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The *Welsh Economic Review* is produced twice yearly, by the Welsh Economy Research Unit (WERU) at Cardiff Business School. The aim of the *Review* is to provide an authoritative and objective analysis of the Welsh economy in a manner that promotes understanding and informs decision-making. The 'core' section of the *Review* is written by members of WERU, with feature articles contributed by academics or practitioners within or outside Wales. The *Review* is circulated widely within Wales, to both private and public sector organisations, including the education sector and the National Assembly.

#### **Notes for Contributors**

Authors should send papers for potential publication in the *Welsh Economic Review* to the Editor at the address given below, preferably via e-mail in a Word for Windows format. Papers are welcome on any topic that would be of general interest to the readership, and should be written in a style suitable for non-specialist readers. Papers should be approximately 3,000-4,000 words and any graphs or figures should be accompanied by the underlying data to allow reproduction.

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# Labour Markets

## Employment

The total number of people aged 16+ in employment in Wales (including both full-time and part-time and the self employed) was just below 1.26m in January 2001 (Labour Force Survey). Table 6 below provides an industrial analysis of the change in employee jobs (excluding the self employed) over the period September 1999 to September 2000. The number of jobs fell overall, with the largest drop in Extraction and Utilities of 10%, followed by Manufacturing, where employment fell by 2.9%. Services was the only category to increase, gaining 3,000 employees. From September 1999 to September 2000, female employment increased overall with the greatest gains in Services with over 9,000 jobs. Male employment, however, fell in all sectors.

Although the number of employees in employment fell, self employed numbers rose to 149,000 in the three months to November 2000; 7% higher than the corresponding 1999 quarter.

Welsh unemployment fell by 11,000 in the year to November 2000 (ILO measure, LFS). Table 7 shows

unemployment by age group. Each cohort experienced a fall in unemployment, with the exception of the 20 to 24 age group. A large fall occurred in the 25-34 age group, perhaps reflecting the impact of widening the New Deal age parameters, while a lesser drop of 1,000 in the 50+ age band may reflect individuals withdrawing from the job market.

Economic activity rates, which show the proportion of individuals of working age who are in employment or seeking employment, stood at 73.9% in January 2001.

## Earnings

Figure 1, shows the percentage change in average gross weekly earnings for all full-time workers in Great Britain between April 1999 and April 2000. While earnings growth in London was a modest 1.9%, the region had the highest average earnings at £530 per week. Earnings grew in the North East by around 4.5%, but the region had the lowest earnings at £366 per week. Welsh earnings increased faster than GB as a whole, and averaged £368 per week in 2000. There has been some

convergence in earnings between Wales and the GB average. Welsh earnings in 2000 were nearly 90% of the GB average compared with 88.4% of average national levels in 1999.

Figure 2 shows change in earnings by Welsh Unitary Authority area from 1999 to 2000. There are marked differences in the fortunes of individual areas. Cardiff and Flint experienced the highest earnings in 2000, averaging £392 and £395 per week respectively. They also had the largest annual increases at 7.8%. Meanwhile, Caerphilly, Carmarthenshire, Gwynedd, Swansea, and Torfaen, with earnings below the Welsh average, also experienced low earnings growth. Both Bridgend and Monmouthshire experienced negative earnings growth while having earnings below the Welsh average at £361 and £349 per week respectively. Whilst some low earnings authorities (Blaenau Gwent, Conwy, and Rhondda Cynon Taff) experienced earnings growth above the Welsh average, any convergence between Unitary Authority earnings is unlikely.

**Table 6** Employees in employment by sector, all workers.

|                        | Sept 1999        | Sept 2000        | % Change     |
|------------------------|------------------|------------------|--------------|
| Primary                | 19,000           | 19,000           | —            |
| Extraction & Utilities | 10,000           | 9,000            | -10.0%       |
| Manufacturing          | 208,000          | 202,000          | -2.9%        |
| Construction           | 64,000           | 63,000           | -1.6%        |
| Services               | 730,000          | 733,000          | 0.4%         |
| <b>All jobs</b>        | <b>1,031,000</b> | <b>1,026,000</b> | <b>-0.5%</b> |

