.F. Fowler, Duration of Unemployment on the Register of Wholly Unemployed, Studies in Official Statistics, Research Studies, No. I, HMSO, 1968.

normal, unassisted market adjustment mechanism.<sup>(41)</sup> In particular, the gains from identifying potential long term unemployed at an early stage on the register and then using a policy of assisted labour mobility to speed up their natural, unassisted rate of re-employment are likely to be substantial from both an individual and social point of view.<sup>(42)</sup> In line with this argument the operation of the E.T.S. may have prevented a substantial number of the 14-26 week category staying on the register for any longer period of time and thereby moving into the really hard to shift, long term unemployment categories.<sup>(43)</sup> Although an interesting possibility, this argument must remain a speculative one in the absence of the relevant information.

#### Return Flows among the Outmigrants

The final issue for consideration here is whether the operation of the E.T.S. has resulted in a permanent shift in the geographical location of labour. In other words, how many of the assisted migrants from these four exchanges adjusted to their new work and social environment and hence remained employed in their respective demand areas for a specified period of time following relocation. A full examination of this question requires a complete record of the post-migration employment status of all the movers. This task can

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(41) A.P. Thirlwall, 'Government Manpower Policies in Great Britain; Their Rationale and Benefits', British Journal of Industrial Relations, Vol. 10, No. 2, June 1972, p. 174-6.

(42) Thirlwall, op. cit. p. 175.

(43) Even if this argument is correct not all of the resulting gains can be solely attributed to the ETS. The successful job search/finding methods employed would be responsible for at least part of the benefit, particularly if the individual worker could have moved to the new job without the aid of the E.T.S.

only be undertaken in those areas which have experienced an inflow of labour, as a full set of the necessary information could only be obtained from the official application forms which are held in the local exchanges in the receiving areas. As a result of this constraint only a rather limited, partial treatment of this question can be undertaken here. A fuller and more detailed investigation of return migration flows under the E.T.S. is presented in the final section of this chapter, and again in Chapter 11.

In the case of movement from these four exchanges this specific topic was investigated by making a cross-check of the available employment files of the relocatees with the records for re-registration at these exchanges during the 18 month period January 1973 to June 1974. The migrants who had returned home at any time during this 18 month period and re-registered at the relevant exchanges were classified as unsuccessful relocatees.

The time period involved here is a much tougher test than is normally applied when assessing the success or failure of labour relocation. In the labour mobility demonstration projects under the Manpower Development and Training Act in the United States a successful relocation is defined as one which has involved remaining in the destination area for at least two months. The results of this investigation may still be compared with the wastage rates experienced under the American mobility schemes. This is because the vast majority of return movement under the E.T.S. appeared to be

concentrated in the two to three months immediately following relocation. In very few cases did the relocatee return after staying in the demand area for more than three months. The information recorded under the 'last contact' entry on the available employment files, together with the anecdotal evidence obtained in conversation and correspondence with the local exchange officers, also tended to suggest that the transferees rarely moved between jobs in the demand area and few seemed to move on to a third area; in general if they were dissatisfied or became unemployed in the demand area they returned to their area of origin.

The relevant information was obtained for 426 of the 533 assisted migrants from the four Scottish exchanges of Glasgow Southside, Clydebank, Greenock and Dundee. The results indicated that 118 of these 426 movers had returned home and re-registered at the exchange concerned at some time during this 18 month period - i.e. a wastage rate of 27.7%. These figures suggest that the E.T.S. has not brought about permanent relocation for a sizeable minority of the movers; the scheme appears to have merely provided this group of individuals with a short period of stop-gap employment away from their home area.

This calculation immediately raises two questions. Is this average figure for return migration reasonably typical for the E.T.S. throughout Britain? Secondly, is an average return rate calculation particularly meaningful, or are there such substantial inter-area variations in return flows as to limit the value of such a calculation? Some evidence on these two questions will be presented

in the following section which considers the assisted inflow of labour to the exchanges of Greenock, Dundee, Edinburgh and Irvine New Town.

Some destination area exchanges

During this 18 month period there were 47 assisted incomers to Greenock, 104 to Edinburgh,<sup>(44)</sup> 102 to Dundee and 132 to Irvine New Town making a total of 385 migrants. Unfortunately much of this period pre-dated the use of application forms which recorded a number of key demographic and labour market characteristics of the movers under the E.T.S. As a result nothing approaching a full list of information on the characteristics of these particular movers could be obtained. In fact the only reason for looking at these inflows was to provide a more complete picture of the size of return migration flows experienced under the scheme.

The rather scattered pieces of information and data on the characteristics of these migrants revealed that the incomers were mainly from other parts of Scotland.<sup>(45)</sup> They were predominantly males under 45 years of age, and almost equally divided between single and married men. The skill distribution of the movers was again bi-modal in nature, with approximately equal numbers of unskilled and skilled manual workers. The small number of semi-skilled workers documented in Table 6.3 was supported, although there were more commercial/professional workers represented here than in Table 6.3 due to the inclusion of Edinburgh in the study group.<sup>(46)</sup>

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(44) The figures for Edinburgh refer only to the 12 months of 1973.

(45) This list of names was checked against those for the out-migration exchanges so as to avoid any double counting.

(46) This information is based on employment records and discussions with the relevant exchange officers. The limited coverage and documentation of the records explains the decision not to reproduce the data in tabular form here.

The really valuable information obtained from the records of these four exchanges concerned the issue of return migration. The migration flows from these four exchange areas are set out below in Table 6.6.

Table 6.6. Return Migration Rates of Assisted Migrants from Four Scottish Employment Exchange Areas, 1973-4.

value when there is such sizeable inter-area variation as indicated by the figures for Greenock (63.8%) and Irvine New Town (7.6%).

In an attempt to ascertain whether the figure(s) presented above are acceptable from a policy making viewpoint it is essential to place our findings in the context of the size of return migration rates experienced elsewhere with this type of policy. An extensive survey of the workings of such policies in Europe and North America concluded that the rate of return to the home area averaged about 20%.<sup>(47)</sup> The precise rate varied with the length of time that had elapsed since the move, but if we accept the figure of 20% as a reasonable benchmark then the wastage rates under the E.T.S. presented here seem somewhat excessive.

The above conclusion is underlined by the expectation that the absorption costs and problems of assimilating movers into new areas in Britain would be less than in the European or American situations. The E.T.S. mover in Britain is of the same ethnic group as the general population in the receiving areas, and being from an urban area is used to living and working in a modern industrial environment. This is far less true in the case of Sweden and the United States where movement under policies of assisted labour mobility has been predominantly from a rural, primary industry environment to an urban setting. A rural to urban transition involves two problems for migrants. There is the general difficulty of adjusting to a very different way of life, as a move of this nature must involve a

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(47) Programs for Relocating Workers used by Governments of Selected Countries, Joint Economic Committee, Congress of the United States, Washington DC, Government Printing Office, 1966.

considerable cultural wrench. In addition there is a more specific employment problem in that much of the relocatee's previous job training and experience will have little direct application in industrial employment. A study by Sanders, for example, examined the reasons for migrants returning to the depressed coalmining area of Eastern Kentucky.<sup>(48)</sup> He suggested that the primary explanation of return migration was the inability of the migrants to obtain anything more than marginal employment in the industrial area i.e. low paying, unstable, 'dead end' jobs. This was not particularly surprising as only 19% of his sample of 177 migrants had any previous occupational experience directly relevant to industrial employment. Similar difficulties have been experienced by the relocatees from the northern primary industry oriented provinces of Sweden who have moved into the central districts of the country around Stockholm.<sup>(49)</sup> As the E.T.S. is largely free of adjustment difficulties of this sort one might reasonably have expected lower wastage rates than under the European and American relocation policies.

In order to explain more fully the wastage rates for the E.T.S., particularly with a view to deriving possible corrective measures, it is necessary to determine what type of worker is least likely to adjust successfully, and also to identify the major structural or environmental factors that have hindered the process of adjustment.

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(48) John Sanders, 'The Depressed Area and Labor Mobility', Journal of Human Resources, Vol. 4, No. 4, Fall 1969, p.437-50.

(49) Leo Klaasen and Paul Drewe, Migration Policy in Europe: A Comparative Study, Saxon House, Farnborough, 1973, p. 81.

As a starting point in this endeavour return migrants may usefully be divided into the following categories:-

- (i) Those migrants who had no intention of trying to settle down in the new area. This is because this particular move was only one of a number of such trial moves that they are likely to make in the labour market at this particular stage of their life and work cycle.
- (ii) Persons moving to fixed duration or contract work in the demand area. Here the limited life of the job dictates that they will inevitably move away from such employment in the demand area.
- (iii) Migrants who genuinely try to settle down in the demand area, but who for various reasons fail to do so.

There is not a great deal that policy makers can in practice do about the first group due to the difficulty of identifying this type of mover on anything but a post-hoc basis. Nevertheless a few general comments may be advanced about this particular group of migrants.

The most likely candidate to place in this first group is the young, single person who can afford to indulge in a relatively extensive (as opposed to intensive) search of the job market because of his limited family and financial responsibilities. Such a worker has also had little time to build up the strong work or

area attachments that may act to constrain mobility, and therefore the psychic costs of continual movement are very much less than for the older, more established worker. The above average turnover rates of young workers are well documented in both Britain and elsewhere.<sup>(50)</sup> Again evidence drawn from the early pilot mobility projects in the United States suggested that the single worker under the age of 25 was the least likely to settle permanently in the demand area.<sup>(51)</sup> If we can assume, not unreasonably, that being single is highly correlated with younger age then the wastage rate figures for the Dundee and Edinburgh exchanges both support our contention, if only marginally in the case of Edinburgh. The very successful retention rate of Irvine New Town obviously cannot be explained solely in these terms, but it is still worth noting that all of the incomers to Irvine were married men generally aged above 25.

This type of conclusion is of rather limited use for policy purposes due to the problem of identifying all habitual non-stayers at the time of their application for assistance. A tightening of the selection/screening process under the scheme would certainly be of some help. In Canada, for example, the selection process for the Manpower Mobility Programme has been deliberately biased in recent years in favour of older married workers with large families. This is because they are the group found to be least

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(50) B.O. Pettman, 'Some Factors Influencing Labour Turnover: A Review of Research Literature', Industrial Relations Journal Vol. 4, No. 3, Autumn 1973, p. 53.

(51) Martin Schnitzer, Regional Unemployment and the Relocation of Workers, Praeger, New York, 1970, p. 177.

likely to move of their own accord, but having been assisted to move are the most likely to settle down successfully in the demand area.<sup>(52)</sup> But short of prohibiting all workers of a particular type (for example, young single persons), which may be neither desirable nor practical, the problem is not really subject to a great deal of policy control.<sup>(53)</sup> This is not the case, however, with the purely structural phenomena discussed below.

The most sensible way of gaining some insight into possible structural influences is to examine the polar cases of wastage rate size, i.e. Greenock and Irvine New Town. In the case of Greenock the major influence appeared to be the nature of employment in the particular industry to which the vast majority of relocatees were moving, i.e. shipbuilding. Labour turnover seems to have declined for the shipbuilding industry as a whole in recent years. Some recent figures suggest that its turnover rate is now below the manufacturing average.<sup>(54)</sup> This is largely a result of recent organisational changes in the industry that have involved the consolidation of a number of independent firms into groups. One of the major benefits resulting from this change has been more stable employment for the labour force, since workers can be transferred between yards as required by the dictates of the work cycle. This

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- (52) W.R. Dymond, 'The Role of Benefit-Cost Analysis in Formulating Manpower Policy' in G.G. Somers and W.D. Woods (eds.), Cost-Benefit Analysis of Manpower Policies, Industrial Relations Centre, Queens University, Ontario, 1969, p. 53.
- (53) This problem is further complicated by the possibility of an in-built self-selection process. The spatial characteristics of an area which make for high retention rates are quite likely to attract the type of worker most predisposed to stay, and vice versa. The result is an interdependence of worker and area characteristics which makes for something of a chicken and egg problem for policy-makers.
- (54) 'Labour Turnover by Industry Group, 1973-4, New Earnings Survey Estimates', Department of Employment Gazette, January 1975, Table 2, p.25.

has meant a considerable reduction in inter-industry mobility, although not of intra-industry movement. An individual shipyard (as opposed to the industry) still has difficulty, primarily for reasons of technology,<sup>(55)</sup> in ensuring continuity of employment for all its workforce. As a ship is completed a fairly substantial lay off of short service, finishing trade employees inevitably takes place. Therefore as the completion stages of a ship are being approached there will always be a substantial drift of labour from the particular yard concerned. This appears to have been the experience of the assisted movers to Greenock.

Evidence from the manpower mobility scheme in Canada also supports the notion of the importance of the type of industry to which the relocatee is moving. A number of early studies by the Department of Manpower and Immigration revealed that only 66% of relocation moves were successful in terms of the worker remaining in the demand area.<sup>(56)</sup> Investigation into this high return home rate revealed that workers who were being placed in mining and other primary industries had much higher turnover rates than relocatees in general. The expected job tenure of workers in the different industrial sectors is now one of the key sub-models in the full cost-benefit model that is used to monitor the work of the mobility scheme in Canada.<sup>(57)</sup> The informational feedback from this model has been utilized by officers at the local exchanges

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(55) See, for example, L.O. Hunter, 'Problems of Labour Supply in Shipbuilding', Second Marlow Lecture, The Institution of Engineers and Shipbuilders in Scotland, 1967, in particular, p.75-6.

(56) Schnitzer, op. cit. p.97

(57) Robert A. Jenness, 'Manpower Mobility Programs' in Somers and Wood (eds), op. cit. p. 202-4.

to try and steer relocatees away from labour market sectors that have been identified as chronically high turnover.<sup>(58)</sup> As a result it is not surprising to find that return migration under the Canadian scheme has fallen quite considerably in recent years. It is now reported that approximately 80% of the relocatees have full time employment one year after the move.<sup>(59)</sup>

As well as this built-in problem of industrial turnover, the housing situation in Greenock may also have adversely affected the migrant retention rate in the area. The 1971 Census indicated that some 28% of housing in Britain as a whole is rented from local authorities, whereas for Scotland and Greenock the relevant figures were 53% and 67% respectively. The exceptionally high percentage of public sector housing in Greenock suggests that the vast majority of migrants, who originated outside the local authority area and who could not claim key worker status, would find this important sub-sector of the housing market virtually closed to them. This would follow from the long residence period condition necessary for obtaining access to local authority housing.<sup>(60)</sup>

The limited availability of housing in potential destination areas is widely regarded as the major constraint on geographical mobility (and adjustment) in Britain.<sup>(61)</sup> This conclusion is more

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(58) Dymond in Somers and Wood (eds.), ibid, p. 53.

(59) William R. Dymond, 'Manpower Policies: Lessons for the U.S. from Canadian Experience', Proceedings of the Industrial Relations Research Association, 1970, p. 549.

(60) '... who gets council houses ... appears to be those who can stay longest in one particular area ...' R.D. Cramond, Allocation of Council Houses, University of Glasgow, Social and Economic Studies, Occasional Papers No. 1, Oliver and Boyd, Edinburgh, 1964, p. 52.

(61) See, for example, OECD, International Management Seminar on Active Manpower Policy, Paris, 1964, p. 64.

often asserted than proven, but there are some scattered pieces of evidence that illustrate its importance. Klaasen and Drewe, for example, briefly discussed the movement of labour into the Luton area under the earlier Resettlement Transfer Scheme.<sup>(62)</sup> They estimated that 75% of the migrants to Luton returned home within a year, and 50% actually returned within the first month. Their explanation for this high wastage rate was the non-availability of satisfactory housing in the area. The local authority in Luton were only prepared to place an incomer on the local authority housing list after a stay of 2 years in the area, and a wait of a further 1.5 years was frequently necessary before he could actually obtain a house. As a result incomers to Luton were forced to move into poor quality hostel accommodation that was not conducive to helping them settle down in the area.

Similarly, Johnson et al, in a recent large scale study of housing and labour migration, reported that only 40% of their sample were actually able to choose from a range of acceptable alternative accommodation in the new areas.<sup>(63)</sup> The majority had to settle for accommodation that was either not satisfactory, or was what they believed to be the only possibility available. The lower socio-economic groups and small households were particularly limited in their choice of housing. In addition to the choice problem, the obtaining of access to permanent accommodation took time. Nearly 65% of the Johnson

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(62) Klaasen and Drewe, op. cit., p. 77.

(63) James H. Johnson, et al., Housing and the Migration of Labour in England and Wales, Saxon House, Tarnborough, 1974, p. 234-5.

sample were forced to take up temporary accommodation in the initial stages of their move, usually for a period of 1-3 months. Although 20% of the migrants were forced to remain in temporary accommodation for longer than 3 months, while only 12% did so for less than 1 month.<sup>(64)</sup> The latter consisted mainly of movers to the New Town in their study.<sup>(65)</sup>

The New Towns in Britain, whose general purpose is to co-ordinate and achieve a balanced development of employment and housing, provide virtually the only exception to these housing difficulties for mobile workers. They constitute a special case in representing 'a major policy of overcoming the housing problems involved in labour mobility'.<sup>(66)</sup> Irvine New Town Development Corporation aims specifically to provide houses for workers required by the growing industrial complex in the area, as opposed to housing overspill families from Glasgow. This means that any incomer to Irvine is automatically considered for the tenancy of a Development Corporation rented house, as long as his work is in the New Town area. The result is that, in contrast to areas such as Luton, few incomers are forced to spend any lengthy period of time in poor quality temporary accommodation. It is not surprising therefore to find that a majority of manual workers moving to Scottish New Towns

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(64) Johnson et al., op. cit., p. 238-41.

(65) Johnson et al., ibid., p. 127-9 and p.240.

(66) J.B. Cullingworth, Housing and Labour Mobility, OECD, Paris, 1969, p. 61.

were motivated more by housing than employment considerations.<sup>(67)</sup>

The evidence for Irvine seems to suggest that the more assisted labour migration flows can be orientated towards the New Towns the lesser the chances of return migration due to a reduction (although not elimination) in adjustment difficulties likely to stem from unsatisfactory housing. It should not automatically be assumed from this, however, that all or even the majority of return migration is due entirely to housing problems, and that therefore the provision of suitable housing will be an instant panacea for all migrant adjustment problems. The availability of housing may be a necessary, but certainly not a sufficient condition for successful adjustment in the destination area. This point is evidenced by the figures for return migration which are presented in Chapter 11.

### Conclusion

A limited range of information only was available from the internal employment exchange records which, in conjunction with the quite high percentage of missing observations, meant that not all the hypotheses outlined in Chapter I could be tested in this chapter. The results of this chapter are therefore far from conclusive, and their main value lies in the complementary

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(67) G.C. McDonald, Social and Geographical Mobility: Studies in the New Towns, Department of Geography, University College, London, Occasional Paper No. 12, 1970.

role they play in relation to the more detailed questionnaire information of Chapters 8-11.

At the same time the significance of the results presented in this chapter should not be under-estimated. Some interesting and useful (if preliminary) tests were made of a number of the issues outlined in Chapter I. These included information (additional to that contained in Chapter 5) on the question of whether assisted movement was primarily orientated towards inner-conurbation or outer-conurbation areas, evidence bearing on the age, skill selectivity hypothesis and finally some indication of the size of return migration rates experienced under the E.T.S. A number of other more speculative issues were also raised for future consideration, notably the movers' pattern of time out of work prior to migration. Some of these questions will be taken up in more detail in later chapters.

Perhaps the major (if less tangible) benefit of this field work study came from close contact with the local exchange officers responsible for administering the E.T.S. Various comments and pieces of information obtained from these officers resulted in obtaining a 'feel' for the workings of the scheme that was invaluable in considering the more policy orientated issues of this study. It was this information which was especially valuable in devising a number of the reform measures outlined in Chapter 12.

In the brief chapter that follows the procedure involved in initiating and conducting the questionnaire survey is presented. The various implications of the procedure adopted and the response rate actually achieved are then outlined. This information is helpful when it comes to interpreting many of the tabulated results presented in Chapters 8-11.

CHAPTER 7AN OUTLINE OF THE SURVEY PROCEDUREIntroduction

The internal employment exchange records utilized in chapter 6, while undoubtedly providing some useful evidence on the impact of the scheme's operation, did not contain all the necessary demographic and labour market information required to test the full range of hypotheses outlined in chapter I. A questionnaire survey therefore became necessary in order to generate a much broader and more detailed set of data. A questionnaire survey also offered the advantage of a much expanded geographical area of coverage in the study, as a group of spatially separate exchanges in quite different labour market circumstances could be examined simultaneously.

Accordingly it was decided to administer a questionnaire to a sample group of Scottish assisted migrants during the 12 month period July 1974 to June 1975. It then became necessary to select the particular exchanges which were to be the sample points in the survey, and to also come to some measure of agreement with the Employment Services Agency on the matter of a suitable survey procedure.

The Sample Exchanges

In order to choose the exchanges which were to be the basic sampling points London and Edinburgh headquarters of the Employment Services Agency provided an exchange level breakdown of Scottish movement under the E.T.S. for the twelve and three month periods respectively which ended in March 1974. These two sets of data provided the basis for some of the analysis contained in chapter 5,

and in addition explained the particular exchanges chosen for case study purposes in chapter 6.

After discussing the subject with the relevant officers in London and Edinburgh it was decided not to follow the case study approach of using area of origin exchanges. This was because of the frequently very short time lapse between an application for assistance and actual movement to the new area which was bound to produce considerable problems of non-contact. Furthermore, all application form information was held at local exchanges in the destination areas, and as access to this material was required it was clearly sensible to concentrate on the one set of destination area exchanges. The information provided by the Employment Services Agency covered the twenty-three leading receiving area exchanges for Scottish assisted movers. This information is reproduced below in Table 7.1.

Table 7.1

The Leading Destination Area Exchanges for Assisted Migrants from Scotland

Scotland (3 months ending 30/3/74)		Eastern and Southern region (12 months ending 30/4/74)		London and the south-east (12 months ending 30/3/74)		Midlands (12 months ending 30/3/74)	
Invergordon	296	Luton	63	Westminster	83	Corby	153
Aberdeen	137	Cambridge	37	Croydon	44	Rugby	65
Inverness	43	Aylesbury	16	Kings Cross	32	Coventry	24
Livingston	43	Oxford	16	Dagenham	29		
Glenrothes	28	Slough	14	Marylebone	26		
		Watford	13	Acton	24		
		Southampton	10	City of London	22		
				Hounslow	20		

Source: Unpublished figures provided by the London and Edinburgh offices of the Employment Services Agency.

The choice of sample exchanges from this list was dictated by two considerations. Firstly, it was necessary to obtain a sample of sufficient size to provide a valid basis for generalisation, and hence a sampling frame which consisted of a large number of exchanges which individually received only a small number of migrants was not a practical proposition. The choice was therefore the exchanges which had received the largest assisted inflows of labour from Scotland. In addition to having all four regions in Table 7.1 represented in the sampling frame it was necessary to have an adequate cross-section of the different types of receiving area exchanges for Scottish movers. The major destination centres of the assisted labour migrants from Scotland have been one of the following types of exchange area; the oil employment centres, the new towns, the one plant dominated labour market centres or the London area exchanges. As a result of these considerations the following twelve exchanges were selected to be the basic sampling points in the survey:-

Oil Employment Centres	New Towns	One Plant Dominated Labour Markets	London
Aberdeen	Glenrothes	Corby	Croydon
Invergordon	Livingston	Dagenham	Kings Cross
Inverness		Luton	Westminster
		Rugby	

The placement of Corby in the above category is somewhat complicated by its New Town status. But the available evidence points to this area's importance as a receiving centre for assisted migrants from

Scotland prior to its New Town designation.<sup>(1)</sup> Hence it would seem that the dominance of its labour market by a single plant is the prime factor in accounting for the in-migration flows.

### The Survey Procedure

As a matter of financial necessity the survey had to be undertaken by means of a postal questionnaire. This thesis was a completely self-financed project; a fact that imposed a very tight budgetary constraint which effectively ruled out any possibility of using a team of paid interviewers. The fact that the sample was non-clustered in both spatial and temporal terms further dictated the need for a postal questionnaire.

A number of considerations which have been shown to affect the response rate to a mail questionnaire were incorporated in both the design and subsequent organization of the questionnaire.<sup>(2)</sup> A draft questionnaire was tested on a small group of E.T.S. applicants at the Southside employment exchange in Glasgow. The major aim of this pilot run was to identify any 'awkward' questions which respondents might object to completing, and which, if retained in the schedule, could result in a low overall response rate or an uneven pattern of answers between the various questions. A copy of the draft questionnaire was also sent to London headquarters of the Employment Services Agency where it was checked for any possible ambiguities in wording and instructions. Some minor alterations were then made to the content and format of the questionnaire. Copies of the final

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- (1) D.C.D. Pocock, 'The Migration of Scottish Labour to Corby New Town', Scottish Geography Magazine, vol. 76, No. 3, December 1960, p.169-71.
  - (2) For a discussion of these matters see Stanley S. Robin, 'A Procedure For Securing Returns to Mail Questionnaires', Sociology and Social Research, Vol. 50, No. 1, 1965, p. 24-35.

questionnaire were provided for each exchange involved in the survey. This was done so that any migrants who were undecided about whether to participate in the survey could be shown the type of questions that they would be expected to answer.

A number of possible arrangements for organising and running the survey were discussed with officers of the Employment Services Agency. The procedure finally agreed upon took the following form; the relevant officer in each sample exchange was to ask all assisted migrants from Scotland whether they were willing to take part in a study of the workings of the E.T.S. which was being conducted by Glasgow University. (If necessary, a copy of the questionnaire was shown to the migrants at this stage.) If they agreed, the migrants then signed a prepared stencil authorising the release of their name and address for survey purposes. The monthly total of names and addresses for each exchange were then passed on to Edinburgh headquarters of the Employment Services Agency and from there to Glasgow University. The monthly list of questionnaires were then sent out to the individual migrants.

#### The Problem of Non Co-operation

This particular survey procedure contained two possible stages of non-cooperation on the part of the assisted migrants. Firstly, there was the possibility of inadequate coverage due to a high proportion of the total number of migrants being unwilling to take part in the survey. This could produce selectivity bias in sample coverage. The second possible source of difficulty concerned the much discussed problem of non-response bias in the results of postal questionnaires. The dimensions of the non-response problem are

illustrated in Table 7.2 below.

Table 7.2

The Response Rate to the Questionnaire

Number of Questionnaires Sent Out	Usable Returns	Non-usable Returns	Returned by Post Office Marked 'Gone Away'
304	222	6	24

The usable response rate of 73% was a highly satisfactory result, particularly given the characteristics of the population under investigation.<sup>(3)</sup> In the United States, for example, the various studies of manpower programme participants have typically achieved a response rate of only some 60%, even when employing a personal interview technique.<sup>(4)</sup> The 73% response rate is not the end of the story. The costs of non-response bias in any survey can be significantly reduced if the nature and extent of the bias can be established. In our case access was obtained to the application forms of a group of non-respondents to the questionnaire. Information on matters such as age, marital status, skill level, and industry of employment were extracted from these forms in order to see if there were any obvious signs of bias present in the questionnaire returns. This data, which is reproduced under a separate heading in a number of tables in chapters 8 - 10, revealed little evidence of non-response bias.

(3) C.A. Moser and G. Kalton, Survey Methods in Social Investigation, Heineman, London, 1971, p. 263.

(4) Michael E. Borus and Charles G. Buntz, 'Problems and Issues in the Evaluation of Manpower Programmes', Industrial and Labor Relations Review, vol. 25, No. 2, January 1972, p. 239.

The problem of inadequate coverage, which could produce selectivity bias among those who agreed to take part in the survey, was in reality much more of a problem. The total number of names/addresses supplied by the exchanges was less than anticipated on the basis of the past inflows of labour into these exchanges, and in relation to the total number of migrants to these centres during the survey period. During the survey period assisted migrant number from Scotland declined relative to those for the previous 12 months, particularly in the case of the English exchanges. In Rugby, for example, there were only 10 migrants from Scotland compared to 65 for the 12 months ending March 1974. Again in the case of the London exchanges of Croydon and Kings Cross the total number of Scottish incomers fell from 76 to 31.

These reduced numbers were a reflection of changed economic conditions in both the areas of origin and the areas of destination during the survey period. For Britain as a whole unemployment rose during the survey months from 2.5% to 4.0% of the workforce. In keeping with this overall trend the English sample exchanges all tended to experience rising unemployment rates and falling vacancy rates during the period. At the same time, while unemployment rose in absolute terms in Scotland the improved unemployment differential between Scotland and the rest of the United Kingdom remained, and the result was an increased proportion of intra-regional movers for Scotland during these months.<sup>(5)</sup> The tendency to substitute intra-regional movement for inter-regional migration (which was noted earlier in Chapter 5) increased during the survey period. These trends

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(5) Some 65% of the 4,286 migrants of Scottish origin moved within Scotland during the survey period.

in movement, although reducing potential sample numbers, were not without interest in pointing to the shifts in size and direction that movement under the E.T.S. is subject to in a situation of rising general unemployment.

The other problem for sample numbers, which was again exogenous to our control, was that the number of movers who signed the stencil (agreeing to take part in the survey) were undoubtedly influenced by the extent to which the exchange officers tried to actively 'sell' the idea of participating in the project. These 12 months were a particularly awkward time for conducting any academic survey which required the co-operation of personnel in local employment exchanges. This was due to the transitional difficulties over staffing and work load allocation which followed the structural re-organization of the activities and functions of the Department of Employment. Complaints of excessive work load by local officers of the newly created Employment Services Agency resulted in a widespread 'work-to-rule' campaign during the last quarter of 1974. This campaign culminated in December 1974 and January 1975 when various local exchanges refused to collect and return unemployment and unfilled vacancy statistics. Twenty-one exchanges also refused to file their normal E.T.S. returns for the quarter ending December 1974.

These industrial relations difficulties resulted in a number of awkward problems for the smooth running and completion of the survey. The North East regional office in Scotland, for example, insisted that the Aberdeen, Invergordon and Inverness exchanges should supply only a fixed quota of names and addresses. Even beyond this initial constraint imposed on the potential size of the sample, there was a problem of certain exchange officers making little or no attempt to

encourage the assisted movers to take part in the project. There were, for example, 61 movers from Scotland to Luton during this period, and yet the exchange only passed on to us 4 names to whom questionnaires could be sent. It was quite obvious from these figures that Luton was one exchange that made little or no attempt to maximize the number of assisted migrants willing to participate in the survey.

