

# National Assembly for Wales

## Unemployment Briefing September 2010

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



Members'  
Research  
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## **National Assembly for Wales**

**Unemployment Briefing**  
September 2010

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# Unemployment Briefing: September 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 August 2010. Further information is available in the Technical Annex.

## 1: Headlines

### ILO unemployment <sup>1</sup>

- In May to July 2010, the ILO unemployment rate in Wales was 8.4 per cent. This compares to 8.1 per cent in May to July 2009. *Figure 2.1*;
- In May to July 2010, the number of ILO unemployed in Wales was 121,000. This has decreased by 2,000 since the previous quarter but increased by 5,000 since the previous year;
- The male ILO rate was 9.7 per cent, compared to 6.9 per cent for females. *Figure 2.1*;
- The ILO rate in Wales was the second highest of the four UK nations. *Table 3.1*; and
- Wales had the joint fifth highest ILO rate of the twelve UK nations and regions. *Figure 4.1*.

### Claimant count <sup>2</sup>

- In August 2010, the total claimant count rate in Wales was 5.0 per cent. This compares to 5.7 per cent in August 2009. *Figure 2.2*;
- The claimant count total in Wales has increased by 200 since the previous month and decreased by 8,700 since the previous August;
- At 6.5 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 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 (10.4 per cent) and Merthyr Tydfil and Rhymney (10.2 per cent). The lowest claimant count rate estimates were in Montgomeryshire (2.4 per cent) and Ceredigion (2.5 per cent). *Table 5.2*.

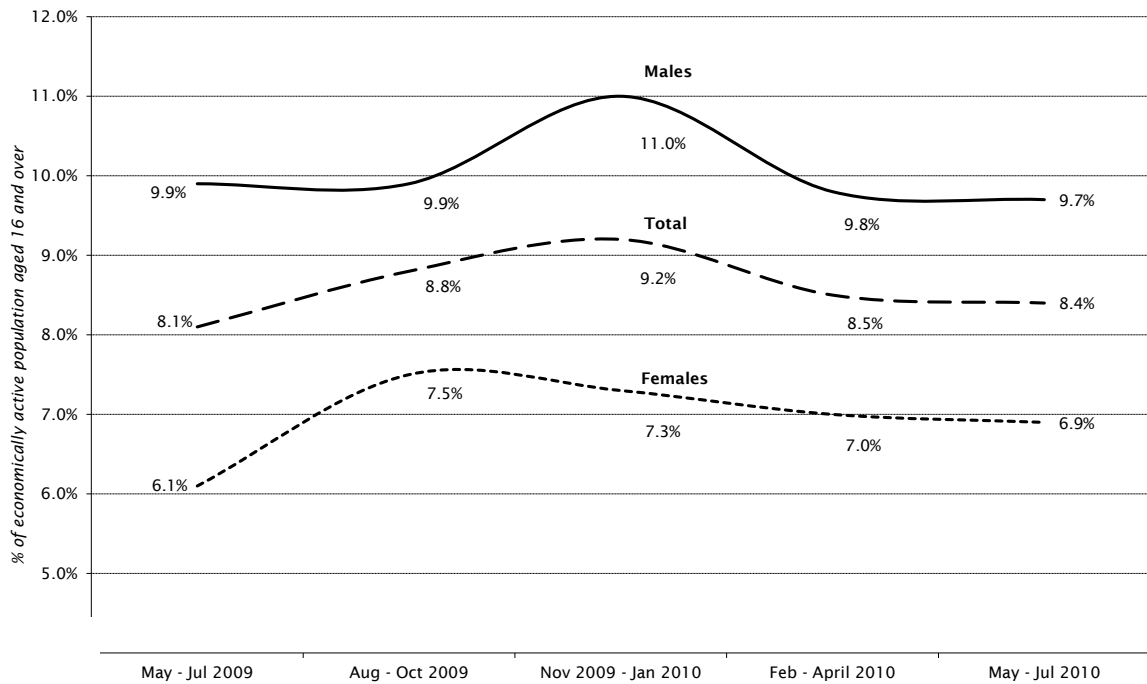
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<sup>1</sup> The **International Labour Organisation (ILO)** unemployment rate is the number of ILO unemployed persons as a percentage of the economically active population aged 16 and over. It includes those who are out of work and want a job, have 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.

