

# **National Assembly for Wales**

## Unemployment Briefing November 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

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 Members' Research Service is part of the National Assembly for Wales. We provide confidential and impartial research support to the Assembly's scrutiny and legislation committees, and to all 60 individual Assembly Members and their staff.**

Members' 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](http://www.assemblywales.org/bus-assembly-publications-research.htm)

Further hard copies of this paper can be obtained from:

Members' Research Service  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

Email: [MembersLibrary@wales.gov.uk](mailto:MembersLibrary@wales.gov.uk)

© National Assembly for Wales Commission Copyright 2010

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.

## **National Assembly for Wales**

Unemployment Briefing  
November 2010

Leon Goberman

Paper Number: 10 / 069



Members'  
Research  
Service



# Unemployment Briefing: November 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 July to September 2010, the ILO unemployment rate in Wales was 8.1 per cent. This compares to 8.8 per cent in July to September 2009. *Figure 2.1*;
- In July to September 2010, the number of ILO unemployed in Wales was 117,000. This has decreased by 12,000 since the previous quarter and by 8,000 since the previous year;
- The male ILO rate was 9.9 per cent, compared to 6.1 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 sixth highest ILO rate of the twelve UK nations and regions. *Figure 4.1*.

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

- In October 2010, the total claimant count rate in Wales was 5.0 per cent. This compares to 5.7 per cent in October 2009. *Figure 2.2*;
- The claimant count total in Wales has decreased by 500 since the previous month and decreased by 10,000 since the previous October;
- At 6.6 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 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 (10.0 per cent) and Merthyr Tydfil and Rhymney (9.8 per cent). The lowest claimant count rate estimates were in Ceredigion (2.7 per cent) and Montgomeryshire (2.4 per cent). *Table 5.2*.

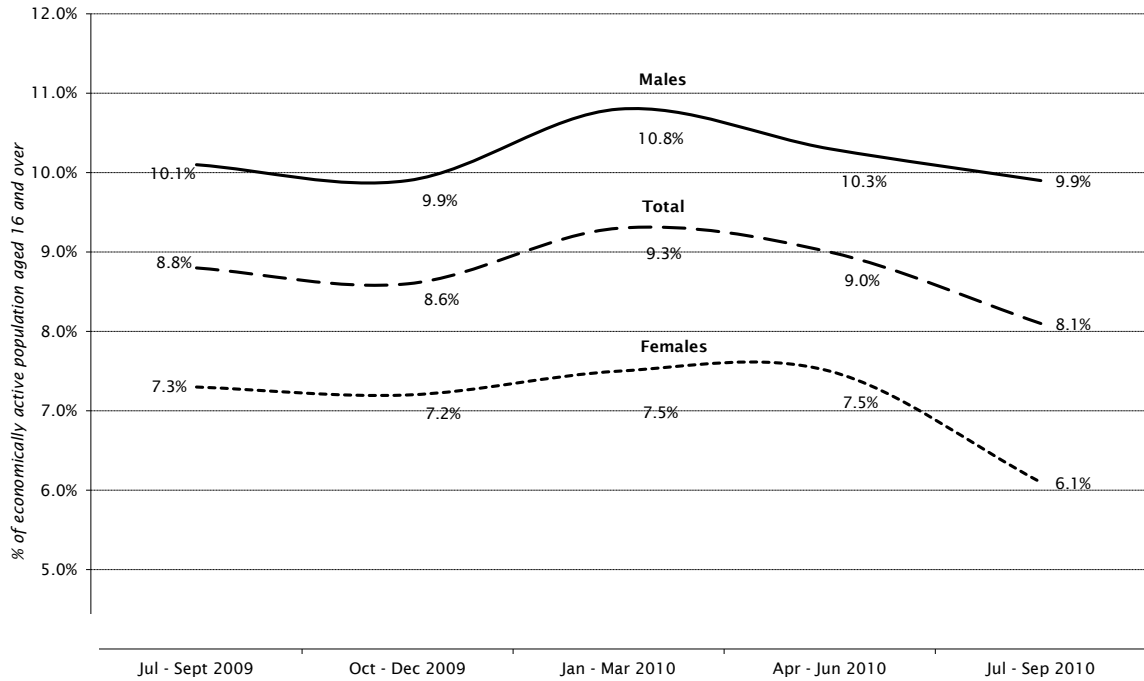
---

<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).

