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# Welsh Economic Review

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# Labour Markets

Labour Force Survey data, for the three months to August 2003, shows decreasing unemployment and increasing employment. Table 2 shows that the seasonally adjusted unemployment rate was 0.6 percentage points down on the corresponding period one year earlier, at 4.6% and that the seasonally adjusted employment rate was 3.3 percentage points higher when compared to the previous year, at 72.9%.

The total economic activity rate for Wales showed greatest improvement among all of the UK regions, up 2.9 percentage points on the year. The lowest economic activity rates were in Northern Ireland, followed by the North East and then London. The highest were in the South East. In the year to August 2003, Wales also experienced the most significant improvement to the employment rate. The highest employment rates were in the South East, East and South West regions of England. Further analysis of labour market data for Wales can be found in the Political Economy section of this Review.

Table 3 shows the unitary authority unemployed claimant count in Wales as a proportion of the resident working age population for August 2003. These proportions vary widely across Wales, with the highest in Blaenau Gwent and Isle of Anglesey (3.8% and 3.6% respectively) and Newport (3.2%), and the lowest in Monmouthshire (1.7%) and Powys (1.8%). The unemployment claimant count has also fallen across Wales during the last year.

## Earnings

The spring issue of the Review drew some broad conclusions from the *New Earnings Survey* (NES) 2002. The key findings were:

- Average earnings in Wales increased by 5% between 2001-02, but
- Welsh average weekly earnings were still only 86% of the UK average, with the highest earnings in Cardiff and the lowest in Conwy.
- However, the male/female annual earnings gap had closed slightly from 38% to 36%.

The recently published 2003 NES reported that average gross weekly earnings for all employees had increased by 2.8% since April 2002 to £476, and that part-time weekly earnings rose by 3.2% to £152. In the year to April 2003, average gross earnings for full-time employees on adult rates were £25,170. Total annual earnings for males were 38% higher than the annual total for females at £28,065 and £20,314 respectively.

Table 4 gives a regional breakdown of gross weekly earnings from the 2003 NES. This data is only for adults whose

pay was not affected by absence, hence the figures vary slightly from those given above. Male earnings in Wales were 85.3% of the GB average, while female earnings were much closer to the GB average at 90.2%. The lowest average earnings were in the North East government office region, where male and female earnings were 83.4% and 87.7% respectively of the GB average.

Sub regional variations in average gross weekly earnings in Wales are shown in Table 5. The highest gross average weekly earnings were found in Cardiff, Neath Port Talbot, and Flintshire, while the lowest earnings were in Gwynnedd. While information for male and female earnings in some areas has been restricted by small sample sizes, male and female wages in Wrexham show the greatest divergence.

**Table 2: National Labour Market Summary, June to August 2003, (seasonally adjusted).**

	Economic Activity Rate	Change on year	Employment Rate	Change on year	ILO Unemployment Rate	Change on year
North East	73.1	-0.3	68.3	-0.4	6.3	0.1
North West	77.3	1.3	73.6	1.9	4.8	-0.7
Yorks & Humber	78.1	0.6	74.1	0.9	5.1	-0.4
East Midlands	79.3	-1.1	75.6	-1.2	4.6	0.1
West Midlands	78.1	-0.8	73.6	-0.6	5.6	-0.3
East	81.5	-0.6	78.2	-0.8	3.9	0.2
London	75.6	-0.4	70.0	-0.7	7.3	0.3
South East	82.4	-0.6	79.1	-0.7	4.0	0.2
South West	81.2	-1.0	78.3	-0.7	3.4	-0.4
England	78.8	-0.3	74.8	-0.2	5.0	-0.1
<b>Wales</b>	<b>76.5</b>	<b>2.9</b>	<b>72.9</b>	<b>3.3</b>	<b>4.6</b>	<b>-0.6</b>
Scotland	79.0	0.4	74.4	0.9	5.8	-0.7
GB	78.7	0.0	74.7	0.1	5.0	-0.2
Northern Ireland	72.3	0.6	68.2	0.9	5.6	-0.5
UK	78.6	0.0	74.5	0.1	5.0	-0.2

Source: Labour Force Survey



**Table 3: Unemployment in Wales; Claimant Count by Unitary Authority on 14 August 2003, % of Population (not seasonally adjusted).**

	<b>Men</b>	<b>Women</b>	<b>All</b>
<b>Wales</b>	<b>3.7</b>	<b>1.3</b>	<b>2.6</b>
Blaenau Gwent	5.6	1.9	3.8
Bridgend	3.2	1.3	2.3
Caerphilly	4.0	1.5	2.8
Cardiff	4.4	1.3	2.8
Carmarthenshire	3.6	1.3	2.5
Ceredigion	2.4	1.3	1.9
Conwy	3.3	1.2	2.3
Denbighshire	2.9	1.0	2.0
Flintshire	2.6	1.1	1.8
Gwynedd	4.0	1.4	2.8
Isle of Anglesey	5.1	2.0	3.6
Merthyr Tydfil	4.8	1.6	3.2
Monmouthshire	2.3	1.0	1.7
Neath Port Talbot	4.4	1.6	3.0
Newport	4.9	1.5	3.2
Pembrokeshire	3.7	1.6	2.7
Powys	2.3	1.1	1.8
RCT	3.6	1.4	2.5
Swansea	4.4	1.4	3.0
Torfaen	3.7	1.5	2.6
Vale of Glamorgan	3.6	1.3	2.5
Wrexham	2.9	1.1	2.0

Source: Benefits Agency Administrative Service

**Table 4: Gross Weekly Earnings by Government Office Region (adults whose pay was not affected by absence) 2003.**

£ per week	<b>Full-time</b>		
	<b>Male</b>	<b>Female</b>	<b>All</b>
<b>GB</b>	<b>525.0</b>	<b>396.0</b>	<b>475.8</b>
North East	437.8	347.3	402.1
North West	483.1	367.9	437.6
York & Humberside	463.8	360.4	425.5
East Midlands	467.3	357.4	428.7
West Midlands	477.1	363.7	435.8
South West	485.1	364.7	440.6
East	528.5	382.7	475.9
London	716.5	516.5	636.9
South East	560.9	415.7	505.6
<b>Wales</b>	<b>448.3</b>	<b>357.3</b>	<b>414.5</b>
Scotland	483.7	372.4	436.8

Source: New Earnings Survey

**Table 5: Average Gross Weekly Earnings in Wales 2003 (adults whose pay was not affected by absence).**

	<b>Male</b>	<b>Female</b>	<b>All</b>
<b>Wales</b>	<b>448.3</b>	<b>357.3</b>	<b>414.5</b>
Bridgend	-	-	428.0
Caerphilly	-	350.7	388.9
Cardiff	492.8	385.5	455.3
Carmarthenshire	393.4	-	379.2
Conwy	413.7	-	385.4
Flintshire	470.5	-	445.8
Gwynedd	-	-	360.2
Neath Port Talbot	480.6	-	447.3
Newport	454.9	371.1	421.9
Powys	422.7	-	401.7
RCT	426.8	347.7	396.1
Swansea	416.0	344.5	385.3
Torfaen	430.5	-	407.6
Wrexham	430.8	327.6	388.7

Source: New Earnings Survey.

- Not available due to small sample size.