National Assembly for Wales

Unemployment Briefing
August 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.

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Paper Number: 10/063

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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 April to June 2010, the ILO unemployment rate in Wales was 9.0 per cent. This compares to 7.8 per cent in April to June 2009. *Figure 2.1;*
- In April to June 2010, the number of ILO unemployed in Wales was 130,000. This has decreased by 4,000 since the previous quarter but increased by 19,000 since the previous year;
- The male ILO rate was 10.3 per cent, compared to 7.5 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.*
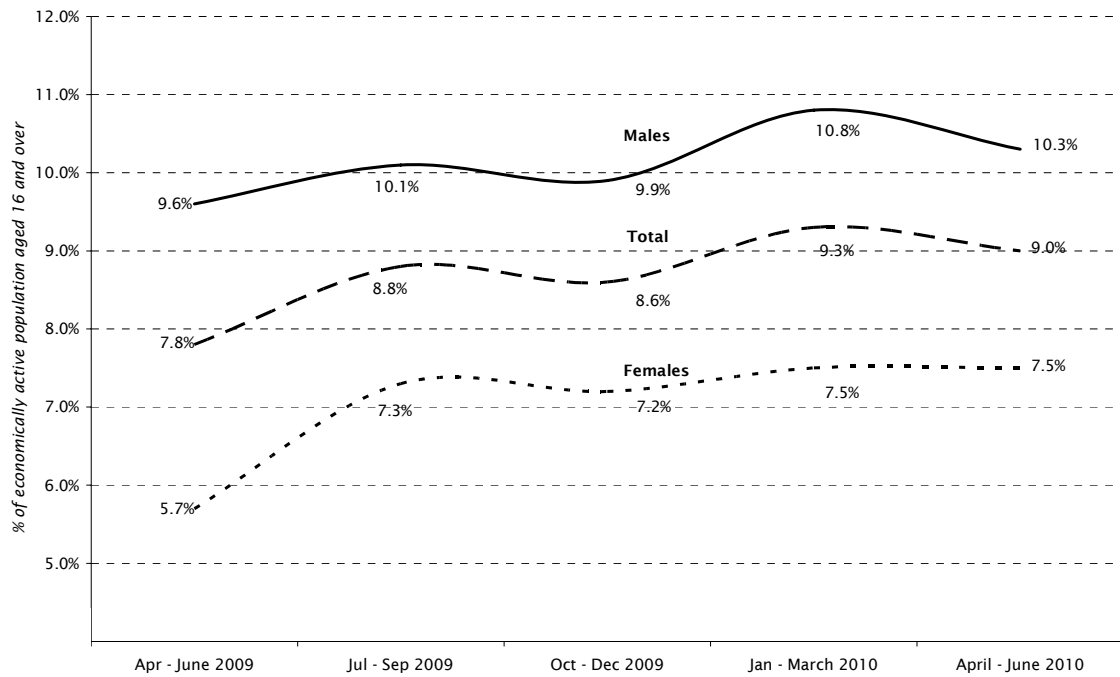
Claimant count [2]

- In July 2010, the total claimant count rate in Wales was 5.0 per cent. This compares to 5.6 per cent in July 2009. *Figure 2.2;*
- The claimant count total in Wales has decreased by 300 since the previous month and by 8,600 since the previous July;
- At 6.4 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 July 2010, Wales' claimant count rate was ranked joint 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 (10.3 per cent) and Merthyr Tydfil and Rhymney (10.1 per cent). The lowest claimant count rate estimates were in Montgomeryshire (2.3 per cent) and Ceredigion (2.6 per cent). *Table 5.2.*

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[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).

