National Assembly for Wales

Unemployment Briefing
September 2011

This briefing paper provides a statistical overview of unemployment trends.

Information is included on Assembly constituencies, Wales and UK nations and regions.

Research
Service

The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

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Unemployment Briefing
September 2011

Leon Gooberman

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Introduction

Unemployment statistics are published each month by the Office for National Statistics (ONS). This paper is released shortly after the ONS data and aims to provide a brief summary of the latest unemployment situation in Wales and the UK.

Section 1 contains headline figures and analysis. Additional information is provided in sections 2 to 5.

As well as information relating to the International Labour Organisation (ILO) and claimant count measures. This paper also includes unofficial residence-based claimant count rates for Assembly Constituencies. These are an alternative measure to those published by the ONS. Due to a slight change in methodology, the unofficial claimant count rates in this briefing are not comparable with those contained in issues previous to August 2010. Further information is available in the Technical Annex.

1:   Headlines

ILO unemployment [1]

- In May to July 2011, the ILO unemployment rate in Wales was 8.4 per cent. This is unchanged on May to July 2010. *Figure 2.1;*
- In May to July 2011, the number of ILO unemployed in Wales was 122,000. This has increased by 7,000 since the previous quarter and increased by 1,000 since the previous year;
- The male ILO rate was 10.7 per cent, compared to 5.8 per cent for females. *Figure 2.1;*
- The ILO rate in Wales was the highest of the four UK nations. *Table 3.1;* and
- Wales had the fifth highest ILO rate of the twelve UK nations and regions. *Figure 4.1.*
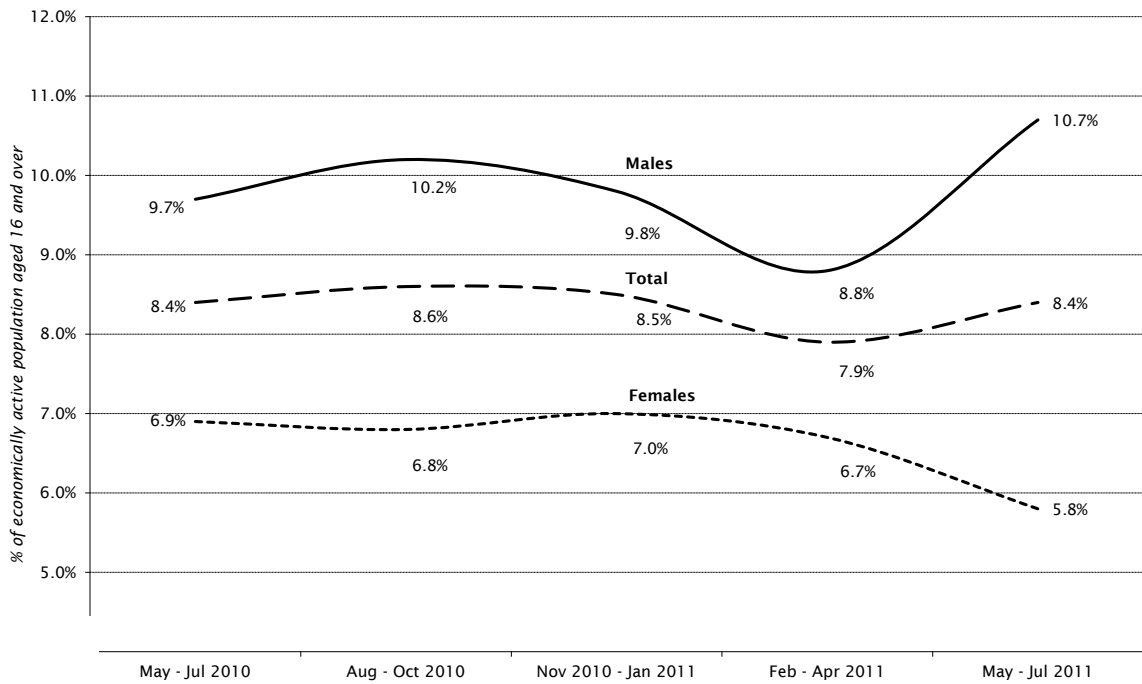
Claimant count [2]