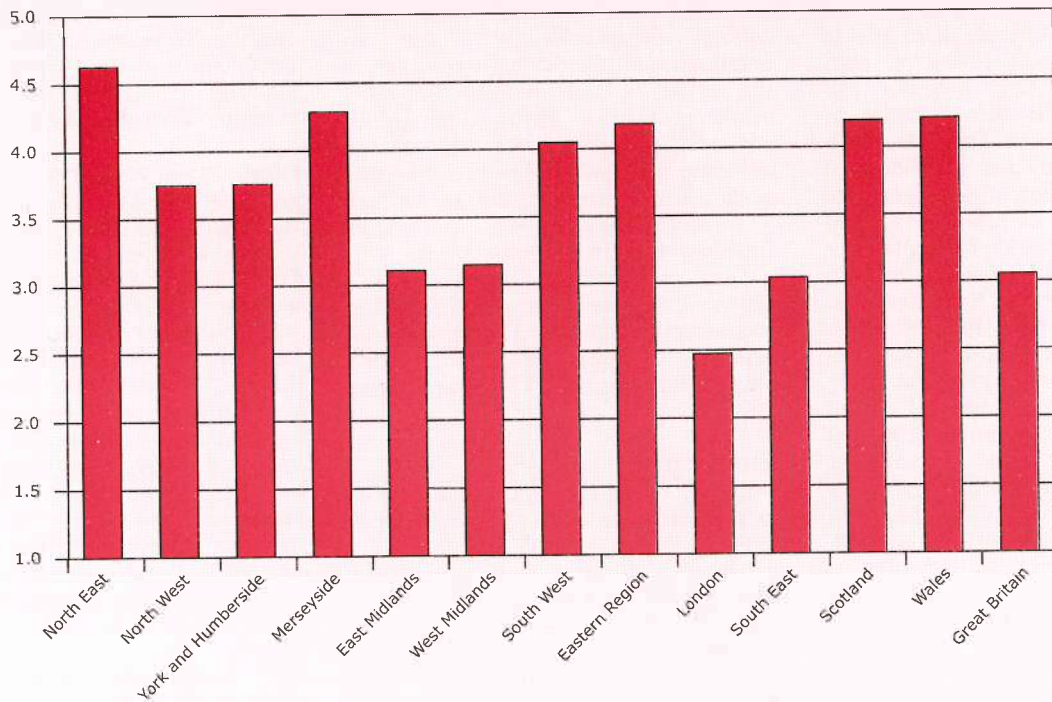
Source: ONS

**Table 7** ILO unemployed by age group.

|                   | November 1999 | November 2000 | % change      |
|-------------------|---------------|---------------|---------------|
| Age band 16 to 19 | 19,000        | 18,000        | -5.3%         |
| Age band 20 to 24 | 18,000        | 18,000        | —             |
| Age band 25 to 34 | 27,000        | 19,000        | -29.6%        |
| Age band 35 to 49 | 24,000        | 23,000        | -4.2%         |
| Age band 50+      | 11,000        | 10,000        | -9.1%         |
| <b>All groups</b> | <b>99,000</b> | <b>88,000</b> | <b>-11.1%</b> |

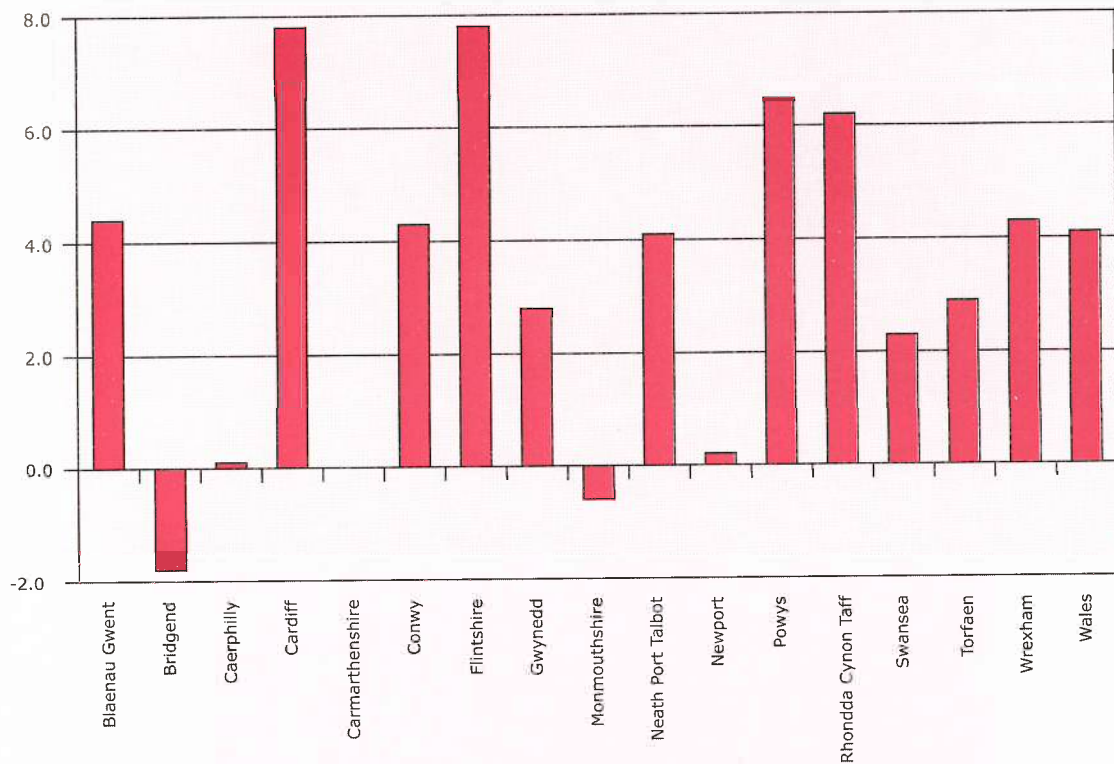
Source: NOMIS Labour Force Survey

**Figure 1 Percentage change in full-time average gross weekly earnings April 1999 to 2000 across GB regions.**



Source: New Earnings Survey, April 1999 and April 2000, Part E. (Full-time adult employees).

**Figure 2 Percentage change in full-time average gross weekly earnings April 1999 to 2000 across Welsh Unitary Authorities.**



Source: New Earnings Survey, April 1999 and April 2000, Part E. (Full-time adult employees).