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2: Unemployment statistics for Wales [3]

Figure 2.1: ILO unemployment rates

Source: Office for National Statistics

Figure 2.2: Claimant count rates
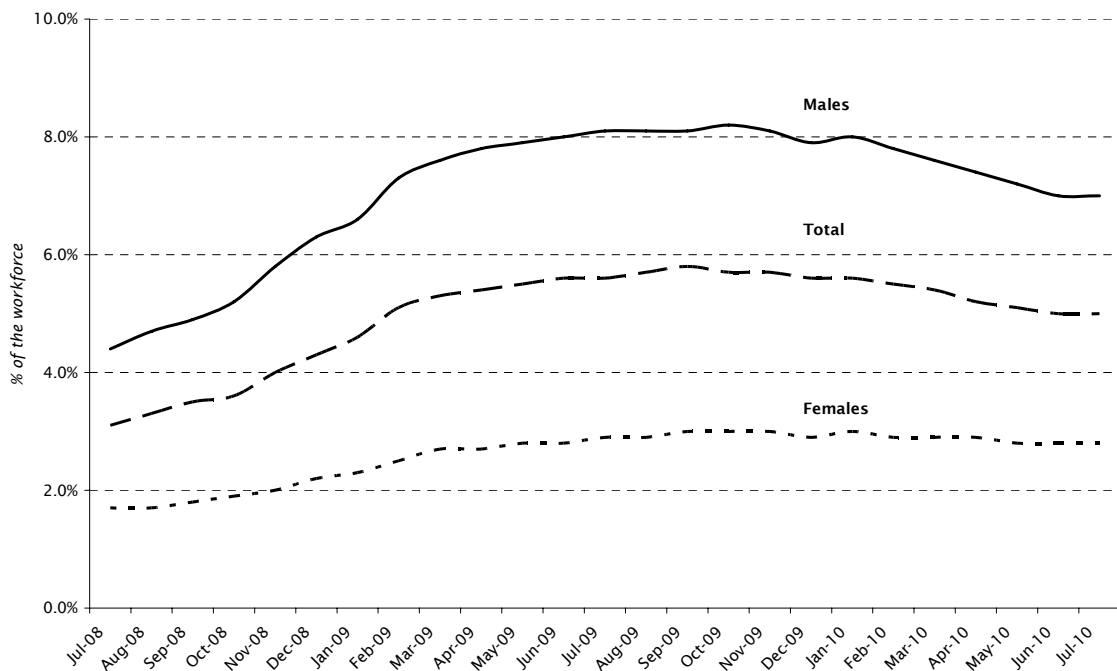
Source: Office for National Statistics

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[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

April to June	Wales	England	Scotland	Northern Ireland	UK
2010	9.0	7.7	8.4	6.6	7.8
2009	7.8	7.9	7.0	6.5	7.8
2008	5.2	5.5	4.2	3.9	5.3

Source: Office for National Statistics/ Stats Wales

Table 3.2: Claimant count rates

July	Wales	England	Scotland	Northern Ireland	UK
2010	5.0	4.4	4.9	6.4	4.5
2009	5.6	4.8	4.7	5.7	4.9
2008	3.2	2.7	2.7	3.0	2.7

Source: Office for National Statistics/ Stats Wales

4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (April to June 2010)
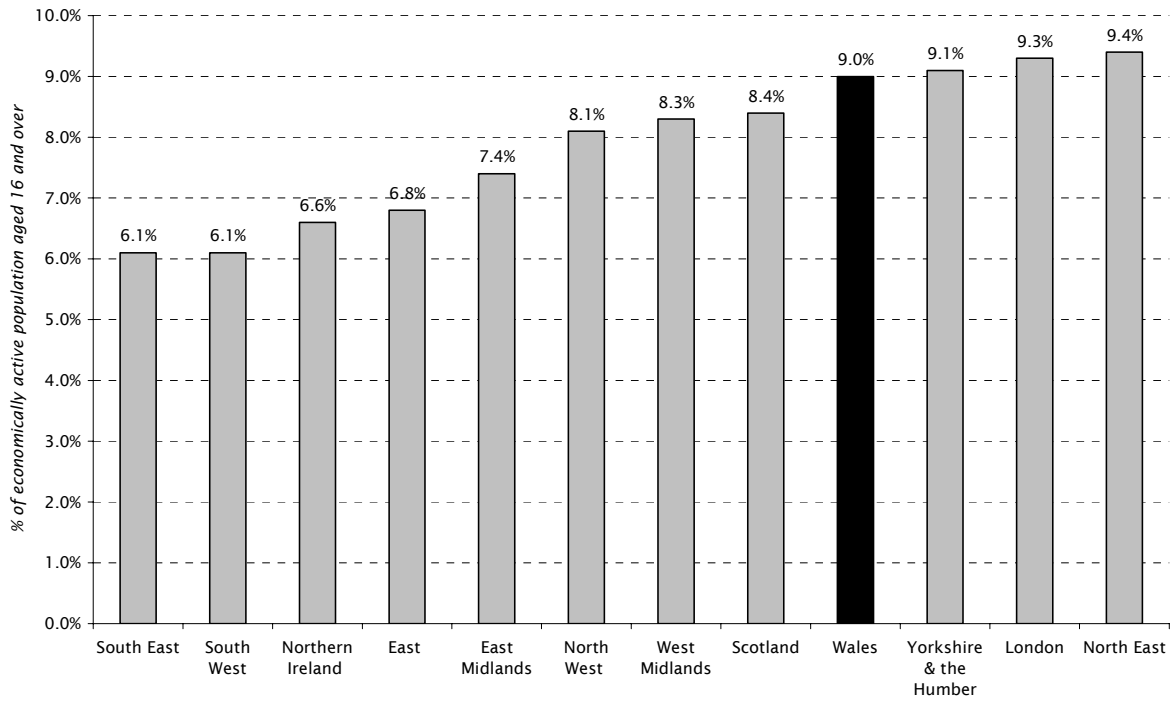
Source: Office for National Statistics