- In August 2011, the total claimant count rate in Wales was 5.5 per cent. This compares to 5.1 per cent in August 2010. *Figure 2.2;*
- The claimant count total in Wales has increased by 1,000 since the previous month and increased by 5,800 since the previous August;
- At 6.8 per cent, Northern Ireland had the highest claimant count rate out of the UK nations. Wales had the second highest rate. *Table 3.2;*
- In August 2011, Wales' claimant count rate was ranked sixth highest out of the twelve UK nations and regions. *Figure 4.2;* and
- The Assembly Constituencies with the highest claimant count rates in August 2011 (based on unofficial estimates) were Blaenau Gwent (11.3 per cent) and Merthyr Tydfil and Rhymney (11.0 per cent). The lowest claimant count rate estimates were in Ceredigion (2.8 per cent), Montgomeryshire (2.8 per cent) and Dwyfor Meirionydd (2.8 per cent). *Table 5.2.*

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[1] The **International Labour Organisation (ILO)** unemployment rate is the number of ILO unemployed persons as a percentage of the economically active population aged 16 and over. It includes those who are out of work and want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks; plus those who are out of work, have found a job and are waiting to start in the next two weeks. It is derived from a household survey carried out by the Office for National Statistics each quarter and is the primary measure of unemployment.

[2] The **claimant count** measures only those people who are claiming Jobseeker's Allowance. It is lower than the ILO definition, because some unemployed people are either not entitled to claim benefits, or choose not to do so. Rates for Assembly Constituencies are unofficial estimates produced by the Research Service (see the Technical Annex).

2: Unemployment statistics for Wales [3]

Figure 2.1: ILO unemployment rates

Source: Office for National Statistics

Figure 2.2: Claimant count rates
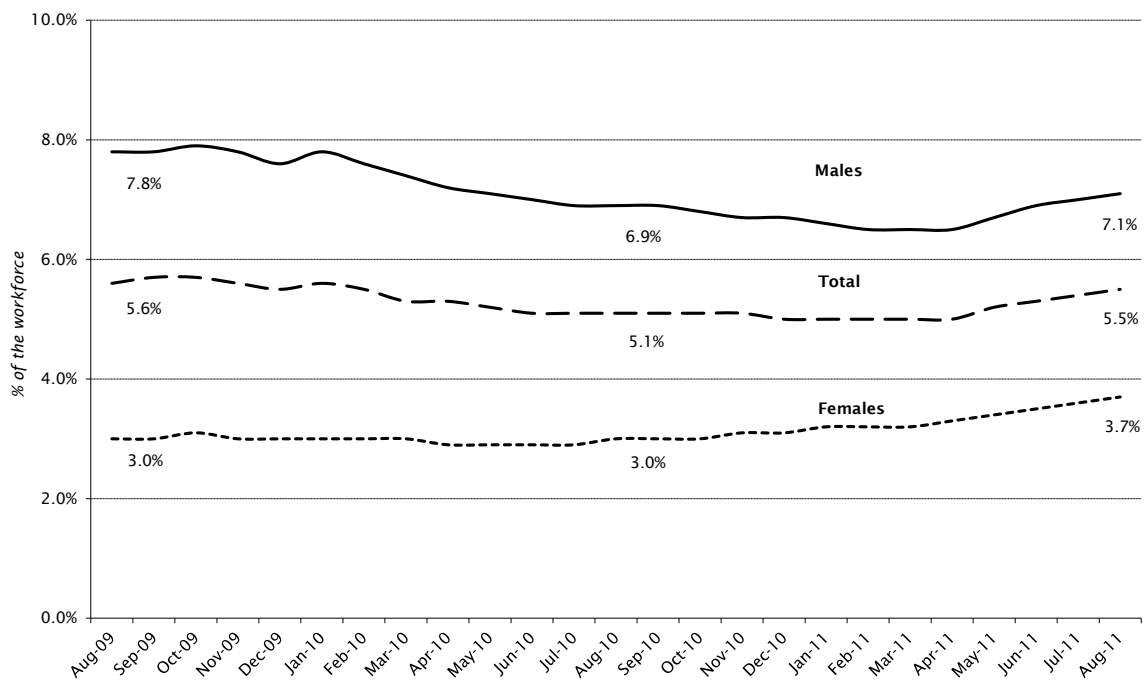
Source: Office for National Statistics

