

National Assembly for Wales

Unemployment Briefing July 2010

This monthly briefing paper provides a statistical overview of unemployment trends. Information is included on Assembly constituencies, Wales and UK nations and regions.



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National Assembly for Wales

Unemployment Briefing
July 2010

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Members'
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Unemployment Briefing: July 2010

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 May 2010. Further information is available in the Technical Annex.

1: Headlines

ILO unemployment ¹

- In March to May 2010, the ILO unemployment rate in Wales was 9.1 per cent. This compares to 7.6 per cent in March to May 2009. *Figure 2.1*;
- In March to May 2010, the number of ILO unemployed in Wales was 131,000. This is unchanged from the previous quarter but has increased by 23,000 since the previous year;
- The male ILO rate was 10.4 per cent, compared to 7.6 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 joint third highest ILO rate of the twelve UK nations and regions. *Figure 4.1*.

Claimant count ²

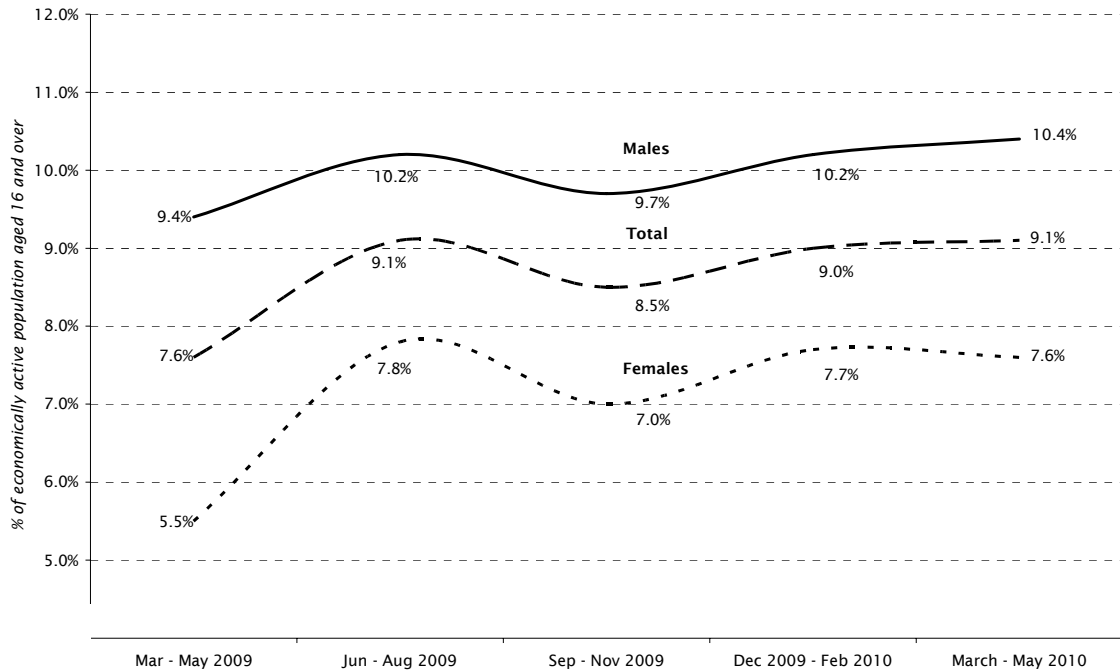
- In June 2010, the total claimant count rate in Wales was 5.0 per cent. This compares to 5.6 per cent in June 2009. *Figure 2.2*;
- The claimant count total in Wales has decreased by 1,400 since the previous month and by 7,800 since the previous June;
- At 6.3 per cent, Northern Ireland had the highest claimant count rate out of the UK nations. Wales had the second highest rate. *Table 3.2*;
- In June 2010, 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 (based on unofficial estimates) were Blaenau Gwent (10.5 per cent) and Merthyr Tydfil and Rhymney (10.2 per cent). The lowest claimant count rate estimates were in Montgomeryshire (2.3 per cent) and Ceredigion (2.5 per cent). *Table 5.2*.

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 Members' Research Service (see the Technical Annex).

