

National Assembly for Wales

Unemployment Briefing November 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.

The Research Service provides expert and impartial research and information to support Assembly Members and committees in fulfilling the scrutiny, legislative and representative functions of the National Assembly for Wales.

Research Service briefings are compiled for the benefit of Assembly Members and their support staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public. We welcome comments on our briefings; please post or email to the addresses below.

An electronic version of this paper can be found on the National Assembly's website at: www.assemblywales.org/bus-assembly-publications-research.htm

Further hard copies of this paper can be obtained from:
Research Service
National Assembly for Wales
Cardiff Bay
CF99 1NA

Email: Research.Service@wales.gov.uk

© National Assembly for Wales Commission Copyright 2011

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the National Assembly for Wales Commission and the title of the document specified.

Enquiry no: 11/2596

National Assembly for Wales

Unemployment Briefing
November 2011

Gareth Thomas

Paper number: 11/064

Research
Service



Unemployment Briefing: November 2011

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 July to September 2011, the ILO unemployment rate in Wales was 9.3 per cent. This has risen from 8.1 per cent in July to September 2010. *Figure 2.1*;
- In July to September 2011, the number of ILO unemployed in Wales was 137,000. This has increased by 14,000 since the previous quarter and increased by 20,000 since the previous year;
- The male ILO rate was 11.5 per cent, compared to 6.9 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 fourth highest ILO rate of the twelve UK nations and regions. *Figure 4.1*.

Claimant count ²

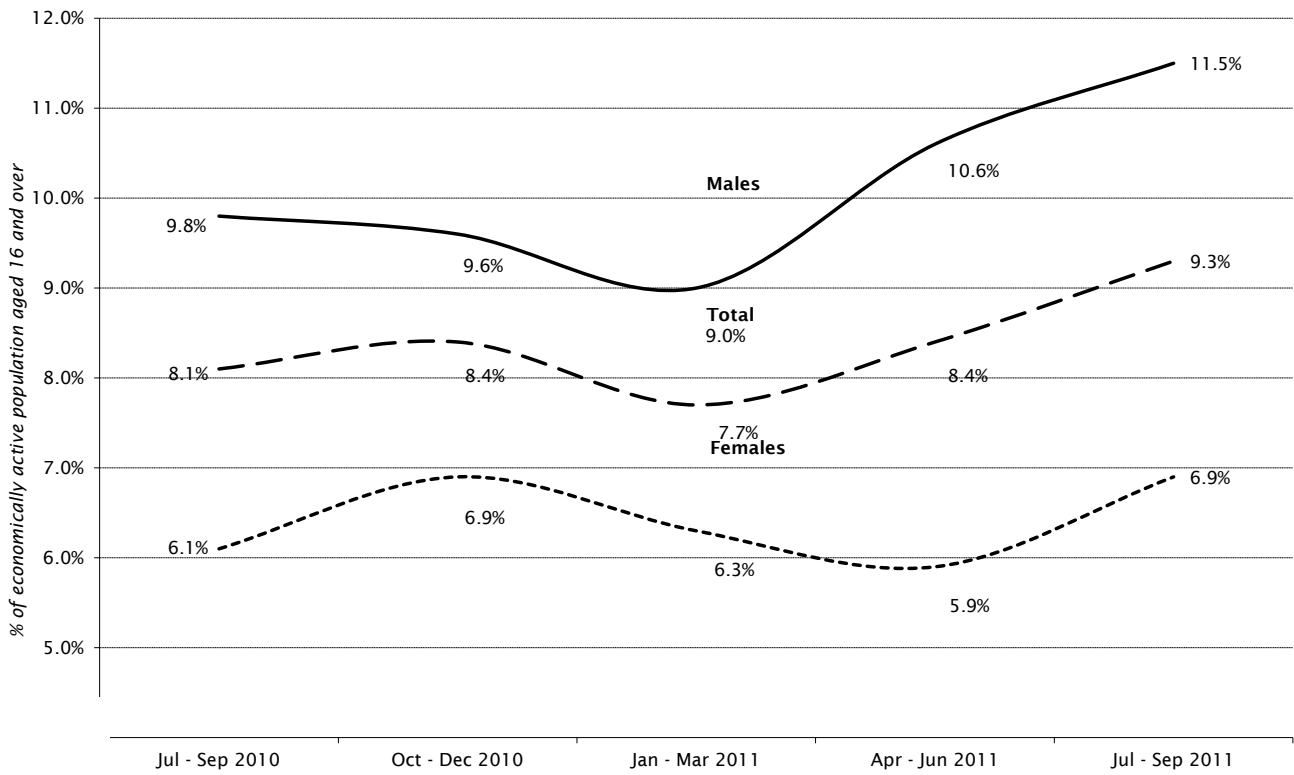
- In October 2011, the total claimant count rate in Wales was 5.6 per cent. This compares to 5.1 per cent in October 2010. *Figure 2.2*;
- The claimant count total in Wales has increased by 600 since the previous month and increased by 7,600 since the previous October;
- At 6.9 per cent, Northern Ireland had the highest claimant count rate out of the UK nations. Wales had the second highest rate. *Table 3.2*;
- In October 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 October 2011 (based on unofficial estimates) were Blaenau Gwent (11.6 per cent) and Merthyr Tydfil and Rhymney (11.1 per cent). The lowest claimant count rate estimates were in Montgomeryshire (2.9 per cent) and Ceredigion (2.9 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 Research Service (see the Technical Annex).

