

CHAPTER VIII

MANPOWER AND EMPLOYMENT

IN 1958, the civilian labour force—which consists of both the employed and the unemployed—averaged an 8,500 increase over 1957, thus approaching the 700,000 mark. An even greater increase took place in the number of gainfully employed workers, which rose by approximately 16,000, to reach 660,000. Moreover, the ratio of full-time to total employment improved, while the share of part-time employment declined.¹ Unemployment—as defined by the Labour Force Surveys²—thus decreased substantially, from 6.9 per cent in 1957 to 5.7 per cent during the year under review. The average daily number of unemployed registered at the General Labour Exchanges likewise declined—from 12,500 in 1957 to 9,300, the latter figure representing 1.3 per cent of the total civilian labour force in 1958.

The rise in employment is chiefly attributable to the greater demand for labour following the expansion of output in agriculture, industry and services, as well as to the intensive activity in construction and public works.

Agriculture showed the greatest relative increase, but employment in industry and the services likewise expanded, while the number of workers engaged in construction and public works rose to a lesser extent.

1. POPULATION AND THE LABOUR FORCE

At the end of 1958, the population of Israel totalled 2,031,700 persons, almost 56,000 more than at the end of 1957. Of this increment, natural increase accounted for 41,000 and net immigration for only 15,000 persons. This is the first year since 1955, during which net immigration did not constitute the major factor in the population increase,—in marked contrast to 1957, when it accounted for 60 per cent of the total addition.

The average population during 1958 was 2 million persons, 70,000 more than the 1957 average; this represents an increase of 3.6 per cent. The population of working age—defined by the Labour Force Surveys as persons aged 14 years and over—exceeded its 1957 average by only 3 per cent. It follows, therefore, that the population not of working age expanded somewhat more rapidly.

¹ Full-time work: 35 hours or more per week; part-time employment: less than 35 hours a week.

² Persons 14 years of age and over who are actively seeking employment.

TABLE VIII-1
Sources of Population Increase, 1954-1958

| | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------------------------------|---------|---------|---------|---------|---------|
| <i>thousands</i> | | | | | |
| Population at end of year | 1,717.8 | 1,789.1 | 1,872.4 | 1,976.0 | 2,031.7 |
| Natural increase ^a | 37.5 | 40.1 | 40.2 | 41.4 | 41.0 |
| Migration balance ^b | 11.0 | 31.2 | 43.1 | 62.1 | 14.7 |
| <i>Total population increase</i> | 48.5 | 71.3 | 83.3 | 103.5 | 55.7 |
| <i>percentages</i> | | | | | |
| Natural increase ^a | 77.3 | 56.2 | 48.3 | 40.0 | 73.6 |
| Migration balance ^b | 22.7 | 43.8 | 51.7 | 60.0 | 26.4 |
| <i>Total population increase</i> | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

^a Number of births less number of deaths.

^b Immigration less emigration.

SOURCE: Central Bureau of Statistics.

The increase in the labour force was comparatively much smaller than that of the population of working age, since the latter was augmented mainly by adolescents who, instead of seeking employment at the age of 14, continue their studies and thereafter serve in the army or, in some cases, proceed to higher education, thus entering the labour market at an older age.

TABLE VIII-2
Population and the Labour Force, 1957-1958
(*thousands*)

| | 1957 | 1958 |
|---------------------------------------------|---------|---------|
| Average population | 1,930.5 | 2,000.0 |
| Average working-age population ^a | 1,275.3 | 1,313.6 |
| Civilian labour force ^b | 689.8 | 698.3 |
| As a percentage of total population | 35.7 | 34.9 |
| As a percentage of working-age population | 54.1 | 53.1 |

General Note: These data are based on the Labour Force Surveys. Two surveys were conducted in 1957—in June and November—and four in 1958—in February, May, August and November.

^a Aged 14 and over.

^b Including persons at work, temporarily absent from work owing to illness, vacation, etc., as well as persons actively seeking employment at the time of the Labour Force Surveys. Military personnel—excluding reservists—are not included.

SOURCE: Central Bureau of Statistics.

The civilian labour force having increased only slightly in comparison with the total population, its percentage in the latter declined from 36 to 35 per cent, a rather low ratio as compared with other countries. The reasons for this relatively low rate of economic activity on the part of the population may be found mainly in its social structure: A high percentage of untrained immigrants who adjust slowly to the working conditions in the country.

