

Labour market

Introduction

There are a number of labour market indicators published for Wales, all of which allow for comparisons of regional and national performance to be made and to examine progress over time. The main headline indicators include the levels and rates of employment, unemployment, economic inactivity, and Jobseeker's Allowance claimants. All these measures have been used to monitor the progress of the Welsh economy against other UK regions.

Employment - This includes employees, self-employed, people on government supported training and employment programmes, and unpaid family workers.

Unemployment - The headline measure, as defined by the International Labour Organisation (ILO), is a count of those who are out of work and want a job, or have actively sought work in the last 4 weeks and are available to start work in the next two weeks; plus those who are out of work, have found a job and are waiting to start in the next 2 weeks. It is the broader measure of unemployment used around the world.

Economic Inactivity - This includes people who are neither in employment nor unemployed on the ILO measure

Estimates of the above three measures are derived from the Labour Force Survey and Annual Population Survey carried out by the Office for National Statistics.

Claimant Count – This is a count of all those claiming unemployment related benefits (currently Jobseeker's Allowance). As such it excludes those who are unemployed who are not eligible to claim, and those who do not wish to claim.

Overview of current statutory powers of the Assembly

Employment rate

- ◆ The Welsh employment rate for people of working age is a little below the peak seen during 2003 and 2004, but remains well above historical levels. The average employment rate in Wales for the 12 months ending February 2007 was 71.8%, up 0.1 percentage points (pp) over the corresponding period a year earlier and a rise of 3.6 pp over the year ending May 1999.
- ◆ The UK average employment rate was 74.5% in the 12 months ending February 2007, a rise of 0.9 pp over the year ending May 1999.

Unemployment rate

- ◆ The ILO unemployment rate for those aged 16 and over has shown a fairly steady downward trend since the early 1990s but with an upturn over the last year. The average unemployment rate for Wales for the 12 months ending February 2007 was 5.3%, a rise of 0.6pp over the corresponding period a year earlier and a fall of 2.0 pp over the year ending May 1999.
- ◆ The UK average unemployment rate was 5.5% in the 12 months ending February 2007, a fall of 0.7 pp over the year ending May 1999.

Inactivity rate

- ◆ The Welsh economic inactivity rate for people of working age grew over the period 1999 to 2001, before falling in 2002 and 2003. It increased slightly in 2005 before falling back again slightly during 2006. The average economic inactivity rate for Wales for the 12 months ending February 2007 was 24.1%, a fall of 0.6 pp over the corresponding period a year earlier and a fall of 2.3 pp over the year ending May 1999.
- ◆ The UK average economic inactivity rate was 21.0% in the 12 months ending February 2007, a fall of 0.4 pp over the year ending May 1999.

Claimant count

- ◆ The Welsh workforce claimant count rate has shown a steady downward trend since the early 1990s before levelling off between 2004 and 2006. The average claimant count rate for Wales for the 12 months ending March 2007 was 3.1%, unchanged over the corresponding period a year earlier and a fall of 2.2 pp over the year ending May 1999.
- ◆ The UK average claimant count rate was 3.0% in the 12 months ending March 2007, a fall of 1.4 pp over the year ending May 1999.

EU policy

The European Commission has published the *Integrated Guidelines for Growth and Jobs (2005-2008)*ⁱ which brings together the broad economic policy and employment guidelines, and forms the basis for Member States' National Lisbonⁱⁱ Reform Programmes. The Programmes spell out the action to be taken at national level in order to achieve the Lisbon objectives for growth and jobs.

Key Assembly Government strategy documents and action plans from the Second Assembly:

- ◆ *Wales: A Vibrant Economy*ⁱⁱⁱ is the Welsh Assembly Government's strategic framework for economic development. The Assembly Government's approach to assessing the effectiveness of W:AVE is based around tracking progress in a range of economic indicators, which includes the rate of employment, unemployment and economic inactivity in Wales.

Legacy issues from the Second Assembly

The Enterprise, Innovation and Networks Committee's legacy paper highlighted a number of issues for the attention of the Third Assembly including the implementation of policy stemming from the Assembly Government's response to the Committee's report on its review of economic inactivity in Wales and aspects of the EC work programme for 2007 relating to both the Lisbon and Social agendas.

Useful links

The web pages of the National Assembly for Wales' Statistical Directorate are at:

<http://new.wales.gov.uk/topics/statistics/?lang=en>

StatsWales is a free-to-use service that allows visitors to view, manipulate, create and download tables from detailed official data on Wales: <http://www.statswales.wales.gov.uk/index.htm>

The latest regional labour market statistics, produced by the Office for National Statistics, are available at: www.statistics.gov.uk

The official labour market statistics website 'nomis'. www.nomisweb.co.uk

The Department of Trade and Industry's web pages relating to employment matters can be found at:

<http://www.dti.gov.uk/employment/index.html>

Further information

Research papers are available on economic indicators (including labour market statistics) at: <http://assembly/presidingoffic/mrs/briefings/index.htm>

For further information on any of the statistics covered in this brief, please contact:

Ben Stokes, Members' Research Service on ext. 8208

ben.stokes@wales.gsi.gov.uk

ⁱ European Commission, April 2005, [Integrated Guidelines for Growth and Jobs \(2005-2008\)](#)

ⁱⁱ Further information on the Lisbon agenda is available [here](#).

ⁱⁱⁱ Welsh Assembly Government, November 2005, [Wales: A Vibrant Economy – The Welsh Assembly Government's Strategic Framework for Economic Development](#)