

EDS Briefing Note No. 8

Unemployment 2000

Measures of unemployment are one of the key economic indicators used in economic and labour market analysis. This briefing note aims to describe the two main methods of measuring unemployment and their limitations. It also considers how unemployment has changed over the last 12 months, using one of these measures, the claimant count.

How is unemployment measured?

Claimant Count: The Claimant count of the unemployed measures those that are claiming unemployment-related benefits. Jobseekers Allowance (JSA) and National Insurance (NI) credits are currently the main such benefits.

People on these benefits must declare that they are out of work, capable of, available for and actively seeking work during the week in which their claim is made. The Employment Service local offices collect information on claimants and the count is essentially a by-product of the administrative records kept.

The figures for the claimant count are published monthly along with information relating to age and duration of unemployment. The information is available for small areas, e.g. wards, and as it is a 100% count it is relatively accurate. However, whilst its accuracy is considered good, it is not a comprehensive count of all those unemployed, missing those not entitled to benefits and those not claiming for other reasons.

International Labour Organisation (ILO) count: ILO unemployment is internationally agreed as being defined as those without a job and wanting a job, who were available to start work in the two weeks following their LFS interview and who either looked for work or were waiting to start a job.

In the UK it is the Labour Force Survey (LFS), undertaken on a quarterly basis, which measures ILO unemployment. The LFS is a rolling sample survey of people living in private households. Results are published for each three-month period.

Unemployment as defined by the ILO measure is not directly affected by changes to the benefits system but does reflect actual changes in labour market behaviour - whatever the cause. E.g. jobsearch activity may increase; there may be an increase in the take-up of temporary short-term contracts etc.

Further details of how unemployment is measured are available in a publication from ONS "How exactly is unemployment measured?" available from Research and Strategy Officers in EDS. (See contacts at bottom of note).

Unemployment 2000

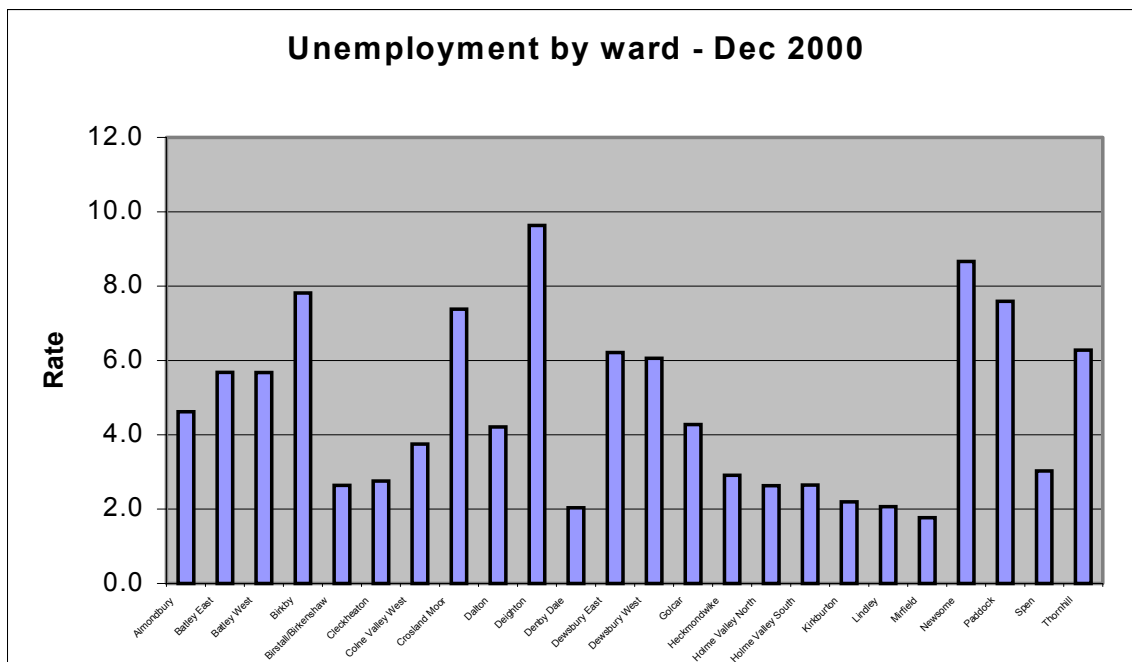
The greater accuracy of the claimant count particularly at small area level, and its greater frequency, tends to make it more widely used for local labour market analysis. Combining the two measures of unemployment provides a more comprehensive unemployment count than either can on its own.