<sup>2</sup> 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).

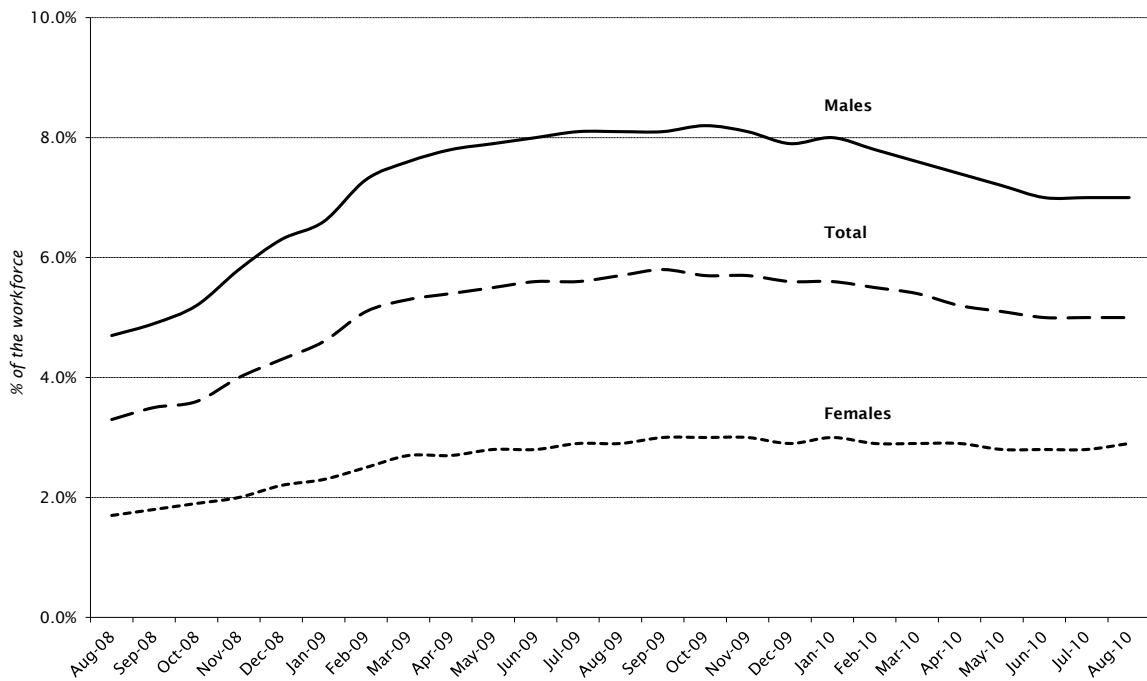
## 2: Unemployment statistics for Wales <sup>3</sup>

Figure 2.1: ILO unemployment rates



Source: Office for National Statistics

Figure 2.2: Claimant count rates



Source: Office for National Statistics

<sup>3</sup> 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
2010	8.4	7.7	8.9	6.8	7.8
2009	8.1	8.0	7.1	6.6	7.9
2008	5.7	5.7	4.2	4.3	5.5

