

National Assembly for Wales

Unemployment Briefing May 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
Service



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National Assembly for Wales

Unemployment Briefing
May 2010

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Paper Number: 10 / 055

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Unemployment Briefing: May 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 previous issues. Further information is available in the Technical Annex.

1: Headlines

ILO unemployment ¹

- In January 2010 to March 2010, the ILO unemployment rate in Wales was 9.3 per cent. This compares to 7.7 per cent in January 2009 to March 2009. *Figure 2.1*;
- In January 2010 to March 2010, the number of ILO unemployed in Wales was 133,000. This has increased by 11,000 since the previous quarter and by 22,000 since the previous year;
- The male ILO rate was 10.8 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

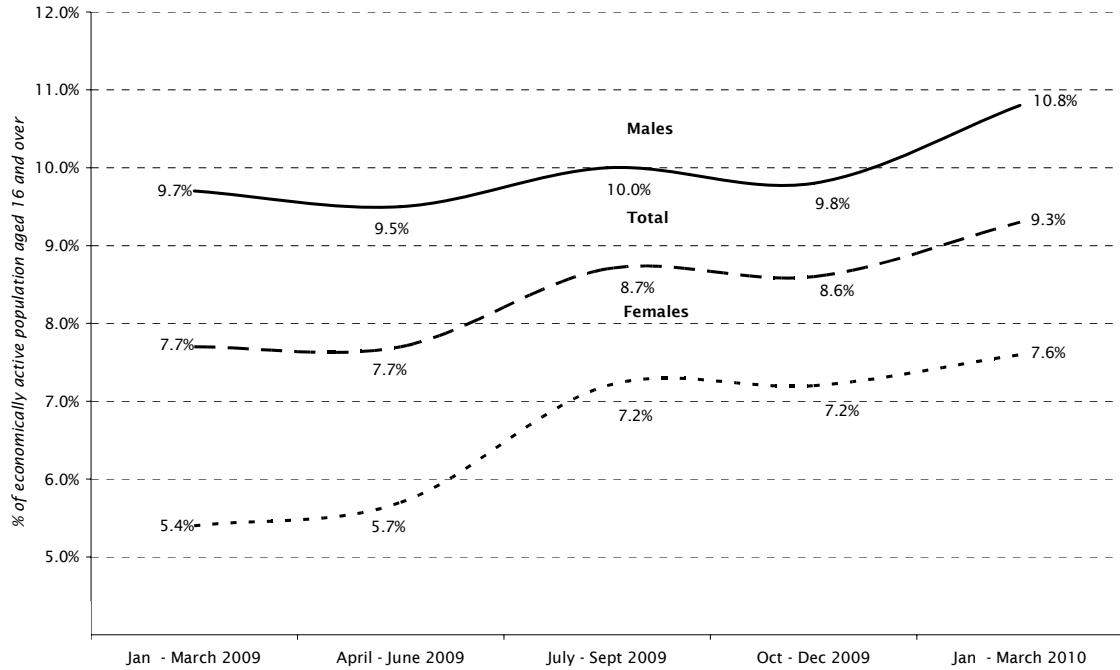
- In April 2010, the total claimant count rate in Wales was 5.3 per cent. This compares to 5.4 per cent in April 2009. *Figure 2.2*;
- The claimant count total in Wales has decreased by 1,300 since the previous month and by 2,500 since the previous April;
- At 6.2 per cent, Northern Ireland had the highest claimant count rate out of the UK nations. Wales had the second highest rate. *Table 3.2*;
- In April 2010, Wales' claimant count rate was ranked fifth 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 (11.8 per cent) and Merthyr Tydfil and Rhymney (11.1 per cent). The lowest claimant count rate estimates were in Ceredigion and Montgomeryshire (both with 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 Members' Research Service (see the Technical Annex).