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[3] See Technical Annex for definitions of unemployment data used in this paper.

3:   Unemployment statistics for UK nations

Table 3.1: ILO unemployment rates

May to July	Wales	England	Scotland	Northern Ireland	UK
2011	8.4	7.9	7.5	7.4	7.9
2010	8.4	7.7	8.8	6.8	7.8
2009	8.3	8.0	7.0	6.6	7.9

Source: Office for National Statistics/ Stats Wales

Table 3.2: Claimant count rates

August	Wales	England	Scotland	Northern Ireland	UK
2011	5.5	4.8	5.4	6.8	4.9
2010	5.1	4.4	5.1	6.5	4.6
2009	5.6	4.9	4.9	5.9	4.9

Source: Office for National Statistics/ Stats Wales

4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (May to July 2011)
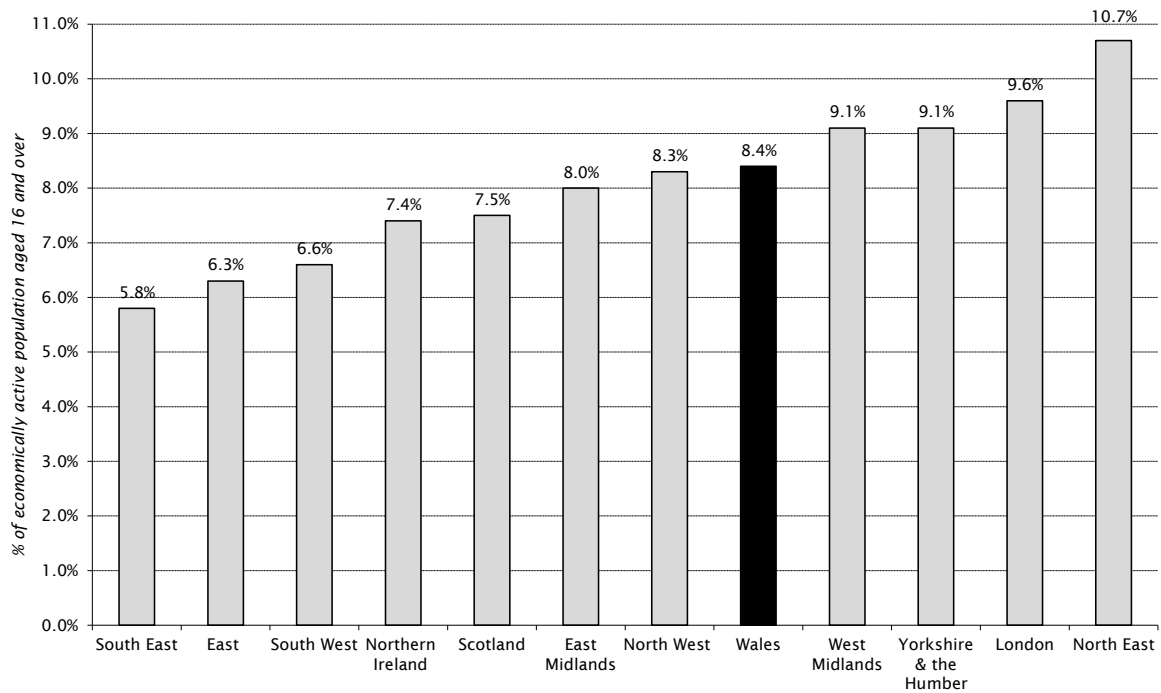
Source: Office for National Statistics