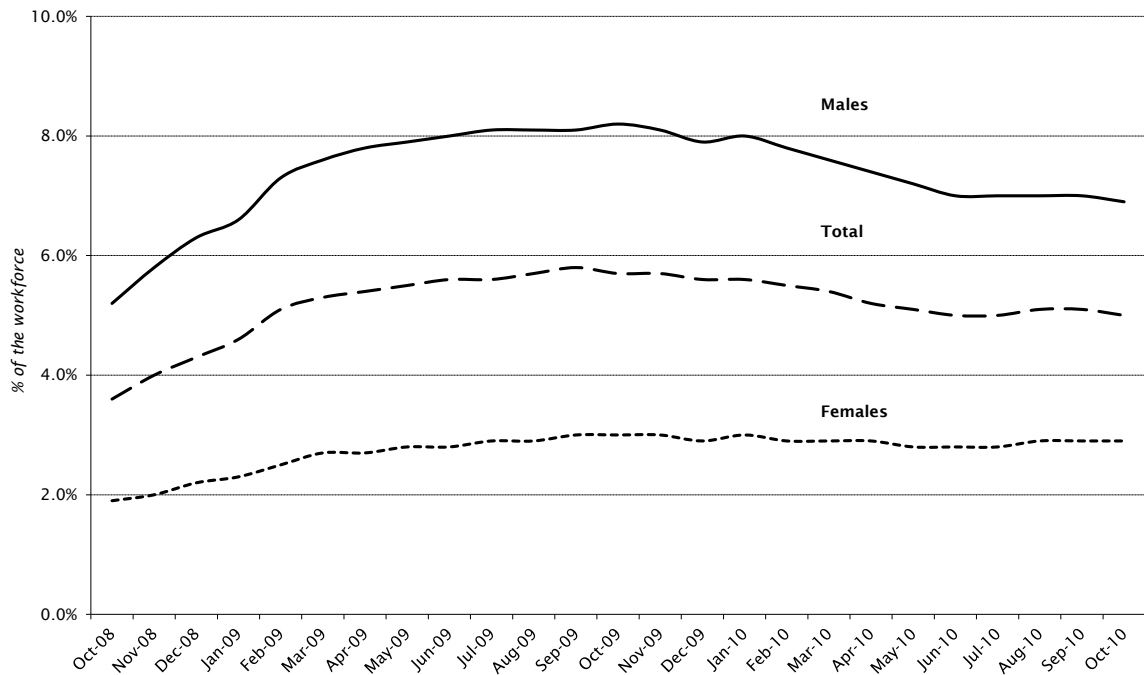
## 2: Unemployment statistics for Wales <sup>3</sup>

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

July to September	Wales	England	Scotland	Northern Ireland	UK
2010	8.1	7.7	8.5	7.0	7.7
2009	8.8	7.9	7.3	7.1	7.9
2008	6.6	6.0	4.8	4.2	5.9