Source: Office for National Statistics/ Stats Wales

Table 3.2: Claimant count rates

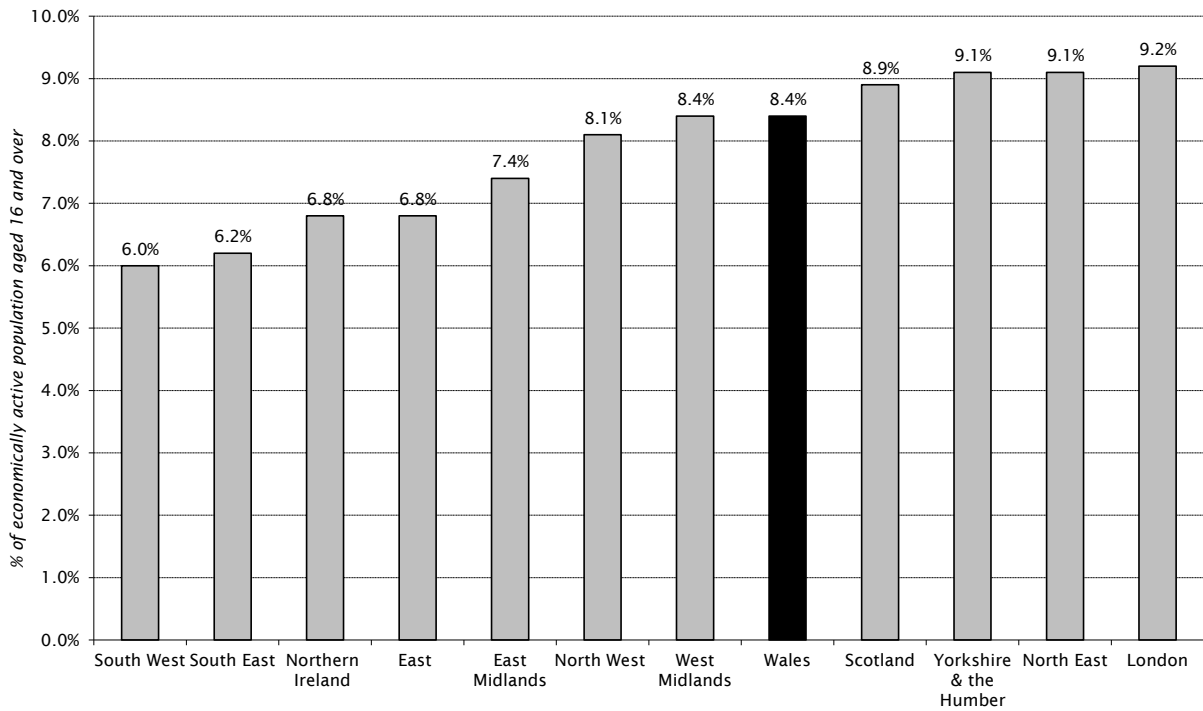
August	Wales	England	Scotland	Northern Ireland	UK
2010	5.0	4.4	4.9	6.5	4.5
2009	5.7	4.9	4.7	5.8	4.9
2008	3.3	2.8	2.9	3.1	2.8

Source: Office for National Statistics/ Stats Wales



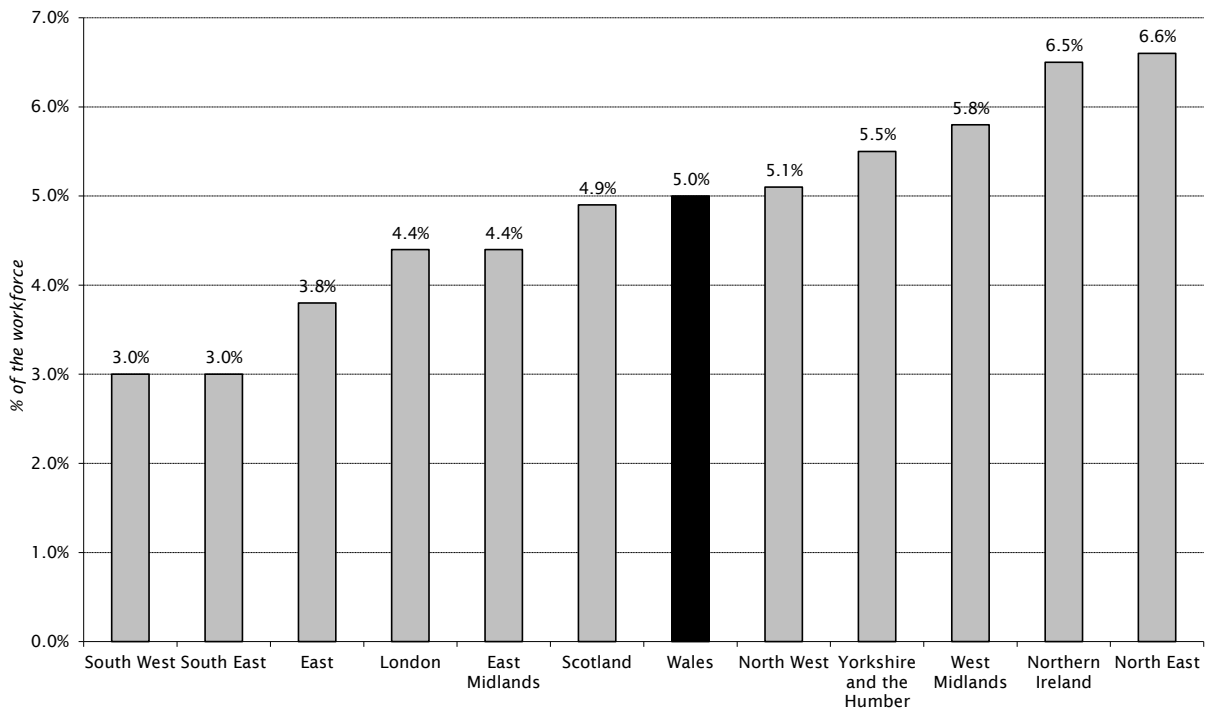
#### 4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (May - July 2010)