Figure 4.2: Claimant count rates (August 2011)
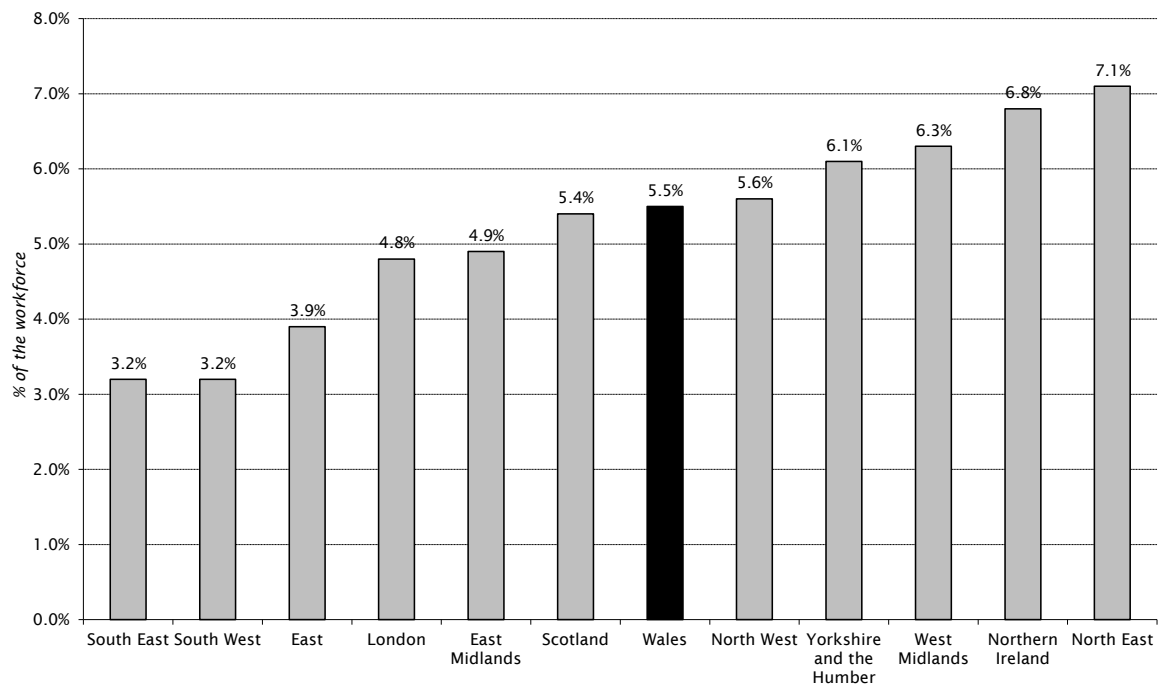
Source: Office for National Statistics

5:   Unemployment statistics for Assembly constituencies

Map 5.1: ILO unemployment rates by Assembly constituency (January to December 2010)[4]