Source: Office for National Statistics/ Stats Wales

Table 3.2: Claimant count rates

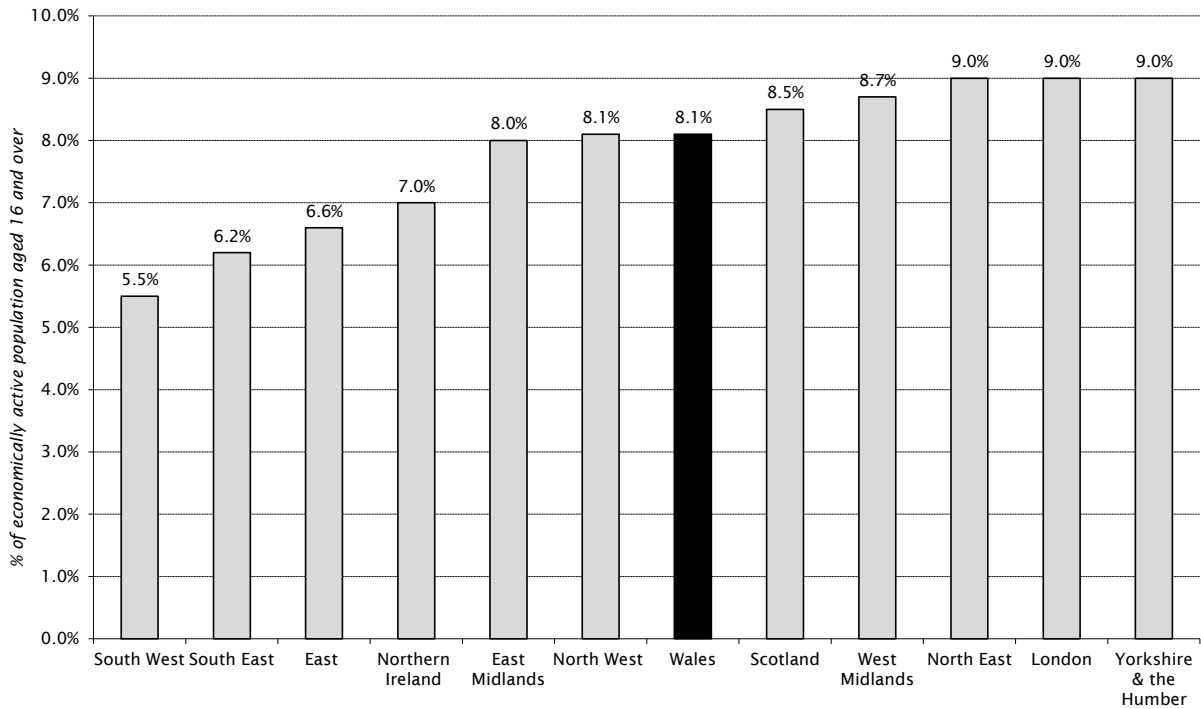
October	Wales	England	Scotland	Northern Ireland	UK
2010	5.0	4.4	4.9	6.6	4.5
2009	5.7	5.0	4.8	6.0	5.0
2008	3.6	3.1	3.2	3.5	3.1

Source: Office for National Statistics/ Stats Wales



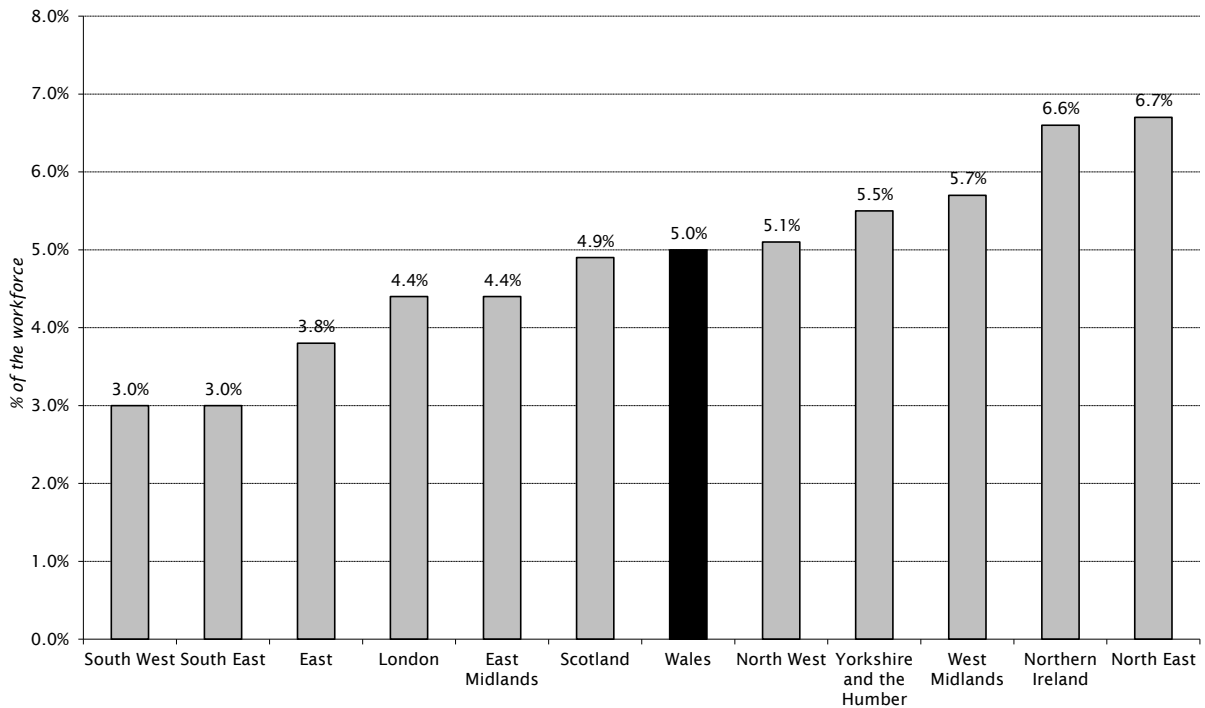
#### 4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (July –September 2010)