Figure 4.2: Claimant count rates (July 2010)
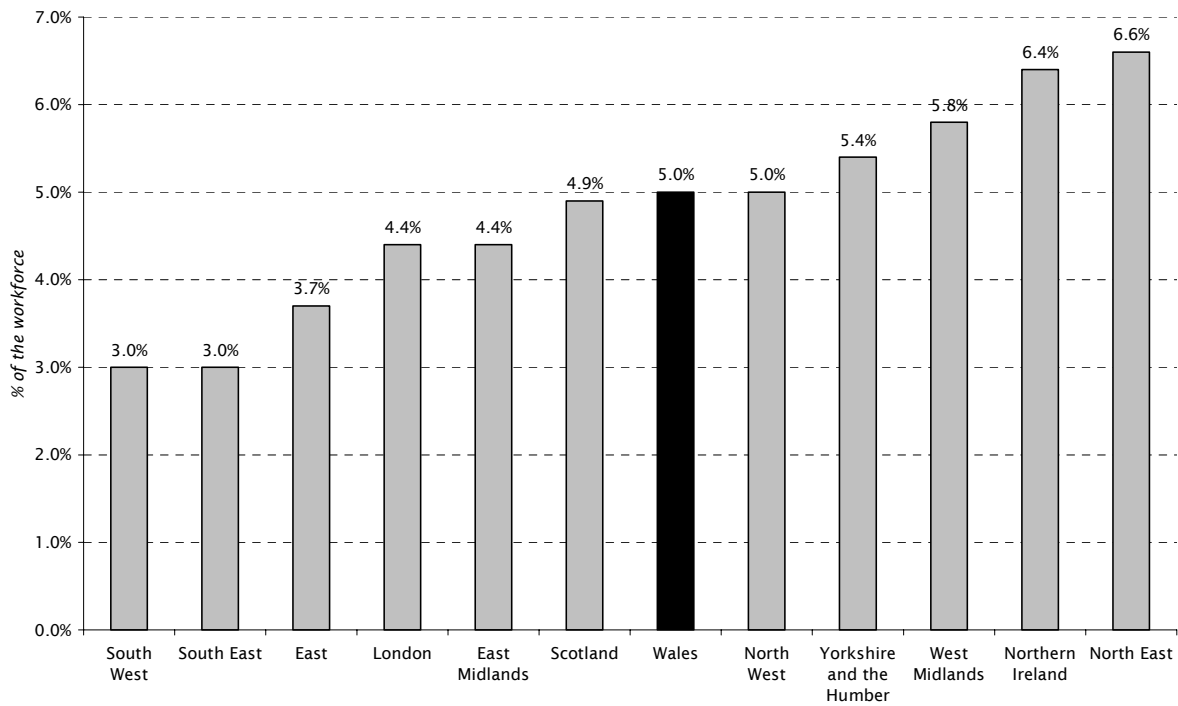
Source: Office for National Statistics

5: Unemployment statistics for Assembly constituencies

Map 5.1: ILO unemployment rates by Assembly constituency (January 2009 to December 2009)[4]