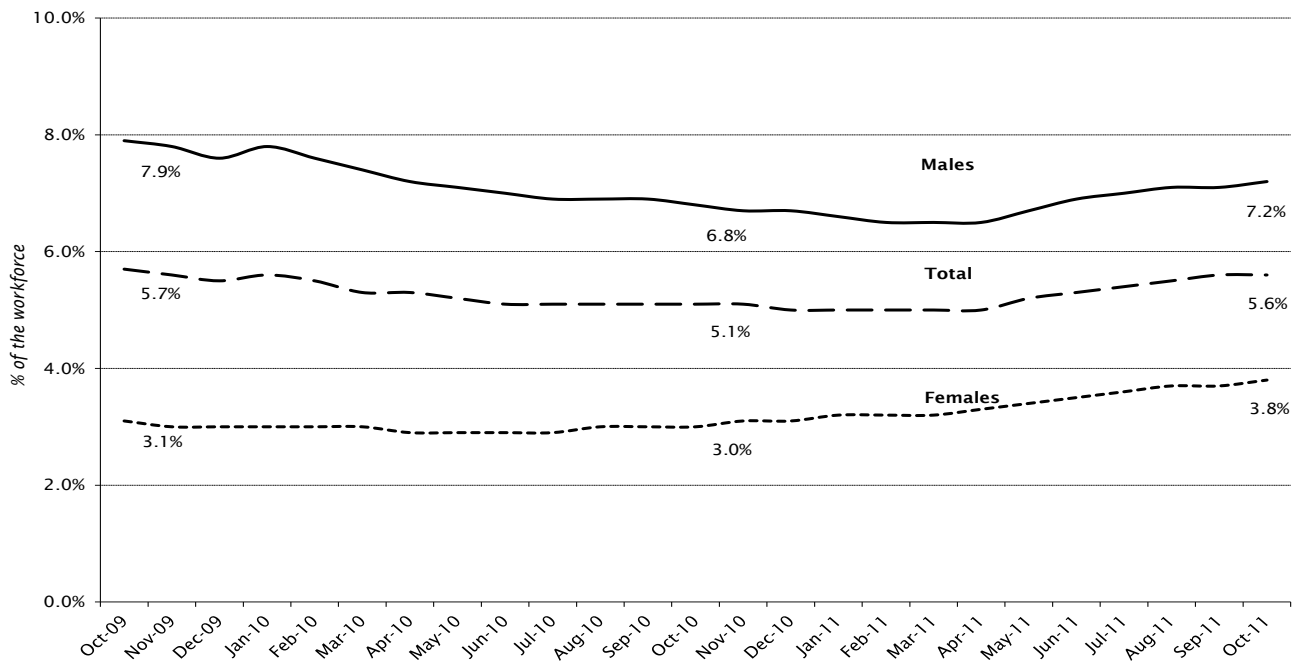
2: Unemployment statistics for Wales ³

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

July to September	Wales	England	Scotland	Northern Ireland	UK
2011	9.3	8.3	8.0	7.3	8.3
2010	8.1	7.7	8.5	7.0	7.7
2009	8.8	7.9	7.2	7.1	7.9