This sort of problem made it imperative to obtain access to the application forms of movers to our sample exchanges who had refused to take part in the study. In fact it was possible to obtain information from the application forms of 192 movers to the Luton, Dagenham, Rugby, Kings Cross and Croydon exchanges who had been unwilling to fill in a questionnaire. The information extracted from these forms, which is reproduced under a separate heading in various tables in chapters 8 - 10, covered certain key personal and labour market characteristics such as age, marital status, skill level and industry of employment. The results of this exercise revealed no obvious indications of selectivity bias in the questionnaire results.

### Conclusions

In retrospect there appeared to be only one cost of any significance which resulted from the enforced use of a postal questionnaire in this study. This arose out of a fear of a trade off between the length and complexity of a questionnaire and the problem of non-response. In order to minimize the risk of a low response rate it was necessary to economise on the number of questions asked, and to frame all the questions in a very straightforward rather black and white manner. This meant that the prepared answers had frequently to be posed as

discrete alternative categories which eliminated any real chance of probing for extra detail that would highlight answers of an overlapping nature on certain matters.

In addition, there were certain interesting, although less central, questions and issues concerning the stimulus for and consequences of mobility which had to be neglected in the schedule. There were no questions asked, for example, on the migrants longer term employment and unemployment background. On balance, this was probably a sensible strategy given the very successful response rate obtained, although there is no denying that some added information on the employment background of the migrants would have been an added advantage. With this knowledge of the form and organization of the questionnaire study in mind it is now possible to consider in detail the survey results of chapters 8 - 11.

CHAPTER 8THE DEMOGRAPHIC AND LABOUR MARKET CHARACTERISTICS OF THE ASSISTED  
MIGRANTS PRIOR TO MOVEMENTIntroduction

In this chapter, and the two which follow, the major tasks we have set ourselves are to identify the key demographic characteristics associated with the fact of assisted labour mobility, highlight various features of the migrants' pre-relocation labour market status and then compare these with similar dimensions of the migrants' post-relocation labour market position. Finally, there is the question of the role of the E.T.S. which, in conjunction with the job search/finding process, constitutes the link between these two labour market states. The specific issues for examination in these three chapters include the testing of a number of widely held beliefs concerning the adverse impact(s) of the operation of this type of policy in both the regions of origin and the regions of destination. In addition, the performance of the E.T.S. will be assessed in relation to the more positive evaluative criteria outlined in Chapter I.

These issues for study reflect the now familiar economic approach of treating migration as an investment decision which involves both costs and benefits to the individual mover.<sup>(1)</sup> The identification of any costs and benefits accruing to the non-migrant

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(1) The seminal article in this regard is undoubtedly Larry A. Sjaastad, 'The Costs and Benefits of Human Migration', Journal of Political Economy, Vol. 70, October 1962, Supplement, p. 80-93.

population in the demand and supply areas, together with those pertaining to the government policy making authorities, also form an integral part of this particular study. The major area of neglect in the human capital approach has been the role of motivation and attitudinal factors. The lack of attention paid to these variables in previous labour market studies has been justified on the grounds that such influences were largely exogenous to the workings of the labour market mechanism. The results of some recent work in the United States, however, has cast considerable doubt on the acceptability of such an assumption.<sup>(2)</sup> In this study there is no doubt that information of this type would have been of considerable value in analysing certain issues. But as the data utilised here was drawn from a cross section sample by means of a postal questionnaire the ability to generate any useful data along these lines was strictly limited. However, any future large scale study of the workings of the A.T.S. should definitely devote attention to this matter.

The basic data set utilized in these three chapters was obtained from the 222 respondents to the postal questionnaire sent to a sample group of Scottish assisted migrants during the period July 1974 to June 1975. A certain amount of additional information was also obtained from the official application forms of a group of non-respondents to the questionnaire and a group of non-participants in the survey. This latter body of data was originally

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(2) Glen G. Cain, 'The Challenge of Dual and Radical Theories of the Labor Market to Orthodox Theory', American Economic Review, Papers and Proceedings, Vol. LXV, No. 2, May 1975, p. 18.

sought as a means of checking on the adequacy and representativeness of the respondents' answers, but as it involved a considerable number of observations, and covered certain major demographic and labour market variables, it seemed appropriate to use it in these chapters as a useful supplementary source of information in its own right. In all the Tables presented in these three chapters, however, the data for the non-respondent and non-participant groups is separated out from that for the questionnaire respondents. This differentiation in presentation does not provide so much an indication of any possible bias in the questionnaire responses, but rather helps to identify any area-specific effects in the operation of the E.T.S. This point will be elaborated on at a later stage in this chapter.

The function of this particular chapter is to set out the background data covering the major demographic and labour market characteristics of the assisted migrants' immediately prior to relocation. This permits the testing of some of the hypotheses outlined in Chapter I, and at the same time sets the scene for the more detailed analysis of Chapters 9 and 10. This task begins with an examination of the basic demographic variables of the migrants' in the next section.

#### Sex, marital status and age of the assisted migrants

The number of movers who completed the questionnaire was 222, while the non-respondent and non-participant groups totalled 51 and 192 persons respectively. The sex-mix for these three groups is set out below in Table 6.1. The percentages are based on the respective column totals.

Table 8.1.The Sex-Mix of the Assisted Migrant Groups in the Survey (%)

	Questionnaire respondents	Non- respondents	Non- participants
Male	76.1	98.0	94.3
Female	23.9	2.0	5.7
Column totals	222	51	192

The migrants were as expected overwhelmingly male, although the percentage of females among the questionnaire respondents was well above their representation in the other two groups. It was also considerably higher than the number reported in the earlier case study findings of Chapter 6, and was much greater than their 4% representation in the sample contained in the Parker Report.<sup>(3)</sup> This higher than expected number of female movers was due to the above average response rate of migrants to Aberdeen. The Aberdeen exchange accounted for 33 of the 53 female respondents, with the remaining 20 being among the movers to the three London exchanges. The Aberdeen exchange did not provide any of the observations in the non-respondent and non-participant groups and hence the difference in the number of females between the three categories in Table 8.1.

None of the 53 females were married and only 24 of them had been regular members of the workforce prior to relocation. These facts are consistent with the well established sex-marital status difference between mobile and non-mobile workers.<sup>(4)</sup> The geographical immobility of married female workers is likely to manifest itself in an inability

(3) Stanley Parker, Assisted Labour Mobility, Unpublished Report Prepared for the Department of Employment, August 1975, p. 5.

(4) See, for example, Laurence C. Hunter and Graham L. Reid, Urban Worker Mobility, OECD, Paris, 1968, p. 46.

to move in response to a personal employment opportunity, or in the fact that any household movement which does occur is governed solely by the employment circumstances of the male wage earner and hence may be purely random in relation to the job prospects of the female member of the household.<sup>(5)</sup> This latter possibility has important implications for any policy attempt to raise female workforce participation rates in the high unemployment regions and hence is examined in some detail in Chapter 10.

The disproportionate concentration of female movers to Aberdeen is an example of the interdependence of the personal characteristics of the migrants and the spatial characteristics of the destination area. This interdependence is due to the fact that the type of industrial structure in a particular demand area is an important determinant of the personal and labour market characteristics of the migrants to that area.<sup>(6)</sup> The result of this interdependent relationship is that certain findings reported in these chapters have an area-specific dimension to them. This fact will become evident in a number of the arguments and results presented in these three chapters.

The existing evidence concerned with the independent role of marital status as a determinant of spatial mobility in Britain is somewhat inconclusive due to the difficulty of separating its influence

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(5) Beth Niemi, 'The Female-Male Differential in Unemployment Rates', Industrial and Labor Relations Review, Vol. 27, No. 3, April 1974, p. 344.

(6) This eventuality was to some extent anticipated by the four-fold classification of demand area exchanges adopted in the previous chapter.

from that of the age variable.<sup>(7)</sup> Nevertheless it merits some attention in its own right and hence the relevant evidence for the assisted movers is presented below in Table 8.2.

Table 8.2

The Marital Status of the Assisted Migrant Groups in the Survey (%)

	questionnaire respondents	non- respondents	Non- participants
Single	52.7	25.5	63.0
Married	45.5	64.7	29.7
Widowed, Separated and divorced	1.8	9.8	7.3
Column totals	222	51	192

If the figures for the three groups are combined then single persons represented 53.7% of the assisted migrants. This is a much higher figure than in the Parker Report where only 16% of the male movers, who constituted 96% of the total sample, were single.<sup>(8)</sup> The difference between the results in Table 8.2 and those contained in the Parker Report stems in part from the higher percentage of females among the migrants in this study, and from differences in the pre-move employment status of the two sets of migrants. The latter difference is analysed in the following section of this chapter.

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(7) See, for example, A.I. Harris and R. Clausen, Labour Mobility in Great Britain, 1953-63, HMSO, London, 1967, p. 9.

(8) Parker, Loc.cit.

The findings for the marital status of the assisted migrants contained an area-specific dimension. The intra-regional movers to the Scottish New Towns were all married men, whereas single persons predominated among the assisted migration flows to the London and Aberdeen exchanges. There were 117 single movers among the questionnaire respondent group and of these 81 moved to the London and Aberdeen exchanges. Unfortunately there was no indication of the particular demand area exchanges used as basic sampling points in the Parker survey and hence it was impossible to check whether there were any area specific effects that might well explain this and certain other differences between the results of the two studies.

As mentioned earlier, the specific role of marital status in influencing the process of geographical mobility is difficult to isolate because of the essential interdependence of various aspects of an individual's life cycle. It is probable, however, that marital status plays only a secondary role in stimulating migration because of its inter-relationship with the age factor which is widely regarded as the key determinant of geographical mobility.<sup>(9)</sup> The age structure of the migrants, which is set out in Table 8.3, strongly confirms the conventional wisdom regarding the inverse relationship between age and spatial mobility.

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(9) See, for example, Hunter and Heid, op. cit., p. 47-50.

Table 8.3. The Age Structure of the Assisted Migrant Groups in the Survey (%)

	15-19	20-4	25-9	30-4	35-9	40-4	45-9	50+	Row Total
Questionnaire	35.1	22.5	14.4	9.5	6.3	4.1	3.2	5.0	222
Non-respondents	11.8	23.5	21.6	11.8	7.8	9.8	7.8	5.9	51
Non-participants	16.2	44.3	18.8	6.8	6.8	3.7	3.1	0.5	192

Previous studies have suggested that around 45 is the critical age-mobility threshold with people beyond this age being only 50% as mobile as the population in general.<sup>(10)</sup> The age structure of the assisted migrants conforms well to this suggested threshold with 91.7% of the respondent group, 86.3% of the non-respondents and 96.4% of the non-participants being less than 45 years of age. The concentration of younger aged persons among the assisted migrants is strikingly revealed by a comparison with figures from the 1971 Census which revealed that only 60.6% of the economically active males and females in Scotland were aged below 45.

The previously suggested interdependence of single status and younger age was confirmed by the fact that 90.6% of the single movers among the questionnaire respondents were aged below 25, whereas some

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(10) A.J. Brown, The Framework of Regional Economics in the United Kingdom, NISER, Cambridge University Press, London, 1972, p. 259.

62.4% of the married movers in the respondent group were in the prime workforce years 25-44. The relevant figures in the Parker Report revealed that 80.4% of the assisted migrants were aged below 45.<sup>(11)</sup> The only difference between the Parker results and the figures in Table 8.3. was the dominance of the 25-34 age group in the former sample (38%), whereas the younger age groups 15-19 and 20-24 predominated in all three categories in Table 8.3, although only in the case of the questionnaire respondents did those in the 15-19 age group outnumber those in the 20-24 group. The reason for these age differences will emerge in the discussion of workforce status immediately prior to relocation, a subject which is taken up in the following section.

#### Workforce Status Prior to Relocation

The details of the questionnaire respondents' employment status prior to relocation are set out below in Table 8.4.

Table 8.4    The Pre-Migration Employment Status of the Questionnaire Respondent Group (%)

Unemployed regular member of the work- force	In employment*	Never employed before	Row Total
51.4	20.7	27.9	222

\* Presumably under notice of redundancy or in temporary, stop gap employment.

(11) Parker, Loc. cit.

It is the non-workforce status of 27.9% of the questionnaire respondents prior to migration which helps account for the dominance of the 15-19 age group among this particular group of migrants in Table 8.3. In contrast, the Parker sample, which consisted of workers who had been assisted to move during the period July 1971 to June 1973, did not contain any school leavers at all.<sup>(12)</sup> This was largely because assistance under the E.T.S. was not extended to persons aged below 18 until after February 1975.<sup>(13)</sup> The non-workforce status category in Table 8.4 can be broadly divided into two groups. The first group consisted predominantly of persons who upon completing university degrees had obtained clerical, administrative or professional level jobs in London. The second group comprised females who had just finished their full time secondary education in various villages and small towns in the North East region of Scotland and were moving to Aberdeen to begin nursing training. The existence and nature of these two migration flows has been documented in previous studies.<sup>(14)</sup>

#### Unemployment duration prior to migration

The figures for the migrants' duration of unemployment prior to obtaining employment outside the local labour market area are set out in Table 8.5. The row total (136) consists of 114 unemployed

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(12) Parker, *ibid.*, p. 7

(13) Department of Employment Gazette, February 1975, p. 128.

(14) See respectively D.I. Mackay, Geographical Mobility and the Brain Drain, George Allen & Unwin, London, 1969; Scottish Office, North East Scotland, HMSO, Edinburgh, 1969, p. 48.

regular members of the workforce and 22 school leavers who had registered as unemployed prior to movement.

Table 8.5. The Duration of Unemployment of the Unemployed among the Questionnaire Respondent Group (%)

Under 2 weeks	2-5 weeks	6-9 weeks	10-13 weeks	14-26 weeks	27-52 weeks	52+ weeks	Row Total
11.8	24.3	14.0	14.7	20.6	10.3	4.4	136

This distribution of unemployment duration bears a quite remarkable similarity to that presented earlier in Chapter 6. In both cases the two points of concentration were the quite dissimilar categories of 2-5 weeks and 14-26 weeks of unemployment. The under-representation of long term unemployed (over 52 weeks) among the migrants relative to the unemployed population in Scotland<sup>(15)</sup> may again be explained by the disproportionate concentration of younger aged persons among users of the E.T.S. The importance of this factor is obvious from the number of studies that have identified age as the most significant determinant of an individual's duration of unemployment.<sup>(16)</sup> Furthermore, the fact that the successful job finding methods involved a willingness to move outside the local labour market area in itself has been interpreted as a sign of above average job search motivation.<sup>(17)</sup> This again would be a force

(15) See, for example, Department of Employment Gazette, February 1976, p.130.

(16) D.I. Mackay, 'After the Shake Out', Oxford Economic Papers, Vol. 24, No. 1, March 1972, p. 91-2.

(17) Frank Herron, Labour Market in Crisis, Macmillan, London, 1975, p.47-8.

operating to reduce the number of long term unemployed among users of the E.T.S.

An individual set of figures for duration of unemployment must in large measure reflect the overall state of demand which prevailed during the period of study. Therefore in view of the different time periods during which the two surveys were conducted no attempt is made to produce a detailed comparison of the distribution of unemployment duration in Table 8.5 with that of the Parker Report. Nevertheless one point worthy of special mention in the Parker study was the finding that the average period of unemployment for the migrants' was 20 weeks.<sup>(18)</sup> This figure lends weight to our earlier argument in Chapter 6 that one cannot necessarily assume that schemes of the E.T.S. type will predominantly assist the movement of the short term unemployed. Unfortunately there has been a tendency in the relevant literature to dismiss out of hand the potential role and value of relocation assistance in aiding the re-employment of longer term unemployed workers.<sup>(19)</sup>

The relatively small number of observations ( $N = 136$ ) limits the ability to meaningfully disaggregate the unemployment duration data in Table 8.5 by the various personal and labour market characteristics of the assisted migrants. Some general tendencies in this regard may, however, be revealed if the data in Table 8.5. is

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(18) Parker, ibid, p. 7.

(19) This is certainly the case in Adrian Sinfield, The Long Term Unemployed, OECD, Paris, 1967, p. 72.

regrouped into two broad categories, one containing those unemployed for less than 14 weeks and the other for those out of work for more than 14 weeks. Accordingly, the resulting groupings are then compared with the marital status details of the questionnaire respondents in Table 8.6. below. The small number of observations in the Table must be borne in mind when considering the results presented.

Table 8.6. A Comparison of Unemployment Duration and the Marital Status of the Unemployed among the Questionnaire Respondent Group (%)

	Under 14 weeks of unemployment	More than 14 weeks of unemployment
Married	59.1	62.5
Single plus widowed, divorced and separated	40.9	37.5
Column totals	88	48

The results in Table 8.6 are rather inconclusive due to the fact that the two marital status categories account for approximately similar proportions in both unemployment duration groups. This finding is perhaps not altogether surprising as the exact role of marital status in relation to duration of unemployment is rather uncertain due to the possible existence of two forces pulling in opposite directions. In the case of a married man, for example, one would expect that family responsibilities would place him under greater financial pressure than his single counterpart to return to work as quickly as possible. At the same time, however, the level of

unemployment benefit payments is positively related to the number of family dependants and this may act as an offsetting disincentive to immediately seek re-employment. Although the direction of the relationship is difficult to predict on an a priori basis at least one recent study has established that married men, ceteris paribus, tended to obtain new employment more quickly than single men.<sup>(20)</sup> The lack of a clear cut result in Table 8.6 may be the result of the non-fulfillment of the necessary ceteris paribus condition due to a strong inter-relationship between single status and younger age, and vice versa. The relationship between age and duration of unemployment is itself set out in Table 8.7 below.

Table 8.7    A Comparison of Unemployment Duration and the Age of the Unemployed among the Questionnaire Respondent Group (%)

	Under 14 weeks of unemployment	More than 14 weeks of unemployment
15-29	69.3	56.3
30-44	26.1	29.2
45-50+	4.6	14.6
Column totals	88	48

In contrast to the marital status variable a very definite relationship emerges in Table 8.7 between age and the duration of unemployment. The younger aged migrants were disproportionately concentrated in the under 14 weeks unemployment category. These

(20) D.I. Mackay and G.L. Reid, 'Redundancy, Unemployment and Manpower Policy', The Economic Journal, Vol. 82, No. 4, December 1972, p. 1265.

figures indicate that, even in a sample whose overall age distribution is markedly skewed in favour of younger aged groups, differentiation by age is still a critical factor in determining the probability of re-employment. The regression results presented in Appendix 8A add further weight to this conclusion. Finally in Table 8.8 the two duration categories are disaggregated by the relevant skill levels of the unemployed migrants.

Table 8.8 A Comparison of Unemployment Duration and the Skill Level of the Unemployed among the Questionnaire Respondent Group (%)

	Under 14 weeks of unemployment	More than 14 weeks of unemployment
unskilled, semi- skilled	46.6	54.2
sales	9.1	8.3
skilled	18.2	8.3
clerical, administra- tive/professional	12.5	8.3
school leavers	13.6	20.8
column totals	788	48

The results in Table 8.8 are not as definite as those for the age variable, although the general direction of the relationship is reasonably clear with the short term unemployment category containing relatively more higher skilled migrants. Conversely, the over 14 weeks unemployment category contained relatively more of the lesser skilled migrants. The exception to this position was the school

leaver category. Among the school leavers there may have been some element of voluntary unemployment prior to taking up their first job, although, on the other hand, this survey was conducted during a period when the incidence of unemployment among school leavers was becoming a matter of some policy concern.<sup>(21)</sup>

The whole question of unemployment duration with its implications for the willingness to search for jobs outside the local labour market was an area in which detailed information on the motivational and attitudinal factors involved in the migration decision would have been of considerable value. The above analysis was limited by the fact that the personal and labour market characteristics of the migrants' were not capable of revealing anything directly about the nature of the intentions and aspirations involved in an individual persons decision to move. If it had been possible to make use of a personal interview schedule in this study an investigation could have been made, for instance, of whether job choice outside the local labour market area was dictated in the main by positive or negative factors. Such information on job expectations might well have revealed a dichotomy between jobs taken as a temporary, stop-gap measure and those taken with the expectation of satisfactory, permanent employment.<sup>(22)</sup> A distinction between the different types of job search strategy adopted by the migrants could possibly have been an important factor in helping to explain the two quite separate points of

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(21) Department of Employment Gazette, October 1975, p. 1044.

(22) Mackay, op. cit., p. 103-8.

concentration revealed in the distribution of unemployment duration set out in Table 8.5. In addition, such information would be likely to provide useful insights into a number of other issues (such as the question of return migration rates) which are taken up in later chapters. This is a line of investigation that should definitely be pursued in any future large scale study of the E.T.S.

#### Secondary job loss resulting from the relocation of unemployed labour

One of the most widely accepted criticisms of assisted labour mobility policy is that its operation will have a deflationary impact on the local economies of the out-migration areas. This effect is seen to result from the migrants' draining off purchasing power from the area of origin which in turn produces downward income-expenditure multiplier effects in the local market orientated business sector.<sup>(23)</sup>

This multiplier effect results from the essential interdependence of the labour demand and supply functions which means that changes in labour supply due to migration have an adverse feedback effect on the level of labour demand. The feedback of changes in labour supply on the level of demand operates through the following factors; the direct link between changes in population and income and the demand for local services, the fact that manufacturing industry has become increasingly local market orientated, and finally through the relationship between regional expansion in population, income etc.,

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(23) See, for example, L. Needleman and B. Scott, 'Regional Problems and Location of Industry Policy in Britain', Urban Studies Vol. I, No. 2, November 1964, p. 156-7.

and relative environmental attractiveness to new firms.<sup>(24)</sup>

While the multiplier effect always operates in the downward direction it has been insufficiently emphasized that the secondary job loss due to assisting the movement of unemployed labour is not a constant in all labour market circumstances. The magnitude of the resulting job loss will vary with the state of aggregate demand in the economy at the time, and with the degree of spatial concentration of the migrant flows. The secondary unemployment costs will be least in a situation of generally slack demand where there are no primary effects on production,<sup>(25)</sup> and in a situation where the migrants' come from spatially separate locations in one large region as opposed to movement that originated solely within one small, local area.

The size of the migrant outflow in relation to the population base of the area of origin is also an important determinant of the extent of the secondary job loss, as the employment effects from an induced leftward shift in the demand curve will be most severe where migration has produced an absolute fall in total population numbers in the supply area.<sup>(26)</sup> These three influences must be explicitly taken into account when assessing the likely order of magnitude of secondary job loss stemming from the assisted migration of unemployed labour.

There has been a tendency in regional policy discussion in

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(24) A.P. Thirlwall, 'Migration and Regional Unemployment: Some Lessons for Regional Planning', Westminster Bank Review, November 1966, p. 37.

(25) Brown, op. cit., p. 275.

(26) John B. Parr, 'Outmigration and the Depressed Area Problem', Land Economics, Vol. LXII, No. 2, May 1966, p. 153-4.

Britain to imply that the interdependence of labour supply and demand only entails adverse consequences for the efficient working of supply side policy. The impression conveyed in the relevant body of literature is that assisted labour migration flows, but not capital flows, are likely to entail destabilizing, external costs capable of producing a non-convergent inter-regional growth path.<sup>(27)</sup>

This is, to say the least, somewhat inconsistent as the inter-dependence of labour supply and demand is a constraint on the effectiveness of capital mobility policy just as it is on that of labour mobility policy. This fact has been somewhat belatedly recognised in recent studies of industrial relocation policy. An ILO study, for example, argued that a policy of capital relocation may be of only limited effectiveness in reducing inter-regional unemployment differentials if it encouraged return flows of earlier migrants, and at the same time reduced out-migration flows below what they would have been in the absence of the policy.<sup>(28)</sup> The latter effect has been confirmed in a recent study of industrial relocation policy in Scotland.<sup>(29)</sup> A number of case studies of individual plant relocation have also documented similar 'counter-productive' effects.<sup>(30)</sup>

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(27) As indicated in Chapter 3 this was not the view put forward by Myrdal in his original formulation of the cumulative causation model. Myrdal explicitly acknowledged the fact that both labour and capital flows contained potentially destabilizing elements due to this interdependence of supply and demand.

(28) ILO, Unemployment and Structural Change, Geneva, 1962, p. 158-9.

(29) Barry Moore and John Rhodes, 'Regional Policy and the Scottish Economy', Scottish Journal of Political Economy, Vol. 21, No. 3, November 1974, p. 229-232.

(30) See, for example, J. Salt, 'The Impact of the Ford and Vauxhall Plants on the Employment Situation on Merseyside, 1962-5' Tijdschrift voor Economische en Sociale Geografie, Vol. 58, No. 5, 1967, p. 255-64.

These various considerations constitute the necessary background to the calculations presented in the remainder of this section.

Previous discussions of the induced employment costs of assisted labour migration policy have concentrated on workers unemployed prior to relocation and hence this will be the emphasis adopted in the remainder of this section. The formula for calculating the size of the secondary employment loss due to assisting the movement of unemployed workers is as follows:<sup>(31)</sup>

$$e = \frac{1}{skz}$$

where  $e$  = the loss of one secondary job

$s$  = the ratio of the mean value of unemployment benefits to average weekly earnings

$k$  = the short run keynesian income-expenditure multiplier

$z$  = the proportion of expenditure from unemployment benefit payments which goes directly to factor incomes in the local supply area.

The estimates for these variables provided by Archibald<sup>(32)</sup> and Brown<sup>(33)</sup> respectively are as follows:

$$k = 1.2 \text{ or } 1.15-1.24$$

$$z = 0.3 \text{ or } 0.4$$

$$s = 0.4 \text{ or } 0.4-0.6.$$

Both Archibald and Brown openly acknowledged that the underlying basis of these estimates was crude, particularly in the case of the  $z$  variable where 'the available evidence does not permit any form of

(31) G.C. Archibald, 'Regional Multiplier Effects in the U.K.' Oxford Economic Papers, Vol. 19, No. 1, March 1967, p. 36.

(32) Archibald, op. cit. p. 35-6

(33) Brown, ibid., p. 275-6.

estimate of the relevant expenditure coefficient'.<sup>(34)</sup> The estimate for the z variable was little more than an educated guess. Unfortunately no new data has since become available which is capable of generating more refined estimates of the z variable. Therefore, in the absence of anymore appealing alternative, Archibald's suggested expenditure coefficient of 0.3, as well as his estimate of  $k = 1.2$ , will be retained here.

The questionnaire returns of the assisted migrants did, however, indicate the amount of unemployment benefit received which, in conjunction with information on average weekly earnings in Scotland for this period, permitted some light to be shed on the approximate size of the s variable in the above formula. Some 116 of the migrants were in receipt of unemployment benefit prior to relocation and their mean payment was £13.66 per week. Now the April 1974 and April 1975 New Earnings Surveys revealed that average weekly earnings for all (manual and non-manual) male workers in Scotland was £46 and £60.3 per week respectively.<sup>(35)</sup> These two survey dates bound the E.T.S. study period reasonably well so that the midpoint figure of £53 per week does not seem an unreasonable estimate to insert in the denominator of the s ratio. The resulting estimate for s is  $\frac{14}{53}$  or .2642 which, when entered into the formula  $e = \frac{1}{skz}$  in conjunction with the estimates for k and z of 1.2 and .3 respectively, yields a job displacement ratio of 1 : 10.69 i.e. the relocation of some 11 unemployed persons receiving the mean weekly benefit payment would be sufficient to

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(34) Archibald, *ibid.*, p. 35.

(35) See respectively the Department of Employment Gazette, November 1974, p. 1005 and November 1975, p. 1143.

displace 1 extra person from employment. This figure is below Archibald's estimate of a 1 to 7 displacement ratio.<sup>(36)</sup> This difference between the two estimates undoubtedly reflects the difficulty of maintaining unemployment benefits as a specified percentage of average weekly earnings during periods of extremely rapid wage inflation such as prevailed during our survey period.

The extent of variation around the mean benefit payment was quite considerable, with some 32.6% of the unemployed respondents being in the two payment categories £17 to £20 and £20 to £30 per week. In the latter category, for example, the midpoint payment of £25 was high enough in relation to the average weekly earnings figure of £53 to yield an  $s$  value of .47 which when inserted in the above formula resulted in a job displacement ratio of 1 : 5.9, i.e. the relocation of only 6 persons in this upper benefit payment category was sufficient to cause the loss of 1 extra job in the local supply area.

The implication of these quite different estimates (which follow from the fact that an individual's level of benefit payments is dependent on previous earnings levels, number of dependents and time out of work) is that the size of the  $s$  variable, and probably that of the  $z$  variable, will vary considerably between the different categories of unemployed workers, so that the magnitude of the induced job displacement effect will vary with the characteristics of the unemployed workers who are being assisted to move.

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(36) Archibald, *ibid.*, p. 36. See also Brown, *ibid.*, p. 276.

The above estimates lack an adequate empirical foundation for generalising about the induced demand costs of relocating unemployed workers in Britain. There is a definite need for further work in this area, particularly with a view to obtaining some 'hard' evidence on the size of the expenditure coefficient  $z$ . Such an exercise will involve trying to identify the major differences in the expenditure pattern of unemployed workers from that of employed persons in terms of the local value added content of the goods and services purchased by the two groups. This will be a far from easy task on anything but a case study basis, and yet without such information one cannot advance beyond the type of illustrative calculations presented above. In the absence of such work it will be impossible to reach a conclusion other than that 'there is no reason to suppose that the shift in labour demand associated with migration will dominate the labour supply shift, nor that the supply shift will dominate any demand shift, nor that the shifts will not offset one another'.<sup>(37)</sup> It is clearly imperative that policy makers should be in a position to make a more positive statement than this.

In a review of the various dynamic mechanisms through which inter-regional growth differentials may become self-perpetuating Brown concluded, admittedly on the basis of largely impressionistic evidence, that the impact of an age, skill selective out-migration process is more likely to constitute a major engine of circular and cumulative causation in the British context than the operation of an income-expenditure multiplier process.<sup>(38)</sup> Accordingly the next

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(37) Kenneth G. Willis, Problems in Migration Analysis, Saxon House, Farnborough, 1974, p. 212.

(38) Brown, ibid., p. 202.

section of this chapter is devoted to an examination of the evidence concerned with the argument that policies of the I.T.S. type will drain off a disproportionate number of skilled and trained workers from the out-migration area. The results to be presented in this section should be placed in the context of the evidence for age structure presented earlier in this chapter as well as the case study findings for the age and skill variables contained in Chapter 6.

#### Key labour market characteristics of the assisted migrants

It is widely contended that assisting the movement of labour from high unemployment regions will have the effect of denuding the area of its more qualified and employable workforce members - i.e. young, skilled and trained workers - thus leaving a residual workforce composed of over aged, under-trained workers lacking an adequate depth and range of industrial skills and experience. The results in Table 8.3 certainly indicated that the assisted migrant groups contained a disproportionate number of younger aged persons relative to the age composition of the general workforce in Scotland. The question for consideration in this section is whether this disproportionate outflow of younger aged workers also constituted a skill drain from the region.

