

# THE BLACK AND

Is construction unemployment a 'myth'? Russell Steadman looks at the figures.

The constant union claim that there are 500 000 unemployed workers in the construction industry was dismissed as a "myth" three weeks ago by the employment secretary Lord Young, who said the industry was instead faced with a national shortage of building workers.

What is the truth behind these claims? Is the construction industry starved of skilled workers or is unemployment among building workers still rife?

Since the government stopped calculating unemployment on an industry basis in 1981 there has been no accurate information on the number of out-of-work building workers.

This claim is based on estimates provided by UCATT, who applied a multiplier effect to the last official figure given. This was in August 1981, when there were 356 693 unemployed construction workers.

Government statistics show that in August 1981, there were 1 446 793 construction workers, with 1 090 100 in work and 356 693 unemployed.

The current figure for employed construction workers

is 929 700. On this basis – assuming the total number is constant – then slightly more than 500 000 builders are on the dole.

Alternatively, if the 1981 unemployment figure of 356 693 is extrapolated on the basis that it is likely to have increased at the same rate as the overall increase in unemployment – up 11.26% between August 1981 and August 1986 – then today there would be just under 400 000 unemployed builders.

But this month's state of trade survey from the Building Employers Confederation shows that around half its respondents – from all over the UK – reported difficulties in getting carpenters and bricklayers.

This could be explained by a second piece of evidence. The nearest the government has come to providing an official figure on unemployed construction workers is in the Department of Employment's Labour Force Survey. The 1985 survey of 60 000 households put total unemployment in the industry at 234 000. Those unemployed for over three years were excluded from the figures.

So can the claim of 500 000 unemployed construction workers be reconciled with Lord Young's reports of national skill shortages?

If the Federation of Master Builders report on the black economy is to be believed then perhaps we can. Last month the FMB spotlighted Treasury estimates that 8% of the GDP was in the unofficial "black" sector. This translates into £24bn. The FMB calculates that about £4.8bn of that can be attributed to the building industry – almost all of it is labour intensive work says the FMB.

Assuming that two-thirds of the FMB's estimate is labour, then at the very least £3bn is being pocketed by "unemployed" building workers.

So is this how the paradox is explained? If the FMB is to be believed it seems that 60% of the 500 000 on the dole have taken to the black economy and 40% (as the household survey suggests) are officially unemployed.

Meanwhile, as George Henderson suggests on page 21, little is being done to train for the future.

# WHITE LABOUR STORY

Building employers are complaining that they cannot hire enough skilled hands, reports Penny Guest.

In the booming South, you can get labour – if you are prepared to pay for it. Astonishingly, in the recession-hit North, contractors are having to turn down much-needed work – because they cannot get the manpower. Why? Because if the tradesmen have not emigrated south they have dropped out of the white and into the black economy.

Mansell, one of the largest employers of tradesmen in the London area, is finding it hard to get skilled craftsmen for the present mini-boom in workload. A spokesman attributed the shortage to the black economy and the increase of the self-employed.

"The reduction in apprenticeship levels and the lack of training will aggravate the problems. Also, the numbers of workers coming from the north is on the increase. Not at our company, maybe, but it is going on."

And the problem in the north is getting worse, according to builder Jack Redfern. "It's very difficult to get skilled workers as most just don't want to work. It's too easy nowadays to get social

security, go on the fiddle and work for two or three days a week," he says.

Redfern is managing director of T Manners and Sons, a small firm based in Bishop Auckland in the North East, which directly employs around 45 people. This summer it placed an advert for five joiners in job centres. There was only one reply.

"The shortage applies to bricklayers, too," says Redfern. "We normally recruit people by word of mouth, as applicants from the job centres are generally of a low standard. But this just doesn't work at the moment."

"We have to price ourselves out of the market when there's a lot of work about. We are loath to take it on, knowing we won't get the labour."

"The problem with the black economy is a lot more serious than people are prepared to accept. The situation has been bad for about three years, but now it's getting much, much worse."

Another contractor, based in Gateshead, confirmed the position. The managing director, who did not want to be identified

for fear of union retaliation, said the scarcity was universal: "We cannot get satisfactory brickies, joiners or even people who know how to use a shovel properly. It's rubbish about the unemployment figures. These three-man gangs can simply get paid too much cash in hand."

Over in the North West, Salford-based W Fearnley and Sons has to recruit direct labour as it does a lot of work for local authorities which will not allow the self-employed on site.

"Employing skilled people is difficult as there is a much smaller market to draw from than among the 714s. Also the basic rates are stupid. A craftsman can expect £115 a week, whereas a plumber gets around £180. We have to negotiate bonuses with them," says managing director Albert Williams.

As well as having a labour force of 120, the firm used to have up to 20 apprentices. But Williams found this was no longer possible after they relocated to a site in an enterprise zone 18 months ago. This caused unexpected problems for their training programme.

"It's ridiculous, but firms in the zone don't get a grant for training apprentices. So we will only be able to train about 11 for the next five years."

But firms in the South and South West have different problems. The skills are there, but prices are high.

"Good brickies are always at a premium, but they will fall into your lap if you're willing to pay the earth," said a spokesman for London-based Troy Construction. He estimated that rates have risen by 10% above inflation this year.

Bristol builder Don Watkins finds that his firm has to rely predominantly on sub-contract labour. At E A Bicknell, where he is director, there are 110 sub-contractors out of a total workforce of 150.

"It's no problem at all to get labour – its easy because of the lump. But if we wanted to get three bricklayers on our books, we would find it difficult," says Watkins.

"And as we employ more sub-contractors, the number of apprentices drops. We had 10 apprentices in 1976, now we only take on five." ■