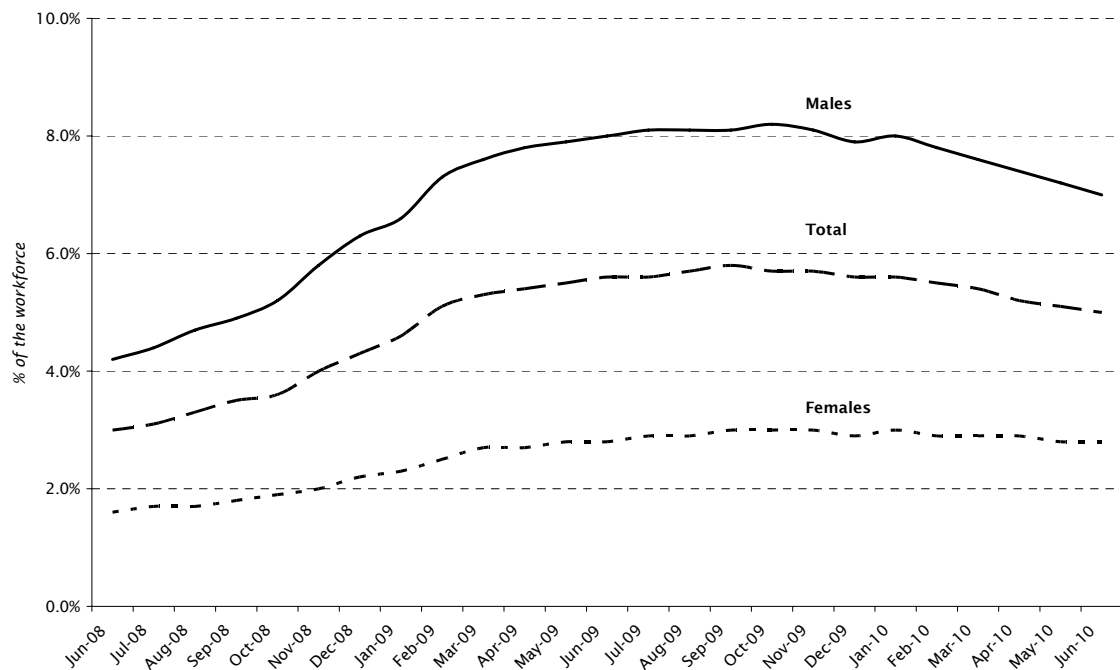
2: Unemployment statistics for Wales ³

Figure 2.1: ILO unemployment rates



Source: Office for National Statistics

Figure 2.2: Claimant count rates



Source: Office for National Statistics

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

March to May	Wales	England	Scotland	Northern Ireland	UK
2010	9.1	7.8	8.1	7.0	7.8
2009	7.6	7.7	6.7	6.4	7.6
2008	5.4	5.3	3.9	4.1	5.2