The evidence on this question, which is presented in Table 8.9, is based on the skill level of the last job held by the assisted movers prior to relocation. Information on this issue for the non-respondent and non-participant groups, as well as the questionnaire respondents, is contained in Table 8.9. The percentages are based on the respective row totals.

Table 8.9      The Skill Level of Last Job Held by the Assisted  
Migrant Groups in the Survey Prior to Relocation\*(%)

	Unskilled	Semi- skilled	Skilled	Sales	Clerical	Administra- tive/pro- fessional	Row Totals
Questionnaire respondents	47.5	10.0	15.6	10.6	9.4	6.9	160
Non- respondents	56.5	13.0	21.7	-	2.2	6.5	46
Non- participants	39.7	28.5	16.2	8.4	3.4	3.9	179

\* The 80 school leavers (62 of them being among the questionnaire respondents) are excluded from the row totals in the Table.

The contents of Table 8.9 provide little support for the alleged skill drain effect of worker relocation policy. The lesser skilled groups (unskilled and semi-skilled) represented 57.5% of the questionnaire respondents, 69.5% and 68.2% respectively of the non-respondent and non-participant groups. These figures represent a significant departure from previous studies of unassisted migration in Britain which have been virtually unanimous in establishing a positive relationship between higher occupational status and the extent of spatial mobility.<sup>(39)</sup>

In line with the argument presented in Chapter 6 the contents of Tables 8.3 and 8.9 suggest that only a similar age structure is

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(39) For a useful summary of these earlier studies see Michael Mann, Workers on the Move, Cambridge University Press, London, 1973, Chapter 2.

common to both assisted and unassisted migration flows. It is the disproportionate number of younger aged persons which links the two migration streams. The results for the first two rows in Table 8.9 provide some support for the suggestion in Chapter 6 that there may be a below average representation of semi-skilled workers among users of the E.T.S. The composition of the non-participant category, however, is out of line with this hypothesis and hence no definite conclusions can be drawn at present about this particular issue.

During the survey period unskilled workers comprised between 54 and 57% of total male unemployment in Scotland<sup>(40)</sup> which indicates that the representation of the unskilled among the assisted migrants did not differ significantly from their percentage of total unemployment. This is a desirable finding as the disproportionate representation of unskilled workers in the national unemployment total<sup>(41)</sup> reveals that they are a group requiring the maximum policy assistance. The figures in Table 8.9 suggest that the present operation of the E.T.S. is assisting in this regard through helping to offset, at least to some extent, the various constraints that normally restrict the spatial mobility of unskilled, unemployed workers.

These constraints include the lack of an organised network of job information channels extending beyond the local labour market area, and the lack of financial resources with which to meet the costs of actual movement to a new area in order to take up employment.

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(40) Unpublished figures supplied by the Edinburgh Office of the Department of Employment.

(41) During the survey period unskilled workers constituted between 43 and 48% of male unemployment in Great Britain as a whole.

In short, the skill composition of the assisted migrants suggests that the existence of the E.T.S. has performed a useful function in adding a meaningful geographical dimension to the normally restricted spatial area of job search and employment opportunity of unskilled workers.

The final dimension of the selectivity hypothesis concerns the amount of human capital embodied in the assisted migrants. The importance of this variable is evident from the results of previous studies in Britain which have reported a positive correlation between an individual's level of education and training and the extent of his geographical mobility.<sup>(42)</sup> The importance of the lesser skilled groups in Table 8.9 creates the presumption that the amount of training embodied in this sample will be considerably less than has been revealed in studies of unassisted migration. However, the now well established fact that a lesser skilled job is not necessarily held by a lesser skilled worker<sup>(43)</sup> is a warning against prejudging this question.

In questioning the migrants on this matter, attention was centred on the nature and extent of post-school, vocational training, but information was also obtained on the question of when they completed their secondary school education. The results for the questionnaire respondent group were as follows; 46.4% of the respondents left school at or below the (then-current) minimum school leaving age of 15, 27.0% at age 16, 17.1% at 17, 8.6% at 18 and 1% at 19. These

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(42) See, for example, D. Friedlander and R.J. Roshier, 'A Study of Internal Migration in England and Wales, Part II', Population Studies, Part I, July 1966, p. 45-60.

(43) See, for example, the evidence reported in D.I. Mackay et al., Labour Markets Under Different Employment Conditions, George Allen & Unwin, London, 1971, Chapter 10.

figures form a useful background to the contents of Table 8.10 which are concerned with the type and amount of post-school, vocational training undertaken by the migrants. The percentages in the Table are based on the total number of questionnaire respondents, i.e. 222 persons.

Table 8.10. The Nature and Extent of Post School Training Undertaken by the Questionnaire Respondent Group (%)\*

	Further education	Government training centres	Appren- ticeships	Uni- versity	Armed forces	Nurs- ing	No training at all
In Progress	3.2	-	7.2	-	-	11.3	-
Failed to Complete	1.8	0.5	3.2	2.3	-	-	-
Completed	5.0	3.2	12.6	7.7	1.4	-	-
Column per- centages	10.0	3.7	23.0	10.0	1.4	11.3	39.6

\* In addition, one migrant had completed both a course of further education and an apprenticeship, one had completed both an apprenticeship and a university degree and a third was currently undertaking both further education and an apprenticeship.

If one excludes the 39.6% of the migrants who had received no post-school training of any kind and the 21.6% of the group whose training was still in progress then the remaining migrants had completed the following periods of training; 4.1% had 6 months or less training, 2.7% 6-12 months, 3.6% 1-2 years, 5.4% 2-3 years, 8.6% 3-4 years, 9.5% 4-5 years, 1.4% 5-6 years, 0.5% 6-7 years and 1.8% 7-8 years. At first sight these figures seem to suggest

a relatively well educated and trained group of migrants whose movement represented a considerable drain of human capital from their respective local supply areas. If this was so these results would go some way to offset the findings in Table 8.9 which provided little support for the skill drain argument. It is difficult to judge how well trained the migrants are in an absolute sense, but the lack of similar data for a comparable sample group or for the workforce of Scotland as a whole leaves us with no alternative but to draw out in greater detail some of the results contained in Table 8.10.

The first point to emphasise is that the largest single number of migrants in the Table had received no training of any sort since leaving school. This group represented 39.6% of the questionnaire respondents. Certainly over 30% of the sample had actually completed education and training courses of some sort, but ~~here~~ it is necessary to distinguish between vocational and non-vocational training. The migrants who had undertaken further education had rarely been engaged in vocational training courses, but rather were attempting to improve their level of secondary education through taking extra 'O' levels. If one leaves aside the rather special case of university graduates moving to London, then really only 28 time served apprentices and 7 skill centre trainees out of the 222 respondents come under the normal heading of trained personnel whose loss through migration is deplored by the communities and authorities of high unemployment regions. As this group represents only some 15% of the questionnaire respondents this result does not appear to be inconsistent with our

earlier conclusion that the present operation of the E.T.S. has not simply creamed off a disproportionate number of the most employable of Scotland's unemployed workers. A final point to note is that the number of 'in progress' trainees in Table 8.10 illustrates the role of the E.T.S. in assisting the movement of younger persons to demand areas where further training can be undertaken.<sup>(44)</sup>

In order to fully round off this section on the pre-move labour market characteristics of the migrants our final task is to outline the industries which were the last employers of the relocatees in the areas of origin. A policy of assisted labour mobility should ideally facilitate the movement of labour from industries of secular decline to those industrial sectors that are growing in employment terms and hence may be experiencing shortages of manpower. The direction and extent of inter-industry flows are more fully examined in Chapter 10, but for the moment we will concentrate on the task of identifying the major industries which 'supplied' assisted migrants.

The data in Table 8.11 is for the migrants' last industry of employment prior to relocation, but in view of the numerical importance of unskilled workers among the assisted migrants this last industry of employment may not necessarily be their 'regular' industry of employment. Indeed given the high propensity of unskilled workers to change industries<sup>(45)</sup> the concept of a regular industry of employment

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(44) The general role of migration in facilitating the process of training is discussed in Mary Jean Bowman and Robert G. Myers 'Schooling, Experience and Gains and Losses in Human Capital Through Migration', Journal of the American Statistical Association, Vol. 62, No. 3, September 1967, p. 875-98.

(45) Willis, op. cit. p. 24-6.

may be of rather limited applicability to a considerable number of the migrants. The results for only the seven leading supply industries are listed in Table 8.11. The percentages are based on the all industry total for each respective column.

Table 8.11. The Seven Leading Pre-Move Industrial Sectors of Employment for the Assisted Migrant Groups in the Survey (5).

Industry Group (SIC level)	Questionnaire respondents	Non- respondents	Non- participants	Row Total and per- centages
XX Construction	13.6	28.3	22.7	74 (19.6)
VII-IX Engineering	12.9	6.5	11.4	43 (11.4)
XXIII Distribu- tive trades	12.9	15.2	5.7	37 (9.8)
III Food, drink & tobacco	6.5	10.9	10.8	34 (9.0)
XXVI Miscellaneous services	9.7	8.7	8.5	34 (9.0)
XXII Transport & communication	9.0	4.4	4.6	24 (6.4)
VI Metal manu- facture	4.5	4.4	6.8	21 (5.6)
Total for all recorded industries*	155	46	176	377

\* The respective column totals exclude the school leaver group and the 5 questionnaire respondents who failed to provide answers to this question.

If one considers the three migrant groups as a whole then the seven industrial sectors in Table 8.11 accounted for the employment of 70.8% of the assisted migrants prior to relocation. The only other industries to supply more than 10 migrants were Public Administration (18), Textiles (13) and Vehicles (12). The Parker Report found a broadly similar industrial pattern with the three leading supply industries being the engineering orders (22%), services (16%) and construction (11%).<sup>(46)</sup> The different order of industries between the two studies is likely to be a reflection of the national rather than regional basis on which the Parker sample was drawn, as well as the different economic conditions which prevailed during the two survey periods.

The factors that are likely to be relevant in explaining this pattern of supply industries may be usefully illustrated by considering the dominant position of the construction industry.<sup>(47)</sup> The construction industry has long had a reputation as a high labour turnover industry due to the inherent difficulty of ensuring continuity of work on individual sites. The result has been a considerable two-way flow of labour between construction and various other industries, notably shipbuilding and vehicle manufacturing. Even in reasonably prosperous years unemployment and turnover in the construction industry has typically been double the industry average, but as the industry is extremely sensitive to adverse cyclical movements there has always been a sharp increase in lay offs and involuntary turnover during periods of falling demand.

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(46) Parker, *ibid.*, p. 8.

(47) This discussion draws heavily on the Report of the Committee of Inquiry Under Professor E.H. Phelps Brown into Certain Matters Concerning Labour in Building and Civil Engineering, Cmd., 3714, HMSO, London, 1968, paragraphs 159 and 265-6 especially.

This was the situation during the survey period. In 1974 output in construction was estimated to be some 10% below 1973 levels which in turn led to a lay off of over 100,000 members of the industry's 1.5 million workforce.<sup>(48)</sup> As a consequence it was hardly surprising to find such a concentration of ex-construction workers among the assisted migrants. This type of analysis could undoubtedly account for the position of the other major supply industries in Table 8.11. The sizeable number of migrants previously employed in the distributive trades and miscellaneous service sector, for example, would appear to be explicable in terms of the sizeable element of temporary employment in these two sectors<sup>(49)</sup>, as well as in the fact that these service sectors have traditionally been the spring board for young persons moving into manufacturing employment.<sup>(50)</sup>

The final section of this chapter briefly outlines the pre-move housing status of the assisted migrants. The direction and size of flows between the various types of accommodation following migration, which may well have important implications for the extent of adjustment difficulties and return migration rates experienced by I.T.S. movers, are discussed in greater detail in Chapter 10.

#### The pre-move housing position of the assisted migrants

It is widely asserted, although less often supported with evidence, that the excess demand for housing in potential destination

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(48) National Institute Economic Review, February 1975, p. 67-8

(49) S.C. Newton and S.A. Parker, 'Who are the Temporary Workers?', Department of Employment Gazette, June 1975, p. 509.

(50) R.D. Sleeper, 'Labour Mobility Over the Life Cycle', British Journal of Industrial Relations, Vol. 13, No. 2, July 1975, p.201.

areas constitutes the major constraint on geographical mobility in Britain.<sup>(51)</sup> Typically this constraint has been discussed in terms of its inhibiting effect on the level of potential migration.<sup>(52)</sup>

The argument generally advanced is that the effect of heavily subsidized local authority housing rents limits the incentive to move which in turn leads to a reduction in the rate of turnover of the local authority housing stock. This effect, in conjunction with the sizeable decline in the availability of private rented accommodation, reduces the total volume of migration relative to what it would be in the context of a more freely functioning housing market.<sup>(53)</sup>

The nature of the relationship between housing and geographical mobility may not be as straightforward as is so frequently assumed. It is quite possible, for instance, that the main effect of local authority rented accommodation may be to make those persons who have personal and labour market characteristics that typically constrain geographical mobility even less willing to move.<sup>(54)</sup> This hypothesis is specifically examined in Chapter 9. For the moment, however, attention will be confined to simply outlining the types of housing held by the assisted migrants prior to relocation. The results of this exercise are set out in Table 8.12

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(51) See, for example, OECD, International Management Seminar on Active Manpower Policy, Paris, 1964, p. 64.

(52) See the example cited in H.A. Richardson and E.G. West, 'Must we Always Take Work to the Workers?', Lloyds Bank Review, No. 71, January 1964, p. 38.

(53) J.B. Cullingworth, Housing and Labour Mobility, OECD, Paris, 1969, p.42-8.

(54) Hunter and Reid, ibid., p. 143.

Table 8.12. The Type of Pre-Move Housing Accommodation Held by the Questionnaire Respondent Group (%)

Owner occupier	Local authority rental	Private rental	Development corporation rental	Living with parents/family	Temporary accommodation	Row total
8.6	26.2	21.2	3.6	39.2	1.4	222

The largest single group in Table 8.12 were those residing with their parents and family which reflected the dominance of the 15-19 age group, as well as the sizeable number of school leavers, among the questionnaire respondents. The second largest group were local authority renters, a tenure category traditionally seen as likely to limit the extent of movement beyond local area boundaries.<sup>(55)</sup> The number of migrants from the local authority rental sector marginally exceeded those from the normally 'footloose' private rental sector<sup>(56)</sup> and, if one excludes the rather special case of younger persons living with their parents and family, their representation in the sample was not far below the 53.3% of all housing in Scotland which is rented from local authorities.<sup>(57)</sup> While local authority rented accommodation may inhibit the movement of potential migrants the figures in Table 8.12 nevertheless suggest that the fact of unemployment (especially if prolonged) may have forced a considerable number of

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(55) Cullingworth, op. cit., p. 30.

(56) James H. Johnson et al., Housing and the Migration of Labour in England and Wales, Saxon House, Farnborough, 1974, p. 109.

(57) Housing and Construction Statistics, No. 9, First quarter 1974, p.73.

the assisted migrants to give up this form of housing in order to obtain employment outside their local labour market area. This raises the possibility of the effectiveness of the E.T.S. in independently stimulating and facilitating migration varying according to the type of housing held by the migrants in the areas of origin. This hypothesis is examined in the final section of Chapter 9.

### Conclusion

The basic aim of this chapter has been to set the scene for the more detailed, in-depth analysis of Chapters 9 and 10 by outlining the major demographic and pre-move labour market characteristics of the assisted migrants. At the same time this information has not been without interest and value in its own right. The data permitted some testing of the hypotheses concerned with the alleged selective composition of out-migration flows and the induced secondary unemployment costs of the operation of assisted labour mobility policy. The findings which emerged were somewhat at variance with much of the a priori speculation about the likely effects of this type of policy.

In the following chapter we examine the role of the E.T.S. which, together with the job search/finding process, constitutes the link between the pre-migration and post-migration labour market positions of the relocatees. The specific issues for examination in Chapter 9 include identifying the successful job finding methods used by the migrants and evaluating the effectiveness of the E.T.S. in stimulating and facilitating migration that would not otherwise have been possible.

APPENDIX 8ASCML REGRESSION RESULTS FOR THE MIGRANTS' DURATION OF UNEMPLOYMENT

The contents of this short Appendix are intended to complement the data and analysis in Chapter 8 which considered the unemployed migrants' time out of work prior to relocation. The simple model tested here seeks to establish the extent of the relationship between duration of unemployment and the three supply side variables age, marital status and skill, plus the level of unemployment benefit received by the migrants.

In comparison to previous studies of the structural and behavioural determinants of unemployment duration<sup>(1)</sup> this model is skeleton like, as it lacks any measure of demand side influence and contains no variables capable of taking account of any differences in job search strategy adopted by members of the sample group. As a result of these limitations a low level of overall explanatory power was expected (and achieved) from this exercise, and hence the results are consigned to this appendix rather than being included in the text of Chapter 8.

The relatively small number of sample observations (N=136) necessitated the amalgamation of the various sub-categories of the independent variables, as in their original form the small sub-cell sizes would have considerably reduced the likelihood of statistically significant results. The basis upon which the various sub-categories

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(1) See, for example, D.I. Mackay and G.L. Reid, 'Redundancy, Unemployment and Manpower Policy', The Economic Journal, Vol. 82, No. 4, December 1972, p. 1256-1272.

were amalgamated was the cross-tabulation results set out in Chapter 8. The variables were all entered in dichotomous dummy form and the resulting equation took the following form:

$$D = a_1 + a_2A + a_3M + a_4S + a_5B + e$$

where D the dependent variable is duration of unemployment, being coded 1 for less than 14 weeks of unemployment and 0 if unemployed for more than 14 weeks.

A is the age dummy being coded 1 if aged below 35 and 0 if aged beyond 35.

M is the marital status dummy being coded 1 for married and 0 if single, widowed, divorced or separated.

S is the skill level dummy being coded 1 for higher skilled<sup>(2)</sup> and 0 for lesser skilled workers

B is the unemployment benefit dummy being coded 1 for less than the mean payment of £14 per week and 0 if more than £14 per week was received.

e is the random error term.

The equation was estimated by means of ordinary least squares, an estimating technique which may yield some element of statistical bias in the case of an equation containing a dichotomous dependent variable. These possible biases are discussed, and their likely validity assessed, in conjunction with the analysis presented in the final section of Chapter 9. The estimates for this equation are set out in Table 8A below.

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(2) This category included skilled manual, clerical, administrative/professional workers and school leavers.

Table 8a

Regression Results: The Variables Associated with Duration of Unemployment:

Variable	Regression Coefficient	Standard error	t statistic
age dummy 1 = aged below 35	0.27236	0.10258	2.65510**
marital status dummy 1 = married	0.17330	0.10470	1.65521*
skill level dummy 1 = higher skilled	0.00599	0.8578	0.006983
unemployment benefit dummy 1 = below \$14 per week	0.17418	0.10050	1.73314*

Constant = 0.24280

\* significant at .10 level

standard error = 0.46493

\*\* significant at .05 level

 $r^2 = 0.08278$ 

F = 2.93301.

The results for this exercise were moderately encouraging with all variables performing according to expectations in having the hypothesized positive signs. The marital status and unemployment benefit variables were significant, although admittedly only at the .10 level, while the age variable was significant at the higher order .05 level. The skill variable was nowhere near being statistically significant. These results accord well with the conventional wisdom regarding the dominant importance of age in determining the probability of re-employment. This finding assumes even greater

importance in the context of this particular study where the age distribution for the entire sample was markedly skewed in favour of the younger age groups. The results of this exercise suggest that, even in a sample containing a disproportionate number of younger aged persons, the age variable is still likely to be a major structural determinant of the probability of re-employment.

In spite of three of the four independent variables being statistically significant a low  $R^2$  of only 0.08278 was obtained.<sup>(3)</sup> This result was expected, and merely tends to confirm the comments made in Chapter 8 regarding the likely value of behavioural factors (such as job search/choice strategy) in improving the specification and overall explanatory power of a model designed to fit this particular relationship.

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(3) This was about half that obtained by Lipsky using an equation containing eight independent variables. D.B. Lipsky, 'Interplant Transfer and Terminated Workers: A Case Study'. Industrial and Labor Relations Review, Vol. 23, No. 2 January 1970, p. 204.

## CHAPTER 9

### JOB FINDING METHODS AND THE ROLE OF THE E.T.S. IN PROMOTING GEOGRAPHICAL MOBILITY

#### Introduction

The means of finding jobs in the destination areas, in conjunction with the mobility assistance from the E.T.S., form the essential link between the pre-migration and post-migration labour market positions. In performing this bridging operation they are among the major determinants of the extent of individual and social efficiency with which these labour resources have been redeployed. For example, the extent of an individual migrant's gain or loss in wage and occupational status terms between the two labour market situations will in large measure be determined by the effectiveness and efficiency of the job search/finding process, and by the extent to which assistance under the E.T.S. brought about a particular move that would not or could not have been undertaken in the absence of aid from the scheme.

The key questions for examination in this chapter are therefore as follows; by what means did the assisted migrants find employment outside the local labour market area, and how essential was E.T.S. assistance in stimulating and permitting movement to these particular jobs? The following section contains an examination and discussion of the job finding methods used by the questionnaire respondent group.

#### The successful job finding methods

It is now a well documented fact that the mobility and recruitment of labour within the confines of a particular local labour market relies heavily on informal job search/finding methods. Rees and Schultz, for

example, in their study of the Chicago labour market estimated that informal sources (i.e. referrals through friends/relatives and direct, off-chance applications) accounted for more than 80% of all manual worker recruitment.<sup>(1)</sup> Similarly in Britain Mackay found that friends/relatives and casual applications were responsible for 53 and 66% of all hires in Glasgow and Birmingham respectively.<sup>(2)</sup> This conclusion has also been supported by a number of smaller scale studies of involuntary movers who, following redundancy, sought re-employment within the same local labour market area.<sup>(3)</sup>

The traditional explanation for the popularity of informal information networks in the local market is based on the distinction between the intensive and extensive margins of search. It is argued that the job search/finding process within the local labour market is confined almost exclusively to the intensive margin of search where the informal methods can best supply the type of qualitative information so highly valued by both employers and employees.<sup>(4)</sup> The relative usage of informal and formal job search/finding methods may, however, be quite different in the case of jobs obtained through moving outside local labour market boundaries.<sup>(5)</sup> This possibility is acknowledged by even as staunch a defender of the value of informal

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- (1) A. Rees and G.P. Schultz, Workers and Wages in an Urban Labor Market, University of Chicago Press, Chicago, 1970, p. 201.
  - (2) D.I. Mackay et al, Labour Markets Under Different Employment Conditions, George Allen & Unwin, London, 1971, p. 357.
  - (3) See, for example, H.R. Kahn, Repercussions of Redundancy, George Allen & Unwin, London, 1964, p. 93-100.
  - (4) A. Rees, 'Information Networks in Labor Markets', American Economic Review, Papers and Proceedings, Vol. 56, No. 2, May 1966, p. 560.
  - (5) In this regard one should recall Reynold's much quoted dictum that '... the most important boundaries between labor markets run along geographical lines'. Lloyd G. Reynolds, The Structure of Labor Markets, Harper, New York, 1951, p. 41.

information networks as Albert Rees,

search at long distance is indicated when there are serious local imbalances between supply and demand. The employer will engage in long-distance search in cases of excess demand and the employee in cases of excess supply. It is in such cases that direct communications networks connecting widely separated locations make the most sense. (6)

According to this argument the formal job finding methods assume greater significance when vacancies and applicants are matched over geographical distance as here workers, in moving beyond the boundaries of their familiar local labour markets, are likely to be engaged in an extensive search process, and this necessitates the use of more formal information mechanisms which are the best equipped to provide a reasonably full coverage of the national labour market.

There is, however, an alternative argument to the one above. This stresses the likelihood of a widespread 'chain migration' phenomenon due to earlier migrants fostering further migration by feeding back job information to friends or family still living in their former home area. In their national survey of geographical mobility in the United States Lansing and Mueller reported that 49% of their respondent group had obtained their relevant job information from friends and relatives, which in turn helped explain why so many of the migrants moved to areas where friends and relatives had already settled.<sup>(7)</sup> This finding suggests that for a significant proportion of migrants letters and visits home from previous migrants constitute the principle source of information for job finding over distance. The operation of such a chain migration phenomenon means that the current spatial allocation of migrants is a function of the spatial

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(6) Rees, op.cit., p. 565-6.

(7) John B. Lansing and Eva Mueller, The Geographic Mobility of Labor, Survey Research Center, Institute for Social Research, Ann Arbor, 1967, p. 210.

allocation of migrants during previous time periods. This hypothesis has been tested and substantiated in a number of American studies.<sup>(8)</sup>

Although this area of investigation raises important questions of labour market behaviour, and is an area ripe for empirical investigation in view of the competing nature of the above two hypotheses, there has been little (if any) empirical work concerning the job finding means involved in the process of geographical mobility in Britain. This topic of investigation assumes even greater importance here due to the fact that the migrants were assisted to move by means of an instrument of government manpower policy. The results of this particular investigation are of considerable policy significance due to the fact that the potential value of a policy of assisted labour mobility can only be fully realized if the majority of migrants are assisted to move to jobs found through the employment service. If this is not the case then the ability of schemes such as the E.T.S. to match the right type of worker with the appropriate job vacancy, which is an essential pre-requisite for positive social benefits from this type of policy,<sup>(9)</sup> is strictly limited. The non-fulfillment of this condition means that the effect of the scheme is merely to round off a decision which has been largely determined outside the influence of

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(8) See Michael J. Greenwood, 'Research on Internal Migration in the United States: A Survey', Journal of Economic Literature, vol. 13, No. 2, June 1975, p. 405-6.

(9) Here we are concerned only with the social benefits or gains from the policy and hence this contention does not imply any support for the now rather discredited argument that the individual user of informal job search/finding methods will himself experience a disproportionate share of costs, such as a longer period of unemployment, a wage reduction or occupational downgrading, relative to the users of the employment service. For evidence on this issue see Graham L. Reid, 'Job Search and the Effectiveness of Job Finding Methods', Industrial and Labor Relations Review, vol. 25, No. 4, July 1972, p. 479-95.

the policy, and hence the scheme is unable to play any positive role in shaping the preferences of the migrants in regard to the type of job sought or even the general destination area of the move. The unfavourable effects of this late entry of the policy into the migrant decision making process will be discussed in more detail later in this section.

The questionnaire information provided no definite indication of job search methods, but it did permit a useful comparison of the ways in which jobs in the destination areas were found. The distinction between job search and job finding methods must be kept clearly in mind as it does not necessarily follow that the successful job finding method was the most frequently and intensively used job search method.<sup>(10)</sup> The job finding methods used by the sample group may be divided into the traditional categories of 'formal' and 'informal' methods. In this particular study the formal group includes the employment service, private employment exchanges, news media advertisements and the placement facilities of education institutions. The informal category covers referrals by friends and relatives and direct application (by letter or in person) to firms. The figures in Table 9.1 below refer to the job finding methods used by the questionnaire respondent group according to their pre-migration employment status. The percentages are based on the respective column totals.

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(10) Reid, op.cit., p. 485-6.

Table 9.1

A Comparison of Job Finding Methods and the Pre-Move Employment  
Status of the Questionnaire Respondent Group (%)\*

	Unemployed regular workforce member	In employment**	School leaver	Row total and percentage
Employment service	32.5	23.9	19.4	60 (27.4)
News media advertisements	14.0	17.4	37.1	47 (21.5)
Direct application	25.4	26.1	12.9	49 (22.4)
Friends, relatives	18.4	21.7	11.3	38 (17.4)
Referral by education institution	3.5	4.3	19.4	18 (8.2)
More than 1 method***	3.5	6.5	-	7 (3.2)
Column total	111	46	62	219

\* Only one person failed to provide the necessary information. A further two migrants found their jobs through private employment exchanges.

\*\* In stop-gap employment or under notice of redundancy.

\*\*\* This multiple user category consisted of 5 persons who had used the employment service in conjunction with the network of friends/relatives, 1 person who used the employment service together with a press advertisement to obtain employment, and finally 1 mover who found his job by means of a news media advertisement and a referral from friends and relatives.

The results in Table 9.1 support the hypothesis that the formal, institutionalized job finding methods assume greater importance in obtaining employment outside the local labour market area. For the sample as a whole the most popular job finding means were, in order of importance, the employment service (27.4%), direct application (22.4%), news media advertisements (21.5%) and finally referrals by friends and

relatives which accounted for 17.4% of all jobs found. The informal sources of direct application and friends/relatives have normally accounted for upwards of 60% of all jobs found in local labour market studies, but for the assisted migrant sample here these two sources together accounted for under 40% of the jobs obtained by the movers. Conversely, the importance of the formal job finding mechanisms here was greater than that revealed in previous local market based studies. The figures in Table 9.1 may be compared with those contained in the Parker Report. Some 23% of the Parker sample obtained their job through the employment service, 23% through newspaper advertisements, 21% by direct, personal application and 11% through referral by friends and relatives.<sup>(11)</sup>

There are few differences between the job finding methods of the various groups in Table 9.1 which are worthy of any extended comment. Perhaps the most interesting finding to emerge was the substitute relationship between the use of the employment service and news media advertisements. This relationship is suggested by a comparison of the job finding methods used by persons who were regular workforce members with those methods employed by the school leaver category. The regular workforce members made above-average use of the employment service and below-average use of news media advertisements, while the reverse was true for the school leavers. This difference essentially reflects the different occupational labour markets in which the two groups sought employment. The evidence to be presented in chapter 10 indicates that the school leavers obtained employment in the highly structured white collar employment sector whose national labour market orientation

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(11) Stanley Parker, Assisted Labour Mobility, Unpublished Report prepared for the Department of Employment, August 1975, p. 9.

involves a well established, in-built source of job information - i.e. advertisements in the national press and specialist occupational journals.<sup>(12)</sup> In contrast, there is no readily available source of systematic job information for manual workers (particularly for the lesser skilled) whose labour market is essentially locally defined, and hence their need to rely most heavily on the employment service in finding jobs beyond the local market area.

A number of explanatory comments about certain individual categories in Table 9.1 are necessary at this stage. In this particular study the 'direct application' category cannot be equated in a straight-forward manner with 'casual' or 'off-chance' application as has been the case in previous local market studies. The direct application category in this study comprised two quite separate and distinct sub-groups of the migrant sample. On the one hand there were the young, single school leavers moving in the main to civil service employment in London or to nursing training in Aberdeen, while the second group consisted basically of workers who had obtained jobs in oil rig platform construction at Invergordon in Scotland.

The only common thread between these two quite separate occupational groups was that there was no indication of an extensive although random job search process having been necessary for them to obtain jobs. The school leaver category appeared to have fairly fixed, definite ideas about the particular type of employment they wished to enter, and accordingly their search process consisted of little more than the sending of a single letter to the relevant employment authority - i.e. the Civil Service Board or the Grampian Hospital Board.