2. CHARACTERISTICS OF THE LABOUR FORCE

The Labour Force Survey of May 1958 indicates that over 80 per cent of the labour force is employed throughout the year, while only 7 per cent work less than 6 months per annum. Some 9 per cent are occupied 6 months or more, but less than a full year.¹ The high ratio of full year employment to total employment is largely the outcome of the labour contracts common in Israel, which confer upon workers a permanent status at their place of work after a certain period of employment and limit the employer's possibilities for reducing his permanent staff.

TABLE VIII-3
*Labour Force Characteristics of Employed Persons,
May 1957 to April 1958*

| | Absolute numbers | | | Percentages | | |
|---------------------------------------------|------------------|---------|---------|-------------|---------|-------|
| | males | females | total | males | females | total |
| Employed | | | | | | |
| The whole year | 424,900 | 144,100 | 569,000 | 82.3 | 78.2 | 81.2 |
| 6-11 months | 26,300 | 19,500 | 45,800 | 5.1 | 10.6 | 9.0 |
| Less than 6 months | 48,700 | 14,400 | 63,100 | 9.4 | 7.8 | 6.5 |
| Not stated ^a | 16,700 | 6,200 | 22,900 | 3.2 | 3.4 | 3.3 |
| <i>Total gainfully employed workers</i> | 516,600 | 184,200 | 700,800 | 100.0 | 100.0 | 100.0 |

General note: Data included in this table are based on a survey conducted in May 1958 within the framework of the Labour Force Surveys. But whereas the surveys gave the characteristics of the labour force during a given week, this study covered the one-year period from May 1957 to April 1958.

^a Mainly workers who were abroad or on army duty during part of the year.
SOURCE: Central Bureau of Statistics.

Among those employed less than 6 months, women constitute a much higher percentage than men.

The ratio of full-time to total employment varies according to country of

¹ No data are available for the remaining 3 per cent.

origin and length of residence in Israel. The percentage of full-time workers is highest among European and American-born immigrants, lower among Israeli-born workers, and lowest among workers originating in Asian and African countries—possibly because the proportion of persons in the lower age groups is greater among those of Israel or Afro-Asian extraction, which tends to increase their share of part-time employment.

TABLE VIII-4

Labour Force Characteristics of Employed Jews, by Length of Residence in Israel and Continent of Birth, May 1957 to April 1958

| | <i>Percentage of labour force in population</i> | <i>Full employment as percentage of labour force</i> |
|-----------------------------------|-------------------------------------------------|------------------------------------------------------|
| <i>Israel born</i> | 52.4 | 74.8 |
| <i>Veterans^a</i> | | |
| Born in Asia and Africa | 52.7 | 82.3 |
| Born in Europe and America | 63.5 | 90.8 |
| <i>Total veterans</i> | 61.7 | 89.6 |
| <i>New immigrants^b</i> | | |
| Born in Asia and Africa | 49.4 | 69.5 |
| Born in Europe and America | 56.9 | 80.2 |
| <i>Total new immigrants</i> | 53.2 | 75.6 |

^a Resident in Israel prior to the end of 1947.

^b Immigrated to Israel since the beginning of 1948.

SOURCE: Central Bureau of Statistics (see *General Note* to Table VIII-3).

3. EMPLOYMENT BY ECONOMIC BRANCHES

According to Labour Force Survey averages, employment in 1958 rose by 3 per cent (or by 16,000 persons) above the 1957 average. This was mainly due to the maturing of investments in agriculture and industry, as well as to the increased demand for consumption and investment goods on the part of both the Government and the public. To enable the expansion of production, the demand for labour increased.

A high level of activity and employment prevailed in building and public works, showing a slight rise above the previous year. The demand for personal services likewise increased, following the general rise in the level of consumption.

TABLE VIII-5
Employment, by Economic Branches,^a 1957-1958

| <i>Economic branch</i> | <i>Thousands</i> | | <i>Percentages</i> | |
|------------------------------------------|------------------|--------------|--------------------|--------------|
| | <i>1957</i> | <i>1958</i> | <i>1957</i> | <i>1958</i> |
| Agriculture | 104.3 | 115.1 | 16.3 | 17.6 |
| Industry | 138.8 | 141.8 | 21.7 | 21.7 |
| Building and public works | 62.6 | 64.3 | 9.8 | 9.8 |
| Electricity, water and sanitary services | 15.5 | 13.2 | 2.4 | 2.0 |
| Commerce, finance and insurance | 83.0 | 80.8 | 13.0 | 12.3 |
| Transport, communications and storage | 43.8 | 44.2 | 6.9 | 6.8 |
| Government and public services | 142.0 | 143.4 | 22.2 | 21.9 |
| Personal services | 49.1 | 51.7 | 7.7 | 7.9 |
| <i>Total employment^b</i> | <i>642.2</i> | <i>658.3</i> | <i>100.0</i> | <i>100.0</i> |

^a See *General Note* to Table VIII-2.