Source: Office for National Statistics/ Stats Wales

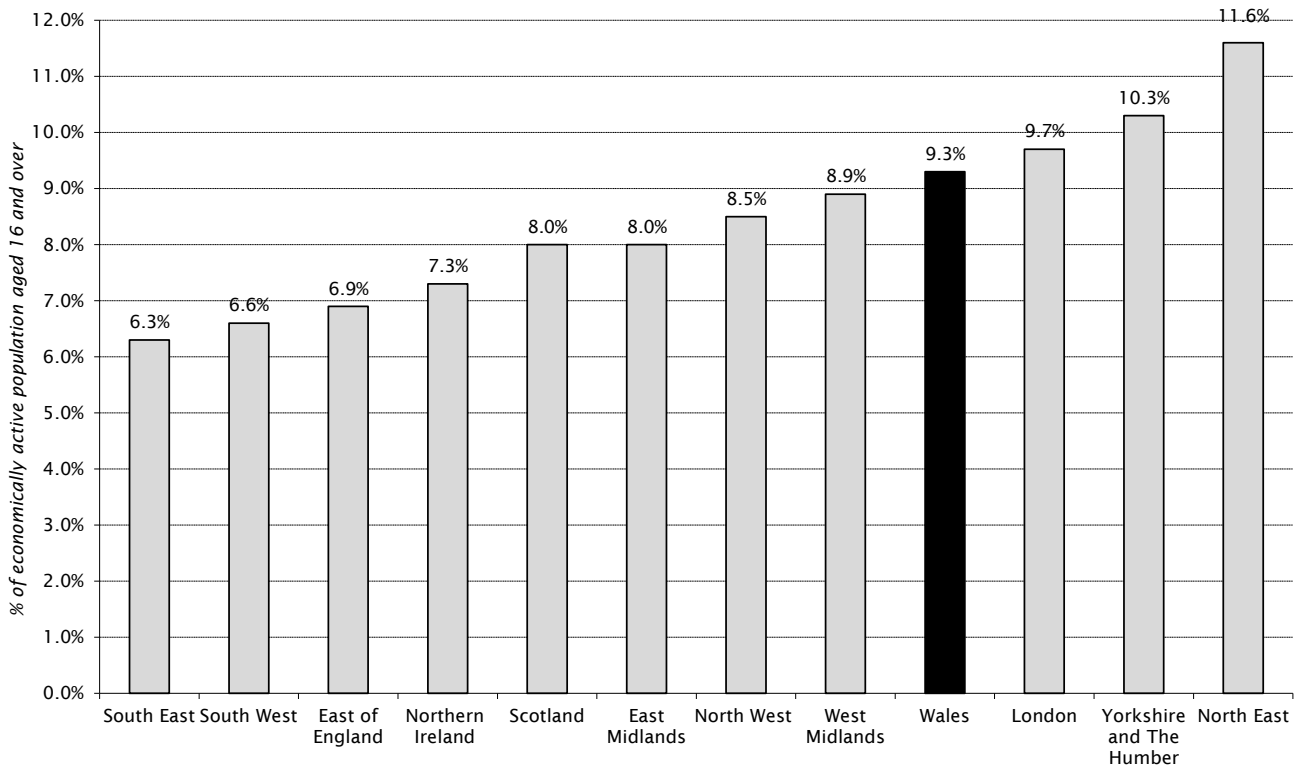
Table 3.2: Claimant count rates

October	Wales	England	Scotland	Northern Ireland	UK
2011	5.6	4.8	5.4	6.9	5.0
