

# Labour Markets

Both the Welsh and the UK labour markets remain stable. The seasonally adjusted employment rate for the three months to January 2005 was 72.2%, up 0.1 percentage points on the previous year. Meanwhile the seasonally adjusted unemployment rate was 4.1%, and 0.8 percentage points down on one year earlier. The seasonally adjusted number of claimants in February 2005 was 38,400, giving a rate of 2.9%; also down (by 0.2 percentage points) on the previous February. The Labour Force Survey (LFS) estimate of economically active people in Wales was 1.39 million in January 2005. The number of economically inactive people in Wales, at 966,000 (of which 437,000 were of working age), was up 13,000 over the year.

**Table 4: Labour Market Summary, November 2004 to January 2005**

	Economic Activity	Change on year	Employment rate	Change on year	ILO Unemployment rate	Change on year
<b>North East</b>	75.2	0.8	71.0	1.4	5.5	-0.8
<b>North West</b>	77.5	0.0	74.0	0.4	4.5	-0.4
<b>Yorks &amp; Humber</b>	78.1	-0.1	74.6	0.3	4.4	-0.6
<b>East Midlands</b>	79.9	-0.2	76.5	0.1	4.2	-0.3
<b>West Midlands</b>	78.3	0.3	74.5	0.9	4.8	-0.7
<b>East</b>	82.0	-0.7	78.7	-1.4	4.0	0.7
<b>London</b>	74.8	-0.6	69.5	-0.5	7.0	0.0
<b>South East</b>	82.3	-0.1	79.1	-0.1	3.8	0.0
<b>South West</b>	81.7	0.1	78.7	-0.6	3.6	0.8
<b>England</b>	79.0	-0.1	75.2	-0.1	4.6	-0.1
<b>Wales</b>	<b>75.4</b>	<b>-0.6</b>	<b>72.2</b>	<b>0.1</b>	<b>4.1</b>	<b>-0.8</b>
<b>Scotland</b>	79.9	1.3	75.2	1.2	5.7	0.0
<b>Northern Ireland</b>	71.8	0.3	68.4	1.0	4.6	-1.0
<b>UK</b>	78.7	0.0	74.9	0.1	4.7	-0.1

Source: Labour Force Survey

Table 4 summarises the state of the UK regional labour market. Wales is ranked eighth out of the twelve (regions) in terms of economic activity and employment rates. The poorest employment rates are recorded for London and Northern Ireland. The South East and East head the employment rate rankings. The unemployment rate in London at 7% is almost twice that of the South East region (3.6%) which had the lowest rate. While London's relatively high unemployment rate is nothing new, it does appear that the differential between London and its neighbours is increasing.

Table 5 shows unemployment claimant count rates in Wales by unitary authority area at February 2005. While claimant counts in Wales are down on the previous February, some unitary authorities have experienced a very slight deterioration in their position. Claimant count rates in Blaenau Gwent are persistently higher than elsewhere in Wales, and have risen slightly over the year to February 2005. Other UAs with rising claimant count rates are the Vale of Glamorgan and Anglesey (both up by 0.1 of a percentage point). Bridgend and Caerphilly rates were unchanged on the year, whilst the remaining UAs all experienced slight reductions.

## Earnings

From October 2004 the Annual Survey of Hours and Earnings (ASHE) replaced the New Earnings Survey (NES). This is part of a modernisation programme being undertaken by the Office for National Statistics (ONS). The NES tended to produce biased estimates for a number of reasons. For example, survey responses were not weighted to the population of employees. There were also problems relating to non-response, and under-recording because of job changes between sample selection and survey. ASHE data is the product of a new questionnaire. These survey changes have introduced discontinuities in earnings statistics. However, the ONS has published a set of historical estimates using an approach consistent with ASHE to allow users to understand the impact of the new methodology (a discussion of this can be found in the December 2004 edition of *Labour Market Trends*).

Table 6 shows median gross weekly earnings by Government Office Region (GOR) for men, woman and all people, in full-time employment. Earnings were highest in London at £541, and lowest in Northern Ireland (£372). Wales was ranked 10th, just higher than the North East region. Average weekly earnings

for all those in full-time employment in Wales are around 9 percentage points below the UK average. It is the case that the difference in wages between London (and less so the South East) and the rest of the UK is significantly greater than any differences between each of the other regions. London wages are 28 percentage points higher than the UK average.