Source: Office for National Statistics

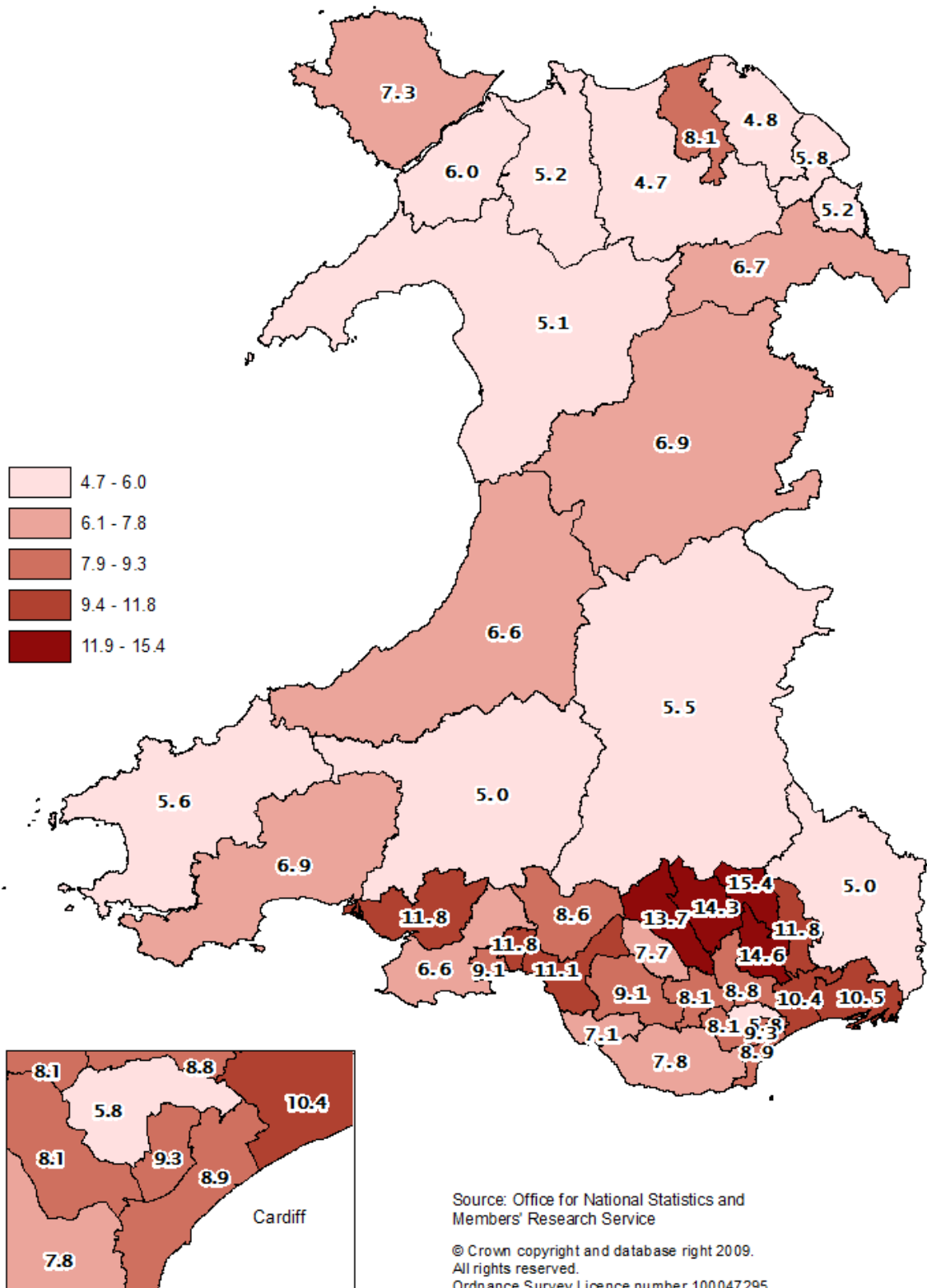
Figure 4.2: Claimant count rates (August 2010)