Source: Office for National Statistics

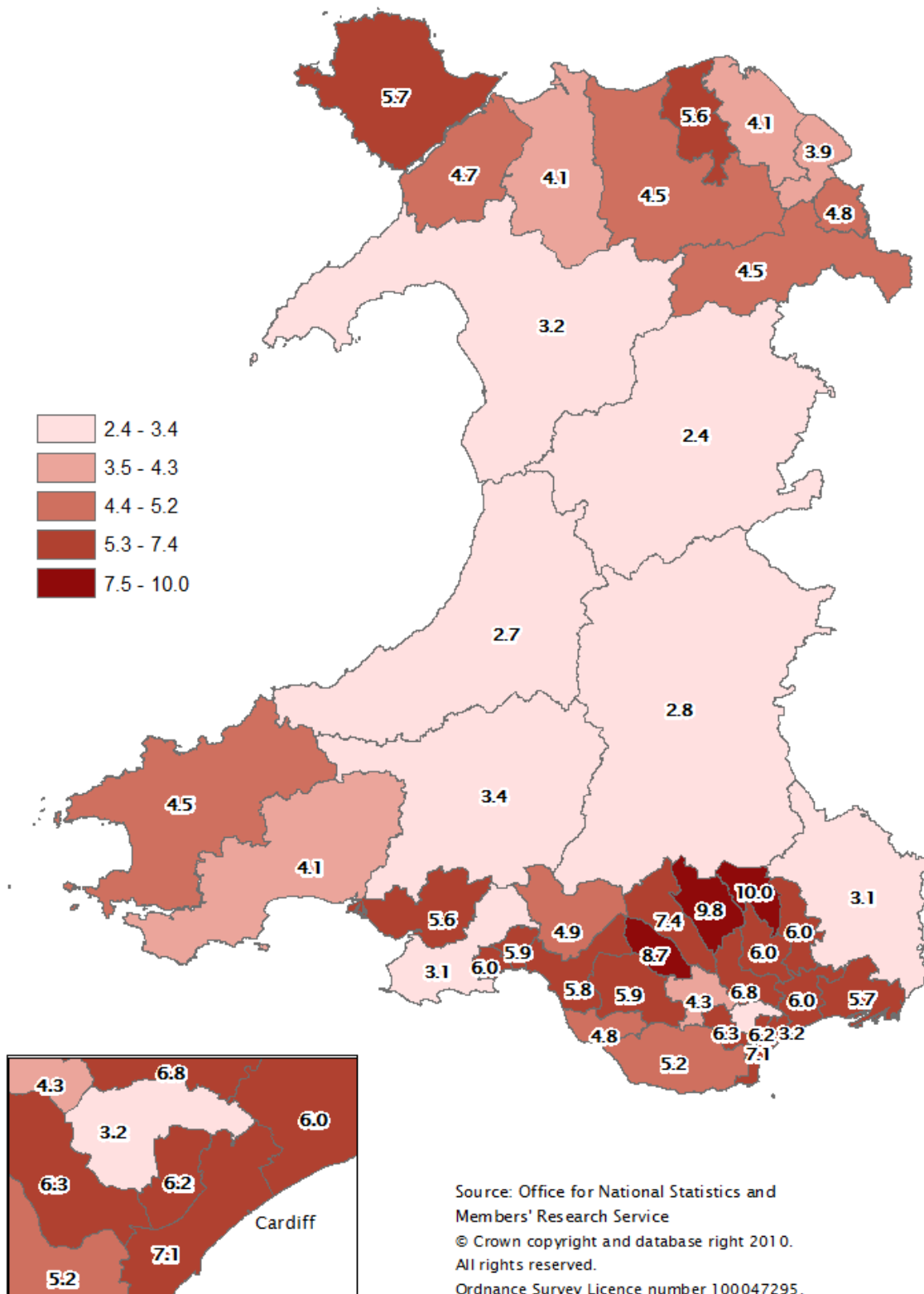
Figure 4.2: Claimant count rates (October 2010)



