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PART I

*Measuring the Current Demand for Labor:  
Needs for Data*



## *Opening Remarks*

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I welcome you to this conference both personally and on behalf of the National Bureau. Our purpose during the coming sessions is to take counsel on how to develop a useful national system of job vacancy statistics. The absence of such statistics is, I think, the most serious gap in our entire scheme of economic intelligence.

The Employment Act, which has now been on the statute books nearly twenty years, solemnly declares that it is the continuing responsibility of the federal government to foster conditions that will afford useful employment opportunities for those able, willing, and seeking to work. The authority of this Act has been increasingly invoked in economic discussion and policy making. In its name all sorts of economic programs have been undertaken or enlarged. Nevertheless, we have thus far failed to equip ourselves sufficiently with the information needed to deal intelligently with the problem of promoting reasonably full and effective utilization of labor in our rapidly changing world.

It is indeed true that tolerably good data exist on unemployment, and that they have proved tremendously helpful in policy making. It is not enough, however, to have information on the supply side of the labor market. We also need reasonably good data on the demand for labor. We need to know what employment opportunities exist for those able, willing, and seeking to work. We need to know this, month by month, on an over-all basis, and also for local areas and individual occupations. Once job vacancy statistics become available on a comprehensive and continuing basis, our governmental authorities will be in a vastly better position to carry out their heavy responsibilities under the Employment Act.

A major and recurring issue of our times has been the degree to which, or whether, the aggregate demand for labor is deficient. A decisive answer to this frequently asked question requires a numerical comparison of unemployment with job vacancies. When the amount of unemployment is larger than the number of job vacancies at existing wages, the aggregate demand for labor is clearly insufficient to provide employment for everyone who is able, willing, and seeking to work. On the other hand, when the number of vacant jobs is equal to or larger than the number of the unemployed, there is no deficiency of aggregate demand. A judicious guideline for monetary and fiscal policy is, therefore, not the volume or rate of unemployment as such, but rather the relation between the number of unemployed and the number of job vacancies.

Our nation has recently embarked on promising programs of training and retraining workers for useful jobs. Statistics on job vacancies are essential to proper administration of these programs. They are likewise essential to the planning of school authorities across the land, to the day-by-day activities of vocational counselors, to the placement efforts of the Employment Service, and to the investigations of economists who seek better understanding of the structural changes in labor markets.

One of the papers prepared for this conference calls attention to a highly interesting development in Japan. Apparently, a Labor Market Center has just been established there to pool information on unemployed individuals and on vacant jobs. The authors tell us that "the Center will utilize electronic computers and a national telecommunication network connecting the central office in Tokyo and all local offices. All data on vacancies and applicants will be submitted to the Center for computer processing and storage, and will be used in prompt matching of supply and demand throughout the country." This projected Labor Market Center expresses a goal that it would be well to keep before us at this conference. Data on job vacancies must not be thought of as being simply a tool of research and planning. They are that, of course. But as information of this type develops, it will also be put to use in securing better matching of the men and women who seek jobs with the jobs that our enterprises seek to fill.

If I may, I would like to state in a sentence what we should strive to accomplish at this conference: Let us seek to make progress in job vacancy statistics, but let us not insist on perfection. As we get on with the task of gathering and using these data, we will gradually learn how to do the job better. Indeed, in the course of doing this job, we are also likely to learn how to improve our current statistics on unemployment.

Before turning to the substance of our deliberations, I wish to express thanks to Professor Robert Ferber and his committee for planning this conference and stimulating much of the pioneering research that will be reported in the course of our meetings. I also wish to acknowledge the encouragement and support that the National Bureau has received from the Secretary of Labor, Mr. W. Willard Wirtz, and from the Office of Manpower, Automation and Training in the U.S. Department of Labor.