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(12) See, for example, George P. Schultz, 'A Non-Union Market for White Collar Labor' in Aspects of Labor Economics, National Bureau of Economic Research, Princeton University Press, Princeton, 1962, p. 107-46.

Again in the case of the unemployed movers to Invergordon there was little evidence of any random 'door knock' type of search process. The impression was that on becoming unemployed<sup>(13)</sup> these particular migrants had made no real attempt to look for alternative employment in the local area, but rather had moved almost immediately to Invergordon<sup>(14)</sup> where it was widely known that simply appearing on site was usually sufficient to obtain employment in this chronic labour shortage area.

A second point to bear in mind when considering the results in Table 9.1 is that the friends/relatives network, while it certainly played a much smaller job finding role in overall terms than has been the case in previous local labour market studies, did assume a position of above-average importance in certain destination areas. This finding is in keeping with a number of other findings which emerged in this study of the workings of the E.T.S., namely that certain aspects of the operation and impact of the policy had a definite area-specific dimension to them. Among our twelve sample exchange areas information on the means of finding jobs in Corby indicated that just under 33% of the movers to this area had obtained their job through information provided by personal contacts already living in the area. This illustration of a chain migration process at work is readily understandable in view of Stewart and Lloyd's (now the British Steel Corporation) long history of labour recruitment from Scotland.<sup>(15)</sup>

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(13) A number of the migrants to Invergordon intimated that they had quit their previous job with the express intention of moving to work in oil rig platform construction.

(14) This contention was supported by their low duration of unemployment, which was typically less than 2 weeks, prior to migration.

(15) Ray Thomas, Aycliffe to Cumbernauld, PEP Broadsheet No. 516, London, 1969, p. 854-8.

It is necessary to enquire whether the relative importance of the different job finding methods varied according to any characteristics of the migrants beyond those in Table 9.1. A question of particular importance here is whether the migrants who found their jobs through the employment service were disproportionately concentrated among the unskilled and semi-skilled groups of workers. This issue warrants special attention as the inverse correlation between skill level and the extent of employment exchange contact and placement is held to be a major constraint on the employment service assuming a more central role in the operation of the labour market.<sup>(16)</sup>

The results from the examination of this issue are presented in Table 9.2. In order to increase the confidence that could be placed in our sample results the various occupational grades were amalgamated into two broad categories, namely unskilled and semi-skilled workers versus the rest - i.e. skilled manual, sales, clerical, administrative and professional workers. The school leavers were included with the latter group as they were overwhelmingly moving to clerical, administrative or professional level positions. Only the four major job finding methods are included in Table 9.2 and the percentages are based on the respective column totals.

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(16) W.W. Daniel, Strategies for Displaced Employees, FEP Broadsheet No. 517, London, 1970, p. 32-3.

Table 9.2.

A Comparison of Job Finding Methods and the Pre-Move Skill Level of the Questionnaire Respondent Group (%)

	Unskilled, semi-skilled	Skilled, sales, clerical administrative/professional and school leavers
Employment service	37.4	26.1
News media advertisements	12.1	33.3
Friends, relatives	25.3	15.3
Direct application	25.3	25.2
Column total	83	111

The results contained in Table 9.2 conform to expectations with the employment service being the major means of job finding for the lesser skilled workers (37.4%), being well ahead of its nearest rivals which were referrals by friends and relatives and the direct application method both of which accounted for 25.3% of all jobs found by this occupational group. For the higher skilled grades, however, the employment service filled second place (26.1%) being just ahead of the direct application method (25.2%), but behind news media advertisements which accounted for 33.3% of all jobs found by these workers. The penetration rate for the employment service in both skill groupings was above the estimated average penetration rate of 20% for the employment service throughout the country.<sup>(17)</sup> This indicates that the seeking and obtaining of jobs outside local labour market areas does necessitate above-average use of the employment service for all grades of workers. Nevertheless the differential rate of use of the service

(17) OECD, Manpower Policy in the United Kingdom, Paris, 1970, p. 161.

between the unskilled/semi-skilled workers and the higher occupational grades was still quite considerable.

If one draws together the results contained in Tables 9.1 and 9.2 then the following conclusions emerge:-

- (i) The use of the employment service for job finding purposes, relative to the informal information sources, was certainly higher in this particular study than has been the case in previous studies of job finding within local labour markets.
- (ii) Nevertheless only some 27% of the full sample found their destination area jobs through the service, while even for the leading sub-sample user of the employment service (the lesser skilled) the relevant figure was still only 37% of all jobs found. The fact that only just over a quarter of the questionnaire respondent group moved to jobs found through employment exchanges points to the likelihood of a major constraint on the potential operating efficiency of the E.T.S. The remainder of this section briefly discusses the likely adverse implications of these job finding results for the efficient operation of the E.T.S.

The full sum of social benefits resulting from movement under a policy of assisted labour mobility includes returns to the job search/finding process as well as those which derive from the fact of geographical mobility.<sup>(18)</sup> This is because the obtaining of a job outside the local labour market area is a necessary pre-requisite for receiving mobility assistance under schemes of the E.T.S. type. As a

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(18) H. Tyrone Black et al., 'On Moving the Poor: Subsidizing Relocation', Industrial Relations, vol. 14, No. 1, February 1975, p. 77.

result a necessary condition for the realization of such social benefits is a sufficiently high degree of interdependence between the twin processes of job finding and spatial mobility - i.e. one must search for and obtain jobs through the agency which actually administers the mobility policy. Only if this condition is met can the job search and destination area preferences of the unemployed movers be independently influenced by the availability of relocation assistance, such that the policy has a positive, identifiable effect on the migrants' decision making process. This is a necessary condition for favourable social benefits to result from a policy of assisted migration.

The results in Tables 9.1 and 9.2, however, suggest that the operation of the E.T.S. may well be hampered by the old familiar story of the poor image of the employment service. As Daniel has so aptly put it, 'On one side it has been seen mainly as dealing with undesirable jobs. A vicious circle is set up as many employers who have vacancies above the level of unskilled labourer do not inform the office, and people seeking good jobs do not go through the office'.<sup>(19)</sup> This argument implies that only a minority of the migrants obtained their jobs through employment exchanges because only a limited number of all job vacancies are actually notified to exchanges,<sup>(20)</sup> and at the same time only a relatively small percentage of unemployed workers (who are the potential users of the E.T.S.), especially above the lower skilled grades, utilize the employment service for job search purposes.

The likely effect of these constraints from the demand and supply

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(19) Daniel, op.cit., p. 33.

(20) 'the vacancies were there but those that were both acceptable and suitable had evidently not been channelled through the exchanges', Kahn, op.cit., p. 108.

sides of the labour market is that the E.T.S. makes its presence felt in the migration decision making process at too late a stage, and thus largely constitutes a 'rubber stamp' on a decision which has been basically arrived at outside the sphere of policy influence. Some evidence which bears on this contention is presented in the final section of this chapter. The question examined there is the migrants' propensity to make a similar move in the absence of assistance from the E.T.S. These operational constraints may also offer some partial explanation of return migration rates under the E.T.S. which, according to the evidence in chapter 6, appear to be high in relation to a priori expectations and in comparison with the wastage rates experienced elsewhere with such policies. This question of return migration rates is examined further in chapter 11.

The low percentage of migrants finding their destination area jobs through the employment service has also been identified as a major constraint on the effectiveness of assisted labour mobility policy in the United States. In America, it has been argued, that the traditionally passive role of the employment service in both the recruitment of labour and job development must give way to a more positive agency approach involving an active out-reach effort on both the demand and supply sides of the market. This is because 'on the basis of project findings there appears to be general agreement that the Employment Service cannot effectively administer the relocation projects without extensive modification; both structural and procedural, of their present operations'.<sup>(21)</sup>

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(21) Cilla J. Reesman and David R. Zimmerman, Worker Relocation, 1965-1972, A Report to the U.S. Department of Labor Manpower Administration, February 1975, p. 87.

This conclusion seems equally appropriate to the current operation of the E.T.S. in Britain as evidenced by the results in this section which suggest a need to tighten up the relationship between the processes of job finding and spatial mobility i.e. a far higher percentage of destination area jobs must be searched for and obtained through the medium of the employment service. If this condition is not achieved then there is likely to be little separate policy impact on the participant groups' labour market status, and the relocation assistance will, in subsidising a disproportionate volume of migration that would have occurred anyway, produce very little in the way of social benefits.<sup>(22)</sup>

The means through which the migrants learnt of the availability of E.T.S. assistance

The evidence on this question of the propensity to move in the absence of E.T.S. assistance is presented in the final section of this chapter. Before we undertake this exercise some attention should be given to the task of identifying the channels through which the assisted migrants first came to learn of the existence of the E.T.S. This is an important matter because of the numerous studies which have revealed a high degree of ignorance of the scheme's existence among groups of unemployed workers.<sup>(23)</sup> The results of this brief investigation may therefore provide some useful guidance on the question of how best to filter information through the labour market in order to reduce the gap between latent and actual mobility.

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(22) Failing this active out-reach reform on both the demand and supply sides of the market the only feasible alternative may be to restrict the provision of relocation assistance to persons finding a destination area job through the employment service.

(23) The most recent illustration of this fact is contained in W.W. Daniel, A National Survey of the Unemployed, PEP Broadsheet No. 546, London, 1974, p. 143.

The contents of Table 9.3 below indicate the various information channels through which the questionnaire respondents first came to learn of the existence of the E.T.S. The results are arranged according to the pre-move employment status of the respondent group. The percentages are based on the respective column totals.

Table 9.3

A Comparison of the Means of First Learning about the Availability of the E.T.S. and the Pre-Move Employment Status of the Questionnaire Respondent Group (33)

	Unemployed regular workforce member	In employment	School leaver	Row total and percentage
Employment exchange	55.3	26.1	37.1	98 (44.1)
New employer*	7.9	28.3	16.1	32 (14.4)
Friends, relatives	29.8	34.8	45.2	77 (34.7)
News media	2.6	2.2	1.6	5 (2.3)
More than 1 source	3.5	6.5	-	8 (3.8)
Column total	113	45	62	

\* Two of the movers claimed to have heard about the E.T.S. from their last employer prior to movement.

In aggregate terms 44.1% of the sample learnt of the scheme through an employment exchange, 34.7% through friends and relatives, 14.4% through their new employer and 2.3% through advertisements in the news media. Although the above figure for the employment service considerably exceeds the percentage of movers who found their job through an exchange it still means that less than half the questionnaire respondents heard of the scheme through the body that has been hailed as '... the most important tool to ensure the proper functioning of the labour market'.<sup>(24)</sup> The implications of the findings in Table 9.3

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(24) OECD, op.cit., p. 173.

differ according to the views one holds about how the E.T.S. should ideally be operated. If the aim of the policy is seen as that of simply maximizing the volume of assisted migration then the policy making authorities should seek to disseminate information as widely as possible so that it will percolate through to the all-important informal information networks. On the other hand, if one feels that the policy should be operated in a more selective manner, in order to fulfill the aims set out in chapter I, then, as was argued in the previous section of this chapter, it is necessary for a considerably larger percentage of the assisted movers to search for a job after first learning of the availability of the E.T.S. through an employment exchange. Only in this way can a migrant's job search process and ultimate movement decision be independently and positively influenced by the knowledge of the availability of E.T.S. assistance.

The individual results in Table 9.3 offer few surprises. The friends/relatives network was of greater importance in Table 9.3 than was the case in the two Tables of the previous section which were concerned with job finding methods. This was particularly so for the school leaver and in-employment categories where this method constituted the largest single source of information about the availability of E.T.S. assistance. Only among the unemployed group was the employment service the most important means for learning about the existence of relocation assistance. These findings are of considerable importance in determining the likelihood of efficient policy operation. As argued in the previous section, a necessary precondition for the efficient movement of labour under the E.P.S. is early contact with the movers by the employment service. Only in this way can the E.T.S. have an independent influence on the migrants'

job search pattern. For the scheme to independently influence to any extent the timing and/or destination area of migration the movers must search for and obtain employment with prior knowledge of the existence of relocation assistance.

The figures in Table 9.3 suggested, and additional information in the questionnaire returns confirmed the fact, that only among the migrants who were unemployed prior to relocation was there a substantial awareness of the existence of E.T.S. assistance at the time that they were searching for employment. In the case of the other two groups of movers the impression was that the vast majority of them had searched for and found employment through means other than the employment service. It was only after they had found employment or even actually moved to the job that they became aware of the E.T.S. through either the 'grapevine' of earlier scheme users or their employer in the new area. And hence they applied for and obtained assistance retrospectively. While such retrospective payments may be justified in cases where the migrant is experiencing adjustment difficulties, their social value in probably the majority of cases is seriously in doubt given their basic inconsistency with the underlying rationale of this type of policy, which is to aid the migration of workers who would not or could not move in the absence of such mobility assistance.

In summary, less than 45% of the questionnaire respondents learnt of the existence of the E.T.S. through employment exchanges and only some 27% of the migrants found their destination area jobs through the employment service. The fears expressed about the adverse implications of these two findings for the efficient operation of the E.T.S. are examined in the following section.

The independent role and influence of the E.T.S. in encouraging and facilitating mobility

An assessment of the impact of any manpower policy upon the labour market status of the policy users must consider the participant groups' likely labour market position in the absence of the policy. The importance of this consideration in assessing the social utility of manpower policy is readily apparent from Daniel's rather pessimistic suggestion that,

One of the tragedies of strategies for displaced workers is that the positive ones tend to cater for those that least need them. There is a tendency for the people who take advantage of placement programmes, the people considered most suitable for retraining and the people most predisposed to geographical transfer to be just those least in need of them, because they could most easily get alternative jobs themselves, anyway. (25)

There is no manpower policy for which this is a more important criteria of performance, and by implication an unfavourable finding more damaging, than assisted labour mobility policy. This is because the underlying rationale of such a policy is to facilitate the movement of persons who could not or would not otherwise have moved. The social benefits from this type of policy are strictly limited if it merely subsidises the migration of workers who could and would have moved even in the absence of the policy.<sup>(26)</sup> Thus in assessing the performance of assisted labour mobility policy the most essential requirement is a differentiation of the policy users according to whether they could or would have moved or not in the absence of the scheme.

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(25) Daniel, *ibid.*, p. 50.

(26) See, for example, James Nelson and Luther Tweeten, 'Subsidized Labor Mobility - An Alternative Use of Development Funds', The Annals of Regional Science, vol. VII, No. I, June 1973, p. 65.

In order to identify the number of assisted migrants who could and would have moved in the absence of the scheme two possible approaches to the issue were initially considered when the questionnaire was being designed. The first method would have entailed an estimate of the probability of 'autonomous' or non-assisted migration for the sample group during the time period under study. Such a calculation, which would have involved a linear extrapolation of the relocatees' past history and experience of migration, was rejected on the grounds that its assumption of a constant propensity to migrate through time ignored the possible occurrence during the twelve month study period of any significant thresholds or discontinuities in an individual's life and/or work cycle (such as marriage, initial entry to the labour market or the first experience of unemployment), which so often induce or even compel migration.<sup>(27)</sup>

The chosen method, which has been employed with considerable success in a number of American studies of worker relocation policy, was to ask the sample directly whether they would, in the absence of access to financial aid under the E.T.S., have still intended and been able to migrate during this particular period of time. The major reservation about using this straightforward technique was the possibility of picking up 'halo' effects, that is movers would feel compelled to answer that they could not have moved without the scheme in order to avoid the stigma of being seen as 'free riders' i.e. persons who had taken something for nothing. In practice this fear proved groundless as is only too well evidenced by the distribution of answers presented in Table 9.4. Moreover as the migrants filled in the questionnaire

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(27) Peter A. Morrison, 'Population Movements and the Shape of Urban Growth: Implications for Public Policy' in John Friedmann and William Alonso (eds), Regional Policy, MIT Press, Cambridge (Mass.), 1975, p. 223.

only 1-4 weeks after moving there was no long time lapse between migration and the completion of the schedule which could have produced recall difficulties.

In the questionnaire the issue of movement in the absence of E.T.S. assistance was split into the two sub-categories of the incentive to move and the ability to move. The answers provided by the questionnaire respondents to these two questions are set out in Table 9.4 below.

Table 9.4

The Willingness and Ability of the Questionnaire Respondent Group to Move in the Absence of the E.T.S. (%)\*

Answer/Question	Would you have wanted to move in the absence of the E.T.S.	Would you have been able to move in the absence of the E.T.S.
Yes	88.2	69.4
No	11.8	30.6
Column total number	220	216

\* Less than 2% of the sample respondents provided a qualified answer saying that they might have moved without assistance from the scheme. This almost non-existent figure is in contrast to a number of U.S. studies which had answers of this sort from some 15-20% of their respective samples. This suggests that a relatively higher proportion of the assisted migrants here were broadly 'pull' rather than 'push' motivated in their decision to move.

The results clearly indicate that the knowledge of available financial assistance provided little original incentive for the sample relocatees, in the sense of stimulating them to consider for the first time the possibility of migration. Over 88% of the group stated a willingness to move anyway. The policy was somewhat more successful

in translating desired mobility into actual movement with some 31% of the sample claiming that the scheme provided the financial resources necessary for undertaking the desired move. But overall it is apparent from the contents of Table 9.4 that marginal migrants i.e. those persons who in the absence of assistance did not have the necessary means to permit migration were very much in the minority. Approximately 69% of the sample consisted of persons who were subsidised to undertake a move that they fully intended making anyway. The relevant results in the Parker Report strongly supported this unsatisfactory finding for the operation of the E.T.S. Only 13% of the Parker sample reported that if financial assistance had not been available they would have been unable to migrate. (28)

Some advantage, however, may still result from the policy if it has independently influenced or modified the actions of this 69% of the sample in any perceptible way. In reflecting on the value of worker relocation projects under the U.S. Manpower Development and Training Act Mangum suggested that 'it is likely that the projects major contribution was to affect the timing and destination of the moves'. (29) In short, some marginal social benefit will still be derived from the policy if it can be demonstrated that these migrants, who would have moved anyway, were redirected through assistance to more socially desirable destinations, or alternatively were able to make an earlier move than would have been possible on an unaided basis. These two possible effects were tested in the case of the questionnaire respondents and the results are reproduced below in Table 9.5.

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(28) Parker, op.cit., p. 25.

(29) Garth L. Mangum, MDTA: Foundation of Federal Manpower Policy, John Hopkins Press, Baltimore, 1968, p. 162.

Table 9.5

The Specific Influence of the E.T.S. on the Nature of the Move Undertaken by the Questionnaire Respondents who would have Moved Anyway (8)

Moved a longer distance than otherwise	Moved earlier than otherwise*	No influence at all on timing or destination	Other answers**	Row total***
7.7	25.2	63.6	2.8	143

\* Another one migrant claimed that the scheme had resulted in both a longer and earlier move than was otherwise possible.

\*\* These movers simply reaffirmed their answers to the questions that formed the basis of Table 9.4 or acknowledged that the assistance meant less need to draw on personal savings.

\*\*\* Only 7 out of the 150 migrants who would have moved anyway failed to complete this section of the questionnaire schedule.

The results in Table 9.5 do indicate some measure of separate policy influence among migrants' who admitted to being able to move in the absence of the scheme. The most important area of influence was in the timing of the move. Approximately 25% of this group claimed that the scheme had permitted an earlier move than otherwise. The independent influence of the E.T.S. in bring forward the timing of the migration move is a finding of some significance given that,

... the unassisted migratory response to unemployment (is) ... weak and uneven. It is weak because most workers with unemployment experience, whatever their inclinations, nevertheless do not move. And it is uneven because workers most prone to unemployment - those in blue collar occupations, those with low skill and education levels, and those of advanced age - tend to be more immobile than others. (30)

This effect by reducing the adjustment lag on the supply side of the market should operate in the direction of tightening the migration-unemployment relationship, and as such tends to bear out Thirlwall's

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(30) Morrison in Friedmann and Alonso (eds), op.cit., p. 227.

claim that the major potential benefit of a policy of assisted labour mobility is its ability to accelerate the process of labour redeployment relative to the workings of the normal, unassisted market adjustment mechanism.<sup>(31)</sup> This source of benefit offsets to some limited extent anyway the rather unsatisfactory results of Table 9.4.

The largest single occupational group in the sample were unskilled manual workers, whose migration pattern is normally over short distances only<sup>(32)</sup>, and it was therefore hypothesized that the effect of the M.T.S. may have been to reduce the inhibiting effect of distance on the migrants' choice of destination area. In fact there was only limited support for this hypothesis with under 8% of the group in Table 9.5 claiming that the M.T.S. permitted a longer distance move than would have been undertaken on an unassisted basis. The broader implication of this and the other results in Table 9.5 is that relocation policy in Britain appears to have had only minimal influence in redirecting natural, spontaneous migration paths and patterns through expanding a migrant's range of choice in the matter of potential destination areas. This finding stands in marked contrast to the American claim that perhaps the major gain from the MDRA relocation projects has been the redirection of traditional flows away from the large, congested northern metropolitan centres to intermediate sized cities within the same state;<sup>(33)</sup> the latter being deemed a socially

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(31) A.P. Thirlwall, 'Government Manpower Policies in Great Britain: Their Rationale and Benefits', British Journal of Industrial Relations, vol. 10, No. 2, June 1972, p. 174-5.

(32) Kenneth G. Willis, Problems in Migration Analysis, Saxon House, Farnborough, 1974, p. 24-6.

(33) See, for example, Audrey Freedman, 'Labor Mobility Projects for the Unemployed', Monthly Labor Review, vol. 91, No. 6, June 1968, p. 62; Charles K. Fairchild, 'Rural Disadvantaged Mobility', Proceedings of the Industrial Relations Research Association, 1969, p. 468.

more rational and desirable direction of movement.

Despite the undoubted value of the E.T.S. in bring about earlier movement than would have otherwise been possible, the fact remains that approximately 64% of the migrants in Table 9.5 were totally uninfluenced by the scheme. These migrants were merely subsidised to undertake a move that differed in neither timing nor destination area from what they intended making anyway. The results in Tables 9.4 and 9.5 assume even less satisfactory proportions when placed alongside the comparable findings of a major American study of assisted labour mobility policy. The United States Department of Labor assisted the movement of 2,264 workers under various MDTA demonstration projects in 1966-67. And of this total only 14% claimed that the existence of relocation grants had in no way influenced their decision to move. Fifty-two percent reported that they would have been unable to move without the grants, and the remaining 34%, while admitting they could have moved in the absence of assistance, claimed that the scheme had permitted an earlier move than would otherwise have been possible.<sup>(34)</sup>

There is little doubt from the results in both Tables 9.4 and 9.5 that the present performance of the E.T.S. is unsatisfactory in absolute terms and relative to the operation of this type of policy in the United States. The important question, however, is whether an analysis of this data can provide any useful guidance for improving future policy operation in this regard.

Approximately 31% of our sample claimed that without the assistance

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(34) Quoted in Niles M. Hansen, Location Preferences, Migration and Regional Growth, Praeger, New York, 1974, Table 16, p. 49.

of the E.F.S. they would have been unable to take up employment outside their local labour market. The vital question here is whether the value of assistance was distributed randomly throughout the sample, or whether the 31, who could not have moved without assistance were disproportionately concentrated among specific sub-groups of the sample? The answer to this question is basic to any attempt at reforming the future terms and administration of the E.F.S. in order to eliminate or at least reduce the magnitude of the present operating deficiencies revealed in Tables 9.4 and 9.5.

If the answers given in Table 9.4 derive almost solely from interpersonal differences in motivation, for example, then there is little solid foundation for policy reform due to the almost impossible task for policy makers of identifying such influences before the event. But if systematic variations according to certain personal and labour market characteristics can be identified then the determinants of the value of E.F.S. assistance are amenable to at least some degree of policy influence.

The choice of variables for an examination of this question was based on a review of the results of previous studies of unassisted labour redeployment and migration. The independent variables considered to be relevant in the ability to migrate without relocation assistance, and which are therefore included in our model, were age, marital status, skill, pre-move housing tenure and the distance of the move. The dependent variable was the answer to the question would you have been able to move in the absence of E.F.S. assistance which constituted the information recorded in the second column of Table 9.4

The relatively small number of sample observations (N = 216)

indicated the need to amalgamate various sub-categories of the respective independent variables as the original small sub-cell sizes were likely to have reduced the possibility of statistically significant results. The initial cross tabulations provided the basis for selecting the appropriate sub-categories for amalgamation. The variables were all entered in dichotomous dummy form and the resulting form of the equation was as follows:-

$$Y = a_1 + a_2A + a_3M + a_4S + a_5H + a_6D + e$$

Y is the answer to the question would you have been able to move in the absence of assistance, being coded 1 for Yes and 0 for No.

A is the age dummy being coded 1 if aged below 30 and 0 if above 30 years. This particular break or threshold in the age distribution, at the point of entry to the prime workforce years, was apparent from the initial cross tabulation results.

M is the marital status dummy coded 1 for single, widowed and divorced persons and 0 if married.

S is the skill dummy being coded 1 if a higher skilled worker and 0 if lesser skilled. This was not a simple blue collar - white collar division as the former category included skilled manual workers as well as clerical, administrative and professional workers, while the latter covered sales workers as well as unskilled and semi-skilled workers.

The school leaver group (prior to relocation) were placed in the former group as they were moving to either clerical, administrative or professional level positions.

H is the pre-move housing type dummy being coded 1 for those types of housing tenure considered least likely to restrict mobility and 0 for the other tenure types. The former category included private renters, those in temporary accommodation and persons living with their parents

or family, while the latter covered owner occupiers and public authority renters. This division was based on previous housing-labour mobility studies.<sup>(35)</sup>

D is the distance of movement dummy being coded 1 for intra-regional movers and 0 for inter-regional movers. These two categories are utilised as proxies for short distance and long distance movement respectively. Their acceptibility for this purpose was again checked by means of a cross tabulation exercise. This was to ensure that there were no awkward categories such as 'border hoppers' in the inter-regional group. The results indicated the satisfactory nature of the proxies. The intra-regional movers were in the main moving from Glasgow or Edinburgh to the New Towns of Glenrothes and Livingston, from small towns and villages in the North East planning region of Scotland to Aberdeen or from centres in the North West Highlands to the North East Highlands of Scotland. In contrast, the inter-regional group were in the main moving from Glasgow to London or from Glasgow to the one plant dominated centres such as Corby in the Midlands.

$e$  is a random error term

Before presenting and discussing the results obtained from this model some consideration must be given to possible statistical biases resulting from the use of ordinary least squares to estimate an equation containing a dichotomous dependent variable. With a dependent variable of this form the assumption of ordinary least squares that disturbances are homoscedastic is no longer tenable and the standard errors may as a result be biased. This problem can be overcome by the use of the two-stage generalised least squares procedure suggested by

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(35) James H. Johnson et al., Housing and the Migration of Labour in England and Wales, Saxon House, Farnborough, 1974, p. 109-11.

Goldberger.<sup>(36)</sup> However, some recent work employing both techniques indicated that with a sample containing more than a hundred observations very little difference emerged between the two resulting sets of estimates.<sup>(37)</sup> A second possible statistical problem is that the use of ordinary least squares to estimate a relationship involving a dichotomous dependent variable may generate predicted values which in some cases are negative or greater than one - i.e. they lie outside the true probability limits.<sup>(38)</sup> And as a result theory suggests that it is necessary to specify a functional form that is constrained to the unit interval. This would require the model to be estimated by means of logit analysis. Again, however, the outcome of various studies utilizing these different estimating techniques has indicated that this theoretical weakness has rarely been a problem in practice.<sup>(39)</sup> In short if one is concerned with explanation rather than prediction then ordinary least squares seems adequate to the task undertaken here.

The results for the estimation of this equation are set out in Table 9.6 below.

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- (36) Arthur S. Goldberger, Econometric Theory, John Wiley, New York, 1964, p. 235-56.
  - (37) V.K. Smith and C.J. Chicechitti, 'Regression Analysis with Dichotomous Dependent Variables', Paper presented to the Econometric Society Meeting (mimeographed), Toronto, December 1972.
  - (38) Jan Kmenta, Elements of Econometrics, Macmillan, New York, 1971, p. 427.
  - (39) See, for example, Morley Gunderson, 'Retention of Trainees: A Study with Dichotomous Dependent Variables', Journal of Econometrics, vol. 2, No. I, April 1974, p. 79-93.

Table 9.6

Regression Results: The Variables Associated with the Ability of the Questionnaire Respondent Group to Move in the Absence of E.T.S. Assistance

Variable	Regression coefficient	Standard error	t statistic
Age dummy 1 = below 30	0.12698	0.07666	1.66*
Marital status dummy 1 = single, widowed, divorced	0.23846	0.07826	3.05**
Skill level dummy 1 = higher skilled grades	0.22321	0.05740	3.89**
Premove housing tenure dummy 1 = tenure types least likely to constrain mobility	0.05301	0.07466	0.71
Distance of move dummy 1 = intra regional mover	0.03412	0.05557	0.061

$$R^2 = 0.26693$$

standard error of estimate = 0.39882

Constant term = 0.30258

F = 15.22061 \*\*

\* significant at .05 level  
(one tail test only)

\*\* significant at .005 level  
(one and two tail tests)

The results in Table 9.6 perform according to expectations with all coefficients having the predicted positive sign. The marital status and skill variables are significant at the .005 level, while age is significant at the lower order .05 level on a one tail test. The migrants most able to move in the absence of assistance were unmarried, aged below 30 and employed in the higher skilled occupational grades. The fact that these three characteristics have been so widely established as the correlates associated with unassisted migration<sup>(40)</sup> must lend considerable support to the validity and generality of these results. Conversely the type of worker using the E.T.S. who was least likely to have been able to move in the absence of assistance was married, aged above 30 years and a lesser skilled person. The implication is clearly that the E.T.S. in seeking to maximise the movement of persons who could not move in the absence of assistance should in the future concentrate on older, married or lesser skilled workers.

There are two important points to bear in mind when interpreting these results. Firstly, these findings may well be specific to the present level and structure of financial payments under the E.T.S. Under the present arrangements single movers (who are likely to be young, but not necessarily unskilled) receive the minimum level and range of financial assistance as marital status is one of the few criteria upon which payments under the E.T.S. are currently differentiated. Thus one might well obtain a quite different set of results if the present basis of subsidy differentiation under the E.T.S. was for some reason altered in favour of single movers. Secondly, the limited

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(40) See for example, Willis, *op.cit.*, chapter 2; Laurence C. Hunter and Graham L. Reid, Urban Worker Mobility, OECD, Paris, 1968, chapter 2.

range and low level of subsidies to the single migrants means that the findings in Table 9.6 are less important for their budgetary (rather than real resource) saving implications than for the fact that the number of would-be migrants, i.e. people who say they want to move but who fail to actually do so, considerably exceeds the volume of actual movement. In the United States it has been estimated that for every actual migrant, two people expect to migrate and four say they would like to migrate.<sup>(41)</sup> Some smaller scale surveys in Britain have produced results along similar lines.<sup>(42)</sup> It is specifically schemes of the E.T.S. type which should be capable, through an active out-reach effort, of bridging this all-important gap between intended and actual movement as undoubtedly many of the former group are older, married and unskilled workers.