Source: Office for National Statistics

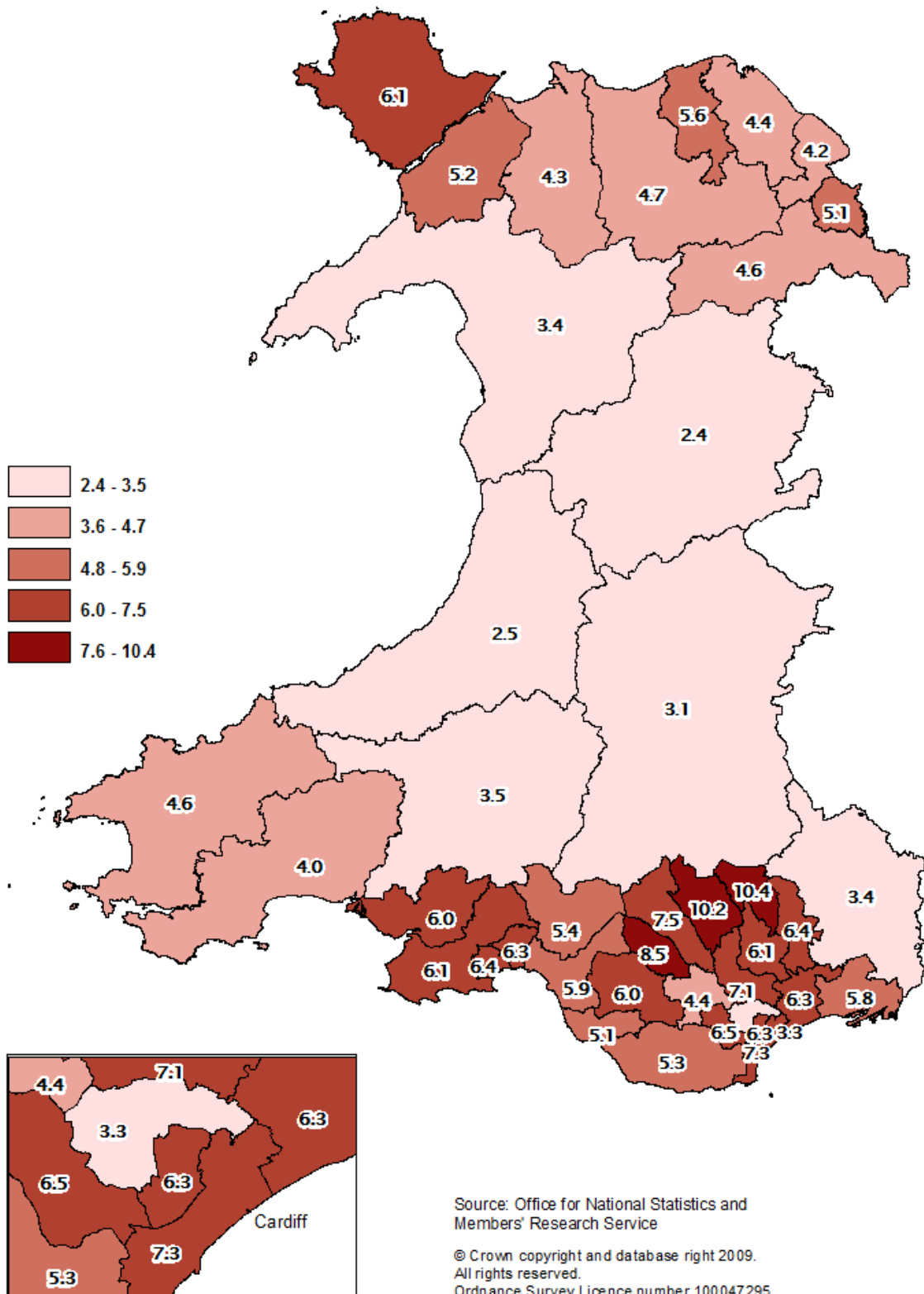
## 5: Unemployment statistics for Assembly constituencies