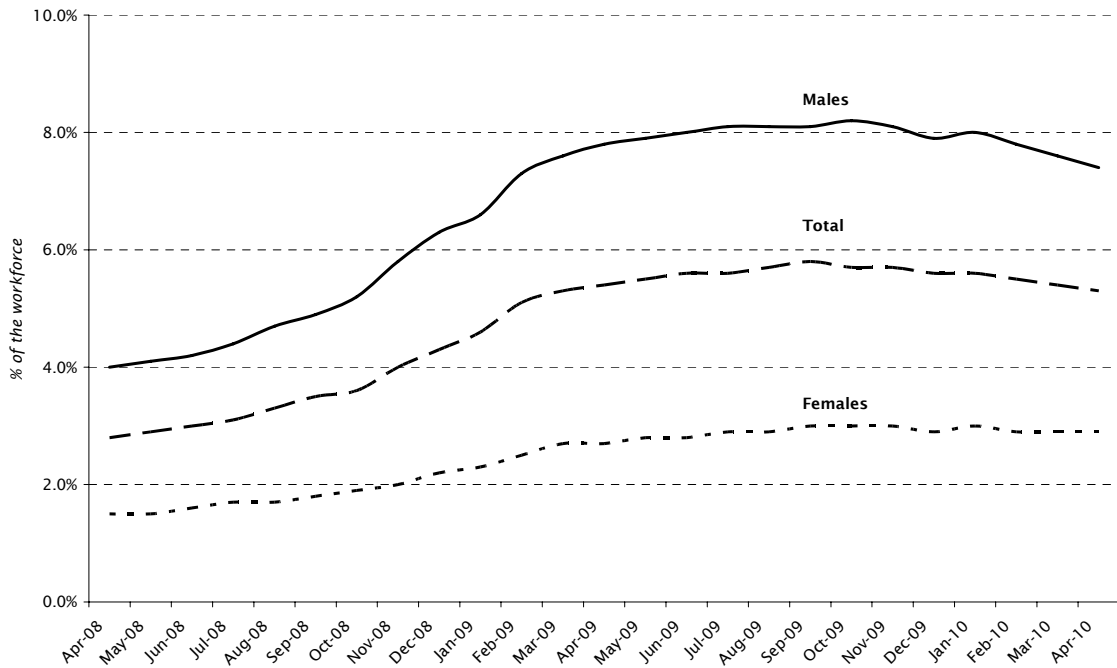
2: Unemployment statistics for Wales ³

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

January to March	Wales	England	Scotland	Northern Ireland	UK
2010	9.3	8.0	8.1	6.7	8.0
2009	7.7	7.2	6.0	6.2	7.1
2008	5.3	5.3	4.7	4.5	5.2