Legend:
- 4.7 - 6.0
- 6.1 - 7.8
- 7.9 - 9.3
- 9.4 - 11.8
- 11.9 - 15.4

Source: Office for National Statistics and Members' Research Service

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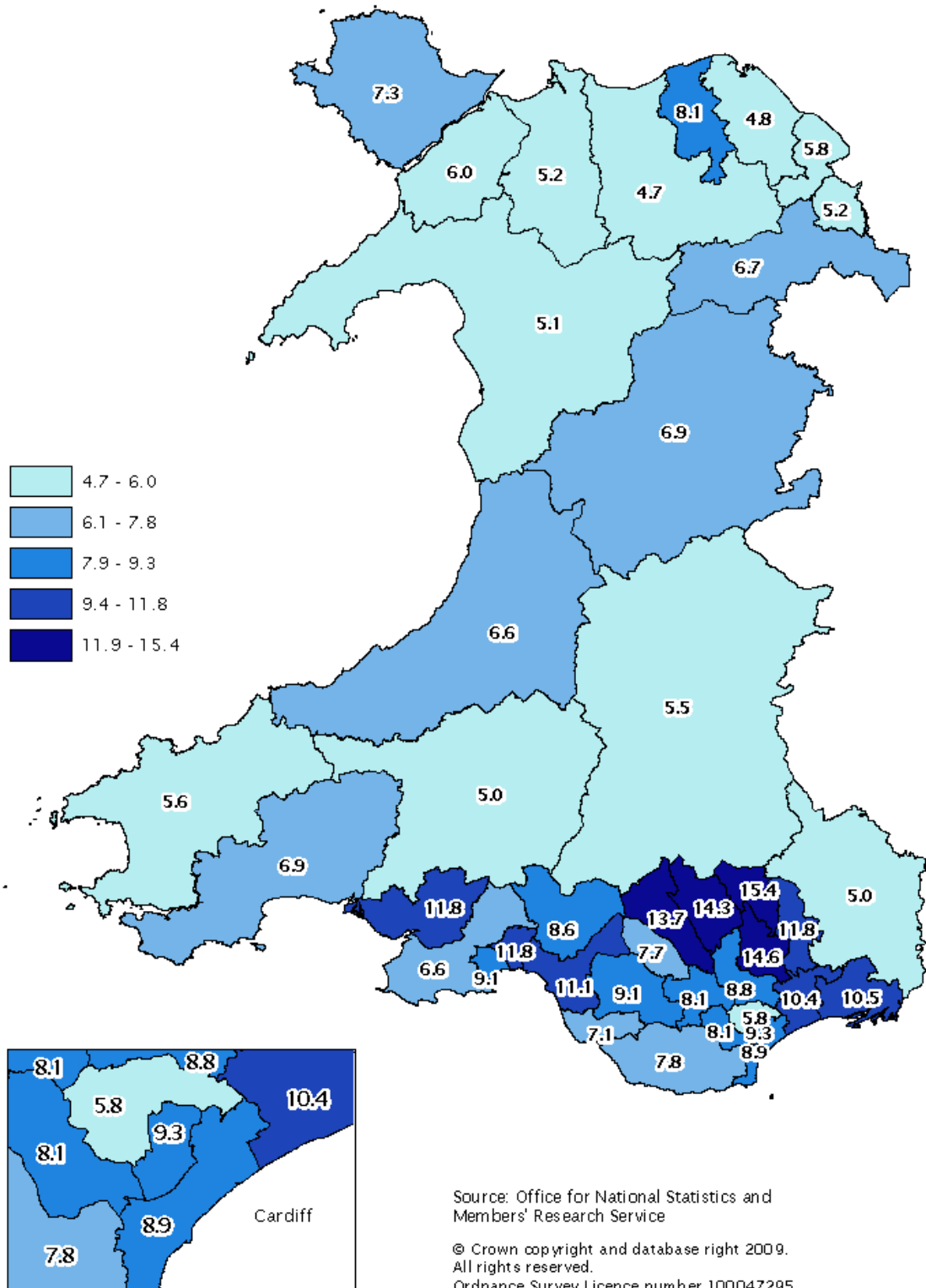
[4] Latest available data (not seasonally adjusted). The rate is the number of ILO unemployed persons as a percentage of the economically active population aged 16 and over.