Source: Office for National Statistics/ Stats Wales

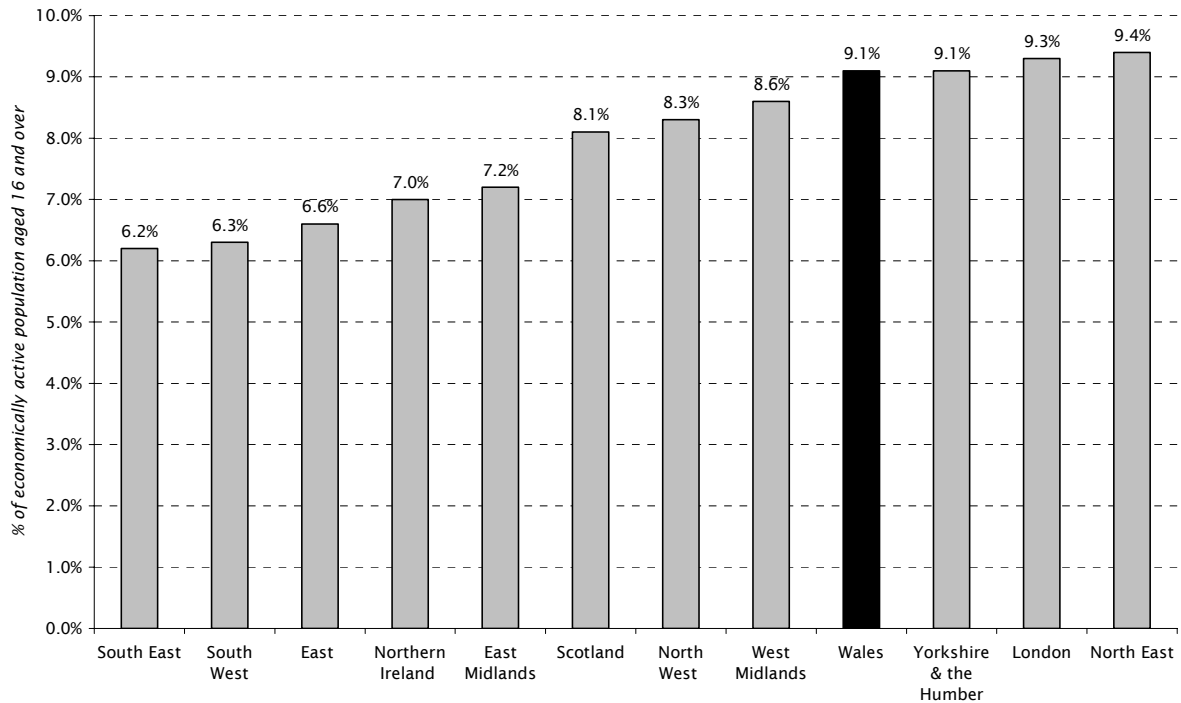
Table 3.2: Claimant count rates

June	Wales	England	Scotland	Northern Ireland	UK
2010	5.0	4.4	4.8	6.3	4.5
2009	5.6	4.8	4.6	5.5	4.8
2008	3.0	2.6	2.6	2.9	2.6

Source: Office for National Statistics/ Stats Wales

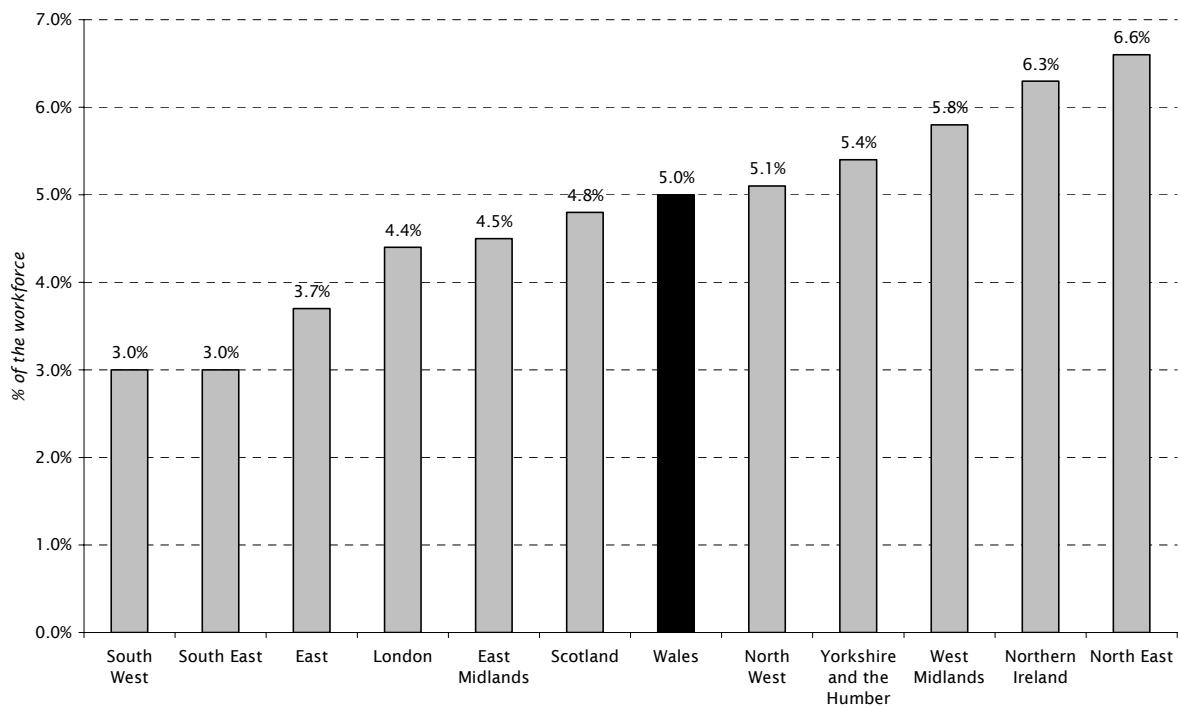
4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (March to May 2010)