Source: Office for National Statistics/ Stats Wales

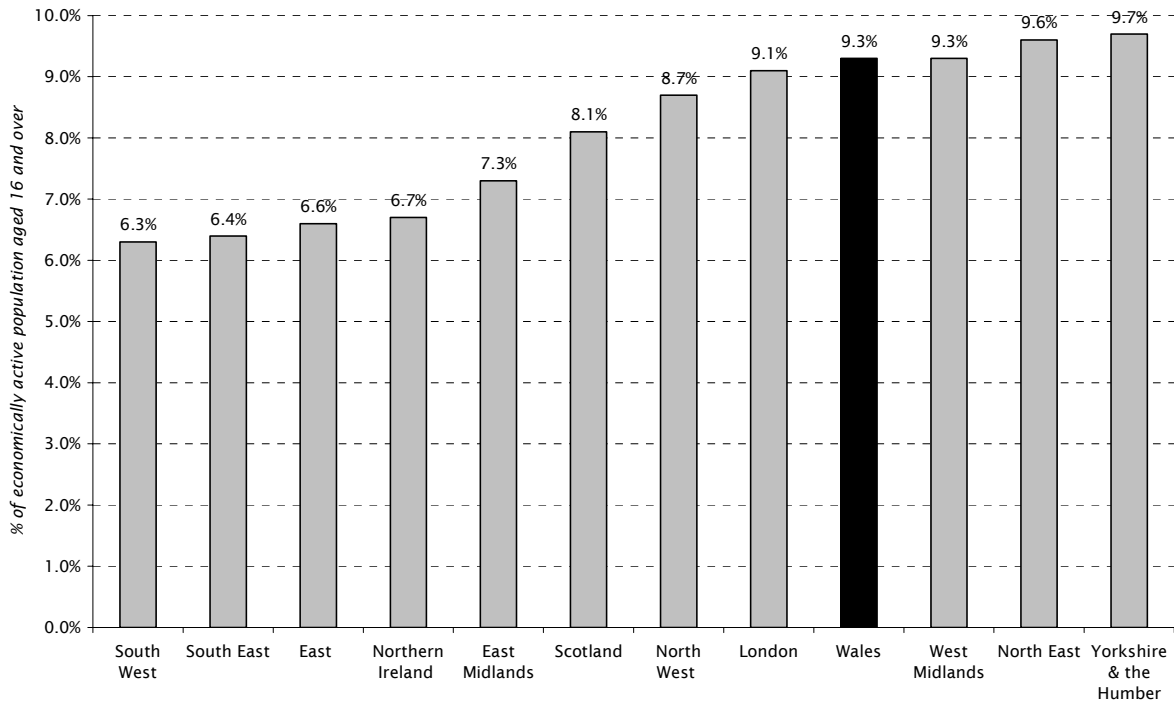
Table 3.2: Claimant count rates

April	Wales	England	Scotland	Northern Ireland	UK
2010	5.3	4.6	4.9	6.2	4.7
2009	5.4	4.6	4.4	5.2	4.6
2008	2.8	2.4	2.5	2.7	2.4

Source: Office for National Statistics/ Stats Wales

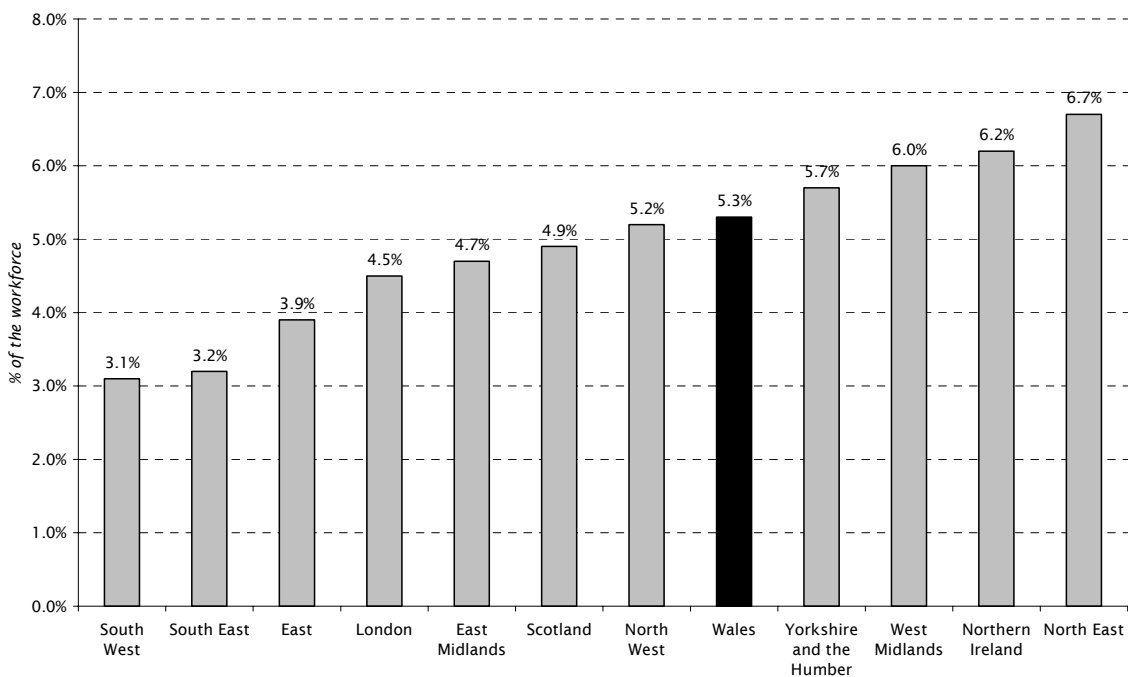
4: Unemployment statistics for UK nations and regions