The signs on the housing and distance of move variables accorded with a priori expectations, although neither were statistically significant in their own right. In the case of housing this was due to a positive interdependence with the statistically significant personal characteristics of age and marital status. The simple correlation coefficients between housing tenure type and marital status and age were 0.64188 and 0.46809 respectively. The likelihood of such interdependence has been raised in a number of previous literature reviews of the relationship between housing and labour mobility. As Hunter and Reid, for example, emphasized,

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(41) Quoted in Morrison in Friedmann and Alonso (eds), ibid., p. 226.

(42) See, for example, H.W. Richardson and E.G. West, 'Must We Always Take Work to the Workers?', Lloyds Bank Review, No. 71, January 1964, p. 38.

.... home ownership may have little additional effect in determining whether or not an employee will move. In many cases, home ownership is positively correlated with age, occupation and job attachment, and family circumstances, all of which tend to militate against geographical mobility .... the main effect of home ownership may be to make people with other characteristics of immobility even less willing to move. (43)

In a more general discussion of the full range of housing tenure types Cullingworth also questioned the existence of a simple straightforward relationship between housing and labour mobility due to the difficulty of identifying the influence of housing independently of other factors involved in labour mobility. (44)

The distance of the move appears to be insignificant due to the offsetting effect of the personal characteristics of the movers. This was due to an interdependence of the spatial characteristics of certain destination areas and the personal characteristics of the migrants moving to these particular destination centres. Among the questionnaire respondents the long distance migrants contained a disproportionate number of persons having the particular age, marital status and skill characteristics that most predispose a person to move in the absence of assistance i.e. young, single, skilled workers. In contrast the intra-regional movers had those personal characteristics that normally militate against mobility. As a result it was not possible to test the separate influence of the distance factor on the ability to move without assistance due to the non-fulfillment of the necessary *ceteris paribus* assumption. This followed from an inter-relationship between destination area and migrant characteristics that was essentially 'conservative' in nature i.e. those persons having the least ability

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(43) Hunter and Reid, op.cit., p. 143.

(44) J.B. Cullingworth, Housing and Labour Mobility, OECD, Paris, p. 67.

to move on an unaided basis were overwhelmingly intra-regional migrants and vice versa. In contrast to the housing variable this contention was supported by the extremely low positive correlation coefficients between distance and the personal characteristics of age (0.04986), marital status (0.13057) and skill (0.06477).

The separate influence of single variables only has been examined in this equation, and hence the analysis needed to be developed further given that joint influence or interaction effects between inter-correlated independent variables may be of considerable importance in stimulating migration flows and accounting for their composition and pattern.<sup>(45)</sup> This possibility was tested by multiplying the three statistically significant variables in Table 9.6 in order to see whether being both young and single, or highly skilled and single, or young and highly skilled, would result in a probability of being able to move on an unassisted basis that was greater than the sum of the probabilities for either of the two variables considered separately. The estimates for this regression equation revealed that none of the interaction terms were statistically significant and as there was no marked improvement in overall explanatory power the results are not reproduced here in Tabular form.

### Conclusion

The major conclusion of this chapter is that the probability of being able to move in the absence of E.T.S. assistance was to a significant extent a function of the marital status, skill characteristics and to a lesser extent the age of the movers. As the central

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(45) K.G. Willis, 'The Influence of Spatial Structure and Socio-economic Factors on Migration Rates. A Case Study: Tyneside 1961-66', Regional Studies, vol. 6, No. 1, 1972, p. 74-5.

aim of a policy of this type should be to assist the migration of persons who could not or would not otherwise have moved then the implication of the Table 9.6 estimates is that the E.T.S. should in the future actively out reach to aid the movement of the married, older or lesser skilled unemployed.

The value of this specific policy orientation would be further enhanced if these particular characteristics were those that most predisposed a migrant to adjust successfully in the demand area. If this was true the result of the above policy recommendation would certainly be a desirable reduction in the size of wastage rates, as reflected in return migration flows, experienced under the policy. The evidence of chapter 6 points in this direction, and thus adds greater weight to the argument that the future operation of the E.T.S. should pay less attention to the volume of migration and concentrate on bringing about a more desirable composition and direction of labour flows.

The question of return migration flows under the E.T.S. is taken up in chapter 11. Prior to this, however, various aspects of the assisted migrants' post-move labour market status are examined. This task is undertaken in the following chapter.

## CHAPTER 10

### VARIOUS ASPECTS OF THE ASSISTED MIGRANTS POST-MOVE LABOUR MARKET STATUS.

#### Introduction

The analysis of this chapter concentrates on certain leading dimensions of the assisted migrants' post-relocation labour market position. The evidence utilized in this analysis is for the job in the demand area to which the sample group moved with the aid of the E.T.S., and hence it is only relevant to the migrants' initial point of entry into the new area. With the exception of the results to be presented in Chapter 11, which are concerned with the size and timing of return migration flows under the E.T.S.,<sup>(1)</sup> it was not possible to examine the process of migrant adjustment to the new area beyond this initial period of entry. The degree of success or failure of this adjustment process through time may have implications for various aspects of labour market status in the demand area<sup>(2)</sup>, and hence this is a topic which should receive detailed attention in any future study of the workings of the E.T.S.

The results for the various aspects of the migrants' post-move labour market position will initially be tabulated by themselves, but subsequently they will be placed alongside the relevant information for the migrants' pre-move labour market status in order to identify more precisely the nature and extent of any change resulting from the process of assisted migration. It is important to emphasize the

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- (1) Return moves from the relevant demand areas are an extreme case in the adjustment spectrum in that they reflect a total inability to adjust to the new environment.
  - (2) For some information on these matters see Stanley Parker, Assisted Labour Mobility, Unpublished Report Prepared for the Department of Employment, 1975, p. 12-14.

implications of the results contained in Chapter 9 namely that the vast majority of the assisted migrants (at least in the case of the questionnaire respondents) fully intended to make a similar move even in the absence of the E.T.S. The argument in Chapter 9 was that any wage/employment gains experienced by movers under a scheme of assisted labour mobility are a reflection of returns to both the job search/finding process and the policy of labour mobility. In view of the Chapter 9 results, which indicated that most of the assisted migrants would have moved anyway, most of the labour market changes identified in this chapter constitute returns to the job search/finding process rather than returns to the E.T.S. These labour market changes derive more from the process than from the policy of labour mobility. As in the case of Chapter 8 data for both the non-respondent and non-participant groups was available on certain questions investigated here and hence it will be tabulated alongside that for the questionnaire respondent group.

#### The possibility of multi-dimensional change

Movement under the E.T.S. is quite likely to be multi-dimensional in character as the job obtained outside the local labour market area could involve a change in both industry and occupation from the last job held in the home area. This type of complex change could result from the fact that geographical movement under the E.T.S. is contingent upon first obtaining employment outside the local labour market area, and the type of job obtained by the migrants may have been searched for in industrial and/or occupational terms rather than in terms of geographical area.

If occupational and industrial considerations are important determinants of the assisted migration process then they may operate jointly in conditioning the nature and consequences of the particular move undertaken by the migrants. If, for example, there are linkages between two particular industries which results in non-random or above-average sized flows between them (relative to the level and change in total employment in each industry) this may be due to a similarity of job skill requirements - i.e. an overlapping occupational structure - between the two industries.<sup>(3)</sup> Some examination of this important hypothesis is undertaken in the next section of this chapter.

A number of redundancy studies in Britain have revealed that the unassisted redeployment of labour has involved a reduction in 'economic advantage' in the new job obtained by these workers compared to that from which they were displaced.<sup>(4)</sup> This reduction has typically taken the form of reduced wages (or in a wage inflationary situation a below average increase in wages) and/or occupational downgrading. As these enforced reductions in economic advantage may be costly in social as well as individual terms this suggests the need for a policy capable of facilitating a rapid and 'purposeful' movement of labour from sectors of declining employment opportunity. By purposeful movement we mean that the direction of movement from these declining sectors should not be random in nature, but rather should be specifically orientated to expanding, priority industrial sectors which will result in an increase in the marginal productivity of the labour which has been redeployed.

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(3) H.B. Parnes, Research on Labor Mobility, Social Science Research Council, New York, 1954, p. 96.

(4) See, for example, Frank Herron, Labour Market in Crisis, Macmillan, London, 1975, chapter 6.

The argument in Chapter 2 was that a policy of the E.T.S. type has, at least in principle, the capacity to bring about such a desirable direction of movement. This policy potential derives from the ability of such schemes to shift unemployed labour out of 'slack' labour market sectors (whether defined in industrial, occupational or geographical terms) to 'tight' labour market sectors. Therefore the basic requirement for an efficient redeployment of labour is that movement under the E.T.S. should be non-random in terms of both the sectors of origin and destination. If this requirement is fulfilled then, under the high demand conditions prevailing in the destination sectors, employers are forced to dilute the strict job requirements of vacancies available in these areas. The effect of such a change in 'normal' hiring standards is to break the strict relationship between a skilled job necessarily being filled by a skilled worker<sup>(5)</sup>, a result which leads to an increase in the elasticity of substitution between lesser skilled and skilled labour.<sup>(6)</sup>

The basic issue underlying the analysis of this chapter is the question of whether this potential has been realised in the case of assisted labour movement under the E.T.S.<sup>(7)</sup> The evidence from a number of studies of worker relocation policy in the United States has revealed sizeable individual and social gains in economic advantage resulting from the assisted labour mobility process,<sup>(8)</sup> but it does not necessarily follow that these favourable results for the American policy will be faithfully replicated in the British policy

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(5) M.W. Reder, 'The Theory of Occupational Wage Differentials', American Economic Review, Vol. 45, No. 5, December 1955, p. 833-52.

(6) See the findings contained in D.I. Mackay et al., Labour Markets Under Different Employment Conditions, George Allen & Unwin, London, 1971, Chapter 10.

(7) This aim must be seen in the light of our earlier statement regarding the importance of the process, rather than the policy, of migration in determining the nature and extent of any employment and wage change experienced by the migrants.

(8) A sizeable collection of evidence in support of this statement has been assembled in Cilla J. Reesman and David R. Zimmerman, Worker Relocation, 1965-1972, A Report to the U.S. Department of Labor Manpower Administration, 1975, Chapter 8.

context. Indeed given the substantial differences between the two countries in economic environment, the background characteristics of the migrants and the way in which the respective policies are organised and administered a strong similarity of outcome would be surprising.

at this stage there are two necessary modifications which must be made to the general argument presented in this section. Firstly, the heterogeneous nature of the assisted migrants', which was revealed by the demographic and labour market characteristics examined in Chapter 8, suggests that the various migrant sub-groups (as defined by the variables in Chapter 8) are likely to be non-competing groups operating in quite separate and distinct labour sub-markets. The most useful operational distinction may be one that distinguishes between migrants who perceive their relevant labour market in occupational terms, and those who see it in terms of a related set of industries. This is not a straight forward division along blue collar-white collar lines. The importance of occupation to skilled manual workers (due to the sunk costs involved in acquiring the necessary training) means that the mobility of skilled workers is likely to involve a much greater degree of industrial attachment than would be the case with unskilled workers.<sup>(9)</sup> This would be particularly true where the skilled man's occupation was virtually synonymous with one industry. This job investment argument, when combined with the framework of occupation systems suggested by Smith<sup>(10)</sup>, appears to offer a number of useful insights into the

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(9) Kenneth G. Willis, Problems in Migration Analysis, Saxon House, Farnborough, 1974, p. 24-6.

(10) J.E. Smith, 'The Analysis of Labour Mobility', in B.C. Roberts and J.H. Smith (eds), Manpower Policy and Employment Trends, Bell and Sons, London, 1966, p. 94-5.

industrial and occupation patterns of movement which emerge in the analysis of this chapter.

Finally, when discussing the changes in 'economic advantage' which have followed from migration one must be aware of the possibility that the two dimensions of this concept which are utilized in this chapter, namely wages and occupational status, may bear a non-complementary relationship to each other. A skilled man, for example, may be willing to undertake a semi-skilled job, at least for a short period of time, in a high wage industry such as motor vehicle manufacturing.<sup>(11)</sup> The possible trade off between occupational status and wages is another issue examined in this chapter. In the following section attention is focussed on the task of identifying the industries which have been the leading attraction sectors for assisted migrants under the I.T.S. This is followed by a discussion of the extent and direction of inter-industry labour flows.

#### The pattern of industrial mobility

The leading attraction industries for the questionnaire respondents, non-respondents and non-participant group are set out in Table 10.1. The nine leading industries are detailed in Table 10.1 and the percentages are based on the respective column totals.

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(11) D.I. Mackay, 'Redundancy and Re-engagement: A Study of Car Workers', Manchester School of Economic and Social Studies, Vol. 40, No. 3, September 1972, p. 295-312.

Table 10.1. The Leading Recruitment Industries for the Assisted Migrant Groups in the Survey (%)

Industry (SIC level)	Questionnaire respondents	Non- respondents	Non- participants	Row total and percentage
III Vehicles	2.8	2.0	75.0	151 (32.8)
VII-IX Engineering	15.1	15.7	8.3	57 (12.4)
VI Metal manufacture	13.8	37.3	-	49 (10.6)
XXV Professional and scientific services	18.8	2.0	1.0	44 (9.6)
XXVII Public administration	9.6	5.9	8.9	41 (8.9)
XXVI Miscellaneous services	3.7	9.8	1.6	16 (3.5)
XX Construction	4.6	9.8	-	15 (3.3)
XXIII Distri- butive trades	5.0	2.0	1.0	14 (3.0)
XXII Transport and communica- tions	4.6	2.0	-	11 (2.4)
All industry column total	218	51	192	461

The only other industries of any note were oil rig/platform construction (13) and food, drink and tobacco manufacturing (8). The relative position of individual industries in each of the migrant groups is largely a function of the number of observations obtained from the

particular exchange areas concerned. This point is perhaps best illustrated by the position of the vehicle manufacturing industry. Only six questionnaires were returned by movers to the Luton and Dagenham exchanges and hence vehicle manufacturing was relatively unimportant for the questionnaire respondent group. In contrast 151 of the 192 observations for the non-participants came from the Luton and Dagenham exchanges with the result that vehicle manufacturing predominated among the attraction industries for this particular group of migrants. When examining the evidence on this particular issue it is therefore essential to combine the findings for the three migrant categories in order to obtain an overall picture of the relative importance of the various industries responsible for recruiting labour under the L.T.S.

The importance of particular industries in recruiting labour under the L.T.S. was reasonably predictable from the size of the destination area exchange flows identified in Chapter 5. When the three categories of figures in Table 10.1 are aggregated the results indicate three basic groups of industries which have recruited labour through means of the L.T.S. Plants in the vehicle, metal manufacturing and engineering industries are the leading recruitment sectors. It is these particular establishments which constitute the one plant dominated labour market centres such as Luton, Corby, Rugby, Dagenham and Invergordon whose importance in the overall L.T.S. flows has been so strongly emphasised in previous chapters.

The second group of recruitment industries were service sector establishments located primarily in London, but also situated in

sizeable regional and sub-regional centres such as Aberdeen and Edinburgh. The assisted movers in these cases were the more educated, higher occupational status workers who operate in an essentially national labour market where promotion and advancement are frequently conditional upon quite high levels of geographical mobility. In other words the fact of mobility is built into the 'careerist' orientation of this type of non-manual employment.<sup>(12)</sup> The final industrial layer consists of a miscellaneous collection of industries which are not concentrated in any particular type of demand area. The plants in this category do not make heavy use of the L.F.S. in recruiting labour beyond their local market boundaries, but rather vacancies tend to emerge on an essentially random basis some of which are filled by assisted migrants from outside the local recruitment area. Inverness and the New Towns of Glenrothes and Livingston<sup>(13)</sup> are destination area centres having plants in a reasonably diverse range of industries each of which appears to have employed small numbers of workers who have been assisted to move by means of the L.F.S. It is the large number of these small to medium sized labour market areas (which are not dominated by a single firm recruiting labour on a large scale) that accounts for the spatially diverse pattern of labour flows under the L.F.S.

In order to highlight more fully the extent of industrial mobility it is necessary to place the figures in Table 10.1 alongside the major supply industries which were documented in Chapter 8. The

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(12) This particular group of assisted migrants were similar in occupational and industrial terms to unassisted migrants identified in previous studies in Britain.

(13) The nature of the job obtained in the New Towns may be a less important consideration to the migrants than the fact of gaining access to a relatively open housing market.

results for this exercise are set out in Table 10.2. The figures in this table are for the three migrant categories together and the percentages are based on the respective all industry column totals.

Table 10.2. A Comparison of the Pre-Move and Post-Move Industrial Distribution of the Assisted Migrants in the Survey

Industry (SIC level)	Pre-Move	Post-move
XX Construction	19.6	3.3
VII-IX Engineering	11.4	12.4
XXIII Distributive trades	9.8	3.0
III Food, drink and tobacco	9.0	1.7
XXVI Miscellaneous services	9.0	3.5
XXII Transport and communication	6.4	2.4
VI Metal manufacture	5.6	10.6
X-VII Public administration	4.8	8.9
XI Vehicles	3.2	32.8
XXV Professional and scientific services	1.9	9.6
All industry column total	377	461

The contents of this table are re-arranged below in order to illustrate more clearly the industrial sectors which were the suppliers and users of manpower under the E.T.S.

The Demand IndustriesThe Supply Industries

Vehicle manufacture (3.2 to 32.8%)	Construction (19.6 to 3.3%)
Metal manufacture (5.6 to 10.6%)	Food, drink and tobacco (9.0 to 1.7%)
Professional and scientific services (1.9 to 9.6%)	Distributive trades (9.8 to 3.0%)
Public administration (4.8 to 8.9%)	Miscellaneous services (9.0 to 3.5%)
Engineering sectors (11.4 to 12.4%)	Transport and communications (6.4 to 2.4%)

The vehicle manufacturing industry was clearly the largest net gainer of manpower, while the construction industry was the largest net supplier of manpower. The other net gainers of labour were metal manufacture and the two higher order service sector groups, while the engineering sector gained marginally from the flows. In addition to the construction industry, the other net suppliers of manpower were food, drink and tobacco manufacture, the two lower order service sector groups and the transport and communication group. These results are broadly similar to the findings of the Parker Report,<sup>(14)</sup> after some allowance has been made for the differences in sample basis and survey period between the two studies.

A further examination of these industry flows is necessary in order to identify the predominant industrial background of movers to the leading recruitment industries which were set out in Table 10.1. This task involves establishing the extent of intra-industry flows as well as highlighting the existence of any sizeable flows of labour between apparently related industries.

A detailed cross-tabulation of the pre-move and post-move industrial sectors was only possible for the questionnaire respondent

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(14) Parker, op. cit., Table 10, p. 11.

group. This exercise revealed an extremely low level of intra-industry movement with only 21.9% of the 155 questionnaire respondents who were employed prior to relocation moving within the same industrial order. These intra-industry movers were as follows: 2 in food, drink and tobacco manufacture, 2 in metal manufacture, 4 in mechanical engineering, 3 in electrical engineering, 1 in textiles, 1 in paper manufacturing, 5 in construction, 6 in transport and communications, 2 in the distributive trades, 1 in insurance and banking, 2 in professional and scientific services, 2 in miscellaneous services, 2 in public administration and 1 in oil rig platform construction.

This low overall level of intra-industry mobility was hardly surprising in view of the high proportion of general labourers among the questionnaire respondents (and indeed among the other two groups of assisted migrants as well). As Willis has pointed out, 'unskilled workers are more frequent industrial changers than skilled men presumably because general labour is in demand in almost all industries and no loss of rent to a particular skill is involved'.<sup>(15)</sup> In terms of Smith's occupational systems framework these unskilled workers are in the 'residual' occupation category which exists outside highly articulated labour markets and therefore makes for a high probability of industrial change consequent upon mobility.<sup>(16)</sup>

Information on the industrial background of the migrants to the vehicle manufacturing industry came almost entirely from the application

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(15) Willis, op. cit., p. 29.

(16) Smith in Roberts and Smith (eds), op. cit., p. 95.

forms of the non-participant group. This set of data was not available in a form suitable for cross tabulation purposes, but nevertheless it was apparent from the data that few of the migrants to the Luton and Dagenham exchanges had an immediate employment background in vehicle manufacturing. There were 144 movers to vehicle manufacturing in these two centres, and of these only 4.2% had been employed in that industry immediately prior to unemployment and relocation from the supply area. The major background industries of these particular migrants were as follows; 25.7% from construction, 13.2% from food, drink and tobacco manufacturing, 10.4% from miscellaneous services, 9% from mechanical engineering and 7.6% from metal manufacturing plants. The evidence for the vehicle manufacturing plants indicates that the existence of tight labour market conditions in their local recruitment areas has necessitated the recruiting of labour from quite diverse industrial backgrounds.

Again in the case of metal manufacture only 6.1% of the 49 migrants to this sector had an immediate background of employment in the industry. The major 'supply' industries to metal manufacture were construction with 26.5% of the workers, 12.2% from food, drink and tobacco manufacture, and 10.2% and 6.1% from the sectors of distributive trades and miscellaneous services respectively. The necessary details for 43 of the 57 movers to the engineering sector revealed that 27.9% of them were school leavers, 23.3% had a background in engineering, 11.6% were from metal manufacture, 7.0% from construction and 7% from the distributive trades. In summary, the three major recruitment industries for manual workers (i.e. vehicles, metal manufacture and engineering) attracted migrant labour in the main from the construction industry, food, drink and tobacco

manufacturing, the distributive trades and miscellaneous service sectors. A smaller amount of labour was attracted from other plants in engineering and metal manufacturing.

The argument put forward in Chapter 8 was that the pattern of industrial recruitment would, at least in broad terms, reflect the prevailing employment conditions and industrial structure of the supply regions.<sup>(17)</sup> However, these general influences must be embellished with industry specific factors in order to account for linkages between particular groups of industries, such as those identified above. The importance of the distributive trades and miscellaneous service sectors in providing younger aged persons for the manufacturing sector,<sup>(18)</sup> the well established two way exchange of labour between the construction industry and vehicle manufacturing in order to provide interim, stop gap employment for 'regular' construction and 'regular' car workers respectively,<sup>(19)</sup> and the general movement of labour between the related set of metal work industries (vehicles, metal manufacture and engineering)<sup>(20)</sup> are all examples of the latter type of influence.

In the case of recruitment to the service sector establishments a rather different industrial employment background was evident, no doubt as a result of differences in the inter-related factor of occupational status. The migrants who moved to higher level non-manual

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(17) Mackay et al., op cit., Chapter 9.

(18) R.D. Sleeper, 'Labour Mobility Over the Life Cycle', British Journal of Industrial Relations, Vol. 13, No. 2, July 1975, p. 201.

(19) Mackay, op. cit., p. 298.

(20) Mackay, ibid., p. 308.

employment posts in professional and scientific services or public administration were either not regular members of the workforce prior to relocation - i.e. school leavers<sup>(21)</sup> - or were moving from other parts of the general service sector. Among the questionnaire respondents there were 41 movers to professional and scientific service employment, for example, of whom 48.6% had never been employed before, and a further 41.5% had previously been in other service sector positions - i.e. 7 workers previously in the contributive trades, 6 in miscellaneous services, 2 in professional and scientific services and 1 each in insurance/banking and public administration. Again of the 21 questionnaire respondents who took up employment in public administration 66.7% were school leavers and 14.3% had an immediate background of service sector employment. The necessity of geographical mobility, in the interests of promotion in higher order service sector employment, has already been touched upon in this chapter, and thus provides a logical starting point for the discussion of occupational change experienced by the assisted migrants.

The nature and extent of occupational change experienced by the assisted migrants

The assisted migrants were not a homogeneous group in terms of training and skill and hence consideration must be given to the role of occupational status both as a stimulus to and a consequence of the industrial mobility discussed above. The pre-relocation and post-relocation occupational status of the assisted migrants is set out in Table 10.3.

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(21) Sleeper, op. cit., p. 203.

Table 10.3. A Comparison of the Pre-Move and Post-Move Skill Levels of Employment of the Assisted Migrant Groups in the Survey (%)

	Unskilled	Semi skilled	Skilled	Sales	Clerical	Administrative, professional	Never employed before	Trainee	Row Total
Questionnaire respondents									
(1) Pre-relocation	34.2	7.2	11.3	7.7	6.8	5.0	27.9	-	222
(2) Post-relocation	29.7	10.4	9.5	5.0	10.4	12.2	-	23.0	222
Non-respondents									
(1) Pre-relocation	51.0	11.8	19.6	-	2.0	5.9	9.8	-	51
(2) Post-relocation	56.9	19.6	17.6	-	-	5.9	-	-	51
Non-participants									
(1) Pre-relocation	37.0	26.6	15.1	7.8	3.1	3.6	6.8	-	192
(2) Post-relocation	76.0	5.7	2.1	1.6	7.8	6.8	-	-	192

Although the largest single group of movers in both the pre and post-relocation situations were in the unskilled, 'residual' occupation category there was an increased percentage of clerical and administrative/professional workers following relocation which, together with the emergence of a trainee category, was essentially due to the school leavers entering 'preparatory' and 'career step' occupations.<sup>(22)</sup> If consideration is given to the 62 school leavers among the questionnaire respondents one finds that 17.7% of them took up clerical positions, 25.8% administrative/professional level employment while 46.8% entered the trainee occupational category. The disproportionate movement of school leavers to preparatory and career step positions, which so frequently necessitate mobility, undoubtedly helps account for the finding in Chapter 9 that the school leavers among the questionnaire respondents had such a high propensity to move in the absence of mobility assistance from the B.T.S.

While the occupational factor was undoubtedly an important stimulus to the mobility of the school leavers it assumes a much less important role in accounting for the movement of the remaining migrants who essentially operate outside highly articulated, occupational labour markets. Changes in this variable are nevertheless an important dimension in any assessment of the outcome of the assisted mobility process. Such an assessment involves the provision of answers to the following questions: has the high percentage of inter-industry movement identified in the previous sector produced a high level of associated occupational change; has the general direction of change

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(22) Smith in Roberts and Smith (eds), Loc. cit.

Although the largest single group of movers in both the pre and post-relocation situations were in the unskilled, 'residual' occupation category the increased percentage of clerical and administrative/professional workers following relocation, together with the emergence of a trainee group, was essentially due to the school leavers entering 'preparatory' and 'career step' occupations.<sup>(22)</sup> If consideration is given to the 62 school leavers among the questionnaire respondents one finds that 17.7% of them took up clerical positions, 25.8% administrative/professional level employment while 46.8% entered the trainee occupational category. The disproportionate movement of school leavers to preparatory and career step positions, which so frequently necessitate mobility, undoubtedly helps account for the finding in Chapter 9 that the school leavers among the questionnaire respondents had such a high propensity to move in the absence of mobility assistance from the L.B.S.

While the occupational factor was undoubtedly an important stimulus to the mobility of the school leavers it assumes a much less important role in accounting for the movement of the remaining migrants who essentially operate outside highly articulated, occupational labour markets. Changes in this variable are nevertheless an important dimension in any assessment of the outcome of the assisted mobility process. Such an assessment involves the provision of answers to the following questions: has the high percentage of inter-industry movement identified in the previous sector produced a high level of associated occupational change: has the general direction of change

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(22) Smith in Roberts and Smith (eds), Loc.cit.

been in an upwards or downwards direction; and finally, which of the migrant sub-categories have the highest (and lowest) level of occupational stability consequent upon migration?

The contents of Table 10.3 reveal a striking degree of downward occupational mobility for the non-participant group of assisted migrants. As a result of moving the number of unskilled workers in this category more than doubled at the expense of the semi-skilled, skilled and sales worker categories. It is important to recall that 151 of the 192 observations for the non-participant group came from the exchange areas of Luton and Dagenham. The high wage vehicle manufacturing plants there have been able to recruit as unskilled labour a substantial proportion of workers who were previously engaged in skilled and semi-skilled work in industries other than vehicle manufacturing. This feature of labour recruitment in vehicle manufacturing firms has been documented in a number of previous studies.<sup>(23)</sup>

The extent and direction of occupational change is much less clear cut for the questionnaire respondent and non-respondent groups than was the case with the non-participant migrant category. The percentage of skilled workers in both the respondent and non-respondent groups fell slightly after relocation, while semi-skilled numbers rose in each case. For the respondent group the percentage of unskilled workers fell, while it rose in the case of the smaller sized non-respondent category. There is clearly nothing like the obvious and

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(23) Mackay, *ibid*, p. 310-11; J.F.B. Goodman and P.J. Samuel, 'The Motor Industry in a Development District: A Case Study of the Labour Factor, British Journal of Industrial Relations, Vol. 4, No. 3, November 1966, p. 341-3.

strong direction of change evident here which was so apparent in the case of movers to the car plants of Luton and Dagenham.

The figures in Table 10.3 take no account of the likelihood that movement from any one occupational group may be in more than one direction. As a result it is necessary to disaggregate the questionnaire figures in order to more fully appreciate the extent of directional flows between the various skill cohorts. The results of this exercise are presented in Table 10.4. The percentages are based on the respective row totals which refer to pre-relocation occupational status.

See Table overleaf

There is certainly movement both up and down the skill hierarchy, although, with the exception of the sales category, the largest number of migrants in each cohort stayed at the same broad occupational level. The school leaver and trainee cohorts somewhat complicate the pattern which emerged, but if the former category is omitted and the trainee group is defined as upgrading in all cases then occupational stability ratios may be calculated for each skill group. The results are shown below in Table 10.5.

