

## Discussion

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As the sole discussant of the three papers presented on this panel, I find myself confronting a formidable task, and one that is made more difficult by the nature of the presentations. Not only are they reports of studies and analyses that have been carefully formulated and critically analyzed by experienced professionals before being undertaken, but the reports themselves are tight presentations that leave few loopholes open to criticism. As a result, my plan of action will be to address myself not only to specific points in their papers but to related questions that are suggested by them.

First, with regard to Mr. Myers' paper -- I was interested to see him point up the "puzzling" character of the labor force developments of 1960 and the immediately preceding years. These seem to center around the behavior of the labor force participation rates of various age-sex groups in the population and to suggest that the validity of extrapolations of trends in participation rates may be in question. In the past, peacetime participation rates have seemed to be changing slowly and consistently but it is always possible that this pattern may alter in a relatively short period. In view of the substantial changes in the occupational and industrial composition of the demand side of the labor market, it may be that a modification of past trends is in prospect. Changes in the type of work to be done, the locations of this work and the conditions under which it is performed also may induce a different pattern of labor force behavior in the future. Labor force analysis tends to treat participation rates as independent of the age-sex distribution but this may not be true in the long run.

A comment on Mr. Myers' section on international comparisons of unemployment rates seems appropriate. We are all aware of the problems of differences in unemployment estimates that have arisen in the past in the United States. I am dubious of using the Monthly Report of the Labor Force techniques to check the comparability of the unemployment statistics of foreign countries with our own. Particularly at low levels of unemployment, a substantial part of the total is fairly elusive. As a concept, the more inclusive definitions of unemployment make it almost a cultural phenomena, and international comparisons based on these definitions seem to me to be suspect. Let me remind you that the MRLF count of the unemployed in the Census month in 1950 produced a substantially higher unemployment rate than did the Census enumeration in the same month. While the sources of the difference are not particularly mysterious, it serves as an illustration of the problems involved.

Turning to Mr. Levine's paper -- I agree with him that the unemployment record of the 1950's has some ominous implications for the 1960's, and I agree with his forthright prediction that the problem of unemployment will

attract increasing attention in the coming decade. This might well be true in any event but the recent and the impending changes in the size and composition of the labor force make it even more likely.

Even if the character and the dimensions of the problem were to remain unchanged from the 1950's, the program of data collection on the characteristics of the insured unemployed that he describes would be of major importance. If a reference to one of my more neglected works is permissible,<sup>1</sup> in 1954 I worked up a paper analyzing the industrial and geographical distribution of unemployment revealed by the 1950 census data on the assumption that the nature of the unemployment problem in the future would be one of special areas and industries. Of necessity, the study relied on data collected in one specific month some years earlier and could only illustrate the problem in a very special context. The BES data now being collected represent a major advance and will be of great significance in years to come.

One comment might be made. Mr. Levine speaks of using the data in various ways, most of which center around the development of programs to raise the level of employment. Another aspect might be stressed. Our unemployment compensation and other security programs are being liberalized in a variety of aspects. As the benefits of the programs rise above the relatively low levels of a few years ago, it becomes increasingly important to tailor these programs to meet specific needs of specific groups of the unemployed in order to economize on resources, to control abuse and to realize the purposes of the programs. This will call for more information of the work history type as well as what Mr. Levine calls the "snap shot" approach. Past earnings records and the degree of attachment to the labor force are two obvious types of information that will be needed.

Mr. Gershenson's paper on the California labor force is of particular interest to many of the audience. Here I would like to repeat a point made in commenting on Mr. Myers' paper. Such a projection requires the use of labor force participation rates whose trends may not be as clear cut as we have tended to assume. As an example, rates are almost certainly going to reflect any change in the work week that may occur and it is difficult to believe that a major change will not occur before 1975 if the basic assumption of high employment is realized.

This point aside, forecasting for California is even more precarious an occupation than forecasting or "projecting" in general. In the case of California, this type of analysis depends on the projections of immigration that are adopted. Mr. Gershenson has adroitly avoided this problem by using the population forecasts of another state

agency. This probably is the crucial question in the procedure. To what extent is immigration dependent on economic growth rather than vice versa? Some persons, including our chairman, Margaret Gordon, would argue that immigration is dependent on economic expansion to an important extent. If Mr. Levine's forebodings about the buoyancy of the labor market turn out to be correct, the volume of immigration might well reflect this fact.

Once Mr. Gershenson adopted the population estimate, calculated the age-sex distribution and applied the participation rates, he was left with a monumental labor force to allocate by industry. Part of the solution was to project an expansion of manufacturing employment that was large both absolutely and relative to the

trend for the United States as a whole. Prediction of a major expansion in California manufacturing has always seemed on shaky ground. In the past, California has lived on income generated by federal expenditures, extractive industries such as oil, lumber and agriculture, and tourism. Except for the non-market demands for aircraft, missiles and perhaps ships, California has always found it very difficult to compete in national markets for manufactured products. Major changes in production and transportation conditions are likely to be required before this situation is modified.

Once again, let me say that these papers were stimulating and useful and, as has been demonstrated, difficult to criticize on their own premises.

1. J. W. Garbarino, "Some Implications of Regional and Industrial Differences in Unemployment," Reprint No. 75, Institute of Industrial Relations, University of California, Berkeley, 1955.