Map 5.2: Unofficial claimant count rates by Assembly Constituency, July 2010 [5]

Legend:
- 2.3 - 3.4
- 3.5 - 4.5
- 4.6 - 5.7
- 5.8 - 7.2
- 7.3 - 10.3

Source: Office for National Statistics and Members' Research Service

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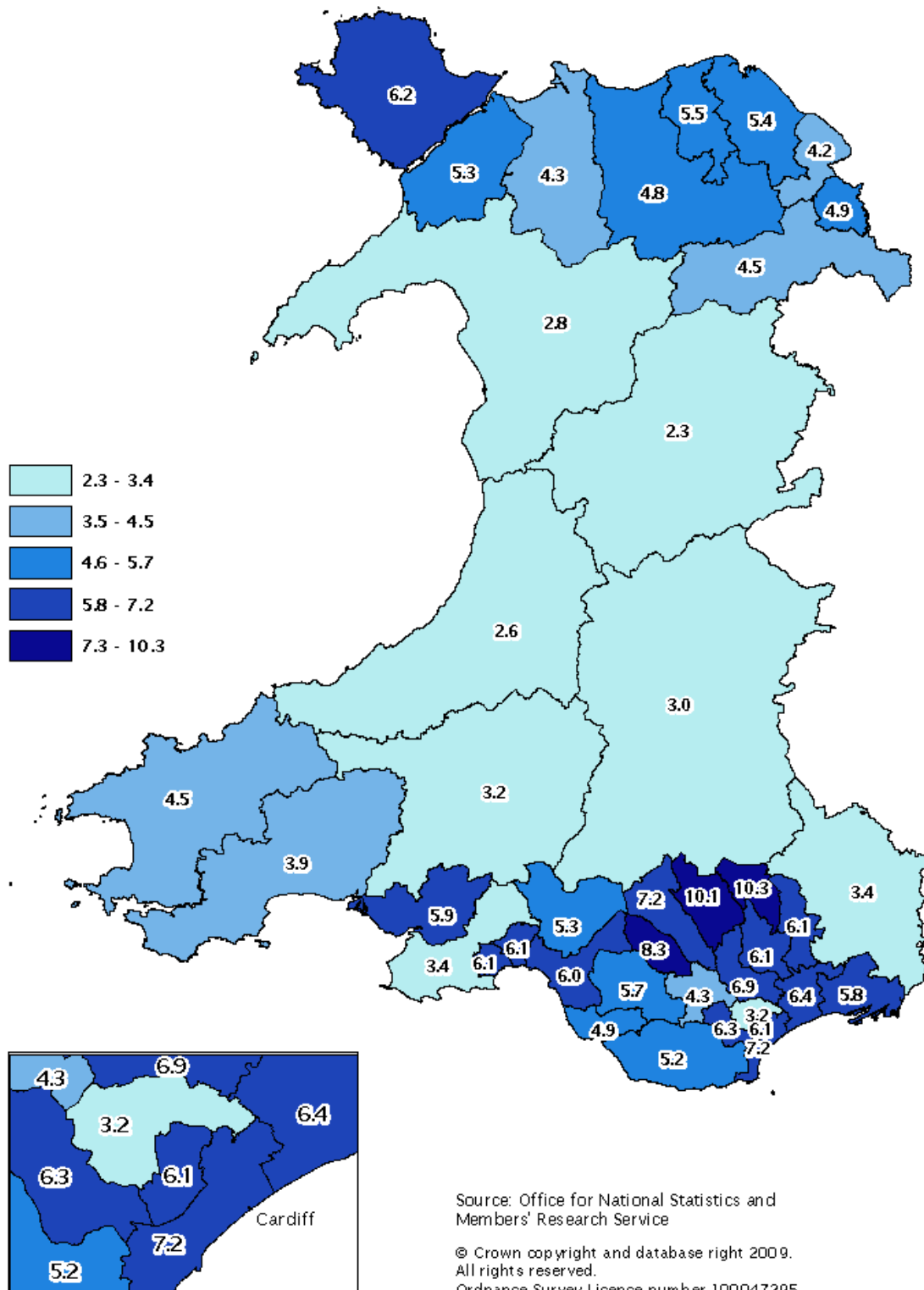
[5] Source: Members' Research Service. Claimants of Job Seekers Allowance as a **percentage** of the economically active population aged between 16 and 64. See technical annex for details.