Table 10.5. Occupational stability ratios for the Various Skill Categories of the Questionnaire Respondent Group (%)

	Stayed the same	Moved up	Moved down	Row total
Unskilled	57.9	42.1	-	76
Semi-skilled	43.8	12.4	43.8	16
Skilled	60.0	-	40.0	25
Sales	11.8	52.9	35.3	17
Clerical	40.0	53.3	6.7	15
Administrative/ professional	63.6	-	36.4	11

Table 10.4. The Direction and Extent of Movement Between the Various Skill Groupings by the Questionnaire Group (%)

Pre/Post relocation

	Unskilled	Semi-skilled	Skilled	Sales	Clerical	Administrative/ professional	Trainee	Row Total
Unskilled	57.9	15.8	1.3	4.0	4.0	1.3	15.8	76
Semi-skilled	43.8	43.8	2.6	-	-	-	-	16
Skilled	18.0	12.0	60.0	-	-	-	-	25
Sales	29.4	5.9	11.8	11.8	11.8	-	29.4	17
Clerical	6.7	-	-	-	40.0	20.0	33.3	15
Administrative/ professional	9.1	-	9.1	9.1	9.1	63.6	-	11
School leavers	1.6	-	-	8.1	17.7	25.8	46.8	62

The row totals in all cases except the unskilled are small and hence these findings must be interpreted somewhat cautiously. Nevertheless the results are intuitively appealing, at least in the sense that they accord well with a priori expectations. The skilled and administrative/professional migrants exhibited the highest occupational stability in their moves, while the sales group were the least likely to stay within the same occupational classification. The unskilled group, if they changed at all, by definition had to move upwards and certainly they, along with the sales and clerical groups, appeared to exhibit a considerable amount of upgrading. For these three categories, however, the largest individual group who were upgraded consisted of persons taking up trainee or preparatory occupation positions which meant that the up-grading process, assuming that they completed the training period, was essentially long term rather than short term in nature. At the same time there was an offsetting tendency due to a number of the semi-skilled, skilled and sales workers experiencing moves down the skill hierarchy.

In overall terms one should not place too great an emphasis on the degree of occupational change as, with the exception of the sales category, the largest single group in each skill cohort stayed at the same level. The picture which emerged was on the whole one of occupational stability with a certain amount of change at the margin. It is obvious from these Tables that the redeployment of labour under the L.F.S., unlike the American schemes of worker relocation,<sup>(24)</sup> did not produce a substantial volume of occupational mobility in the upwards direction. Although the very marked extent of downgrading in the case of recruitment to the vehicle manufacturing plants is a

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(24) See, for example, Gerald G. Somers, Labor Mobility: An Evaluation of Pilot Projects in Michigan and Wisconsin, Industrial Relations Research Institute, University of Wisconsin-Madison, 1972, p. 33-7.

special case, if one leaves aside movement into trainee occupations, then the amount of upgrading which resulted would be barely sufficient to offset the volume of movement down the skill hierarchy.

The direction and extent of wage change experienced by the assisted migrants

A study of migration would be incomplete without some reference being made to the place of wage differentials as both an incentive for and an outcome of the mobility process. This two-way relationship between wages and migration has resulted in previous mobility studies adopting one of the following perspectives; the testing of the proposition that migration flows are broadly from low wage to high wage sectors or areas, or the determination of whether (and to what extent) migrants actually benefit in wage terms from the move.<sup>(25)</sup>

In Chapter 5 regression analysis was used to test whether the assisted migration flows from Scotland were in 'the right direction' - i.e. whether the regional destinations of these movers were predominantly to areas of higher economic advantage. Regional unemployment differentials were used and found to be a satisfactory proxy for the concept of economic advantage. This section takes up second of the above perspectives and examines the question of whether, and to what extent, the assisted migrants gained in earnings terms from their decision to move. Before presenting the relevant evidence on this issue, however, a number of qualifications to the subsequent analysis must be made explicit at this point.

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(25) Michael J. Greenwood, 'Research on Internal Migration in the United States: A Survey', Journal of Economic Literature, vol. 13, No. 2, June 1975, p. 399.

The post relocation wage discussed in this section is that which was received by the migrants on first taking up employment in the respective demand areas. This measure of immediate wage benefit or loss may not necessarily be indicative of the migrants' longer term income prospects in either that particular job or in the demand area generally. This is an important point to bear in mind as the results of a number of American studies have suggested that migrants may accept immediate earnings cuts in anticipation of a faster rate of growth in future earnings.<sup>(26)</sup> Such a trade off between short term loss and longer term gain may result from a number of possible factors; an initial lack of seniority status which is necessary to ensure full access to available overtime, an absence of the necessary on the job training, or perhaps the original job itself was only taken as an interim, stop-gap position from which to spring-board to higher wage employment in the demand area when the first opportunity presented itself.

The wage measure utilized in this section is average gross weekly earnings. This was deemed to be the most appropriate measure for the purposes of this study as it is the most suitable wage proxy for measuring marginal increments in output which are likely to result from the labour flows. In addition, information obtained from various local E.T.S. officers indicated that although the maximum salary limit for coverage under the scheme refers only to basic weekly rates it is the level of earnings which is the key attraction factor

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(26) Greenwood, op. cit., p. 402.

in a number of the leading destination area industries such as vehicle manufacturing and oil rig platform construction. Finally, at the more practical level, most of the published wage series are of gross weekly earnings and this fact facilitates any wage comparisons which are necessary in order to place the sample findings in the context of the general level of wage gains made elsewhere in the economy.

Whatever the particular earnings measure chosen one must acknowledge that wages are only one element, albeit an important one, of the concept of 'the net benefits of employment' which labour is assumed as seeking to maximize through the process of mobility.<sup>(27)</sup> Unfortunately the use of a postal questionnaire meant that obtaining information on certain more peripheral issues had to be traded off in the interest of ensuring a satisfactory overall response rate to the questionnaire. This meant that no data was obtained on matters such as hours of work, the nature of the shift system, general working conditions and amenities, and travel to work time all of which are elements of the overall concept of the net benefits of the job. Ideally these factors should not be ignored, however, as favourable changes in them could offset the fact of no wage gain (and possibly even some loss) from migration with the result that the individual worker concerned on balance regarded the new job as an improvement over the one held

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(27) S. Rottenberg, 'On Choice in Labor Markets', Industrial and Labor Relations Review, Vol. 9, No. 2, January 1956, p. 183-99.

prior to migration.<sup>(28)</sup> This is certainly an area worthy of investigation in any future, large scale study of the E.T.S.

As with most studies of labour mobility a joint returns problem exists here in that the full extent of any wage change following migration cannot be attributed solely to spatial mobility as such a change also reflects the influence of industrial and to a lesser extent occupational mobility. Moreover migration for a considerable number of the sample occurred at the completion of a period of education and training and hence for this particular sub-group a substantial part of any wage return must be attributed to this source of investment in human capital.<sup>(29)</sup> In this particular study direct policy intervention was involved in the migration decision, but as the majority of the questionnaire respondents intended to make a similar move in the absence of policy assistance the wage changes identified in this section result more from the process of migration than from the independent operation and impact of the E.T.S.

In the past, studies of the effect of mobility on earnings have adopted a broad distinction between voluntary and involuntary movers. There are good a priori reasons why one might expect an involuntary mover to obtain a job in the same or even a lower wage bracket. The latter outcome is a distinct possibility for an involuntary migrant given his loss of any accumulated seniority status, the possible lack of immediately relevant on the job training together with a basic inability to control the timing of his move which may expose him to

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(28) Laurence C. Hunter and Graham L. Reid, Urban Worker Mobility, OECD, Paris, 1968, p. 120.

(29) Hans-Joachim Bodenhofer, 'The Mobility of Labor and the Theory of Human Capital', Journal of Human Resources, Vol. 2, No. 4, Fall 1967, p. 431-48.

a particularly unfavourable set of labour market circumstances. In short, for workers who are involuntary changers a tendency to earnings reduction may be expected, although this does not imply a lack of attention (on the workers part) to financial considerations, but simply a lack of effective choice.<sup>(30)</sup>

In contrast, voluntary migrants are considered to have a much higher probability of wage gain due to the advantage of having arranged alternative employment through on the job search and as a result of their ability to time the move in order to take full advantage of favourable employment conditions in the relevant demand area. The evidence in Chapter 8 indicated that a substantial minority of the questionnaire respondents were not truly involuntary movers, while for the remainder access to the E.T.S. facilities may have reduced to some extent the normally disadvantaged job search position of involuntary migrants. The question is whether this potential source of wage improvement has been realised. The American evidence certainly indicates that substantial gains in wages and employment have been realised by assisted migrants,<sup>(31)</sup> but, as has been demonstrated before, such findings in no way establish a presumption of success, much less one of similar magnitude, in the case of the E.T.S. in Britain.

In Table 10.6 the first set of wage evidence for the questionnaire respondents presents the overall earnings distribution for pre-relocation and post-relocation employment. The percentages are

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(30) Hunter and Reid, op. cit., p. 121.

(31) Reesman and Zimmerman, op. cit., p. 171-4.

based on the respective column totals.

Table 10.6.      A Comparison of the Pre-move and Post-move Weekly  
Earnings Distribution of the Questionnaire Respondent  
Group (%)

Wage Categories	Pre-relocation*	Post-relocation
Under £16	10.3	8.1
£16-32	36.8	29.8
£32-44	28.4	26.1
£44-60	17.1	24.2
£60-68	3.3	5.6
£68+	4.3	6.2
Column total **	117	211

\* These wage figures are for the last regular job held prior to unemployment and/or relocation

\*\* The quite substantial difference between the column totals is due to the 62 school leavers who were not members of the work-force prior to relocation and the relatively high number of migrants (43) who failed to provide any indication of their pre-relocation wage level.

The results in Table 10.6 suggest an overall shift of workers from lower wage to higher wage employment as a consequence of relocation. If one takes £44 per week as a reasonably appropriate dividing line between the lower and higher wage classes, then 75.5% of the respondents were earning less than this figure prior to relocation, whereas subsequent to the move the number in this lower

wage range fell to 64% of the group. In the absence of further analysis, however, this overall favourable shift in the migrants' earnings distribution cannot be treated as an indication of a one-way flow of labour from low wage to high wage employment. In the first place, there is a question of the appropriate interpretation of the two sets of figures in Table 10.6 as one is not strictly comparing the same body of individuals in the two labour market positions. There is the complicating factor of the school leavers whose wages were only recorded in the post-relocation distribution. If the entry of the school leavers into the post-relocation earnings structure was disproportionately concentrated at the upper end of the scale this could possibly account for the apparent shift of labour from low wage to high wage employment.

In addition to the above problem, an explanation of the apparently favourable wage gain made by the sample group as a whole is not a straightforward matter. The use of a before and after comparison in the study of any manpower programme runs the risk of overstating the effectiveness of the policy if no allowance is made for the influence of a favourable exogenous change in labour market circumstances.<sup>(32)</sup> If one was to uncritically attribute all observed wage/employment improvement in a before and after study to participation in a particular manpower scheme this would be to commit the fallacy of post hoc, ergo propter hoc.

There was certainly a risk of overstating the effectiveness of the M.T.S. in terms of the wage gains experienced by the

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(32) Michael E. Borus and Charles G. Buntz, 'Problems and Issues in the Evaluation of Manpower Programs', Industrial and Labor Relations Review, Vol. 25, No. 2, January 1972, p. 235.

assisted migrants during the survey period. The 12 months of the survey witnessed such an exceptionally rapid rate of general wage inflation that the favourable wage shift experienced by the migrants may have been less a reflection of a reallocation of labour between low wage and high wage sectors than the result of the rise in the general wage level which occurred between the termination of employment in the supply area and the obtaining of a new job in the demand area. The extent of the general wage rise for this period was evidenced by some figures extracted from the 1974 and 1975 New Earnings Surveys which were previously quoted in Chapter 8. The average gross earnings of adult male workers (manual and non-manual) in Scotland rose from £46 per week in April 1974 to £60.3 per week in April 1975, a rise of some 31%. These figures indicate that an environment of rapidly rising money wages constituted the background to the reallocation of labour under the M.T.S. These average earnings figures provide a useful benchmark for placing the sample findings in some overall wage perspective. For example, even after relocation it is apparent that only a minority (36%) of the questionnaire respondents earned more than even the lower benchmark figure of £46 per week.

Although the overall direction of change evident in Table 10.6 indicated a move towards higher wage positions, which was hardly surprising given the background of rapidly rising wage levels throughout the economy, the size of the change for the various individual wage categories was only marginal in nature. In the £32-44 per week wage group, for example, the percentage reduction between the pre-move and post-move positions was only 2.3%, while at the top end of the wage hierarchy the percentage receiving more than £60 per week

only rose by some 4.2% between the two labour market states. These small sized average changes are therefore likely to conceal elements of movement both up and down the wage scale as well as a certain amount of stability in individual wage levels. The likelihood of this more complex pattern of movement is examined in Table 10.7. This Table utilizes a more detailed set of wage categories than that contained in Table 10.6 and is designed to highlight the extent of wage gains and losses experienced by workers in the various pre-relocation wage groups. As Table 10.7 is based on those workers who were regular labour-force members prior to migration, and for whom wage information was available in both the supply and demand area situations, there is only a total of 115 observations in the Table. This makes for rather small sub-cell sizes and hence the results presented here must be treated with some caution for purposes of generalization. The percentages are based on the respective row totals.

See Table overleaf

The key pieces of information revealed by the contents of Table 10.7 provide answers to the following questions; how many of the migrants obtained a job in the same, a higher or a lower wage group than that of their last job in the supply area, and for those movers who gained or lost in wage terms, what was the extent of the change from their pre-relocation position? In

Table 10.7. The Direction and Extent of Change in Weekly Earnings Experienced by the Questionnaire Respondent Group (%)

	Under															Now	Total
	£16	16-20	20-4	24-8	28-32	32-6	36-40	40-4	44-8	48-52	52-6	56-60	60-4	64-8	68+		
Under 16	16.7	8.3	33.3	16.7	16.7	-	-	-	-	8.3	-	-	-	-	-	12	
16-20	-	25.0	25.0	18.5	12.5	12.5	6.3	-	-	-	-	-	-	-	-	16	
20-4	-	14.3	14.3	-	-	-	28.6	42.9	-	-	-	-	-	-	-	7	
24-8	-	-	8.3	-	-	25.0	-	16.7	16.7	-	16.7	-	-	8.3	8.3	12	
28-32	-	14.3	-	28.6	-	-	-	-	-	14.3	14.3	-	14.3	-	14.3	7	
32-6	-	-	12.5	12.5	25.0	-	-	-	12.5	-	-	12.5	12.5	12.5	-	8	
36-40	-	-	-	-	-	12.5	25.0	12.5	12.5	12.5	12.5	-	12.5	-	-	8	
40-4	-	-	-	-	6.3	25.0	-	18.8	-	6.3	12.5	-	6.3	12.5	12.5	16	
44-8	-	-	-	-	-	-	-	-	-	-	-	50.0	-	-	50.0	2	
48-52	-	-	-	-	-	-	-	40.0	-	-	20.0	-	20.0	-	20.0	5	
52-6	-	-	-	-	-	12.5	-	-	-	-	25.0	25.0	-	12.5	25.0	8	
56-60	-	-	-	-	-	-	-	20.0	-	-	40.0	40.0	-	-	-	5	
60-4	-	-	-	-	-	25.0	-	-	-	25.0	-	-	-	-	50.0	4	
68+	-	-	-	-	-	-	-	-	-	20.0	20.0	20.0	-	20.0	20.0	5	

answer to the first question the following position was revealed in Table 10.7; 14.8% of the migrants stayed in the same wage group, 61.7% experienced a wage gain, while 23.5% suffered a wage reduction relative to their previous position. These findings are not too dissimilar to those contained in the Parker Report which concluded that 50% of their sample gained, 27% lost and 23% stayed in approximately the same wage bracket.<sup>(33)</sup> In both this and the Parker study the number of assisted migrants who gained in wage terms from the move exceeds the number typically revealed in previous studies of unassisted labour redeployment following redundancy,<sup>(34)</sup> although this may be due more to the unprecedented rate of general wage inflation during these years of the 1970's than to the success of the sectoral reallocation process brought about under the E.T.S. This point may be better appreciated after a more detailed examination of the actual extent of wage benefit or loss experienced by the movers. This task is undertaken in Table 10.8 below. The percentages are based on the respective column totals.

Table 10.8 The Extent of Wage Gain or Loss Experienced by the Questionnaire Respondent Group (%)

Extent of Wage Change	The Gainers	The Losers
Up to £4 per week	15.5	37.0
Up to £8 per week	16.9	25.9
Up to £12 per week	15.5	18.5
Up to £16 per week	15.5	7.4
Up to £20 per week	12.7	7.4
Up to £24 per week	8.5	3.7
More than £24 per week	15.4	-
Column total	71	27

(33) Parker *ibid.*, p. 12.

(34) H.R. Kahn, *Repercussions of Redundancy*, George Allen & Unwin, London, 1964, Table 45, p. 124; Herron, *op. cit.*, Table 6.9, p. 89.

The figures in Table 10.3 indicated, as seemed likely in an overall situation of rapid wage inflation, that for the small group of migrants who suffered a wage loss the reduction was relatively small, while for the larger group of wage gainers the extent of the wage increase was much larger. In short, there was a much greater dispersion in the size of wage gains than of wage losses. Just under 63% of those making a wage loss suffered a reduction of less than £8 per week and over 81% of the loser group experienced a reduction of no more than £12 per week. In contrast, only a third of the gainers had an increase of less than £8 per week and less than half of the group (48%) only managed an increase of £12 a week. In fact nearly 37% of the gainers enjoyed a wage increase of more than £16 per week over their previous level of earnings in the supply area.

The conclusion from these figures is that the favourable wage shift revealed earlier in Table 10.6 was not simply due to the inclusion of the school leavers in the post-relocation earnings distribution, but was enjoyed by more than 60% of the migrants who were regular workforce members prior to relocation. The assisted migrants had a much higher probability of wage gain than loss and the extent of the gains experienced was considerable. Although 24% of the group experienced a wage reduction the extent of the loss was typically small. The source of the wage gains, however, may have been less the result of moving to a higher wage sector than a reflection of the fact that the general rate of wage inflation during this period was such as to produce a sharply rising level of wages throughout the economy.

The suggestion that much of the wage gain enjoyed by the migrants was simply a reflection of the high rate of wage inflation throughout the economy implies that similar sized wage gains might well have been received by the group if they had obtained employment in their local supply area. This may have been true for the primary wage earner, but it ignores the fact that the relevant unit of wage or income change under a policy of assisted labour mobility is the family and not just the male wage earning member of the household. The income level of a migrant household may rise through a wage gain experienced by the primary wage earner, but an additional factor may also be the increased level of employment and wages of the migrant worker's spouse. If there was an increase in the level of workforce participation by the wives of the married male migrants this would constitute an additional source of family income gain from migration, and one which may not have come about through the alternative means of local area placement for the primary wage earner in the family. This particular question is examined in the following section.

The direction of change in the workforce status of the wives of the married male migrants

The full extent of under-utilized labour resources in the high unemployment regions of Britain is not revealed solely by the figures for the registered unemployed. The amount of 'concealed unemployment' is also a matter of concern to the regional policy making authorities and the major component of this concealed unemployment is the inter-regional variation in the workforce

activity rates of married females.<sup>(35)</sup>

Policies of assisted labour mobility have been criticised on the grounds of being incapable of reducing the magnitude of this particular manifestation of imbalance in regional labour markets. In fact it has been quite widely argued that the operation of such a policy would typically have the effect of widening the already existing inter-regional differentials in female workforce activity rates.<sup>(36)</sup> This argument takes as its starting point the proposition that the geographic location of a married female tends to be dependent on the employment prospects of her husband rather than on her own personal economic opportunities.<sup>(37)</sup> Married female labour is typically thought of as 'tied' or geographically immobile labour. The result of joint household labour supply functions is that the geographical immobility of married female workers may take one of two forms: inability to move in response to personal employment opportunity; or geographical movement that is purely random in relation to personal employment opportunity when a job change involving migration is made by the primary wage earner in the family.<sup>(38)</sup>

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- (35) See A.J. Brown, The Framework of Regional Economics in the United Kingdom, NIESR, Cambridge University Press, London, 1972, p.205-14.
- (36) See, for example, L. Needleman and B. Scott, 'Regional Problems and Location of Industry Policy in Britain', Urban Studies, Vol. 1, No. 2, November 1964, p. 155.
- (37) Frank J.B. Stilwell, Regional Economic Policy, Macmillan, London, 1972, p. 46.
- (38) Beth Niemi, 'The Female-Male Differential in Unemployment Rates', Industrial and Labor Relations Review, Vol. 27, No. 3, April 1974, p. 343-4.

The evidence in Chapters 6 and 8 appears to bear out the first part of the immobility argument as there was little if any evidence of married females applying for migration assistance in their own right. But as it is the family, and not simply the primary wage earner, which is the relevant unit of impact under a policy of assisted labour mobility a full assessment of the costs and benefits of movement under the L.T.S. must take account of any change in the probability of the female member of the migrant household working in the new area relative to her previous work-force position in the supply area.<sup>(39)</sup>

The assisted movement of married male workers may therefore have quite significant, if indirect, implications for changes in the level of female workforce activity rates in the high unemployment regions. This potential impact follows from the very reason for inter-regional differences in female workforce activity rates. The existing body of literature and research on the subject has established that the major cause of these inter-regional differentials is the availability of work: that is, the propensity of women to actively seek employment is strongly responsive to differences in available work opportunities which are in turn largely a function of differences in the industrial structure of demand between regions.<sup>(40)</sup> In short, as the ratio of female to total employees exhibits a wide variation between industries it is the type of industrial structure

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(39) Robert A. Jenness, 'Manpower Mobility Programs' in G.G. Somers and W.D. Wood (eds), Cost-Benefit Analysis of Manpower Policies, Industrial Relations Centre, Queens University, Ontario, 1969, p.200.

(40) For a useful summary of the relevant body of literature see J.K. Bowers, 'British Activity Rates: A Survey of Research', Scottish Journal of Political Economy, Vol. 22, No. 1, February 1975, p. 57-90.

in a particular region which is the major determinant of both the ratio of female to total employees and the proportion of the total female population in employment.<sup>(41)</sup>

It is no more than a truism to claim that a policy such as the A.T.S. cannot raise female activity rates in the immediate local supply area, but in view of the figures in Chapter 5 which revealed the high percentage of intra-regional migrants under the A.T.S. it is possible for the scheme's operation to raise, if only marginally, the level of female workforce activity in any single high unemployment region through a spatial reallocation of family units within that particular region. Such an increase could be expected to result if the net direction of movement under the scheme was to sub-regional labour markets having the type of industrial structure that provided an increased range of opportunities for female employment relative to the level of opportunity in their local area of origin.

The net direction of movement could, however, be unfavourable from the point of view of the level of female employment opportunities, and even where movement is to an area having a more favourable industrial structure for female employment an increase in workforce participation need not necessarily result. This is because of the possible existence of offsetting factors such as a substantial increase in the wage level of the male member of the migrant household.

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(41) A.J. Brown, 'Regional Problems and Regional Policy', National Institute Economic Review, No. 46, November 1968, p. 43.

The effect of such a change is uncertain, and only if one assumes an all pervading dominance of the substitution effect on the female supply function will the result . . . cause the female member of the family to withdraw from (or decide not to enter) the workforce.<sup>(42)</sup>

The available evidence on the workings of the American and Swedish schemes of worker relocation indicates that little of the migrant family gain in employment and wage terms has been due to an increase in the employment of the female member of the family.<sup>(43)</sup> In contrast the findings for the family movers under the E.T.S. appear considerably more positive in this regard. There were 101 married male migrants among the questionnaire respondents and the relevant information on their spouses employment position was provided by 96 of them. Separate results are presented for the inter and intra-regional movers in Table 10.9 below. The percentages are based on the relevant row totals.

Table 10.9. The Pre-Move and Post-Move Workforce Status of the Spouse of the Married Migrants among the Questionnaire Respondent Group (%)\*

	In employment	Not employed	Row total
Intra-regional movers			
(1) Pre-move	39.6	60.4	63
(2) Post-move	53.2	46.8	63
Inter-regional movers			
(1) Pre-move	40.0	60.0	33
(2) Post-move	63.3	36.7	33

\* The early contact with the migrants after their entry to the

(42) Malcolm Fisher, The Economic Analysis of Labour, Weidenfeld and Nicholson, London, 1971, p. 176-8.

(43) H. Tyrone Black et al., 'On Moving the Poor: Subsidizing Relocation', Industrial Relations, Vol. 14, No. 1, February 1975, p. 73-4; Ake Dahlberg, 'Economic and Social Effects of Stimuli to Geographical Mobility - An Empirical Study', Department of Economics, Umea University, Sweden, (Mimeographed), 1975, p. 11.

demand area meant that the question of post-relocation employment had to be phrased in terms of whether their wife intended to work or not in the new area. It is assumed that the answers to this question were a realistic expression of the likelihood of actually obtaining employment.

In total only 39.8% of the spouses of the married male migrants were employed prior to relocation, whereas following the move the number in employment rose to 58.3% of the group. While fully 40% of the females not employed prior to relocation intended to seek or had obtained work in the new area, only 21% of the group employed prior to movement intended not to take up employment in the destination area. Although these results do not necessarily indicate that the migrant families deliberately and consciously made their movement decision as household employment/income maximizing units, the observed outcome was nevertheless in the direction of raising female workforce activity rates.

As our basic concern is with the direction and extent of change in female activity rates for the region of origin (Scotland) particular attention must be paid to the outcome of the intra-regional moves. The results in Table 10.9 indicate that the direction, and indeed the extent, of change for the intra-regional movers was broadly similar to that for the married migrant group as a whole. For the intra-regional mover group only 39.6% of the female household members had been employed in the local area of origin, whereas in the destination areas the relevant number who had obtained work, or fully intended to do so, had risen to 53.2% of the group. These results are of undoubted significance given the current

dominance of intra-regional flows under the E.T.S. The indications from these figures are that in regions such as Scotland the assisted movement of families from centres of declining heavy industry such as Glasgow to the smaller but structurally more diverse local labour markets of Glenrothes, Livingston and Inverness etc. is more likely than not to operate in the direction of raising female workforce participation rates.

The findings for both the intra-regional and inter-regional group of movers in Table 10.9 does not support the argument, put forward in the mid-1960's debate on the appropriate form of regional policy for Britain, that assisted labour mobility policy can only operate to reduce the level of female workforce participation in the high unemployment regions. This is because the original argument assumed that movement under such schemes would inevitably be inter-regional in nature, and in particular the major flows of labour were assumed to be from regions such as Scotland to the Midlands and South East regions. And this is certainly not the case under the present E.T.S.

The type of housing accommodation obtained by the assisted migrants in the demand areas

The limited availability of suitable housing in potential destination areas has been considered the major constraint on the mobility of unemployed workers in Britain.<sup>(44)</sup> Although there has been considerable speculation about the housing 'costs' likely

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(44) See, for example, OECD, International Management Seminar on Active Manpower Policy, Paris, 1964, p. 64.

to be experienced by mobile workers there have been relatively few empirical investigations of the role of housing in influencing the direction of movement and subsequent adjustment process of actual labour migrants.<sup>(45)</sup> The importance of this topic of study, however, requires little justification in view of the widely held belief that housing difficulties in the new area, in the form of a widespread inability to obtain ready access to suitable housing, are likely to be the prime cause of return migration rates under schemes of assisted labour mobility in Britain.<sup>(46)</sup>

The aim of this section is to highlight any obvious housing 'troublespots' that may operate to undermine the essentially employment orientated nature of movement under the A.F.S. and thereby precipitate return migration flows. Before presenting the evidence on the type of housing obtained in the demand areas, relative to that held in areas of origin, it is necessary to specify what is meant by the term 'suitable housing'.

A review of the relevant housing-labour mobility literature suggests that the concept has two basic dimensions, at least as perceived by the migrants themselves. Firstly, there is the actual (tenure) type of accommodation obtained in the destination area, with its suitability being largely judged in relation to the type of accommodation held prior to movement. And secondly, there is

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(45) The major exception to this being James H. Johnson et al., Housing and the Migration of Labour in England and Wales, Saxon House, Farnborough, 1974.

(46) Congress of the United States, Joint Economic Committee, Study Paper No. 8, Programs for Relocating Workers Used by Governments of Selected Countries, U.S. Government Printing Office, Washington, D.C., 1966, p. 21.

the length of waiting time which must be spent in interim accommodation arrangements before taking up the desired form of housing. Both of these dimensions will be discussed in relation to the evidence presented below in Table 10.10.

The figures in Table 10.10 which are for the questionnaire respondents only indicate the size and direction of flows between the different housing tenure types due to migration. The percentages are based on the respective row totals for the type of housing held prior to relocation.

Table 10.10     A Comparison of the Pre-Move and Post-Move Housing Accommodation of the Questionnaire Respondent Group (%)

	Temporary	Private rental	Local authority rental	Development corporation rental	Owner Occupier	Row Total
Lived with parents/family	77.0	23.0				87
Local authority rental	63.3	8.3	8.3	20.0		57
Private rental	52.2	28.3	6.5	10.9	2.2	46
Owner occupier	42.1	21.1	5.3	10.5	21.1	19
Development corporation rental	62.5	37.5				8
Temporary	50.0	50.0				2

If one adopts the simplifying proposition that the migrants wished to obtain the same type of housing that they held prior to the move then the contents of Table 10.10 clearly indicate that few of the group were able to achieve this aim. In fact only 8.5% of the local authority tenants, 21.1% of the owner occupiers and 28.3% of the private renters (whose desire to maintain this type of tenure is obviously questionable) managed to obtain accommodation in the demand areas of the same type as held prior to migration.

In the absence of detailed personal opinions from the movers themselves it is difficult to make any unequivocal statement about the nature and extent of housing 'improvement' experienced by the sample group as a whole. However, if one stipulates as a minimum condition for improvement the obtaining of access to one of the forms of permanent accommodation then only the following migrants can be placed in the improvement class: 6.5% of the former private renters who became local authority tenants, 10.9% of the private renters who moved to development corporation housing and 2.2% of the private renters who became owner occupiers. Rather more difficult to assess in improvement terms are the following changes: 20.0% of the local authority renters who became development corporation renters, 10.5% of the owner occupiers who went to development corporation housing and 5.3% of the owner occupiers who obtained local authority accommodation. In the absence of knowledge of the migrants personal opinions and individual financial circumstances the most one can safely conclude here is that these

migrants seem unlikely to have suffered any substantial loss in housing status following their move.

The position of persons who were local authority tenants prior to relocation deserves some additional comment given the detailed treatment which they have received in the housing-labour mobility literature. The widespread use of residential qualifications for allocating local authority tenancies has been accused of constituting 'a new law of settlement'<sup>(47)</sup> in Britain in that 'the answer to the .. question - who gets council houses - .. appears to be those who can stay longest in one particular area ..'<sup>(48)</sup>. The result of local councils being truly local in their allocation priorities<sup>(49)</sup> is that local authority tenants who are forced to move outside their local area in order to obtain employment are unlikely to regain access to this particular sub-sector of the housing market. This was certainly the case in the Table 10.10 results where only 8.3% of previous local authority tenants were able to re-enter this particular sub-sector following relocation.

The unfavourable shift in the housing position of the sample as a whole is indisputable. The widespread inability to maintain tenure type, much less to advance up the hierarchy of housing status, suggests that the migrant sample faced a situation of very restricted housing choice in the new areas. The type of housing obtained

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(47) J.B. Cullingworth, Housing and Labour Mobility, OECD, Paris, 1969, p.30.