2010	5.1	4.4	5.1	6.6	4.6
2009	5.7	4.9	5.0	6.0	5.0

Source: Office for National Statistics/ Stats Wales

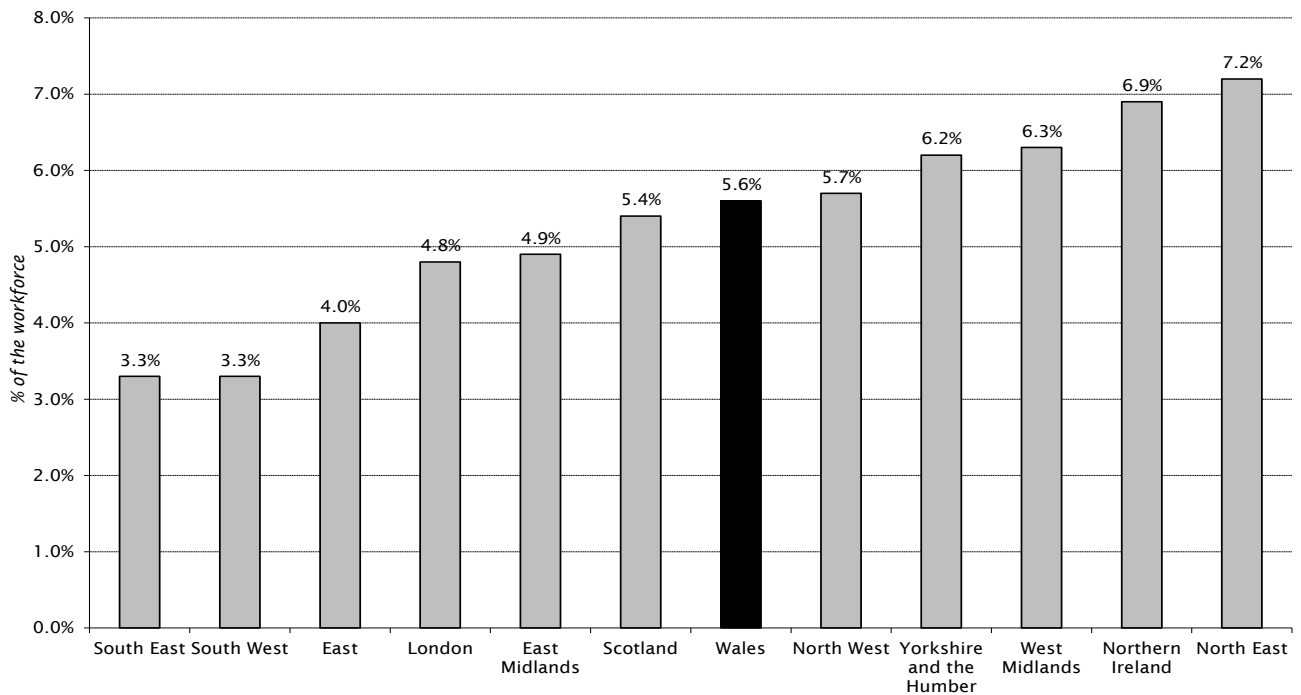
4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (July to September 2011)