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



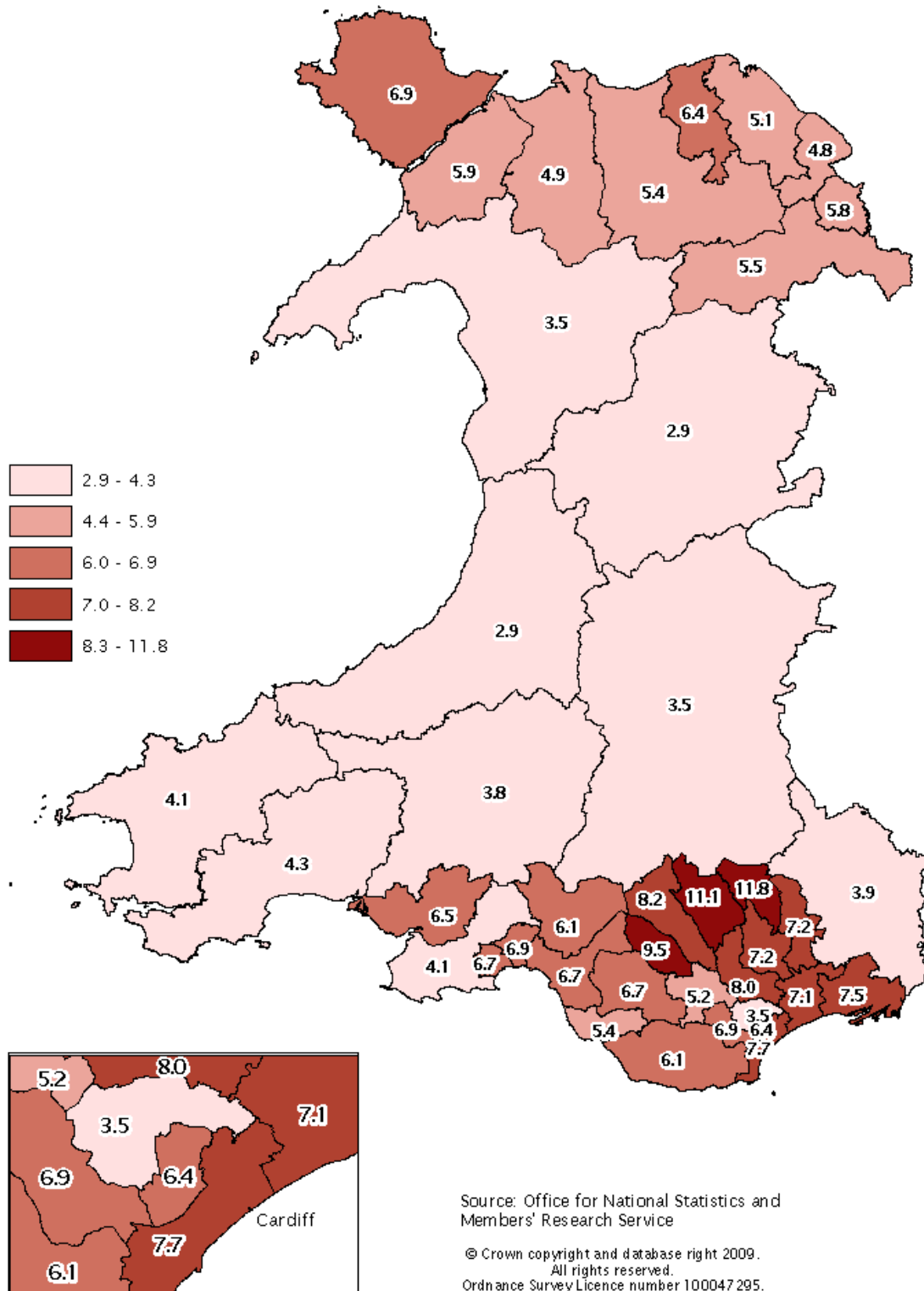
Source: Office for National Statistics

Figure 4.2: Claimant count rates (April 2010)