Table 7 shows median weekly pay by Welsh unitary authority, by place of work. Work in Neath Port Talbot, Flintshire, Wrexham and Cardiff offered the highest returns. These Unitary Authorities also have relatively high shares of manufacturing employment contributing to the earnings differentials. Corus steel-making and processing activities in Port Talbot and Flintshire also play a part in raising average earnings. The lowest wages were paid for jobs in Carmarthenshire and Ceredigion. Clearly, these UA wage rankings are substantially altered when average wages are measured according to the residence base of workers.

**Table 5: Unemployment in Wales; Claimant Count by Unitary and Local Authority Area - February 2005, % of Population (not seasonally adjusted)**

	<b>Men</b>	<b>Women</b>	<b>People</b>
<b>Wales</b>	<b>3.6</b>	<b>1.2</b>	<b>2.4</b>
Blaenau Gwent	6.2	1.8	4.1
Bridgend	3.7	1.3	2.6
Caerphilly	4.4	1.4	2.9
Cardiff	3.8	1.1	2.5
Carmarthenshire	2.8	1.0	1.9
Ceredigion	1.9	0.9	1.4
Conwy	3.3	1.1	2.3
Denbighshire	3.1	1.1	2.1
Flintshire	2.4	1.0	1.8
Gwynedd	4.0	1.6	2.8
Isle of Anglesey	5.1	1.8	3.5
Merthyr Tydfil	5.2	1.5	3.4
Monmouthshire	2.3	0.9	1.6
Neath Port Talbot	4.1	1.4	2.8
Newport	4.3	1.3	2.9
Pembrokeshire	4.1	1.6	2.9
Powys	2.1	1.0	1.6
RCT	3.9	1.2	2.6
Swansea	3.8	1.2	2.5
Torfaen	3.3	1.1	2.3
Vale of Glamorgan	3.7	1.1	2.4
Wrexham	2.7	1.0	1.8

Source: Jobcentre Plus administrative system

**Table 6 Median gross weekly earnings by government office region (full-time adult whose pay was unaffected by absence) April 2004.**

<b>£ per week</b>	<b>Men</b>	<b>Women</b>	<b>All</b>	<b>All UK = 100</b>
UK	462.0	358.0	422.1	100
North East	412.0	318.3	372.6	88.3
North West	440.5	332.3	397.1	94.0
Yorks & Humber	433.1	334.6	392.9	93.0
East Midlands	430.5	316.8	385.5	91.3
West Midlands	431.9	329.9	393.6	93.2
South West	439.1	332.0	393.0	93.1
East	465.9	353.8	422.3	100.0
London	597.0	478.3	540.8	128.1
South East	497.2	377.3	449.1	106.3
<b>Wales</b>	<b>421.9</b>	<b>321.8</b>	<b>383.2</b>	<b>90.7</b>
Scotland	432.2	345.5	392.7	93.0
Northern Ireland	401.9	335.4	372.3	88.2

Source: 2004 Annual Survey of Hours and Earnings

**Table 7 Median gross weekly pay by Unitary Authority by place of work (full-time adult whose pay was unaffected by absence) April 2004**

<b>£ per week</b>	<b>Men</b>	<b>Women</b>	<b>All</b>
<b>Wales</b>	<b>421.9</b>	<b>321.8</b>	<b>383.2</b>
Blaenau Gwent	358.3	na	352.5
Bridgend	407.0	318.9	371.5
Caerphilly	367.8	344.1	356.7
Cardiff	453.7	359.0	422.1
Carmarthenshire	357.5	260.5	332.1
Ceredigion	359.3	307.5	346.2
Conwy	415.5	na	408.9
Denbighshire	377.5	276.1	358.3
Flintshire	475.8	320.6	428.0
Gwynedd	362.3	310.7	339.8
Isle of Anglesey	407.3	285.1	369.1
Merthyr Tydfil	399.9	300.3	380.5
Monmouthshire	412.5	297.9	379.8
Neath Port Talbot	477.4	318.4	421.8
Newport	423.7	369.5	403.5
Pembrokeshire	381.2	290.8	335.7
Powys	346.4	na	330.2
RCT	383.3	327.7	363.4
Swansea	411.5	319.3	361.1
Vale of Glamorgan	447.9	332.4	423.5
Torfaen	411.5	277.5	379.9
Wrexham	461.4	291.6	391.9

Source: 2004 Annual Survey of Hours and Earnings