Legend:
- 4.5 - 5.8
- 5.9 - 7.5
- 7.6 - 9.6
- 9.7 - 11.5
- 11.6 - 15.3

Source: Office for National Statistics and Research Service

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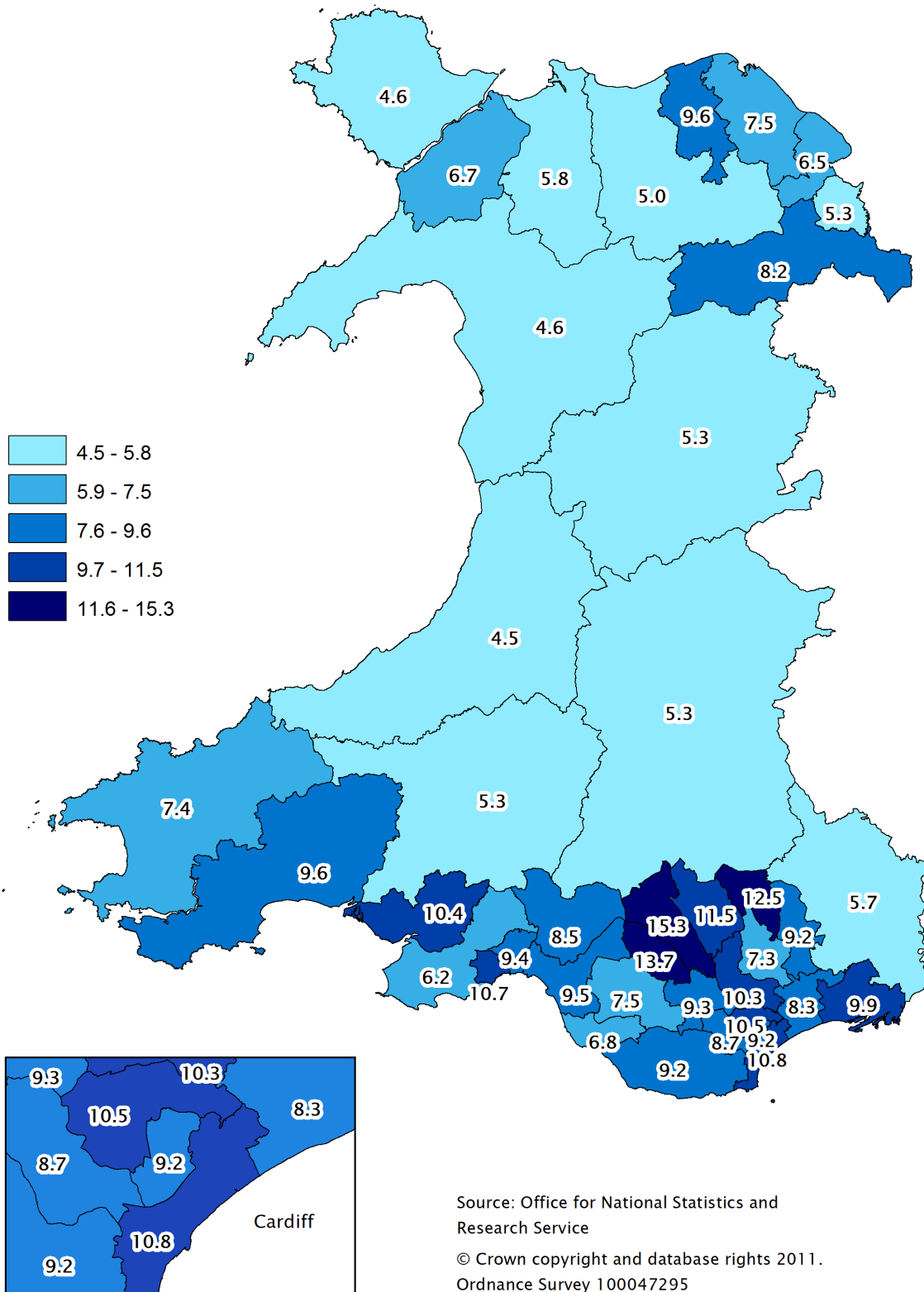
[4] Latest available data (not seasonally adjusted). The rate is the number of ILO unemployed persons as a percentage of the economically active population aged 16 and over.

Map 5.2: Unofficial claimant count rates by Assembly Constituency, August 2011 [5]

Legend:

- 2.8 – 3.9
- 4.0 – 5.1
- 5.2 – 6.3
- 6.4 – 8.6
- 8.7 – 11.3

Values shown on map: 5.9, 5.1, 4.6, 5.8, 4.6, 4.3, 5.3, 5.5, 5.1, 2.8, 2.8, 2.8, 3.4, 4.5, 3.9, 3.9, 6.3, 3.5, 5.7, 11.3, 3.5, 7.0, 6.9, 8.6, 11.0, 7.3, 6.9, 9.2, 6.9, 6.6, 5.0, 7.5, 7.2, 6.7, 5.4, 7.3, 7.3, 3.6, 5.7, 8.1