^b Including 3,100 persons in 1957 and 3,800 in 1958 whose exact occupation is unknown.

SOURCE: Central Bureau of Statistics.

*Agriculture.*¹ Employment in agriculture rose by 10 per cent. It is, however, probable that the average number of man-days per worker in this branch declined somewhat.

- The main factors accounting for the sharp increase in agricultural employment in 1958 were—increased production following the maturing of investment made in previous years (chiefly in citrus groves and fruit plantations) and the expansion of areas under certain irrigated crops, especially those requiring a relatively high rate of manual labour.

In the past, agricultural employment was given to sharp seasonal fluctuations; citrus picking increased the demand for labour in winter, while in summer the labour market contracted. During the last decade, however, employment in the branch has gradually achieved greater stability, spreading over the whole year, as a result of a structural change in agricultural production: Mixed farming, which requires labour all the year round, has been expanded, while the large-scale cultivation of industrial crops, such as cotton and groundnuts, creates a demand for labour chiefly in the summer and the early autumn.

Industry. The number of workers employed in this branch rose by 3 to 3.5 per cent in 1958, as compared with the preceding year—an addition of some 4,000 workers. The average number of man-days per worker also increased. Employment in the foodstuffs, building materials, electrical appliances, paper, cardboard and spinning industries expanded. In textiles, metals, wood and most of the remaining branches employment remained stable, while the

¹ Data included in this chapter refer to the calendar year, whereas those appearing in Chapter IX—"Agriculture" refer to the agricultural year (from October to October).

number of workers employed by the clothing and footwear industry fell somewhat.

Building and Public Works. Publicly financed building construction, which accounts for two-thirds of total building activity in the country, declined somewhat in 1958. There was, however, an upturn in private construction, and public works were somewhat expanded. As a result, employment in this sector was slightly higher than in 1957. The contraction of public construction experienced in the second quarter of 1958 was of short duration, and during the second half of the year building activity resumed its previous level, as large-scale immigrant housing programmes began to be implemented.

Services. The expansion of employment in services paralleled the growth of the population. Employment increased rather more rapidly in personal than in Government and public services, as the standard of living rose and the tourist trade expanded, creating additional demand for personal services.

Other branches. The level of employment in commerce and banking, as well as in electricity and water, showed no significant changes.

4. FLUCTUATIONS IN THE VOLUME OF UNEMPLOYMENT

Data on the volume of unemployment are available from two sources: Registration of unemployed at the General Labour Exchanges and the Labour Force Surveys.

The data on registration of the unemployed, which refer only to persons seeking work through the General Labour Exchanges, indicate that the daily average of unemployed persons fell from 12,500 in 1957 to less than 9,300 in 1958,—a decrease of 25 per cent; the decline was evident throughout the year (see Table VIII-6).

TABLE VIII-6

Daily Average of Unemployed Registered at the General Labour Exchanges, 1957-1958

| Period | 1957 | 1958 | Percentage decrease (—) from 1957 to 1958 |
|------------------|--------|-------|-------------------------------------------|
| January-March | 16,618 | 9,747 | -41.3 |
| April-June | 11,740 | 9,488 | -19.2 |
| July-September | 11,250 | 8,482 | -24.6 |
| October-December | 10,443 | 9,595 | +1.1 |
| Annual Average | 12,513 | 9,328 | -25.4 |

SOURCE: Central Bureau of Statistics.

Unemployment data, as cited by the Labour Force Surveys, cover only the one-week period to which each survey relates. These surveys, however, include in addition to data on unemployed person registered at the General Labour Exchanges, additional categories of unemployed, such as self-employed workers and wage earners who seek work through other exchanges, as well as through advertising in the press, applications in writing, etc. These data point to a 16 per cent decrease in unemployment during 1958.

Unemployment, as defined by the Labour Force Surveys, declined from an annual average of 6.9 per cent in 1957 to 5.7 per cent in 1958.