Source: Office for National Statistics

Map 5.2: Unofficial claimant count rates by Assembly Constituency, April 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, April 2010

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	1,279	409	1,688
Aberconwy	888	257	1,145
Alyn and Deeside	1,319	551	1,870
Arfon	1,133	336	1,469
Blaenau Gwent	2,339	863	3,202
Brecon and Radnorshire	738	303	1,041
Bridgend	1,336	462	1,798
Caerphilly	2,095	745	2,840
Cardiff Central	1,814	570	2,384
Cardiff North	1,091	378	1,469
Cardiff South and Penarth	2,571	942	3,513
Cardiff West	2,064	672	2,736
Carmarthen East and Dinefwr	781	298	1,079
Carmarthen West and South Pembrokeshire	986	347	1,333
Ceredigion	654	236	890
Clwyd South	1,326	444	1,770
Clwyd West	1,183	408	1,591
Cynon Valley	1,637	572	2,209
Delyn	1,183	461	1,644
Dwyfor Meirionydd	656	193	849
Gower	960	376	1,336
Islwyn	1,639	583	2,222
Llanelli	1,549	465	2,014
Merthyr Tydfil and Rhymney	2,262	767	3,029
Monmouth	998	364	1,362
Montgomeryshire	601	234	835
Neath	1,316	493	1,809
Newport East	1,889	606	2,495
Newport West	1,915	709	2,624
Ogmore	1,591	517	2,108
Pontypridd	1,386	463	1,849
Preseli Pembrokeshire	886	350	1,236
Rhondda	1,843	618	2,461
Swansea East	1,721	585	2,306
Swansea West	1,513	501	2,014
Torfaen	1,913	600	2,513
Vale of Clwyd	1,489	474	1,963
Vale of Glamorgan	1,985	675	2,660
Wrexham	1,342	525	1,867
Ynys Mon	1,430	504	1,934

Source: Nomis

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

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	9.0	3.7	6.7
Aberconwy	6.9	2.5	4.9
Alyn and Deeside	6.0	3.2	4.8
Arfon	8.2	3.0	5.9
Blaenau Gwent	15.4	7.2	11.8
Brecon and Radnorshire	4.4	2.4	3.5
Bridgend	7.2	3.2	5.4
Caerphilly	10.5	4.7	8.0
Cardiff Central	8.9	3.4	6.4
Cardiff North	4.9	2.0	3.5
Cardiff South and Penarth	10.4	4.6	7.7
Cardiff West	9.6	3.7	6.9
Carmarthen East and Dinefwr	4.9	2.4	3.8
Carmarthen West and South Pembrokeshire	5.7	2.5	4.3
Ceredigion	3.7	1.7	2.9
Clwyd South	7.3	3.2	5.5
Clwyd West	7.2	3.1	5.4
Cynon Valley	11.0	4.8	8.2
Delyn	6.5	3.3	5.1
Dwyfor Meirionydd	4.7	1.9	3.5
Gower	5.3	2.6	4.1
Islwyn	9.5	4.3	7.2
Llanelli	9.0	3.4	6.5
Merthyr Tydfil and Rhymney	14.8	6.4	11.1
Monmouth	5.1	2.4	3.9
Montgomeryshire	3.7	1.9	2.9
Neath	7.9	3.8	6.1
Newport East	10.1	4.1	7.5
Newport West	9.3	4.3	7.1
Ogmore	8.9	3.8	6.7
Pontypridd	7.0	2.9	5.2
Preseli Pembrokeshire	5.2	2.7	4.1
Rhondda	12.5	5.5	9.5
Swansea East	9.3	4.0	6.9
Swansea West	9.0	3.8	6.7
Torfaen	9.8	3.9	7.2
Vale of Clwyd	8.8	3.4	6.4
Vale of Glamorgan	8.2	3.4	6.1
Wrexham	7.5	3.7	5.8
Ynys Mon	9.0	4.2	6.9

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.