Cardiff inset values: 5.0, 7.5, 3.6, 7.2, 7.3, 7.3, 8.1, 5.7

Cardiff

Source: Office for National Statistics and Research Service

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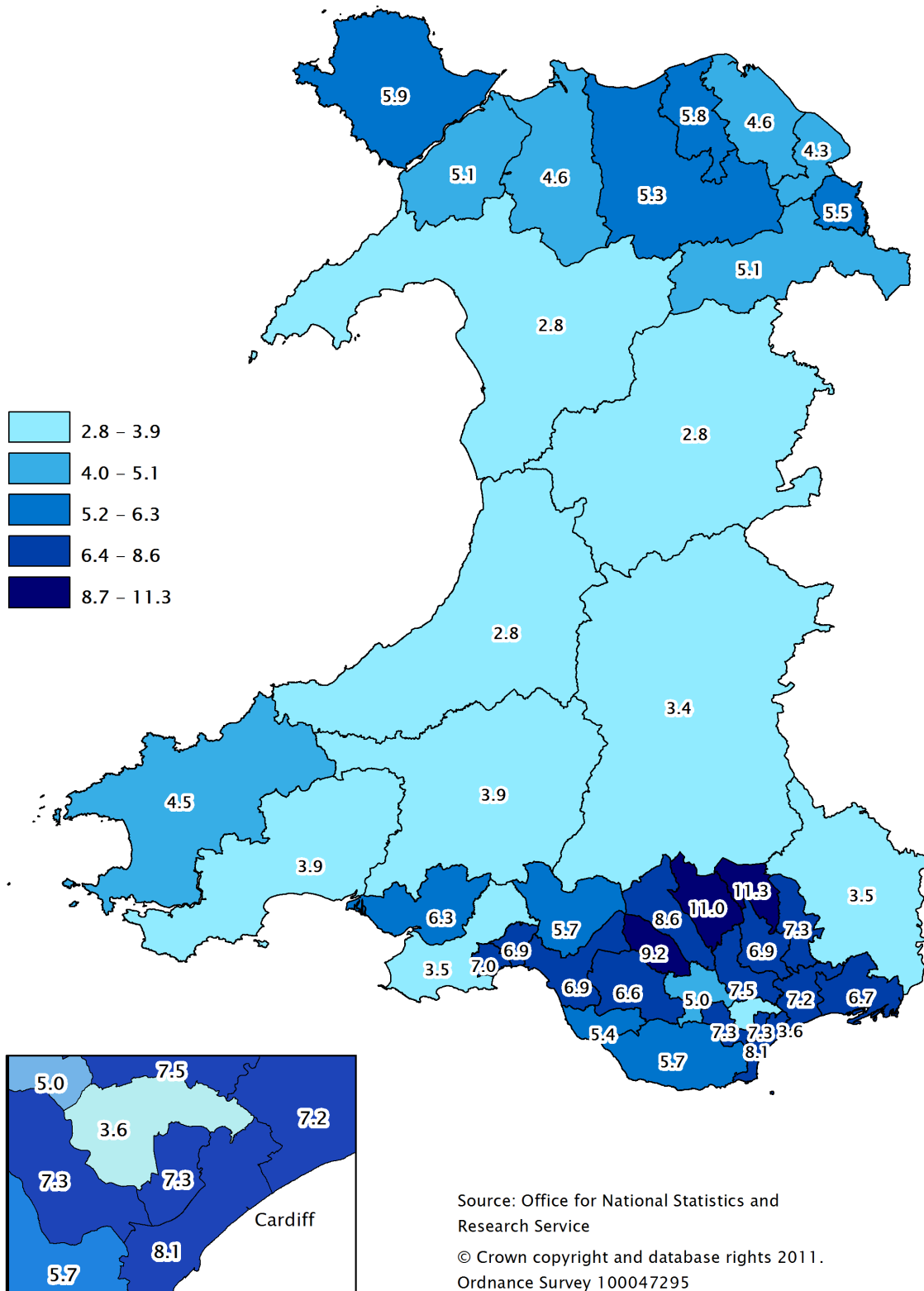
[5] Source: Research Service. Claimants of Job Seekers Allowance as a **percentage** of the economically active population aged between 16 and 64. See technical annex for details.