(48) R.D. Cramond, Allocation of Council Houses, University of Glasgow, Social and Economic Studies, Occasional Paper No. I, Oliver and Boyd, Edinburgh, 1964, p. 52.

(49) Cullingworth, op. cit., p. 29.

following relocation was undoubtedly the reflection of a highly constrained (in terms of physical availability) choice situation. The most striking manifestation of the limited choice situation facing the assisted migrants was the high proportion (over 65%) who were forced to take up temporary accommodation, mainly in hostels. This finding, which is borne out by the results contained in the Parker Report<sup>(50)</sup>, is a reflection of the limited spare capacity in the permanent housing stock of most areas in Britain<sup>(51)</sup>, together with the fact that few local authority areas are willing to make special arrangements to cater for mobile workers unless they can claim key worker status.

The only exceptions to the above statement are the New Towns which make special provision for mobile workers originating outside their local administrative and labour market boundaries.<sup>(52)</sup> Some 14.3% of the sample obtained almost immediate access to permanent accommodation in the demand areas and of these 84.4% were in the New Towns of Corby, Glenrothes and Livingston. Even in the New Towns, however, the number who obtained immediate access to permanent accommodation was less than 50% of total incomers. Although the majority of incomers to the New Towns had to spend some time in temporary accommodation there was nevertheless a definite possibility of obtaining permanent

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(50) Parker, ibid., p. 9 and 13.

(51) Richardson and Vipond suggested that a 5% national vacancy rate (vacant dwellings as a percentage of the total housing stock) was necessary to ensure an adequate level of labour mobility in the economy. According to the 1966 Census figures only East Anglia with a vacancy rate of 4.4% approached this figure. See Harry W. Richardson and Joan Vipond, 'Housing in the 1970's', Lloyds Bank Review, No. 96, April 1970, p. 7.

(52) Cullingworth, ibid., p. 61-2.

accommodation in the not too distant future. This contention raises the all-important question for migrant workers in temporary accommodation, namely what length of time must be spent in such interim arrangements before access to permanent housing can be obtained.

The Johnson study provides some useful information on this vital matter. Over 65% of their sample spent some time in temporary accommodation, usually for a period of 1-3 months, but more than 20% were forced to stay for longer than 3 months. Only 12% spent less than 1 month in such circumstances.<sup>(53)</sup> And the latter group consisted overwhelmingly of incomers to the New Town in their sample areas.<sup>(54)</sup> The adverse effects of long waiting periods for permanent accommodation on the success of migrant adjustment in the new area have been revealed by some earlier evidence from the National Coal Board's inter-coalfield transference scheme. Under the coalfields scheme return migration rates have averaged some 20% of all moves. The waiting time for housing in the various destination areas ranged from 3 months to 3 weeks, and in the latter case return migration rates were less than 50% of those experienced elsewhere.<sup>(55)</sup>

An enforced stay in temporary accommodation, particularly where there is only a remote possibility of obtaining anything more satisfactory in the immediate future, is obviously suggestive in terms of its implications for the success of a migrant's adjustment to the new area. Although it is not the only factor involved it is

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(53) Johnson et al., op. cit., p. 238-41

(54) Johnson et al., ibid., p. 137-9 and p.240.

(55) 'Programs for Relocating Workers Used by Governments of Selected Countries', op. cit., p. 20.

hard to deny that the higher the proportion of assisted migrants who are forced to stay in temporary accommodation for any length of time the greater the probability of unacceptably high return migration rates under the E.T.S. The issues of the size and timing of return migration moves under the E.T.S. are examined in the following chapter.

### Conclusions

The analysis of this chapter involved a before and after comparison of the assisted migrants' wages, industry, occupation level of employment and type of housing which are among the leading indices of individual and social gain from a policy of assisted labour mobility. A further issue examined was the claim that policies of assisted labour mobility are incapable of assisting in the policy task of raising the workforce participation levels of married females in the high unemployment regions.

The various results contained in this chapter are not the end of the story and hence cannot be interpreted as final measures of individual and social gain from assisted movement under the E.T.S. Such an interpretation would be unsatisfactory in view of its questionable assumption that all the moves had resulted in a permanent shift in the spatial location of labour. The results of various American studies of worker relocation policy have suggested that a necessary pre-requisite for the full realisation of wage and employment gains from assisted labour mobility is that the migrants remain in the demand areas for at least 12 months after the move.<sup>(56)</sup> Whether this condition is met or not in the case of assisted movers under the E.T.S. is the subject for investigation in the following chapter.

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(56) Reesman and Zimmerman, ibid., p. 171-8.

## CHAPTER 11

### THE EXTENT OF RETURN MIGRATION FLOWS UNDER THE E.T.S.

#### Introduction

One of the major criteria for assessing the impact and effectiveness of policies of assisted labour mobility involves establishing what percentage of the original relocatees adjust successfully to their new work and social environment, with the result that they remain employed in the demand area for at least a minimum specified period of time. The results of a preliminary investigation of this question were set out earlier in chapter 6. The findings presented there for six employment exchanges in Scotland suggested an average return migration rate of some 25% of the original group of movers, although considerable inter-area variation existed around the average.

The aim of this chapter is to present further evidence on the size and timing of return migration moves under the E.T.S. specifically with a view to overcoming a number of limitations which existed in the previous analysis of chapter 6. This is achieved by the introduction of the following new factors in this chapter:-

- (1) The analysis here is based on a new and much larger body of data than before. The data set utilized in this chapter covers the post-relocation employment position of just under 890 assisted migrants. This figure represents something like 25% of the total number of Scottish migrants assisted under the E.T.S. during the relevant study period. In addition, the data set has no missing observations which was a problem in the analysis of chapter 6, and one which has plagued a number of American studies

of this question.<sup>(1)</sup>

- (ii) The figures in chapter 6 dealt almost exclusively with intra-regional migrants, but as psychic costs and imperfect labour market information (which build in uncertainty and risk into any migration decision) may be a positive function of the distance moved<sup>(2)</sup> then return migration rates for intra-regional movers may be considerably below those for inter-regional movers. This is a hypothesis capable of examination here as the new data related to both intra-regional and inter-regional migrants.
- (iii) In order to properly define a 'successful relocation' the definition must contain a specific time dimension i.e. there must be a minimum duration of residence necessary in the destination area before a move qualifies as being successful. In chapter 6 it was suggested that the return migration flows were overwhelmingly concentrated in the first twelve weeks after the original move. The basis for this suggested figure was the anecdotal evidence of local employment exchange officers responsible for administering the E.T.S. and the 'last contact' entries on a number of the relocatees' employment exchange files. There was clearly a need, however, to provide a more rigorous, in-depth analysis of the timing of the return moves as some American studies have suggested that the use of a broad stayer-leaver dichotomy is likely to conceal a number of important differences between 'early' and 'late' leavers.<sup>(3)</sup> In order to

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(1) Cilla J. Reesman and David R. Zimmerman, Worker Relocation, 1965-1972, A Report to the U.S. Department of Labor Manpower Administration, February 1975, p. 129.

(2) Lowell E. Galloway, 'Industry Variations in Geographic Labor Mobility, Patterns', Journal of Human Resources, vol. 2, No. 4, Fall 1967, p.471.

(3) Reesman and Zimmerman, op.cit., p. 135.

investigate this possibility the timing question is specifically taken up in this chapter through the construction of a decay function which is capable of highlighting any significant discontinuity or threshold in the length of stay-likelihood of returning relationship, beyond which return flows tail off to such an extent that this may be deemed the critical period of adjustment for the migrants.

The data for examining this particular question was not derived from the questionnaire schedule, but rather the agreed procedure was to have local employment officers in ten of the twelve survey exchanges (Aberdeen and Invergordon had to be excluded from this exercise on administrative grounds) separate out the return migrants on the basis of the application form records for all assisted migrants to their particular area during the survey period July 1974 to June 1975.

The information used in performing this task was the 'last payment' or 'last contact' date recorded on an individual's application/payment forms. This last contact (or payment) date meant that the migrant was no longer employed in the demand area which, according to the officers concerned, invariably meant that he had returned to his area of origin. This procedure had two important advantages over the use of a questionnaire technique. As mentioned earlier there were no observations missing from our data set which might have introduced some element of bias into the results. And secondly, there was no need to calculate a standardized retention rate which is a necessary but awkward task when the follow up period at the time of interviewing the relocatees varies quite considerably. The latter has been a problem in a number of American studies in this area.<sup>(4)</sup> The disadvantage of this method

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(4) Reesman and Zimmerman, *ibid.*, p. 130.

was that no information was provided on the demographic and labour market characteristics of the return movers. As a result it was not possible to present a detailed discussion of the personal and structural factors associated with return migration.<sup>(5)</sup> This chapter simply focuses on the questions of the rate and timing of return migration under the E.T.S.

There are two points to bear in mind when considering the figures presented in this chapter. Firstly, the figures from the Corby, Luton, Dagenham and Westminster exchanges were for all incomers regardless of region of origin, whereas the other six exchanges only provided details for movers of Scottish origin. And secondly, while the figures from the English exchanges covered the whole twelve month survey period those for the Scottish exchanges covered only the quarter ending June 1975. These differences had the effect of reducing the total number of observations for the three Scottish exchanges, the Croydon, Kings Cross and Rugby exchanges to quite small figures which means that the results for these particular areas should be treated with some degree of caution. However, there is no reason why these differences should introduce any systematic bias into the results, and certainly the trend in the results below is so unmistakable as to preclude the possibility of any significant distortion in the data.

#### Return Migration Rates

The return migration rates for the ten survey exchanges are set out below in Table 11.1.

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(5) For some evidence on these matters see Stanley Parker, Assisted Labour Mobility, Unpublished Report Prepared for the Department of Employment, August 1975, p. 17-18.

Table 11.1Return Migration Rates of the Assisted Migrants from Ten of the Destination Area Exchanges

Exchange	Total number of incomers during the relevant time period	The percentage of incomers recorded as no longer being employed in the area (%)
Corby**	121	25.6
Croydon	17	47.1
Dagenham**	90	70.0
Glenrothes*	35	77.1
Inverness*	39	5.1
Kings Cross	14	-
Livingston*	50	32.0
Luton**	312	83.2
Rugby	10	90.0
Westminster**	198	12.6
Total	886	51.0

\* Figures for the Quarter ending June 1975 only

\*\* All incomers regardless of region of origin.

The contents of Table 11.1 provide even stronger support for the conclusion advanced in chapter 6 that wastage rates under the E.F.S. are generally high, relative to both a priori expectations and the rates experienced elsewhere with such policies.<sup>(6)</sup> In overall terms just over half the migrants had returned home at some time during the survey period, a result that hardly speaks well for the success of the policy in bringing about a permanent shift in the spatial location of unemployed labour. Although once again the average rate of return is not a particularly meaningful measure (due to the very sizeable inter-area variations in the rate of return) it is

(6) Martin Schnitzer, Regional Unemployment and the Relocation of Workers, Praeger, New York, 1970.

nevertheless clear that high return rates are the rule rather than the exception under the E.T.S. Unfortunately for overall policy performance the most damaging finding revealed in Table 11.1 is that the leading destination centres (in terms of the total number of incomers) are the very ones that experience the highest return migration rates i.e. these being the one plant dominated labour market centres of Corby, Dagenham, Luton and Rugby. The total number of return movers from these four centres was  $\frac{364}{533}$  or 68.3%, while for the remaining six exchanges return numbers totalled only  $\frac{88}{353}$  or 24.9%.

#### The Timing of Return Migration

The basis of the figures in Table 11.1 is that all return moves, irrespective of the length of stay in the destination area, have been counted as unsuccessful relocations. But as was stressed earlier relocation success can only be properly judged with reference to some minimum length of stay in the destination area. The question then becomes what is the appropriate length of time by which to judge success or failure? In this matter some useful guidance can be obtained from the various stochastic models of the migration process which have established that the probability of migration or re-migration decreases with increased length of residence in an area.<sup>(7)</sup> The rate of decrease in the probability of re-migration, however, is unlikely to be constant through time because of the existence of discontinuities or thresholds in the relationship between the length of stay and the probability of return movement. This suggestion follows from the likelihood that beyond a certain critical length of stay in the new area adjustment difficulties decline to such an extent that the probability

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(7) A useful summary of this literature is contained in Kenneth G. Willis, Problems in Migration Analysis, Saxon House, Farnborough, 1974, chapter 9.

of return migration falls sharply. The identification of such a discontinuity or threshold in the relationship should indicate the minimum necessary length of time spent in the demand area before a relocation is deemed successful.

In the United States, for example, a relocation is considered successful if the relocatee remains in the new area for longer than two months. The basis for choosing this particular figure appears to be the finding of a number of early labour mobility demonstration projects that the first two months after the move constitute the critical period for migrant adjustment beyond which the rate of return drops sharply.<sup>(8)</sup>

This decay function concept was tested with reference to the figures presented in Table 11.1 and the results from this exercise are presented below in Table 11.2

Table 11.2

The Timing of the Return Moves of the Assisted Migrants from Nine of the Destination Area Exchanges (8)\*

Exchange	Length of Stay in the Demand Area						
	under 2 weeks	2 - 4 weeks	5 - 7 weeks	8 - 10 weeks	11-13 weeks	14-25 weeks	26-52 weeks
Glenrothes	37.0	22.2	25.9	7.4	7.4	-	-
Rugby	-	22.2	22.2	33.3	-	11.1	11.1
Luton	18.8	18.8	17.2	14.1	4.3	17.6	9.4
Dagenham*	36.5	13.5	11.5	15.4	9.6	13.5	-
Croydon	16.7	33.3	16.7	16.7	16.7	-	-
Livingston	34.6	19.2	19.2	15.4	7.7	3.8	-
Corby	13.8	13.8	13.8	17.2	10.3	17.2	13.8

(8) Audrey Freedman, 'Labor Mobility Projects for the Unemployed', Monthly Labor Review, vol. 9, No. 6, June 1968, Footnote 2, p. 61.

Table contd./

Exchange	Length of Stay in the Demand Area						
	under 2 weeks	2 - 4 weeks	5 - 7 weeks	8 - 10 weeks	11-13 weeks	14-25 weeks	26-52 weeks
Westminster	28.0	20.0	12.0	16.0	4.0	16.0	4.0
Inverness	-	50.0	50.0	-	-	-	-
Total	22.7	18.5	16.9	14.6	5.8	14.6	6.9

\* Percentages may not add to 100.0 due to rounding

\*\* Another 11 return movers from Dagenham were recorded simply as having been employed in the area for under 20 weeks.

The decay function relationship is confirmed by the disproportionate concentration of return migrants in the short duration of stay categories. The critical adjustment period appeared to be the first ten weeks after the original move during which time (except in the cases of Corby and Luton) over 75% of those who were to return home did so. If a migrant did not return to his original area within these first ten weeks then the probability of him experiencing any adjustment difficulties sufficient to precipitate a subsequent decision to return home was relatively low.

Nevertheless in overall terms some 25% of the return movers left their respective demand areas after a stay which extended beyond the critical 10 week period. Is there any way in which these late returners differed from the movers who left after a stay of less than 10 weeks? Some of the more general influences on the decision to return home were discussed in chapter 6. This previous discussion was (implicitly) centred around the early leaver category, and so our attention here will be confined to the rather special group of late returners.

In seeking to explain late returns our only source of information was the anecdotal evidence derived from discussion and correspondence with local employment exchange officers. The indication from these sources of information was that late returners, unlike the migrants who move back within the initial ten weeks, have not really experienced problems of adjustment in the new area, but rather their move home was pre-determined in that they never intended to try and stay beyond a fixed period of time. Here one may usefully borrow a term from the development economics literature in describing this particular group of return migrants as 'target workers' - i.e. workers who moved to these centres without any real intention of trying to settle down permanently in the new area.

This phenomenon was particularly prevalent among migrants to the one plant dominated labour market centres. This is not all together surprising in view of the predominant industrial background of these assisted movers. The largest single group of assisted migrants to Corby, Dagenham and Luton had previously been employed in the construction industry where seasonal influences and the limited life of individual site employment necessitate periodic movement into other industries, particularly high wage industries such as vehicle manufacturing.<sup>(9)</sup> In the vehicle manufacturing plants of Luton and Dagenham these assisted migrants can accumulate a 'nest egg' as quickly as possible while waiting for employment to become available again in the construction industry.

The existence of target worker mentality creates problems for any attempt to maximize demand area retention rates under a policy

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(9) Report of the Committee of Inquiry Under Professor E.H. Phelps Brown Into Certain Matters Concerning Labour in Building and Civil Engineering, Cmd 3714, HMSO, London, 1968, paragraphs 159 and 265-6 especially.

of the E.T.S. type. The heart of the problem is the difficulty of identifying such a worker except on a post hoc basis, although certain obvious precautions can be taken.<sup>(10)</sup> This means that a certain level of return migration will exist even in the complete absence of adjustment difficulties, and furthermore it will remain outside the orbit of remedial policy influence. Unfortunately for the operational efficiency of the E.T.S. this particular problem is once again most acute in the employment centres that are the leading recruiters of labour under the scheme, i.e. the one plant dominated labour market areas.

### Conclusions

The data that formed the basis of the results in both Tables 11.1 and 11.2 was not available in a form suitable for conducting detailed cross tabulations of the relevant demographic and labour market characteristics of the return migrants. Nevertheless one or two interesting findings emerged in these tables which are worthy of investigation in any future large scale study of the E.T.S. The major points of interest, which bear on the three arguments outlined in the relevant section of chapter 6, were as follows:-

(i) The evidence in chapter 6, together with that contained in the Parker Report,<sup>(11)</sup> pointed to a disproportionate concentration of young, single persons among the return migrants. Is this conclusion contradicted by the below-average return migration rates of young, single persons who predominated among the assisted migration flows to

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(10) Under the present terms and conditions of the E.T.S. some attempt to restrict the extent of this problem has been made through the denial of assistance to seasonal workers, and the extra qualifying conditions imposed on intra-construction industry movement.

(11) Parker, op.cit., p. 18.

the London exchanges? This apparent contradiction is explicable in terms of the non-fulfillment of the necessary *ceteris paribus* assumption in the case of the migrants to London. The original argument was that young, single persons, *ceteris paribus*, are likely to have above-average return migration rates. However, the migrants to London were overwhelmingly persons who, having recently completed university and similar education courses, were taking up clerical, administrative or professional level employment positions. These 'career step occupations',<sup>(12)</sup> involve a strong careerist orientation which imbues the migrant with a strong commitment to his work in the new area. The stabilizing effects of this careerist orientation, which goes with employment in the higher occupational grades, appears to have more than offset any turnover tendencies likely to derive from the fact that the migrants to London were young, single persons.

(ii) The return migration flows from the New Towns of Glenrothes and Livingston were surprisingly large relative to a priori expectations and in comparison with the chapter 6 results for Irvine New Town. The migrants to these two areas were predominantly older (i.e. over 25), married persons who were unlikely to have experienced any major difficulties in obtaining satisfactory permanent accommodation in the new area within a reasonable period of time. In the case of Glenrothes, for example, it was claimed that 'housing has never been a problem for incoming workers ... as the maximum waiting period has never been more than a week or two on average'.<sup>(13)</sup> Although there is no 'hard' evidence to substantiate their contention the local exchange officers

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(12) J.H. Smith, 'The Analysis of Labour Mobility', in B.C. Roberts and J.H. Smith (eds), Manpower Policy and Employment Trends, Bell, London, 1966, p. 95.

(13) Letter from the Manager of the Employment Exchange in Glenrothes, 19th December 1975.

claimed that the major source of disruption which precipitated the decision to return home on the part of these married migrants was the inability of their wife, particularly if she was not working, to settle down and integrate socially into the new area. This is an important reminder of the fact that it is the household or family, and not just the primary wage earner, which is the relevant unit of impact and assessment in the case of a policy of assisted labour mobility. The wastage rate figures for Glenrothes and Livingston tend to bear out our earlier suggestion that the availability of suitable accommodation in the new area may be a necessary, but not a sufficient condition for successful adjustment by the migrants.

(iii) The extremely high return rates from the Luton and Dagenham exchanges suggest further support for the argument in chapter 6 concerning the importance of the nature of employment in the recruitment industry in the destination area. The vast majority of movers to the car manufacturing plants in Luton and Dagenham did not have an immediate background of employment in that industry. If the last industry of employment prior to unemployment and/or relocation was reasonably indicative of their longer term employment background then there were likely to be problems of adjusting to the very special nature of assembly line production in a car manufacturing plant. In vehicle manufacture, 'the systematic consistency of the pace of the line is the over-riding factor, and is the principal feature of the technical environment into which the worker has to fit himself, constituting a rigid regularity and an impersonal discipline of a degree which is seldom found in so developed a form in other industries'.<sup>(14)</sup> The strictly controlled pace of the assembly line,

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(14) J.F.B. Goodman and P.J. Samuel, 'The Motor Industry in a Development District: A Case Study of the Labour Factor', British Journal of Industrial Relations, Vol. 4, No. 3, November 1966, p. 344.

in conjunction with the extremely fine division of task specialisation, has been shown to produce adjustment difficulties which have led to disproportionately high turnover rates among workers lacking previous experience in the vehicle manufacturing industry.<sup>(15)</sup> This may well be an important explanation of the high return rates from the Luton and Dagenham exchanges.

The implication of these various suggestions is that no single causal explanation of return migration flows under the E.T.S. is really tenable. Instead, wastage rates under the scheme derive from a multiplicity of inter-dependent factors, many of which are exogenous to remedial policy influence. The problems involved in identifying and correcting the disruptive influences associated with return migration under schemes of assisted labour mobility are much less straight-forward than many previous discussions of this subject have tended to imply.<sup>(16)</sup>

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(15) Goodman and Samuel, op.cit., p. 358.

(16) The usual tendency in Britain has been to view the problem almost entirely in terms of housing difficulties in the destination areas. See, for example, Schnitzer, op.cit., p. 78.

## CHAPTER 12

### CONCLUSIONS WITH REGARD TO THE FUTURE ROLE AND ADMINISTRATION OF THE E.T.S.

#### Introduction

The aim of this concluding chapter is to consider the major empirical results of chapters 5-6 and 8-11 in the light of certain lessons drawn from the operation of assisted labour mobility policy in other countries (most notably Canada) with a view to providing the foundation for some possible reforms of the provisions and administration of the E.T.S.

The central argument to be elaborated here is that the failure to specify a definite set of aims and goals for the E.T.S. has resulted in the scheme being administered according to the dictates of only one operational criterion, namely that of seeking to continually increase the overall number of workers assisted to move. This operational principle implicitly assumes that the costs and benefits of migration are essentially uniform in nature regardless of differences in the personal and labour market characteristics of the migrants themselves, and irrespective of any differences in the spatial scale and pattern of the moves undertaken. The logical inference drawn from this assumption is that the more mobility that can be encouraged the better as mobility is desired as an end in itself.<sup>(1)</sup>

In contrast, the proposals outlined in this chapter seek to

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(1) A general critique of this type of policy approach is contained in Hilda R. Kahn, 'Labour Mobility: Some Critical Reflections', District Bank Review, No. 157, March 1966, p. 47-64.

make the operation of the E.T.S. more selective in terms of the composition and direction of the resulting assisted migration flows. A change in the orientation of the E.T.S. along these lines is necessary in order to overcome the two major deficiencies of the scheme's present operation which were identified in chapters 9 and 11 of this thesis; namely, the subsidisation of a disproportionate number of migrants who fully intended to undertake a similar move even in the absence of relocation assistance, and the high wastage rates under the scheme which manifested themselves in the sizeable return migration flows identified in chapters 6 and 11. The means of reducing the incidence and magnitude of these two problems will be outlined in some detail in this chapter. The particular reform approach advocated is based on a desire to build into the policy's operation the maximum possible amount of 'self-supervision' which would minimize the need for introducing ad hoc solutions to cope with difficulties after they have arisen.

In previous chapters reference was frequently made to the experience of other countries with policies of assisted labour mobility. The aim there was to compare certain findings for the E.T.S. with those documented for such policies elsewhere. These comparative results pertained to the major hypotheses used to evaluate the performance of this type of policy. The aim of this chapter, however, is to draw out the key operational lessons of these overseas policies in order to provide the basis for certain necessary reforms of the contents and administration of the E.T.S. The focus of attention is on establishing a central direction of reform, rather than on the production of a set of rather loosely connected ad hoc changes.

The discussion largely centres on the Canadian Manpower Mobility Programme. A detailed review of the relevant body of literature on the workings of assisted labour mobility policy in America, Canada and Sweden provided the basis for this choice. The general aims and manner of operation of the Canadian policy appeared to be similar to those of the E.T.S.<sup>(2)</sup> In addition, the operational problems which the Canadian policy is currently seeking to eliminate are the same as the 'trouble spots' for the E.T.S. which were identified in chapters 9 and 11. And finally, perhaps the most compelling reason for drawing on the lessons of the Canadian experience is that Canada has been to the forefront in conducting empirical studies of assisted labour mobility policy; the results of which have provided the basis for introducing a number of reforms to the contents and administration of the manpower mobility policy.<sup>(3)</sup> The smaller number of studies in the other countries (with the possible exception of America) have not produced results which have led to changes in the contents and organization of their respective policies.

It must be emphasized that the line of reform proposed in this chapter will not, and moreover cannot, fully eliminate all the operational problems experienced by a policy of assisted labour mobility. This is because every influence on the direction and outcome of an assisted move is not amenable to remedial policy

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(2) Here we are referring to the inferred aims of the E.T.S. which were outlined in chapter I.

(3) Despite the much larger sized labour mobility policy in Sweden no empirical study had been made of its operation until the completion of the project at Umea University in 1975. See Ake Dahlberg, 'Economic and Social Effects of Stimuli to Geographical Mobility - An Empirical Study', Department of Economics, Umea University, Mimeographed, 1975.

influence. As a result there is a finite limit to how far the policy making authorities can go by themselves in the attempt to improve the efficiency of operation of the E.T.S. The final section of this chapter suggests a number of subjects for future research which are necessary in order to ensure a fuller understanding of the role of these migration influences which are exogenous to policy control. However, as a first step in the attempt to specify the necessary reforms to the administration of the E.T.S. a brief outline of the Canadian manpower mobility scheme is presented in the following section.

#### The Canadian Manpower Mobility Policy

Prior to 1965 transportation assistance was provided by the national employment service in Canada to unemployed workers in designated labour surplus areas<sup>(4)</sup> so as to permit them to take up employment in other areas. Financial assistance, individual meals, lodging assistance and provision for the movement of dependants and household effects were also available. The policy was designed as a short term emergency measure in that regions frequently remained designated areas for as little as three months. This fact, when coupled with the application of a means test for assistance, ensured that the number of movers under the scheme was small.<sup>(5)</sup> The majority of the movement under this policy involved the relocation of workers from various branches of the mining industry.

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(4) These were areas in which industry had cut back or ceased production to such an extent that there was insufficient demand in the area to absorb any displaced workers.

(5) Congress of the United States, Joint Economic Committee Economic Policies and Practices Paper No. 8, Programs for Relocating Workers Used by Governments of Selected Countries, U.S. Government Printing Office, Washington DC, 1966, p. 59.

The Manpower Mobility Programme superseded this scheme in May 1965. The initial provisions of the new programme stated that a worker was eligible for a loan or grant if:-

- (i) there was little or no likelihood of securing a suitable job in his home area.
- (ii) there was suitable employment in the new area to which he was seeking to transfer and, at the same time, there was a shortage of workers qualified for such employment in that area.
- (iii) it was likely that the new job would result in permanent resettlement in the new area.

A worker who was unemployed or due to be declared redundant within 30 days was eligible for a loan, whereas the following categories were entitled to grants:-

- (i) those workers who had been unemployed for at least four out of the six months prior to application.
- (ii) workers who had completed an approved training or vocational rehabilitation course.
- (iii) former automobile or autoparts workers who had been declared redundant.
- (iv) key skilled workers required by employers who were in receipt of development assistance grants under the Area Development Incentive Act.

Loans covered the transportation costs of the worker and/or his dependants, the cost of removing household effects and a resettlement

allowance of up to \$1,000. The loans were to be repaid in not more than 20 monthly instalments commencing 4 months after the loan was made. Grants included the same benefits as above, but if the worker had no dependants he was only eligible for assistance towards the cost of transportation. For the period December 1965 - April 1967 1,500 workers moved with the aid of grants while another 1,300 persons were assisted to relocate with the help of loans.

In April 1967 the application conditions were liberalised in an attempt to increase the number of assisted movers under the programme. The new provisions eliminated loans altogether<sup>(6)</sup>, and the four months unemployment pre-requisite for grants was dropped. In March 1968 a further amendment extended grants to 'under-employed' workers - i.e. persons employed for less than 30 hours a week, or who were employed in jobs where their main skills were not being utilised. Under the revised programme the following benefits were made available:-

- (i) Exploration or travel grants to encourage search for jobs in the nearest area having better employment prospects than their home area. These were to cover travel expenses and provide a living allowance for the worker's dependants for up to four weeks while he was away looking for a job. The allowance varied by province and region from a minimum of \$12 to a maximum of \$40 per week.
- (ii) Relocation grants to workers who moved in order to take up a new job. These covered the transportation costs of a worker

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(6) For the fiscal year 1966 loans were made to 851 workers, but \$351,733 of the total of \$450,677 remained outstanding at the end of that year.

and his dependants to the new area, an allowance for the removal of household effects, a resettlement grant to a maximum of \$1,000 and housing grants of up to \$5,000 were also available. In July 1969 the \$1,000 ceiling on resettlement grants was removed and the maximum housing grant was raised to \$1,500.

In the first year of operation (fiscal year 1966/67) some 2,138 workers received loans or grants to aid relocation. More recently in 1971/72 9,026 families were relocated, while 7,784 individual workers received exploratory grants.<sup>(7)</sup> The total expenditure outlay has risen from \$1,380,809 in 1966/67 to \$8,897,072 in 1971/72.<sup>(8)</sup> Approximately 75% of all movement is within the same province, averaging some 500 miles in distance at a cost of \$600 per relocatee.<sup>(9)</sup>

The work of the Manpower Mobility Programme has been extensively monitored in order to assess the impact and effectiveness of relocation assistance and to help channel the assistance along increasingly efficient lines.<sup>(10)</sup> This procedure has provided information on various leading determinants of the effectiveness of assisted labour mobility policy. The sorts of questions which have been investigated are as follows:-

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- (7) These more recent figures represented less than 2% of the total number of unemployed workers in that year and were only some 1% of total unassisted migration flows.
  - (8) These figures are taken from the respective Annual Reports of the Department of Manpower and Immigration.
  - (9) Martin Schnitzer, Regional Unemployment and the Relocation of Workers, Praeger, New York, 1970, p. 95.
  - (10) A comprehensive account of the monitoring procedure is outlined in Robert A. Jenness, 'Manpower Mobility Programs' in G.G. Somers and W.D. Wood (ed). Cost-Benefit Analysis of Manpower Policies, Industrial Relations Centre, Queens University, Ontario, 1969, p. 184-220.