TABLE VIII-7
The Volume of Unemployment according to the Labour Force Surveys, 1955-1958

| Period | Civilian labour force* | Number of unemployed ^b | Percentage of unemployed in civilian labour force |
|-------------------------|------------------------|-----------------------------------|---------------------------------------------------|
| 1955 November | 631,200 | 45,500 | 7.2 |
| 1956 July | 620,300 | 46,000 | 7.5 |
| 1957 June | 686,000 | 46,700 | 6.9 |
| November | 693,500 | 48,500 | 7.0 |
| 1958 February | 693,900 | 44,900 | 6.5 |
| May | 693,800 | 33,900 | 4.9 |
| August | 698,600 | 39,500 | 5.7 |
| November | 706,800 | 41,700 | 5.9 |
| Annual average for 1957 | 689,800 | 47,600 | 6.9 |
| Annual average for 1958 | 698,300 | 40,000 | 5.7 |

* See note^a to Table VIII-2.

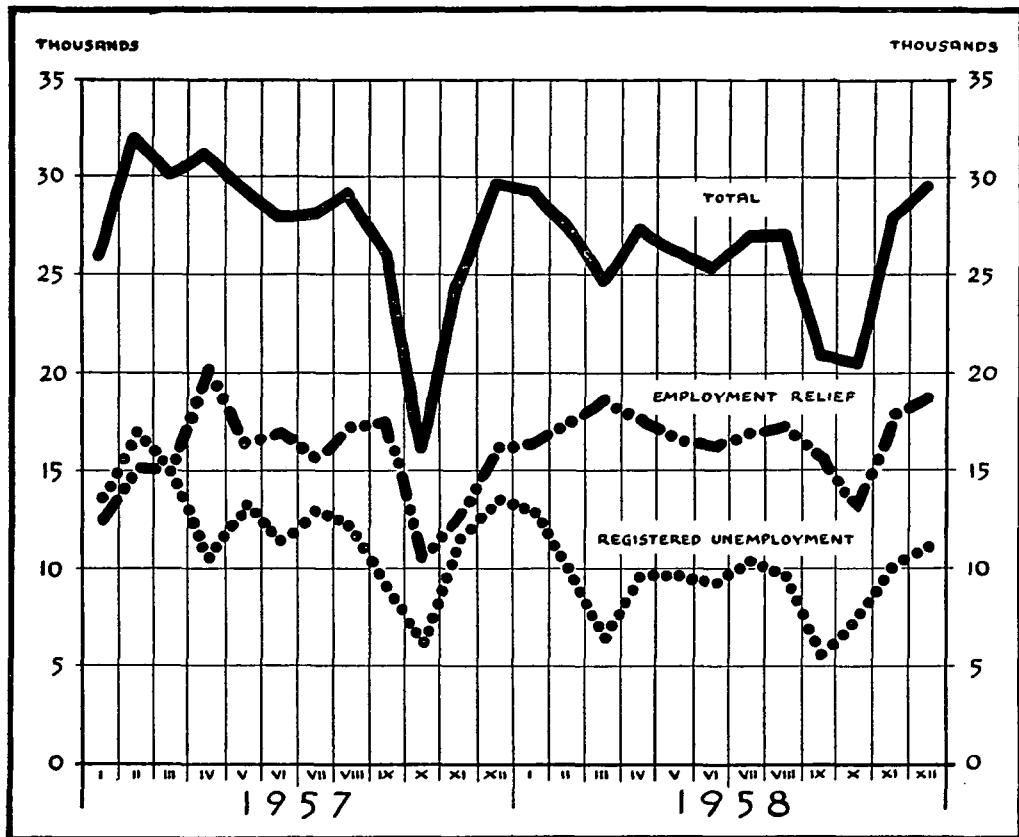
^b Persons actively seeking employment during the period under review, either through General Labour Exchanges or by other means.

SOURCE: Central Bureau of Statistics.

The Ministry of Labour contributed appreciably to the alleviation of unemployment:

- 1) By expanding employment in relief works from a daily average of 15,500 persons in 1957 to 16,800 in 1958;
- 2) By providing, as far as possible, easier and more regular work for a few thousand persons with a limited working capacity, who previously constituted a considerable proportion of the country's "hard core" cases and could not be absorbed in ordinary jobs owing to their advanced age or poor state of health.

DIAGRAM VIII-1

Registered Unemployment and Employment Relief, 1957-1958

The seasonal fluctuations in unemployment were very similar in 1958 and 1957 (see Diagram VIII-1). When the citrus picking season ended, relief works were expanded, particularly with the approach of the Passover holidays. Between April and August, the volume of unemployment and relief works remained stable, but towards the beginning of autumn both declined significantly, due to the increased demand for manual labour for the groundnut and cotton harvests.