Source: Office for National Statistics

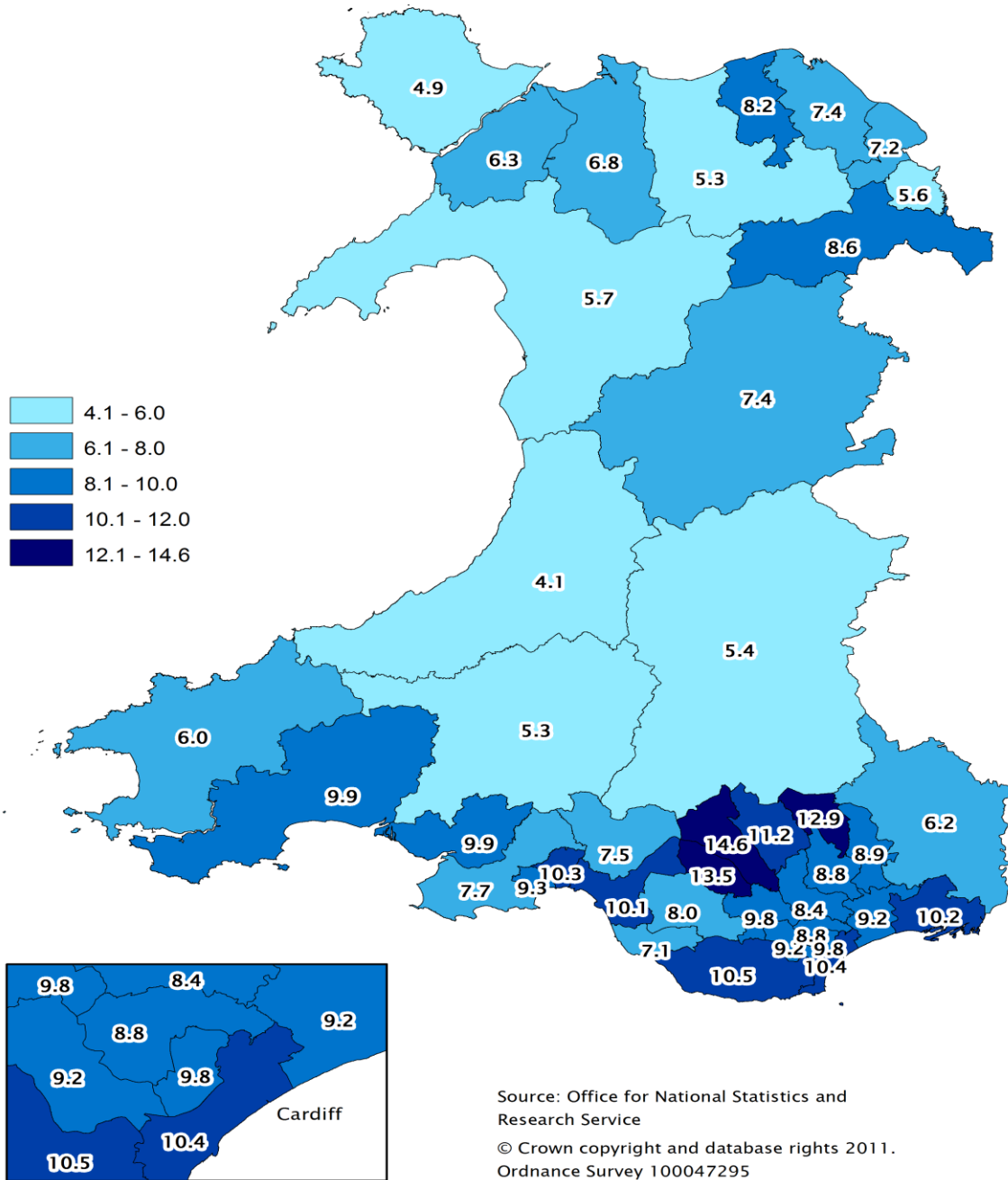
Figure 4.2: Claimant count rates (October 2011)