- (i) what type of worker is most likely to readjust successfully in the new area?
- (ii) what industrial or geographical sectors or areas are likely to experience above average return migration rates?
- (iii) which component parts of the programme have been the costliest or least efficiently administered?

Data on the personal and labour market characteristics of the assisted movers has been used to calculate an individual worker's probability of relocation success, as measured by the length of stay in the demand area, the extent of the wage gain experienced, etc. These a priori estimates have then been modified in the light of feedback information on the actual post-relocation employment position of the assisted migrants. The full model used to generate these a priori estimates of relocation success consists of three major sets of information; differential probabilities of labour turnover between the various industrial sectors, the demographic and labour market characteristics of the movers and an estimate of the likelihood of 'autonomous' or non-assisted mobility based on an individual migrant's characteristics, income level and past history of migration.

The modification of the a priori probabilities of relocation success, through the provision of information on actual post-relocation employment status, has enabled alterations to be made to the scheme's selection criteria so as to re-orientate the resulting composition and direction of labour flows along increasingly efficient lines. Selection under the scheme, for example, has been deliberately biased in recent years in favour of older married workers with large families.

This is because this group has been found to have the lowest probability of being able to move on the basis of their own resources, but once assisted to move they have the highest probability of successful relocation in the sense of remaining in the demand areas. Similarly local employment officers have been encouraged to try and steer relocatees away from chronically high turnover sectors which could be expected to lead to high return migration rates.<sup>(11)</sup>

The screening process seeks to identify, and thereby assist, those particular applicants whose circumstances and characteristics most closely accord with the central purpose of the policy, which is to assist the movement of workers who could not otherwise have moved.<sup>(12)</sup> At the same time a positive attempt is made to influence the direction of the applicants proposed move. In view of these efforts it is hardly surprising to find a relatively high degree of success currently being achieved under the policy. The most recent evidence suggests that over 80% of all relocatees are in full time employment one year after the move and the median income gain from assisted movement is of the order of \$1,000 per year which represents an increase of some 25% over their pre-move earnings levels. On the basis of these figures it has been estimated that migrants will achieve a net increase in income within one year that is more than sufficient to repay the programme's financial outlay on their behalf.<sup>(13)</sup>

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(11) W.R. Dymond, 'The Role of Benefit-Cost Analysis in Formulating Manpower Policy' in Somers and Wood (eds), op.cit., p. 53.

(12) Jenness in Somers and Wood (eds), ibid., p. 211.

(13) R.A. Jenness, 'Canadian Migration and Immigration Patterns and Government Policy', International Migration Review, vol. 8, No. 1, Spring 1974, p. 14.

In terms of its lessons for the operation of the E.T.S. the Canadian case reveals the value of providing some measure of central policy direction for a scheme of worker relocation. The provision of central guidelines (which are based on the results of the monitoring exercise) to local employment officers has been important in helping to re-orientate movement away from high turnover sectors likely to lead to above-average return migration rates. At the same time the use of a screening stage has been instrumental in ensuring that the maximum policy assistance goes to those categories of unemployed workers who are most likely to benefit from the availability of relocation assistance.<sup>(14)</sup>

The E.T.S.: a more selective orientation

In discussing the future role and organization of the E.T.S. our starting point must involve an acceptance of the political reality that this scheme will continue to play very much a secondary role to industrial relocation policy in Britain's overall programme of regional adjustment assistance.<sup>(15)</sup> The task of the authorities responsible for the E.T.S. then becomes one of ensuring that the potential value of the scheme is maximized within the present size constraints of the policy.<sup>(16)</sup> This recommendation of course begs the question of how best to ensure the maximization of the potential value of the E.T.S.

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(14) Under the present E.T.S. there is really no screening process, which is rather alarming in view of Niles Hansen's comment that most relocation failures can be traced to an inadequate screening procedure. Niles Hansen, Location Preferences, Migration and Regional Growth, Praeger, New York, 1974, p. 58.

(15) This judgment stems from the political 'weight' of the various arguments outlined in chapter 3.

(16) This is the essence of the message conveyed in I.L.O. Unemployment and Structural Change, Geneva, 1962, p. 188.

As the present scheme is concerned solely with the volume of movement little or no attention is paid to the question of whether the 'right' type of labour is being assisted to move in the 'right' direction with the result that the present policy orientation, although producing little in the way of unfavourable external effects, has generated few positive social benefits from the assisted movement of unemployed labour. The lack of interest in attempting to influence the composition and direction of assisted migration flows stems in turn from an absence of explicit, detailed aims and guidelines about what the policy is actually designed to achieve.

The first step in a reformulation of the orientation of the E.T.S. is, therefore, to go back to first principles and establish a consistent set of aims to be achieved by the policy. One can envisage a spectrum of general relocation policy aims, ranging from simply moving an individual worker out of unemployment and into a reasonably suitable job to the more positive end of the spectrum which involves guiding the direction and composition of labour flows in order to maximize longer term employment gains (and minimize secondary costs) from the viewpoint of the national economy.<sup>(17)</sup> In devising specific aims for the E.T.S. the focus of attention should be on specifying the desired composition and direction of assisted labour migration flows. The ordering of these aims should be flexible in that some capacity for re-evaluation and adjustment must be built into the policy. The priority accorded to the various initial aims should at least be capable of variation through time

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(17) See the list of possible aims contained in Melvin Rothbaum's discussion of Gerald G. Somers paper 'Our Experience with Retraining and Relocation' in Robert A. Gordon (ed), Towards a Manpower Policy, John Wiley, New York, 1967, p. 244.

in response to information being fed back from a monitoring of the on-going work of the policy.

This has been the approach in the case of the Canadian Manpower Mobility Programme which was discussed in the previous section. A cost-benefit model has been set up not so much to produce post hoc evaluations of the impact of the policy, but rather to act as a monitoring instrument which can provide the necessary empirical insights for improving the operational effectiveness of the programme. The function of this exercise has been to identify sources of 'waste' and inefficiency, such as assisting persons who are marginal to the real purpose of the programme.<sup>(18)</sup> These results then provide the basis for deliberately re-orientating the policy's facilities towards those groups of workers identified as being in most need of such assistance.

The results of this monitoring operation provide the basis for any necessary reformulation of overall policy goals which are in turn fed through to the local exchange level in the form of operational guidelines. This central guidance to the policy implementation level serves two major purposes. It provides the local exchange officers with information on the important questions of which particular categories of workers they should actively seek to interest in the idea of relocation, and to which areas or industries movement should be deliberately encouraged so as to maximize the probability of employment gains and successful adjustment. The second reason for advocating such central guidance to the local

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(18) Dymond in Somers and Wood (eds), ibid., p. 51.

exchanges is to try and minimize the possibility of wide variations in the way in which the policy is operated at the local exchange level. In the absence of central guidelines for the present E.T.S. it was easy to detect a wide variation in the views and actions of local exchange officers as to how the scheme should be operated. (19)

The essence of this variation may be conveyed by a characterisation of the two polar cases of exchange officers responsible for handling the E.T.S. at the local level. At the one extreme there was the cost conscious officer who considered the vast majority of E.T.S. applicants to be 'free riders' at the taxpayers expense. In accordance with this belief no attempt was ever made to outreach for potential users by actively 'selling' the idea of relocation assistance to them. This type of officer merely fulfilled his minimum job requirements by providing, at the request of unemployed workers who considered themselves mobile, the appropriate information leaflets concerning the terms and conditions of the scheme, but no effort was ever made to outline to the applicant the implications of any proposal to relocate. At the other end of the spectrum was the officer who saw the E.T.S. as a useful vehicle for getting rid of difficult unemployment cases. This category of officer frequently made strenuous efforts to push the idea of relocation to the longer term unemployed on the local exchange register. Although freely acknowledging the high probability of return migration to the area he was satisfied if he could shift these hard to place, problem cases to some other area, if only for a limited period of time. Although the use of central information directives

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(19) The likelihood of such an eventuality was raised by H.W. Richardson and E.G. West, 'Must We Always Take Work to the Workers?', Lloyds Bank Review, No. 71, January 1964, p. 46-7.

along the Canadian lines could not entirely eliminate such variation it would undoubtedly help to reduce its incidence and extent.

The operating principles of the Canadian Manpower Mobility Programme reject the notion that all migration, regardless of the particular composition and direction of the migration flows, is desirable, and instead seeks to encourage the relocation of particular groups of workers to particular industrial and/or geographical sectors and areas. In order to achieve a more efficient and productive pattern of assisted migration flows central directives, which incorporate a summary of results fed back from a continuous monitoring of the scheme's work, are issued to local exchange officers so as to indicate the desired composition and direction of movement which should be encouraged under the programme.

#### A differentiated structure of relocation subsidies

If one accepts that only 'purposeful' labour mobility should be deliberately encouraged and assisted then the future orientation of the E.T.S. should be along the lines of the Canadian mobility scheme.<sup>(20)</sup> In order to achieve the above aim an alternative to the Canadian approach would involve a much greater differentiation of subsidies in order to try and alter the structure of incentives so as to bring individual migrant behaviour into line with what is considered socially optimal.<sup>(21)</sup> There is some differentiation of

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(20) In response to the possible argument that the extra administrative input entailed in such an approach is not worth the effort in the case of such a small scale scheme it should be pointed out that the scale of operation of the Canadian scheme is also small, in terms of the number of persons moved relative to total unemployment and unassisted migration numbers.

(21) In terms of economic efficiency this is the first best solution, although it is likely to be opposed on the grounds of involving a trade off with both equity and technical efficiency considerations.

of subsidies under the present terms of the E.T.S.,<sup>(22)</sup> but a priori theory<sup>(23)</sup> in conjunction with the empirical results of this thesis point to the likely value of increasing the degree of differentiation of subsidy payments.

The vital issue then becomes that of determining the basis upon which the payments should be differentiated. If one accepts that the general rationale of the E.T.S. should be to aid those categories of workers who have the lowest probability of being able to move on the basis of their own resources then the results of chapter 9 indicate that subsidy differentiation should favour the older, married and lesser skilled groups of unemployed workers.<sup>(24)</sup> These particular characteristics have been documented as being important in this regard in the case of the Canadian scheme. The Canadian experience suggests that the finding for skill may be somewhat awkward in that, unlike marital status and age, there may be a non-complementary relationship with the probability of adjustment in the destination area. The lesser skilled worker, *ceteris paribus*, has a low probability of moving on an unaided basis, but appears to have a high probability of failing to adjust successfully in the destination area. The *ceteris paribus* assumption here may be all-important as the age and marital status factors may well perform as interaction terms to reduce the probability of return

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(22) The present payments are differentiated according to marital status, area of origin, whether the move is to be a temporary or permanent one, and whether the mover is a skill centre trainee or not.

(23) See, for example, J.R. Crossley, 'Theory and Methods of National Manpower Policy', in D.J. Robertson and L.C. Hunter (eds), Labour Market Issues of the 1970's, Oliver and Boyd, Edinburgh, 1970, p. 20-1.

(24) The fact of differentiated payments recognizes the impracticability of excluding all but the favoured groups from coverage under the scheme.

migration. This is obviously an issue for investigation in any future study of the E.T.S.

The results for age, marital status and skill accord closely with the criteria for differentiation suggested by Klaasen and Drewe.<sup>(25)</sup> They also argued that payments should be differentiated according to the distance of the move, but the analysis of chapter 9 revealed that the distance factor was of little importance as a determinant of the propensity to move in the absence of E.T.S. assistance. This, it was argued, was due to the natural self-selection process built into the scheme's operation that was essentially 'conservative' in regard to the distance of the move undertaken by the different types of applicants. Hence there appears to be little need to use the distance of the move as a basis for differentiated payments under the E.T.S.

As well as making the range and level of available grants a function of the personal characteristics of age, marital status and skill an explicit spatial dimension should also be involved in the differentiation process. The payments should reflect certain defined characteristics of the destination area, rather than, as at present, simply the regional aid status of the area of origin. The relevant spatial characteristics, and their individual priority in the event of a trade off situation between them, will obviously require some detailed, empirically based consideration undertaken as part of the general exercise involved in the specification of policy aims. But one could reasonably expect that the list of relevant demand area characteristics would include the following

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(25) Leo H. Klaasen and Paul Drewe, Migration Policy in Europe, Saxon House, Farnborough, 1973, esp. p. 93.

factors:-

- (i) whether the movement was to a 'priority' industrial sector. These priority sectors may be growth industries experiencing a long term expansion in the demand for labour, or possibly a more restrictive definition may be used such as export orientated industries as was the case in the July 1966 shake out measures.
- (ii) the level and trend in vacancy/unemployment ratios in the area. Here there should be a distinction between movement to an area of sustained, generally high demand as opposed to movement to a vacancy that has arisen on a purely random basis in an area that is not normally considered one of tight demand. This difference has a direct bearing on the question of whether the in-migration of labour is likely to involve displacement or complementary employment effects.
- (iii) whether the characteristics of the particular job or the more general characteristics of the destination area are likely to produce above average labour turnover rates which in turn are likely to lead to high return migration flows. The detailed identification of sectors having chronically high turnover rates will obviously require considerable empirical work, but some useful, preliminary insights may be obtained from separating out the following sorts of factors; the degree of sensitivity of employment in the particular industry to movement in the business cycle, whether the particular industry contained a high proportion of limited life or fixed duration jobs, and the state of balance in the housing market as indicated by the length of waiting time necessary before permanent accommodation could be obtained.

(iv) finally, the inter-relationship of regional and urban policy aims in Britain suggests the value of drawing a distinction between movement to inner-conurbation or to outer-conurbation areas. As Klaasen and Drewe emphasised there is no necessary reason why subsidies should always be of a positive nature, and hence consideration should be given to the possibility of taxing movement that is in a socially undesirable direction.<sup>(26)</sup>

The relocation programmes in France and the Netherlands, for example, provide mobility assistance for moves to all destination centres except Paris and the Ring Cities respectively, and similar arrangements may have considerable merit in Britain where migration to the Birmingham and London conurbations has always been felt to involve socially undesirable consequences.

The basic conceptual principles involved do not constitute a complete break with past policy practice in Britain. There have been previous attempts to steer or orientate the direction of labour re-deployment, such as in the July 1966 shake out attempt, and some limited use has been made of regional and sectoral differentiated policy instruments, most notably the Selective Employment Tax and the Regional Employment Premium. In fact this reform of supply side policy closely parallels the framework of regionally differentiated payroll taxes and subsidies for industrial relocation policy which has been suggested by Colin Clark.<sup>(27)</sup>

The emphasis in this chapter has been on developing a central

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(26) Klaasen and Drewe, Loc.cit.

(27) Colin Clark, 'Industrial Location and Economic Potential', Lloyds Bank Review, No. 82, October 1966, p. 1-17.

theme of reform in order to eliminate the major deficiencies of the present E.T.S. which were identified in the earlier chapters of this thesis. This type of approach was favoured over the more common advocacy of a set of somewhat piecemeal, ad hoc reform measures<sup>(28)</sup> which are not directly built into the scheme's mode of operation. The essential virtue of this selective orientation is that it should ideally minimize the need for such ad hoc solutions to problems after they have emerged.

This claim may be illustrated by considering one particular proposal which has frequently been advocated as a means of reducing the extent of return migration rates under schemes of assisted labour mobility.<sup>(29)</sup> This proposal advocates the introduction of a sliding scale of subsidy payments to be based on the expected duration of employment in the destination area. A measure of this type is currently in operation in Sweden where a migrant who returns home within the first six months after the move must refund the appropriate proportion of his starting allowance.<sup>(30)</sup>

The desirability of such a measure is questionable on two main grounds. Firstly, by placing the responsibility for an unsuccessful move on the individual relocatee it implicitly assumes that the reason for failure lay within the control of the individual

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(28) The most frequently urged area for reform is in the housing market, particularly in the public rental sector. A useful summary of the issues and typical reform recommendations is contained in Suzanne Burn, 'Does the Public Housing Sector Aid or Hinder Labour Mobility?' Housing Review, Vol. 23, No. 2 March-April 1974. Suffice it to say that the role of labour market considerations is likely to remain small in the determination of housing market policy in the foreseeable future and the E.T.S. administration will therefore have to come to terms with this given constraint.

(29) Klaasen and Drewe, ibid., p. 92.

migrant.<sup>(31)</sup> This assumption is certainly correct in some instances, but is by no means valid in all cases of unsuccessful adjustment. Secondly, the difficulties experienced by the relevant administrative authorities in recovering loan payments in Canada<sup>(32)</sup> and the United States<sup>(33)</sup> bear witness to the likely technical inefficiencies and administrative costs of such an arrangement. The relevant departments of employment are simply not designed to perform efficiently as collection agencies. However, the main argument against this type of ad hoc measure is that if the E.T.S. was operated in the more selective fashion outlined in this chapter then the emphasis of the policy would be on helping those persons least predisposed to return movement and hence there would be limited need for such an administratively 'cumbersome' measure.

Conclusions: the need for future research

These proposed reform arrangements will not, and moreover cannot, constitute an instant panacea for all the operational problems of the present E.T.S. which were identified in the earlier chapters of this thesis. This is because the various influences and determinants of the motivation, pattern and outcome of migration under the scheme are not all subject to remedial policy influence

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- (31) The Swedish arrangements do contain a proviso that no refund will be required if there is a 'good reason' for returning, but the administrative costs involved in trying to delve into this question are likely to bear a disproportionate relationship to any resulting gains.
- (32) The high proportion of outstanding loan payments precipitated the 1967 decision to abolish loans completely under the Canadian Manpower Mobility Programme.
- (33) Garth L. Mangum, MDTA: Foundation of Federal Manpower Policy, John Hopkins, Baltimore, 1968, p. 157.

by the administrators of the E.T.S. In short, even with the best will in the world there is a definite limit to how far the implementation of these reform measures can go in ensuring an efficient composition and direction of assisted labour migration flows. A number of these non-controllable factors have been mentioned in earlier chapters. Among these were the existence of target worker mentality and the problem of intra-family adjustment to the new area which were factors frequently associated with the decision to return to the area of origin. The problem here was that both of these influences were virtually impossible to identify and screen out at the time of application for E.T.S. assistance and were also largely beyond the scope of policy correction after they had arisen.

However, the central exogenous source of difficulty for the operation of the present E.T.S., and one which would persist at least to a certain degree under these proposed reform arrangements, is the poor image of the Department of Employment<sup>(34)</sup> among potential employer and employee clients which restricts its ability to develop a more active and central role in the labour market. Under the E.T.S. a definite job offer is necessary in the new area before application can be made for relocation assistance. But the basic problem here is that too high a percentage of jobs in the various destination areas are not being notified to and obtained through the employment exchanges. The results in chapter 9 indicated that less than 45% of the questionnaire respondents learnt of the existence of the E.T.S through employment exchanges, while only some 27% of the respondent group found their destination area jobs through the

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(34) In the case of the E.T.S. the present responsible authority is the Employment Services Agency.

employment service. As was argued in that chapter, a necessary precondition for the efficient movement of labour under the E.T.S. is early contact with the movers by the employment service. But the implication of these findings was that the E.T.S. is making its appearance in the migration decision making process at too late a stage and as such it merely acts to round off what has already been largely determined outside the sphere of policy influence.

In order to break out of this highly constrained situation the E.T.S. will have to actively outreach on both the demand and supply sides of the labour market, particularly on the much neglected demand or employer side of the market. The aims of employers and the relevant policy administration authorities are vitally interdependent in the operation and functioning of any manpower policy and hence a fully effective policy requires their roles to be mutually compatible. (35) In spite of the importance of this general observation previous research has tended to ignore the role of the employer in the mobility process. The result being that migration has been treated as a purely supply side phenomenon. The various models and explanations of migration have been variations of one sort or another on the individual based utility maximizing framework of neo-classical price theory. In line with this reasoning the central task of assisted migration policy has invariably been seen as that of identifying and exerting policy leverage on the key determinants of the individual's decision to migrate.

In contrast, the argument here is that a great deal more research is necessary into the exact role of the employer in the

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(35) Charles A. Myers, 'The Role of the Employer in Manpower Policy' in Gordon (ed), op.cit., p. 292-3.

migration process, so that the appropriate policy steps can, if necessary, be taken to ensure that employer needs and actions bear a complementary relationship to the administration's designated role and aims for the E.T.S. It is the employer role in influencing the composition, direction and possibly even the subsequent adjustment experience of movement under the E.T.S. which is the major area in need of further, detailed study. (36)

The major issues for empirical investigation in this regard include the nature of the hiring standards applied in the recruitment of labour outside local labour market boundaries, as well as the relative importance of the various search and recruitment mechanisms utilized in the attraction of labour migrants. (37) The degree of success achieved in the attempt to operate the E.T.S. in a more selective manner, through seeking to influence the composition and direction of the migration flows, will be critically dependent on the employer role in the recruitment and hiring process. This is because the fully effective operation of the E.T.S. along these lines requires the fulfillment of the following conditions; that vacancies exist and will continue to exist in the priority industrial sectors, that the vast majority of these vacancies will be notified to the employment service and that the type of worker that the administration most wishes to relocate will be acceptable to the employers concerned.

The dominant fact of longstanding tight local labour markets

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(36) This is not to imply that the other suggestions for future research made in earlier chapters of this thesis should in any sense be downgraded.

(37) The only evidence on these questions for Britain is provided in D.I. Mackay et al., Labour Markets Under Different Employment Conditions, George Allen & Unwin, London, 1971, Chapter 13. But this study only refers to employer methods in local labour market recruitment and hiring.

in key recruitment centres such as Corby, Dagenham, Luton etc., establishes a presumption that there will be a significant measure of overlap between the interests of the employers concerned and those of the E.T.S. administration, but more definite, empirical answers to these vital questions would be more reassuring in this matter. If the E.T.S. is to be operated in the manner suggested in this chapter then a more active out-reach effort on the supply and demand sides of the labour market will be required in order to move beyond the presently highly constrained situation of such a high percentage of destination area jobs being searched for and obtained through information and placement channels outside the employment service.

The recent introduction of a separate job search scheme and the attempt to improve the compilation and circulation of inter-regional vacancies by establishing formal 'twinning' links between certain demand and supply area exchanges, which were discussed in Appendix 5A, are clearly positive steps in the right direction. But more research, and possibly subsequent action, is necessary to see how well the needs and aims of employers mesh with those of the authorities responsible for administering the E.T.S. It is only through initiative on this front that the factors which restrict the ability of the employment service to do little more than subsidise the movement of labour to jobs that have already been searched for and obtained by means outside their control can be identified and 'rolled back'. This is certainly the major task to be achieved before one can look forward to the E.T.S. producing substantial longer term, social gains from assisting the relocation of unemployed labour.

PUBLICATIONS

During the course of completing the work for this thesis some of the preliminary results contained in chapters 5 and 6 were submitted and accepted for publication. At the time of completing and submitting the thesis the following papers had been published:-

- (i) 'Employment Transfers: An Intra-Regional Problem', The Planner, vol. 61, No. 10, December 1975.
- (ii) 'Assisted Labour Mobility Policy in Scotland 1973-4', Urban Studies, vol. 13, No. 1, February 1976.
- (iii) 'Return Migration Flows Under a Policy of Assisted Labour Mobility: An Examination of Some British Evidence', British Journal of Industrial Relations, vol. 14, No. 1, March 1976.

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**CONTAINS  
PULLOUTS**

QUESTIONNAIRE  
CONCERNING THE OPERATION OF THE EMPLOYMENT TRANSFER  
SCHEME IN SCOTLAND, 1974

\* Please tick the appropriate answer to each question \*

1. Please indicate your sex

Male ..... Female .....

2. Please indicate your present marital status

Married ..... Single ..... Widow/Widower ..... Separated.....

3. Please indicate your present age group

(in years)

15 - 19 .....	35 - 39 .....
20 - 24 .....	40 - 44 .....
25 - 29 .....	45 - 49 .....
30 - 34 .....	50 and over .....

4. From which area have you moved with the aid of the Employment Transfer Scheme ? Please state town and county.

Town .....

County .....

5. Were you unemployed at the time you applied for relocation assistance?

Yes ..... (If you place your tick here, answer questions 6,7,8 but leave out question 9)

No ..... (If you place your tick here, do not answer questions 6,7,8 but go directly to question 9.)

6. If you answered Yes to question 5

how many weeks passed between leaving your last job and your application for relocation assistance?

under 2 weeks .....	14 - 26 weeks .....
2 - 5 weeks .....	27 - 52 weeks .....
6 - 9 weeks .....	52 weeks and over .....
10 - 13 weeks .....	

7. If you answered Yes to question 5  
what was your average weekly unemployment benefit/supplementary benefit  
payment?
- |                       |                       |
|-----------------------|-----------------------|
| Under £8.00 .....     | £14.00 - £16.99 ..... |
| £8.00 - £10.99 .....  | £17.00 - £20.00 ..... |
| £11.00 - £13.99 ..... | Over £20.00 .....     |

8. If you answered Yes to question 5  
please specify the type of the last regular job in which you were employed
- |                             |  |
|-----------------------------|--|
| manual - unskilled .....    | non-manual - clerical .....                        |
| manual - semi-skilled ..... | non-manual - sales .....                           |
| manual - skilled .....      | non-manual - administrative,<br>professional ..... |
| never employed before ..... |  |

9. If you answered No to question 5  
please specify the type of job you held at the time of applying  
for assistance under the Employment Transfer Scheme.
- |                             |  |
|-----------------------------|--|
| manual - unskilled .....    | non-manual - sales .....                           |
| manual - semi-skilled ..... | non-manual - clerical .....                        |
| manual - skilled .....      | non-manual - administrative,<br>professional ..... |
| never employed before ..... |  |

FOR ALL COMPLETING THE QUESTIONNAIRE

10. Please state your average weekly earnings (before deductions but  
include overtime) in your last regular job before you applied  
for relocation assistance
- |                       |  |
|-----------------------|--|
| Under £16.00 .....    | £44.00 - £47.99 .....                                |
| £16.00 - £19.99 ..... | £48.00 - £51.99 .....                                |
| £20.00 - £23.99 ..... | £52.00 - £55.99 .....                                |
| £24.00 - £27.99 ..... | £56.00 - £59.99 .....                                |
| £28.00 - £31.99 ..... | £60.00 - £63.99 .....                                |
| £32.00 - £35.99 ..... | £64.00 - £67.99 .....                                |
| £36.00 - £39.99 ..... | *£68 and over .....                                  |
| £40.00 - £43.99 ..... | *If in this last<br>category please<br>specify ..... |

11. At what age did you leave school?
- |  |  |
|--|--|
| before 15 years .....                      |  |
| 15 years .....                             |  |
| 16 years .....                             |  |
| If over, please state age of leaving ..... |  |

12. (a) Have you received any vocational training since you left school?  
Course of instruction at a Further Education or similar centre .....  
Course of instruction at a Government Training centre .....  
An Apprenticeship .....  
If any other, please specify .....
12. (b) How long did this training last?  
Please specify .....
12. (c) What qualification did you obtain from this course?  
Please specify .....  
.....
13. Please specify the type of housing accommodation you had in the area from which you have moved  
Owner occupier .....  
Rented accommodation from local authority .....  
Rented accommodation from housing association.....  
Rented accommodation from private landlord .....
14. If there was no financial assistance from the Government would you  
(a) have wanted to move to a new area? Yes ..... No .....  
(b) have been able to move to a new area?  
Yes ..... No .....
15. Did the availability of financial assistance from the Government influence your decision to move at all?  
moved a longer distance .....  
undertook the move earlier than otherwise .....  
any other - please specify .....  
.....
16. How did you first learn of the availability of financial assistance under the Employment Transfer Scheme?  
Employment Exchange Officers .....  
Employer in old area .....  
Employer in new area .....  
Friends, relatives .....  
Press, radio, television .....

17. In which town and county is your new job located?

Town .....

County .....

18. Can you say what was the main consideration that influenced you to choose this particular area to come to? If necessary, tick more than one answer

Better income, employment prospects .....

Improved housing .....

Near friends, relatives .....

More opportunities for the children .....

Better social amenities .....

Any other reason, please specify .....

.....

19. How did you obtain the job in the new area?

Through an employment exchange .....

Through a private employment agency .....

Through the press, radio or television .....

Through friends, relatives .....

Any other, please specify .....

.....

20. Can you specify the type of job you have obtained in this new area?

manual - unskilled ..... non-manual - sales .....

manual - semiskilled ..... non-manual - clerical.....

manual - skilled ..... non-manual - administrative, .....  
professional

21. What is your average weekly wage in this new job? (before deductions but including overtime)

Under £16.00 ..... £44.00 - £47.99 .....

£16.00 - £19.99 ..... £48.00 - £51.99 .....

£20.00 - £23.99 ..... £52.00 - £55.99 .....

£24.00 - £27.99 ..... £56.00 - £59.99 .....

£28.00 - £31.99 ..... £60.00 - £63.99 .....

£32.00 - £35.99 ..... £64.00 - £67.99 .....

£36.00 - £39.99 ..... £68 and over .....

£40.00 - £43.99 ..... If in this last  
category please  
specify .....

22. Please tick the relevant answer in both columns following

	Industry of last regular job in old area	Industry gone to in new area
Agriculture, forestry, fishing	.....	.....
Mining & quarrying	.....	.....
Food, drink, tobacco manufacturing	.....	.....
Coal & petroleum products	.....	.....
Chemicals & allied industries	.....	.....
Metal manufacturers	.....	.....
Mechanical engineering	.....	.....
Instrument engineering	.....	.....
Electrical engineering	.....	.....
Shipbuilding & marine engineering	.....	.....
Vehicles	.....	.....
Textiles	.....	.....
Leather, leather goods & fur	.....	.....
Clothing & footwear	.....	.....
Bricks, pottery, glass, cement	.....	.....
Timber, furniture	.....	.....
Paper, printing & publishing	.....	.....
Construction	.....	.....
Gas, electricity, water	.....	.....
Transport & communication	.....	.....
Distributive trades	.....	.....
Insurance, banking, finance	.....	.....
Professional & scientific services	.....	.....
If not listed, please indicate industry	.....	.....
Never employed before	.....	.....

23. If you are married

(a) was your wife/husband employed in the old area Yes..... No .....

(b) does your wife/husband intend to obtain a job  
in this new area? Yes..... No .....

24. How would you describe your present housing accommodation?

Temporary lodgings .....

Renting from local authority .....

Renting from private landlord .....

Renting from housing association .....

Owner occupier .....