

Labour Markets

Labour Market statistics covering the period October to December 2011 show that the seasonally adjusted working age employment rate increased by 0.1 of a percentage point from the previous quarter (July to September 2011), but fell by 0.2 of a percentage point from the previous year to 70.3% (*Labour Market Statistics*, February 2012). The number of people in employment in the UK between October and December 2011 stood at 29.1m, representing an increase of 60,000 from the previous quarter, and up 7,000 on the same period a year earlier.

The UK seasonally adjusted ILO unemployment rate was 8.4% in the October to December quarter of 2011, up 0.1 of a percentage point on the previous quarter, and up 0.5 of a percentage point on the previous year. The ONS *Labour Market Statistics* February 2012 release noted that the unemployment rate in the UK for the period October to December 2011 was the highest since the three months to November 1995.

Table 4, which shows a summary of the UK regional labour market for October to December 2011, indicates that the

employment rate was highest in South East and East of England (at 74.2% and 74.6% respectively) and lowest in the North East (66.2%). The unemployment rate was highest in the North East (11.2%) and London (10.0%).

In Wales, the employment rate stood at 68.5% in the period October to December 2011, representing an increase of 0.8 of a percentage point from the previous year. The Welsh ILO unemployment rate at 9.0% was 0.7 percentage points up from the same period a year ago. The *Labour Force Survey* estimated the number of

economically active people in Wales to be 1.48 million in the October to December period; a gain of 21,000 over the year. The economic activity rate for Wales increased to 75.4%, up by 1.3 percentage points from a year earlier, whereas in the UK as a whole over the same period the economic activity rate increased by 0.2 of a percentage point to at 76.9%.

Table 5 shows employee jobs by broad industry for Wales over the period September 2009 to September 2011, with the final column indicating the percentage change by each industrial

Table 4: Labour Market Summary, October 2011 to December 2011

	Economic Activity	Change year	Employment rate	Change on year	ILO Unemployment rate	Change on year
North East	74.7	1.6	66.2	0.6	11.2	1.1
North West	75.8	0.8	68.7	-0.4	9.3	1.6
Yorks & Humber	75.6	0.4	67.9	-0.2	9.9	0.6
East Midlands	77.6	0.7	71.1	0.5	8.2	0.2
West Midlands	75.1	0.4	68.0	0.1	9.3	-0.4
East	80.4	1.1	74.6	0.6	7.0	0.5
London	75.2	-0.5	67.5	-1.3	10.0	1.1
South East	79.3	-0.7	74.2	-0.8	6.3	0.1
South West	79.0	-0.1	74.0	0.0	6.1	0.0
England	77.1	0.2	70.5	-0.3	8.4	0.5
Wales	75.4	1.3	68.5	0.8	9.0	0.7
Scotland	77.5	0.1	70.7	-0.4	8.6	0.6
Northern Ireland	72.8	1.2	67.5	1.7	7.2	-0.8
UK	76.9	0.2	70.3	-0.2	8.4	0.5

Source: Labour Force Survey (October 2011 to December 2011)
http://www.ons.gov.uk/ons/dcp171778_254579.pdf

Table 5: Workforce Jobs by Industry in Wales (thousands) seasonally adjusted

Sector (SIC 2007)	Sept 2009	Sept 2010	Sept 2011	% change 09/11
All	1,374	1,359	1,357	-1.2
Manufacturing (C)	145	138	142	-2.1
Construction (F)	100	101	101	1.0
Total Services (G to S)	1,069	1,069	1,058	-1.0
Other sectors (A,B,D&E)	61	50	55	-9.8

Source: Employer Surveys, Labour Force Survey and administrative sources; reported in Regional Labour Market Statistics February 2012

<http://www.ons.gov.uk/ons/rel/subnational-labour/regional-labour-market-statistics/february-2012/index.html>

Table 6: Unemployment in Wales; Claimant Count by Unitary and Local Authority Area, 12th January 2012, % of Population (not seasonally adjusted)