Source: Office for National Statistics

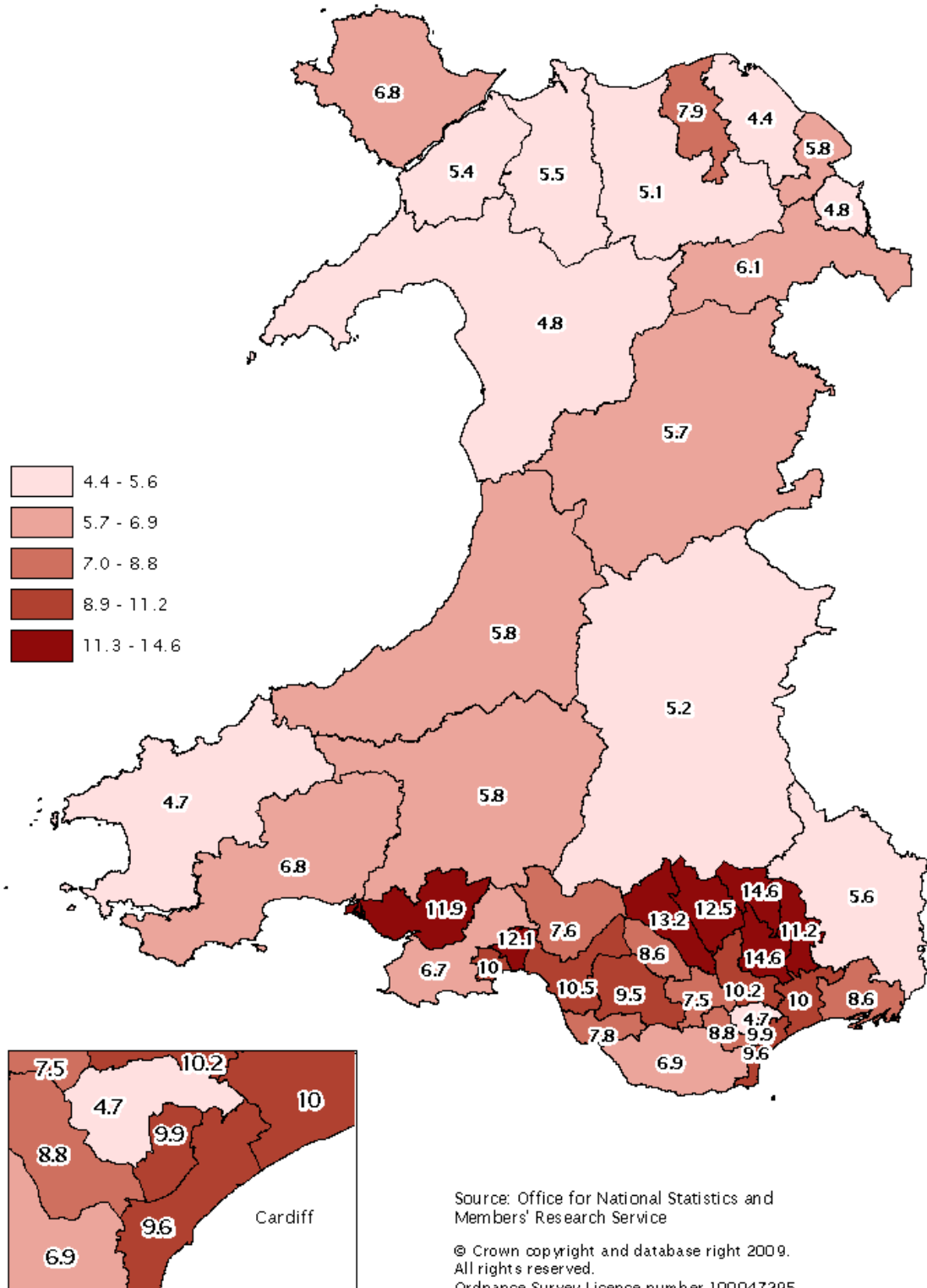
Figure 4.2: Claimant count rates (June 2010)