Map 5.1: ILO unemployment rates by Assembly constituency (January 2009 to December 2009)<sup>4</sup>



<sup>4</sup> 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 2010 <sup>5</sup>



<sup>5</sup> Source: Members' 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 2010**

*not seasonally adjusted*

<b>Constituency</b>	<b>Men</b>	<b>Women</b>	<b>People</b>
Aberavon	1,094	416	1,510
Aberconwy	774	253	1,027
Alyn and Deeside	1,150	538	1,688
Arfon	1,009	327	1,336
Blaenau Gwent	2,064	827	2,891
Brecon and Radnorshire	636	301	937
Bridgend	1,215	520	1,735
Caerphilly	1,813	758	2,571
Cardiff Central	1,705	657	2,362
Cardiff North	1,034	376	1,410
Cardiff South and Penarth	2,397	957	3,354
Cardiff West	1,875	720	2,595
Carmarthen East and Dinefwr	716	291	1,007
Carmarthen West and South Pembrokeshire	970	302	1,272
Ceredigion	562	237	799
Clwyd South	1,112	407	1,519
Clwyd West	1,030	415	1,445
Cynon Valley	1,454	605	2,059
Delyn	1,026	428	1,454
Dwyfor Meirionnydd	545	165	710
Gower	782	375	1,157
Islwyn	1,371	558	1,929
Llanelli	1,365	519	1,884
Merthyr Tydfil and Rhymney	2,043	795	2,838
Monmouth	862	369	1,231
Montgomeryshire	499	230	729
Neath	1,139	483	1,622
Newport East	1,429	525	1,954
Newport West	1,721	678	2,399
Ogmore	1,399	539	1,938
Pontypridd	1,154	457	1,611
Preseli Pembrokeshire	1,078	361	1,439
Rhondda	1,631	619	2,250
Swansea East	1,527	595	2,122
Swansea West	1,427	526	1,953
Torfaen	1,656	609	2,265
Vale of Clwyd	1,311	453	1,764
Vale of Glamorgan	1,717	653	2,370
Wrexham	1,146	530	1,676
Ynys Mon	1,264	477	1,741

Source: Office for National Statistics

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

*not seasonally adjusted*

Constituency	Men	Women	People
Aberavon	7.7	3.7	5.9
Aberconwy	6.0	2.3	4.3
Alyn and Deeside	5.3	3.0	4.2
Arfon	7.3	2.8	5.2
Blaenau Gwent	13.6	6.6	10.4
Brecon and Radnorshire	3.8	2.2	3.1
Bridgend	6.6	3.4	5.1
Caerphilly	9.1	4.6	7.1
Cardiff Central	8.4	3.8	6.3
Cardiff North	4.6	1.9	3.3
Cardiff South and Penarth	9.7	4.5	7.3
Cardiff West	8.7	3.9	6.5
Carmarthen East and Dinefwr	4.5	2.2	3.5
Carmarthen West and South Pembrokeshire	5.7	2.1	4.0
Ceredigion	3.2	1.6	2.5
Clwyd South	6.1	2.8	4.6
Clwyd West	6.2	3.0	4.7
Cynon Valley	9.8	4.8	7.5
Delyn	5.6	2.9	4.4
Dwyfor Meirionnydd	3.9	1.5	2.8
Gower	4.3	2.4	3.4
Islwyn	7.9	4.0	6.1
Llanelli	8.0	3.6	6.0
Merthyr Tydfil and Rhymney	13.4	6.4	10.2
Monmouth	4.4	2.2	3.4
Montgomeryshire	3.0	1.7	2.4
Neath	6.8	3.5	5.4
Newport East	7.6	3.4	5.8
Newport West	8.4	3.9	6.3
Ogmore	7.8	3.8	6.0
Pontypridd	5.9	2.7	4.4
Preseli Pembrokeshire	6.3	2.6	4.6
Rhondda	11.0	5.3	8.5
Swansea East	8.3	3.9	6.3
Swansea West	8.4	3.8	6.4
Torfaen	8.5	3.8	6.4
Vale of Clwyd	7.8	3.1	5.6
Vale of Glamorgan	7.1	3.1	5.3
Wrexham	6.4	3.5	5.1
Ynys Mon	8.0	3.7	6.1

Source: Members' 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 Members' 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 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.