Source: Office for National Statistics

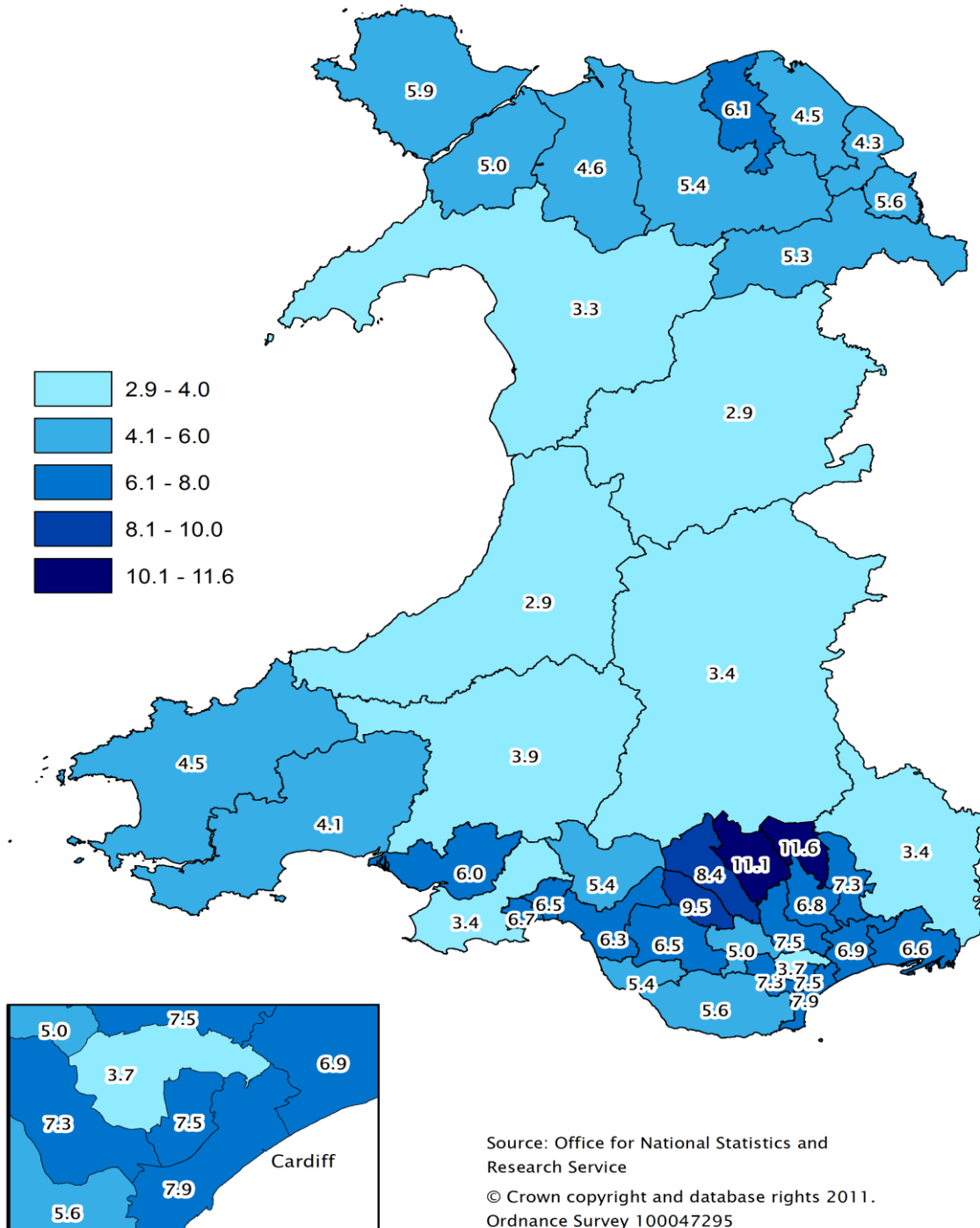
5: Unemployment statistics for Assembly constituencies