Table 5.1 Claimant count by Assembly Constituency, July 2010

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	1,119	409	1,528
Aberconwy	764	255	1,019
Alyn and Deeside	1,132	544	1,676
Arfon	1,052	308	1,360
Blaenau Gwent	2,056	793	2,849
Brecon and Radnorshire	644	272	916
Bridgend	1,186	467	1,653
Caerphilly	1,791	730	2,521
Cardiff Central	1,695	601	2,296
Cardiff North	1,005	342	1,347
Cardiff South and Penarth	2,349	947	3,296
Cardiff West	1,825	689	2,514
Carmarthen East and Dinefwr	674	265	939
Carmarthen West and South Pembrokeshire	955	296	1,251
Ceredigion	597	227	824
Clwyd South	1,106	388	1,494
Clwyd West	1,062	389	1,451
Cynon Valley	1,428	550	1,978
Delyn	1,034	427	1,461
Dwyfor Meirionydd	538	149	687
Gower	810	338	1,148
Islwyn	1,370	561	1,931
Llanelli	1,371	482	1,853
Merthyr Tydfil and Rhymney	2,037	771	2,808
Monmouth	854	354	1,208
Montgomeryshire	477	204	681
Neath	1,140	455	1,595
Newport East	1,447	526	1,973
Newport West	1,726	683	2,409
Ogmore	1,345	494	1,839
Pontypridd	1,161	395	1,556
Preseli Pembrokeshire	1,054	346	1,400
Rhondda	1,614	582	2,196
Swansea East	1,527	554	2,081
Swansea West	1,371	489	1,860
Torfaen	1,620	544	2,164
Vale of Clwyd	1,298	434	1,732
Vale of Glamorgan	1,696	621	2,317
Wrexham	1,155	464	1,619
Ynys Mon	1,303	477	1,780

Source: Office for National Statistics

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

not seasonally adjusted

Constituency	Men	Women	People
Aberavon	7.8	3.6	6.0
Aberconwy	5.9	2.3	4.3
Alyn and Deeside	5.2	3.0	4.2
Arfon	7.6	2.6	5.3
Blaenau Gwent	13.5	6.3	10.3
Brecon and Radnorshire	3.9	1.9	3.0
Bridgend	6.4	3.1	4.9
Caerphilly	9.0	4.4	6.9
Cardiff Central	8.3	3.5	6.1
Cardiff North	4.5	1.7	3.2
Cardiff South and Penarth	9.5	4.5	7.2
Cardiff West	8.5	3.7	6.3
Carmarthen East and Dinefwr	4.3	2.0	3.2
Carmarthen West and South Pembrokeshire	5.6	2.0	3.9
Ceredigion	3.4	1.6	2.6
Clwyd South	6.1	2.6	4.5
Clwyd West	6.4	2.8	4.8
Cynon Valley	9.6	4.4	7.2
Delyn	5.7	2.9	4.4
Dwyfor Meirionydd	3.8	1.4	2.8
Gower	4.5	2.2	3.4
Islwyn	7.9	4.0	6.1
Llanelli	8.0	3.3	5.9
Merthyr Tydfil and Rhymney	13.3	6.2	10.1
Monmouth	4.4	2.2	3.4
Montgomeryshire	2.9	1.5	2.3
Neath	6.8	3.3	5.3
Newport East	7.7	3.5	5.8
Newport West	8.4	3.9	6.4
Ogmore	7.5	3.5	5.7
Pontypridd	5.9	2.3	4.3
Preseli Pembrokeshire	6.2	2.5	4.5
Rhondda	10.9	5.0	8.3
Swansea East	8.3	3.6	6.1
Swansea West	8.1	3.6	6.1
Torfaen	8.3	3.4	6.1
Vale of Clwyd	7.7	2.9	5.5
Vale of Glamorgan	7.0	3.0	5.2
Wrexham	6.5	3.1	4.9
Ynys Mon	8.2	3.7	6.2

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.