	Men	change on year	Women	change on year	People	change on year
Wales	6.2	0.5	2.6	0.4	4.4	0.4
Blaenau Gwent	10.8	0.9	5.0	1.0	7.9	1.0
Bridgend	6.5	0.4	2.8	0.3	4.6	0.3
Caerphilly	7.8	0.7	3.5	0.7	5.6	0.7
Cardiff	6.6	0.6	2.6	0.3	4.6	0.5
Carmarthenshire	4.8	0.2	2.0	0.2	3.4	0.2
Ceredigion	3.1	0.2	1.3	0.1	2.2	0.2
Conwy	6.4	0.6	2.4	0.4	4.4	0.5
Denbighshire	6.3	0.4	2.6	0.5	4.4	0.4
Flintshire	4.6	0.1	2.5	0.4	3.5	0.2
Gwynedd	5.2	0.3	2.0	0.2	3.6	0.2
Isle of Anglesey	6.7	-0.1	2.8	0.3	4.7	0.1
Merthyr Tydfil	10.0	1.6	4.0	0.8	7.0	1.3
Monmouthshire	3.8	0.9	1.9	0.6	2.8	0.7
Neath Port Talbot	5.6	0.2	2.4	0.4	4.0	0.3
Newport	8.1	0.4	3.5	0.6	5.8	0.5
Pembrokeshire	5.8	0.2	2.4	0.4	4.0	0.3
Powys	3.7	0.6	1.7	0.2	2.7	0.4
RCT	7.2	0.5	3.1	0.5	5.1	0.5
Swansea	5.3	0.3	2.2	0.3	3.8	0.3
Torfaen	7.7	0.8	3.3	0.7	5.5	0.8
Vale of Glamorgan	5.8	-0.2	2.2	0.2	4.0	0.1
Wrexham	5.7	0.4	2.6	0.6	4.2	0.6

Source: Jobcentre Plus Administrative System

Table 7: Median gross weekly earnings by government office region for full-time adults whose pay was unaffected by absence, April 2011

	Male	Female	All	Annual % Change, All 2010- 2011
United Kingdom	538.5	445.1	500.7	0.4
North East	486.2	412.4	451.8	2.0
North West	498.5	417.0	460.3	-1.4
Yorkshire and The Humber	499.8	410.2	465.5	1.2
East Midlands	498.3	401.3	461.3	-0.8
West Midlands	505.4	407.3	470.6	0.7
East	535.5	432.1	494.5	1.2
London	706.4	585.2	650.9	1.3
South East	578.5	454.0	528.1	0.8
South West	509.8	405.8	464.5	0.9
Wales	485.9	402.6	454.4	0.8
Scotland	517.5	440.8	488.8	0.2
Northern Ireland	463.5	427.8	450.6	3.0

Source: 2011 Annual Survey of Hours and Earnings (ASHE) Table 5.1a

category. These figures are taken from the *Regional Labour Market Statistics* published by the Office for National Statistics.

The overall number of workforce jobs in the Principality decreased by 15,000 (or 1.1%) between September 2009 and September 2010 to 1.35m, but then remained relatively stable to September 2011. Manufacturing in Wales suffered a drop of 7,000 workforce jobs from September 2009 to September 2010. However, this was partly balanced by a subsequent increase of 4,000 manufacturing workforce jobs between September 2010 and September 2011. The number of workforce jobs in construction in Wales remained at around 100,000 between September 2009 and 2011, while jobs in "Other sectors" fell by 6,000 or 9.8% during the same time period.

Table 6 shows unemployment claimant count rates in Wales by unitary authority area for January 2012. For Wales as a whole the claimant count unemployment rate was 4.4% (83,131 claimants), an increase of 0.4 percentage points over the year (or 7,968 claimants). There was an increase in the claimant count rate for every

unitary authority in Wales over the year to January 2012. The biggest percentage point increases were experienced in Merthyr Tydfil and Blaenau Gwent (claimant count rates in the year up 1.3 and 1.0 percentage points respectively). Of particular concern is that these areas have consistently had a higher claimant count than elsewhere in Wales.

Female unemployment rates were highest in Blaenau Gwent (5.0%) and Merthyr Tydfil (4.0%), while male unemployment continued to be relatively high for Wales in Blaenau Gwent (10.8%), Merthyr Tydfil (10.0%) and Newport (8.1%).

Earnings

The latest Annual Survey of Hours and Earnings (ASHE) was published on the 23rd Nov 2011 by the Office for National Statistics. Table 7 shows the median of gross weekly earnings for full-time employees, split by government office region and gender for 2011. The highest paid full-time earners were in London and the South East, with Wales median weekly earnings (all) 9% below the UK average and 30% below London.

The final column of the table calculates the percentage change in median earnings from April 2010 to April 2011. This shows that the median earnings for full-time workers in Wales increased by 0.8% over the year, compared with 3% in Northern Ireland (the region having the highest year-on-year growth) and a fall of 1.4% in the North West of England (the worst performing region).

By gender in 2011, the average weekly earnings of full time females in Wales were 82.9% of their male counterparts in the region (down 0.2 of a percentage point from 2010). Full-time females in Wales earned 90.5% of the UK female average (compared to 91.4% in 2010). Wages for males in the Principality were 90.2% of the comparative UK figure in April 2011, closing the gap slightly from 89.9% in 2010.

A relatively low proportion of employees in Wales are in the highest earning occupational categories (managers and senior officials), with higher concentrations of the workforce in the lowest paid occupations such as sales and customer services. These factors contribute to the region's poor wage performance.