

Labour Markets

Data from the *Labour Force Survey* (LFS) for the UK, covering the three months April to June 2009, shows unemployment increasing and employment levels falling. The number of unemployed in the UK, seasonally adjusted, stood at 2.43m, up 750,000 on the previous year, while the ILO unemployment rate increased to 7.8%, up 2.4 percentage points on the previous year. In the second quarter of 2009 employment stood at 28.93m representing a decrease of 573,000 from the previous year (April to June 2008). The seasonally adjusted employment rate for the UK fell by 0.9 of a percentage point on the previous quarter, and 2.0 percentage points from the previous year.

The latest summary regional Labour Market Statistics covering the quarter from April 2009 to June 2009 are given in Table 4. For Wales the ILO unemployment measure stood at 7.6%, 2.6 percentage points up on the previous year, but 0.1 of a percentage point down from the previous quarter. The employment rate was 69.7%, down 0.7 of a percentage point from the previous quarter, and down 2.9 percentage points on a year earlier.

According to the LFS there were an estimated 1.43m economically active people in Wales in the period April to June 2009 - a fall of 7,000 over the year. The economic activity rate in Wales fell by 0.9 of a percentage point on the previous year to 75.6%. The UK as a whole saw a slight fall of 0.1 of a percentage point over this time to 79.0%. Only Northern Ireland (70.5%) and the North East of England (74.9%) had lower economic activity rates than

the Principality in the three months to June 2009.

Broad changes in the employment mix by industry in Wales over recent years are highlighted in Table 5, which reports employee jobs by selected industry over a period from March 2007 to March 2009. Following a drop in employment of 18,000, or over 30%, between March 2007 and 2008, the number of jobs in construction appeared to be stabilising

Table 4: Labour Market Summary, April 2009 to June 2009.

	Economic Activity	Change on year	Employment rate	Change on year	ILO Unemployment rate	Change on year
North East	74.9	-1.1	67.3	-2.8	9.8	2.3
North West	77.8	0.6	71.1	-1.2	8.5	2.1
Yorks & Humber	78.4	0.1	71.2	-2.2	8.8	2.8
East Midlands	81.3	0.9	75.2	-0.5	7.3	1.6
West Midlands	78.8	1.2	70.3	-2.2	10.6	4.2
East	82.4	0.9	76.9	-0.8	6.5	1.9
London	75.8	-1.1	68.9	-2.6	8.9	2.0
South East	82.4	-0.6	77.3	-2.1	5.9	1.8
South West	82.1	0.1	76.7	-2.1	6.4	2.6
England	79.5	0.1	73.0	-1.8	7.9	2.3
Wales	75.6	-0.9	69.7	-2.9	7.6	2.6
Scotland	79.7	-0.3	74.0	-2.5	7.0	2.7
Northern Ireland	70.5	-2.8	65.6	-4.5	6.7	2.6
UK	79.0	-0.1	72.7	-2.0	7.8	2.4

Source: Labour Force Survey (April 2009 to June 2009)

Table 5: Employee Jobs by Selected Industry in Wales (thousands) not seasonally adjusted.

	March 2007	March 2008	March 2009	% change 07/09
Total	1,176	1,154	1,116	-5.1
Manufacturing	157	158	146	-7.0
Construction	59	41	40	-32.2
Services	492	491	466	-5.3
Public & other service sectors	452	448	450	-0.4

Source: Employers Surveys; reported in Labour Market Statistics, Wales, August 2009.

Note: If one person holds two jobs each job is counted in the table.

in 2009 - after the industry had been supported by initiatives such as public sector investment in the Welsh social housing sector. Manufacturing experienced a 7.0% drop in employee jobs between March 2007 and March 2009, and service industries a 5.3% fall.

The numbers of jobs in the Public sector (education, public administration and health) and other service industries have remained relatively stable, although there are now growing concerns that public sector cutbacks will

result in future employment losses in these sectors. Commentators have noted that job losses in the public sector do not tend to happen overnight, and there may be scope in the employment market as a whole for financial savings through further cuts in working hours and pay freezes.

Table 6 shows unemployment claimant count rates in Wales by unitary authority area. In the year to October 2009 there were increases in the unemployment rate in all the unitary authorities of

Wales. The highest total claimant count rates in Wales were found in Blaenau Gwent, at 7.9%, and Merthyr Tydfil, 7.2%, an increase in twelve months of 2.5 and 2.8 percentage points respectively. The all Wales claimant count unemployment rate in October 2009 (not seasonally adjusted) was 4.3% (78,234 claimants), an increase of 1.6 percentage points, or 29,828 claimants over the year.

Table 6: Unemployment in Wales; Claimant Count by Unitary and Local Authority Area – (8th October 2009), % of Population (not seasonally adjusted).