Source: Office for National Statistics

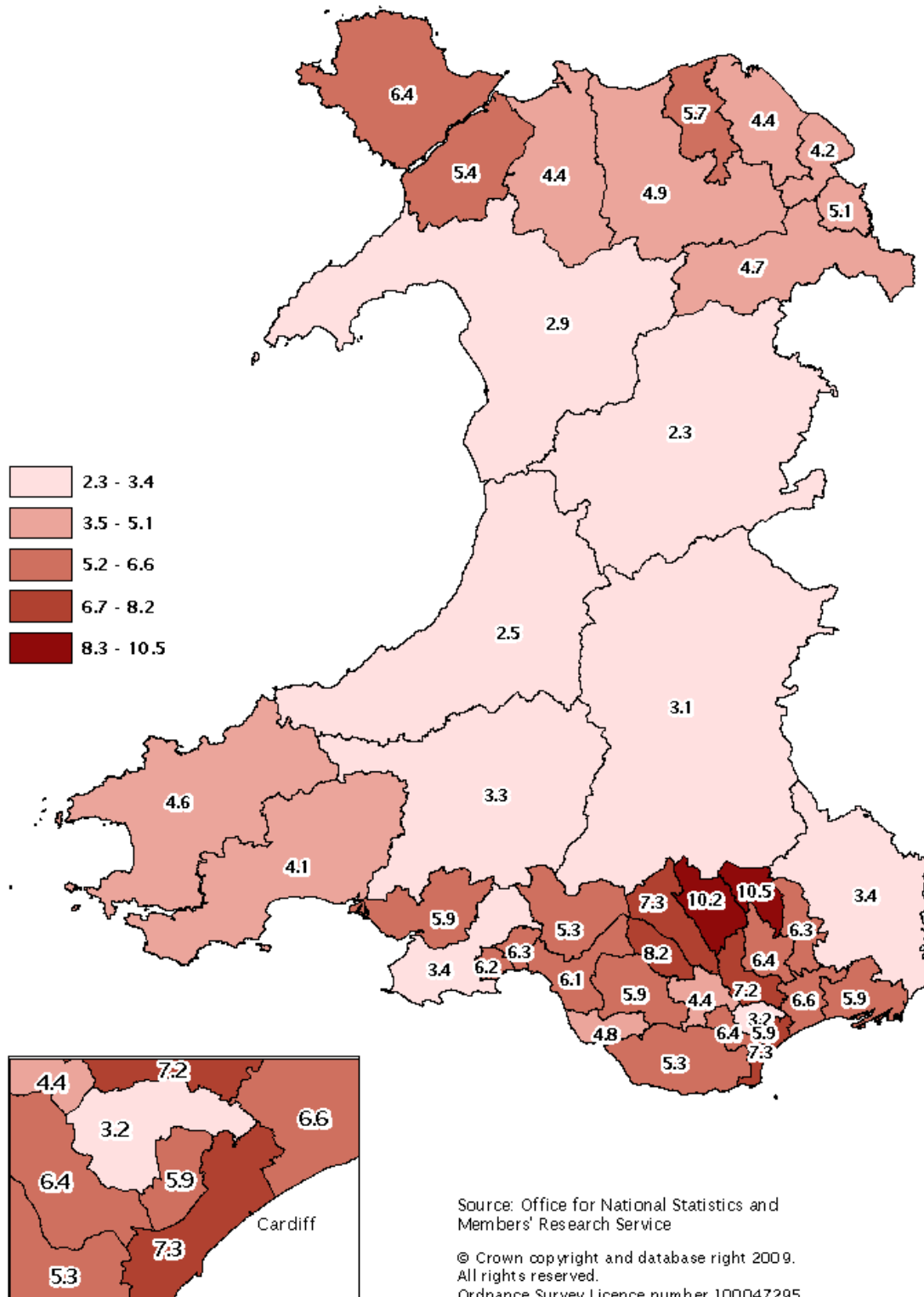
5: Unemployment statistics for Assembly constituencies

Map 5.1: ILO unemployment rates by Assembly constituency (October 2008 to September 2009)⁴



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, June 2010 ⁵



⁵ Source: Members' Research Service. Claimants of Job Seekers Allowance as a **percentage** of the economically active population of working age. See technical annex for details.