Source: Office for National Statistics



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

*not seasonally adjusted*

<b>Constituency</b>	<b>Men</b>	<b>Women</b>	<b>People</b>
Aberavon	1,082	399	1,481
Aberconwy	739	247	986
Alyn and Deeside	1,055	500	1,555
Arfon	908	299	1,207
Blaenau Gwent	1,965	810	2,775
Brecon and Radnorshire	603	266	869
Bridgend	1,144	476	1,620
Caerphilly	1,766	724	2,490
Cardiff Central	1,707	611	2,318
Cardiff North	981	390	1,371
Cardiff South and Penarth	2,382	904	3,286
Cardiff West	1,805	714	2,519
Carmarthen East and Dinefwr	707	293	1,000
Carmarthen West and South Pembrokeshire	961	330	1,291
Ceredigion	588	265	853
Clwyd South	1,072	416	1,488
Clwyd West	992	385	1,377
Cynon Valley	1,404	628	2,032
Delyn	945	406	1,351
Dwyfor Meirionnydd	567	223	790
Gower	721	323	1,044
Islwyn	1,353	536	1,889
Llanelli	1,276	501	1,777
Merthyr Tydfil and Rhymney	1,951	769	2,720
Monmouth	761	367	1,128
Montgomeryshire	493	233	726
Neath	1,052	431	1,483
Newport East	1,409	528	1,937
Newport West	1,624	639	2,263
Ogmore	1,376	520	1,896
Pontypridd	1,143	418	1,561
Preseli Pembrokeshire	1,045	374	1,419
Rhondda	1,659	639	2,298
Swansea East	1,501	512	2,013
Swansea West	1,358	480	1,838
Torfaen	1,521	620	2,141
Vale of Clwyd	1,321	450	1,771
Vale of Glamorgan	1,698	636	2,334
Wrexham	1,154	432	1,586
Ynys Mon	1,182	458	1,640

Source: Office for National Statistics

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

*not seasonally adjusted*

Constituency	Men	Women	People
Aberavon	7.6	3.5	5.8
Aberconwy	5.7	2.2	4.1
Alyn and Deeside	4.8	2.8	3.9
Arfon	6.6	2.5	4.7
Blaenau Gwent	12.9	6.5	10.0
Brecon and Radnorshire	3.6	1.9	2.8
Bridgend	6.2	3.1	4.8
Caerphilly	8.9	4.4	6.8
Cardiff Central	8.4	3.6	6.2
Cardiff North	4.4	2.0	3.2
Cardiff South and Penarth	9.6	4.3	7.1
Cardiff West	8.4	3.8	6.3
Carmarthen East and Dinefwr	4.5	2.2	3.4
Carmarthen West and South Pembrokeshire	5.6	2.2	4.1
Ceredigion	3.3	1.8	2.7
Clwyd South	5.9	2.8	4.5
Clwyd West	6.0	2.7	4.5
Cynon Valley	9.4	5.0	7.4
Delyn	5.2	2.7	4.1
Dwyfor Meirionnydd	4.1	2.0	3.2
Gower	4.0	2.1	3.1
Islwyn	7.8	3.8	6.0
Llanelli	7.4	3.5	5.6
Merthyr Tydfil and Rhymney	12.8	6.2	9.8
Monmouth	3.9	2.2	3.1
Montgomeryshire	3.0	1.7	2.4
Neath	6.3	3.2	4.9
Newport East	7.5	3.5	5.7
Newport West	7.9	3.7	6.0
Ogmore	7.7	3.6	5.9
Pontypridd	5.8	2.5	4.3
Preseli Pembrokeshire	6.1	2.7	4.5
Rhondda	11.2	5.5	8.7
Swansea East	8.1	3.3	5.9
Swansea West	8.0	3.5	6.0
Torfaen	7.8	3.8	6.0
Vale of Clwyd	7.8	3.1	5.6
Vale of Glamorgan	7.0	3.1	5.2
Wrexham	6.4	2.9	4.8
Ynys Mon	7.5	3.5	5.7

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.