Map 5.1: ILO unemployment rates by Assembly constituency (April 2010 to March 2011)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, October 2011 ⁵



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, October 2011

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	1,098	515	1,613
Aberconwy	788	302	1,090
Alyn and Deeside	1,117	585	1,702
Arfon	921	362	1,283
Blaenau Gwent	2,113	1,113	3,226
Brecon and Radnorshire	688	362	1,050
Bridgend	1,227	582	1,809
Caerphilly	1,842	878	2,720
Cardiff Central	2,048	744	2,792
Cardiff North	1,102	458	1,560
Cardiff South and Penarth	2,525	1,123	3,648
Cardiff West	2,050	877	2,927
Carmarthen East and Dinefwr	755	382	1,137
Carmarthen West and South Pembrokeshire	941	374	1,315
Ceredigion	661	278	939
Clwyd South	1,164	583	1,747
Clwyd West	1,152	485	1,637
Cynon Valley	1,529	768	2,297
Delyn	959	545	1,504
Dwyfor Meirionnydd	609	221	830
Gower	763	369	1,132
Islwyn	1,450	694	2,144
Llanelli	1,294	610	1,904
Merthyr Tydfil and Rhymney	2,072	1,007	3,079
Monmouth	806	434	1,240
Montgomeryshire	585	294	879
Neath	1,104	521	1,625
Newport East	1,506	727	2,233
Newport West	1,785	831	2,616
Ogmore	1,443	644	2,087
Pontypridd	1,267	574	1,841
Preseli Pembrokeshire	976	442	1,418
Rhondda	1,724	791	2,515
Swansea East	1,519	690	2,209
Swansea West	1,445	613	2,058
Torfaen	1,771	840	2,611
Vale of Clwyd	1,359	569	1,928
Vale of Glamorgan	1,791	741	2,532
Wrexham	1,270	564	1,834
Ynys Mon	1,164	544	1,708

Source: Office for National Statistics

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

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	7.7	4.5	6.3
Aberconwy	6.1	2.7	4.6
Alyn and Deeside	5.1	3.2	4.3
Arfon	6.7	3.1	5.0
Blaenau Gwent	13.9	8.9	11.6
Brecon and Radnorshire	4.1	2.6	3.4
Bridgend	6.6	3.8	5.4
Caerphilly	9.3	5.3	7.5
Cardiff Central	10.1	4.3	7.5
Cardiff North	4.9	2.3	3.7
Cardiff South and Penarth	10.2	5.3	7.9
Cardiff West	9.6	4.7	7.3
Carmarthen East and Dinefwr	4.8	2.9	3.9
Carmarthen West and South Pembrokeshire	5.5	2.5	4.1
Ceredigion	3.7	1.9	2.9
Clwyd South	6.4	4.0	5.3
Clwyd West	7.0	3.5	5.4
Cynon Valley	10.3	6.2	8.4
Delyn	5.2	3.7	4.5
Dwyfor Meirionnydd	4.4	2.0	3.3
Gower	4.2	2.4	3.4
Islwyn	8.4	4.9	6.8
Llanelli	7.5	4.2	6.0
Merthyr Tydfil and Rhymney	13.6	8.1	11.1
Monmouth	4.1	2.6	3.4
Montgomeryshire	3.6	2.2	2.9
Neath	6.6	3.8	5.4
Newport East	8.0	4.8	6.6
Newport West	8.7	4.8	6.9
Ogmore	8.0	4.5	6.5
Pontypridd	6.4	3.4	5.0
Preseli Pembrokeshire	5.7	3.1	4.5
Rhondda	11.6	6.8	9.5
Swansea East	8.2	4.5	6.5
Swansea West	8.6	4.5	6.7
Torfaen	9.1	5.2	7.3
Vale of Clwyd	8.1	3.9	6.1
Vale of Glamorgan	7.4	3.6	5.6
Wrexham	7.1	3.8	5.6
Ynys Mon	7.4	4.2	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.