Table 5.1 Claimant count by Assembly Constituency, June 2010

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	1,154	383	1,537
Aberconwy	790	228	1,018
Alyn and Deeside	1,128	518	1,646
Arfon	1,059	289	1,348
Blaenau Gwent	2,070	780	2,850
Brecon and Radnorshire	654	267	921
Bridgend	1,184	409	1,593
Caerphilly	1,838	722	2,560
Cardiff Central	1,649	521	2,170
Cardiff North	1,007	324	1,331
Cardiff South and Penarth	2,396	929	3,325
Cardiff West	1,880	639	2,519
Carmarthen East and Dinefwr	673	257	930
Carmarthen West and South Pembrokeshire	970	298	1,268
Ceredigion	591	200	791
Clwyd South	1,120	371	1,491
Clwyd West	1,072	385	1,457
Cynon Valley	1,451	508	1,959
Delyn	1,027	380	1,407
Dwyfor Meirionydd	538	158	696
Gower	790	334	1,124
Islwyn	1,430	534	1,964
Llanelli	1,392	448	1,840
Merthyr Tydfil and Rhymney	2,062	729	2,791
Monmouth	864	310	1,174
Montgomeryshire	487	186	673
Neath	1,140	441	1,581
Newport East	1,462	506	1,968
Newport West	1,761	662	2,423
Ogmore	1,379	499	1,878
Pontypridd	1,178	386	1,564
Preseli Pembrokeshire	1,047	333	1,380
Rhondda	1,573	553	2,126
Swansea East	1,552	539	2,091
Swansea West	1,392	471	1,863
Torfaen	1,692	518	2,210
Vale of Clwyd	1,329	419	1,748
Vale of Glamorgan	1,731	598	2,329
Wrexham	1,170	457	1,627
Ynys Mon	1,321	470	1,791

Source: Office for National Statistics

Table 5.2: Unofficial residence-based claimant count rates by Assembly Constituency, June 2010 (a)

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	8.1	3.5	6.1
Aberconwy	6.1	2.2	4.4
Alyn and Deeside	5.2	3.0	4.2
Arfon	7.7	2.6	5.4
Blaenau Gwent	13.6	6.5	10.5
Brecon and Radnorshire	3.9	2.1	3.1
Bridgend	6.4	2.8	4.8
Caerphilly	9.2	4.6	7.2
Cardiff Central	8.1	3.1	5.9
Cardiff North	4.5	1.7	3.2
Cardiff South and Penarth	9.7	4.5	7.3
Cardiff West	8.8	3.6	6.4
Carmarthen East and Dinefwr	4.3	2.1	3.3
Carmarthen West and South Pembrokeshire	5.7	2.2	4.1
Ceredigion	3.3	1.5	2.5
Clwyd South	6.2	2.7	4.7
Clwyd West	6.5	2.9	4.9
Cynon Valley	9.7	4.2	7.3
Delyn	5.6	2.7	4.4
Dwyfor Meirionydd	3.8	1.6	2.9
Gower	4.3	2.3	3.4
Islwyn	8.3	4.0	6.4
Llanelli	8.1	3.2	5.9
Merthyr Tydfil and Rhymney	13.5	6.1	10.2
Monmouth	4.4	2.0	3.4
Montgomeryshire	3.0	1.5	2.3
Neath	6.8	3.4	5.3
Newport East	7.8	3.5	5.9
Newport West	8.6	4.0	6.6
Ogmore	7.7	3.6	5.9
Pontypridd	6.0	2.4	4.4
Preseli Pembrokeshire	6.1	2.5	4.6
Rhondda	10.6	4.9	8.2
Swansea East	8.4	3.6	6.3
Swansea West	8.2	3.6	6.2
Torfaen	8.7	3.3	6.3
Vale of Clwyd	7.9	3.0	5.7
Vale of Glamorgan	7.2	3.0	5.3
Wrexham	6.5	3.2	5.1
Ynys Mon	8.3	3.9	6.4

Source: Members' Research Service

(a) Claimants of Job Seekers Allowance as a percentage of the economically active population of working age. 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 of working age 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 Members' Research Service, expressing the number of claimants as a percentage of the economically active population of working age 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 working age population estimates as produced by the ONS.

This is a change from the methodology used prior to May 2010, when 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. This change is in line with the new methodology 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.