Table 5.1 Claimant count by Assembly Constituency, August 2011

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	1,206	564	1,770
Aberconwy	791	306	1,097
Alyn and Deeside	1,107	620	1,727
Arfon	930	378	1,308
Blaenau Gwent	2,064	1,076	3,140
Brecon and Radnorshire	699	356	1,055
Bridgend	1,229	603	1,832
Caerphilly	1,854	882	2,736
Cardiff Central	2,007	723	2,730
Cardiff North	1,071	457	1,528
Cardiff South and Penarth	2,539	1,181	3,720
Cardiff West	2,043	882	2,925
Carmarthen East and Dinefwr	744	389	1,133
Carmarthen West and South Pembrokeshire	890	350	1,240
Ceredigion	625	288	913
Clwyd South	1,117	549	1,666
Clwyd West	1,136	485	1,621
Cynon Valley	1,541	809	2,350
Delyn	966	547	1,513
Dwyfor Meirionnydd	511	192	703
Gower	776	404	1,180
Islwyn	1,441	737	2,178
Llanelli	1,352	651	2,003
Merthyr Tydfil and Rhymney	2,036	1,028	3,064
Monmouth	824	443	1,267
Montgomeryshire	534	305	839
Neath	1,166	557	1,723
Newport East	1,547	736	2,283
Newport West	1,843	895	2,738
Ogmore	1,468	665	2,133
Pontypridd	1,274	570	1,844
Preseli Pembrokeshire	980	431	1,411
Rhondda	1,659	782	2,441
Swansea East	1,599	745	2,344
Swansea West	1,509	624	2,133
Torfaen	1,752	852	2,604
Vale of Clwyd	1,296	529	1,825
Vale of Glamorgan	1,768	781	2,549
Wrexham	1,229	573	1,802
Ynys Mon	1,186	525	1,711

Source: Office for National Statistics

Table 5.2: Unofficial residence-based claimant count rates by Assembly Constituency, August 2011 (a)

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	8.4	5.0	6.9
Aberconwy	6.1	2.8	4.6
Alyn and Deeside	5.1	3.4	4.3
Arfon	6.7	3.2	5.1
Blaenau Gwent	13.6	8.6	11.3
Brecon and Radnorshire	4.2	2.5	3.4
Bridgend	6.6	3.9	5.4
Caerphilly	9.3	5.3	7.5
Cardiff Central	9.9	4.2	7.3
Cardiff North	4.8	2.3	3.6
Cardiff South and Penarth	10.2	5.6	8.1
Cardiff West	9.5	4.7	7.3
Carmarthen East and Dinefwr	4.7	2.9	3.9
Carmarthen West and South Pembrokeshire	5.2	2.4	3.9
Ceredigion	3.5	2.0	2.8
Clwyd South	6.1	3.7	5.1
Clwyd West	6.9	3.5	5.3
Cynon Valley	10.3	6.5	8.6
Delyn	5.3	3.7	4.6
Dwyfor Meirionnydd	3.7	1.7	2.8
Gower	4.3	2.6	3.5
Islwyn	8.3	5.2	6.9
Llanelli	7.9	4.5	6.3
Merthyr Tydfil and Rhymney	13.3	8.2	11.0
Monmouth	4.2	2.7	3.5
Montgomeryshire	3.2	2.3	2.8
Neath	7.0	4.1	5.7
Newport East	8.3	4.8	6.7
Newport West	9.0	5.2	7.2
Ogmore	8.2	4.7	6.6
Pontypridd	6.5	3.4	5.0
Preseli Pembrokeshire	5.7	3.1	4.5
Rhondda	11.2	6.7	9.2
Swansea East	8.7	4.8	6.9
Swansea West	8.9	4.6	7.0
Torfaen	9.0	5.3	7.3
Vale of Clwyd	7.7	3.6	5.8
Vale of Glamorgan	7.3	3.8	5.7
Wrexham	6.9	3.8	5.5
Ynys Mon	7.5	4.1	5.9

Source: Research Service
(a) Claimants of Job Seekers Allowance as a percentage of the economically active population aged 16 to 64. See technical annex for details.