	Men	change on year	Women	change on year	People	change on year
Wales	6.2	2.4	2.3	0.9	4.3	1.6
Blaenau Gwent	11.2	3.5	4.3	1.4	7.9	2.5
Bridgend	6.8	2.9	2.6	1.1	4.8	2.0
Caerphilly	8.2	3.2	2.8	0.9	5.6	2.1
Cardiff	6.4	2.4	2.3	0.9	4.4	1.7
Carmarthenshire	4.9	1.7	1.7	0.5	3.3	1.0
Ceredigion	2.6	0.8	1.1	0.4	1.9	0.6
Conwy	6.2	2.2	2.0	0.7	4.2	1.5
Denbighshire	6.2	2.2	1.9	0.7	4.1	1.4
Flintshire	5.2	2.3	2.2	1.0	3.8	1.7
Gwynedd	4.3	1.0	1.5	0.4	2.9	0.6
Isle of Anglesey	6.1	1.9	2.2	0.6	4.3	1.3
Merthyr Tydfil	10.6	4.3	3.5	1.3	7.2	2.8
Monmouthshire	4.0	1.9	1.7	0.7	2.9	1.3
Neath Port Talbot	6.4	2.4	2.4	0.8	4.5	1.6
Newport	8.0	3.4	2.8	1.1	5.5	2.3
Pembrokeshire	5.0	2.7	1.6	0.6	3.4	1.7
Powys	3.7	1.4	1.8	0.7	2.8	1.0
RCT	7.4	2.9	2.7	1.1	5.1	2.0
Swansea	5.9	2.2	2.1	0.8	4.1	1.5
Torfaen	7.4	3.0	2.5	0.8	5.0	1.9
Vale of Glamorgan	6.1	2.2	2.4	1.0	4.3	1.6
Wrexham	5.9	2.3	2.4	1.1	4.2	1.7

Source: Jobcentre Plus Administrative System

Table 7: Unemployment of 18 to 24 year olds, Claimant Count in Wales and the UK, October 2009.

	Number of claimant count unemployed aged 18 to 24	Percentage of those aged 18 to 24 who have been unemployed for longer than 6 months	Percentage of those aged 18 to 24 who are unemployed as a percentage of all unemployed
Wales	27,500	21.4%	35.3%
UK	479,575	20.1%	30.4%

Source: Jobcentre Plus Administrative System

Table 7 shows claimant count unemployed data for people aged 18 to 24 in Wales and the UK. This measure includes only those who are claiming unemployment related benefits (Jobseeker's Allowance) and therefore avoids counting groups such as full-time students who are looking for jobs. There were 27,500 claimants aged between 18 and 24 years in Wales in October 2009, an increase of 9,740 on October 2008. One in five of the claimants in 2009 among this age cohort had been unemployed for longer than six months (21.4%).

In Wales the percentage of unemployment claimants who were aged between 18 and 24 was just over one-third of all those unemployed (35.3%), which was higher than the proportion found in the UK as a whole (30.4%).

With the launch of the Future Jobs Fund schemes in Wales (see *Diary- July*) focus was placed on the number of

unemployed young people in Wales. First Minister, Rhodri Morgan, stressed the importance of keeping "...all those at maximum risk of long-term unemployment in the labour market in jobs or in training..." noting the damaging effects of previous recessions of the early 1980s and 1990s in terms of low expectations for future job prospects.

Earnings

Table 8 shows the *Annual Survey of Hours and Earnings* (ASHE) data for 2008 and 2009. These data are median gross weekly earnings, broken down by region and gender.

In 2009 average weekly earnings in Wales (males and females combined) were £440.3, compared to £488.7 in the UK as a whole. It should be noted that the UK average rate is strongly influenced by the high average earnings found in London particularly (£627.4 per week in 2009) and also the South East

of England.

Over the year from April 2008, earnings had increased proportionally more in Wales than in the UK as a whole (by 4.9% and 2.0% respectively). Average earnings in the Principality in 2009 were 90.2% of the UK average, an improvement of 2.2 percentage points from 2008.

By gender, the average weekly earnings of full time females in Wales in 2009 was 89.9% of the UK average. This slightly below the percentage found for Welsh males - who earned an average 90.1% of the UK male total.

Table 8: Median gross weekly earnings by Government Office Region for full-time adults whose pay was unaffected by absence, April 2008 and April 2009.

	2008			2009			Annual % Change, All 2008- 2009
	Male	Female	All	Male	Female	All	
United Kingdom	521.2	412.0	478.6	531.1	426.4	488.7	2.0
North East	464.1	364.3	420.6	478.8	384.1	435.9	3.6
North West	489.9	392.1	450.2	497.7	407.5	460.0	2.2
Yorkshire & The Humber	485.3	371.4	441.0	487.9	395.6	450.8	2.0
East Midlands	488.7	374.9	442.8	500.0	388.7	456.6	2.6
West Midlands	488.7	379.4	448.9	493.9	393.1	456.4	1.7
East	513.8	398.5	468.1	524.3	409.4	479.1	2.1
London	676.5	542.1	612.7	689.9	565.1	627.4	2.3
South East	555.8	421.6	499.8	566.8	439.8	513.6	2.5
South West	488.4	378.2	445.4	498.3	386.5	453.8	1.6
Wales	464.9	369.0	421.0	478.7	383.3	440.8	4.9
Scotland	504.6	400.0	460.1	510.3	421.5	473.6	2.4
Northern Ireland	438.8	385.5	417.6	460.9	406.5	439.1	5.1

Source: 2008/ 2009 Annual Survey of Hours and Earnings (ASHE)