Technical Annex: Definitions of unemployment data

ILO unemployment

Definition: ILO (International Labour Organisation) unemployment is the number of those who are out of work and want a job, have actively sought work in the last four weeks and are available to start in the next two weeks; plus those who are out of work, have found a job and are waiting to start in the next two weeks.

Methodology used for calculating rates: ILO rates are calculated as a percentage of the population aged 16 and over who are economically active. Economically active people are those who are either in work or are unemployed under the ILO definition.

Source: The number of ILO unemployed is derived from the Labour Force Survey (LFS). The LFS is a sample survey of around 60,000 UK households carried out by the Office for National Statistics (ONS).   The ONS states that quarter on quarter changes at regional level are particularly subject to sampling variability and **should be interpreted in the context of changes over several quarters rather than in isolation.** The figures have also been adjusted by ONS to take account of seasonal factors.

Geographical availability: The sample based nature of the LFS means that data for areas within Wales (such as Assembly Constituencies and local authorities) is not available on a rolling three-monthly basis.   Data for Assembly Constituencies is only available on a rolling twelve-monthly basis, updated once a quarter.

Usage: ILO unemployment is now the headline unemployment indicator for the UK. It is a more encompassing measure of unemployment than the claimant count and enables international comparison of rates. The definition is used by most other countries, as well as Eurostat (the Statistical Office of the European Union), and the OECD (Organisation for Economic Co-operation and Development).

Claimant Count

Definition: The claimant count measures the number of people who are claiming Jobseekers Allowance.

Methodology used for calculating rates: Two methods have been used in this paper;

1. Workplace based rates. These rates have been calculated as the number of claimants resident in each area as a percentage of workforce jobs plus the claimant count. This approach is used for all figures and tables apart from those containing figures for Assembly Constituencies; and

2. Unofficial claimant count rates. The UK Parliamentary Constituencies introduced for the 2010 general election are the **same** as Assembly Constituencies. Claimant count **proportions for constituencies** are available from the Office for National Statistics (ONS). The ONS claimant count proportions use the population aged 16 to 64 as a denominator and so take no account of differences between areas in the proportion that are economically active.

   Claimant count **rates for Assembly Constituencies** have been calculated by the Research Service, expressing the number of claimants as a percentage of the economically active population aged 16 to 64 who are resident in the constituency. This produces an alternative measure of unemployment to those published by the ONS. The proportion of economically active residents in each constituency is derived from the 2001 Census of Population and then applied to the 2008 resident population estimates of the number aged 16-64, as produced by the ONS.

   This is a change from the methodology used from May to July 2010, when the number of claimants was expressed as a percentage of the economically active residents **of working age** derived from the 2001 Census of Population and the 2008 population estimates. Prior to May 2010, the number of claimants was expressed as a percentage of economically active residents aged 16 and over, derived exclusively from the 2001 Census of Population. These changes are in line with new methodologies adopted by the House of Commons Library.

Source: The claimant count comes from the administrative records of Jobcentre Plus. It is always lower than the ILO measure of unemployment because some unemployed people are either not entitled to claim Jobseekers allowance, or choose not to do so. The figures have also been adjusted by ONS to take account of seasonal factors (apart from those shown in Maps 5.1 and 5.2, and Tables 5.1 and 5.2).

Geographical availability: It is available across a broad of smaller administrative areas, including Assembly constituencies and wards.

Usage: Although it only provides a partial picture, the greater coverage and timeliness of the claimant count is useful to maintain a picture of the labour market at a local level.