The following end of year and 12-month analysis uses information from the claimant count.

In December 2000 just over 6,500 people in Kirklees were unemployed, 77% of which were men.

The rate, which roughly estimates the proportion of economically active that are unemployed, **in December 2000 was 4.3% overall. 6.2% for men and 2.2% for women in Kirklees.** The overall rate lies between the national rate of 3.9% and the regional rate of 4.8%.

The chart below details how the wards in Kirklees compare. Deighton remains the ward with most unemployment both as a rate and in terms of people unemployed, 9.6% and 455 respectively. Lowest levels of unemployment are evident in Mirfield and Denby Dale with just 1.8% and 2.0% respectively, around 120-140 people being unemployed in these wards.



Source: ONS - NOMIS

Duration of unemployment

The figures suggest that long term unemployment in Kirklees is not as major an issue as for further afield. Long term unemployment is generally regarded as having been unemployed for more than a year. **There are over 1000 people in Kirklees who are long term unemployed, this amounts to 18% of the total unemployed in the district (Dec 2000).** Nationally over 20% of the unemployed have been so for more than a year.

As with total unemployment, long term unemployment varies across the district. However, 9 of the district's wards experience long term unemployment at a similar level to those nationally.

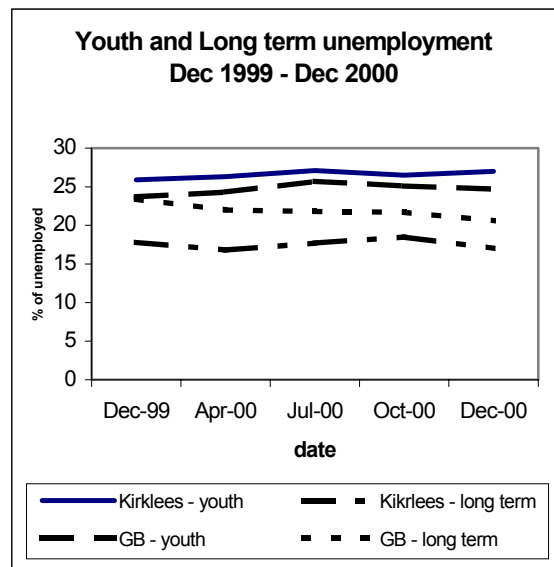
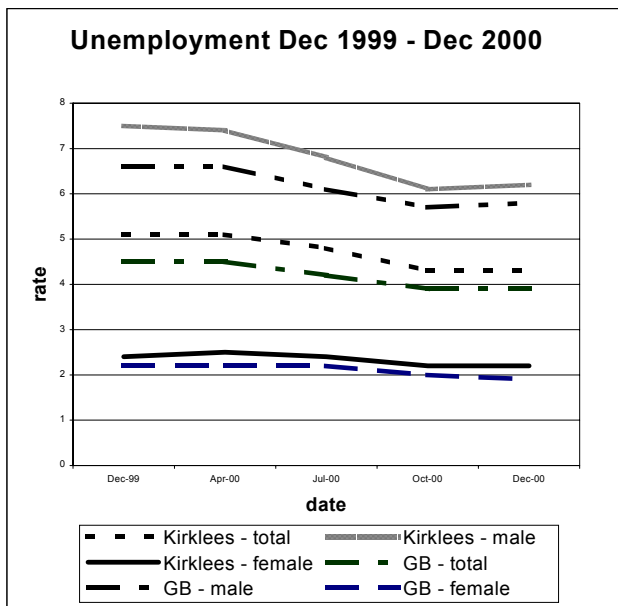
Youth Unemployment

Just over a quarter of the unemployed in Kirklees are under the age of 25. In four wards over 30% of the unemployed are under 25 years old.

What about this time last year?

12 months ago unemployment in Kirklees was considerably higher with over 7500 people unemployed. The rate being 5.1%.

The following charts show how unemployment changed each quarter for various factors of unemployment.



Source: ONS –NOMIS

The overall trend in unemployment rates has been downwards with male and female rates following suit. A plateau appears to have been reached towards the end of the year suggesting the trend may struggle to continue its downward trend as consistently.

The proportion of unemployed who are aged 16-24 years old and those that have been unemployed for more than a year has fluctuated rather than followed a downward trend. The proportion of youth unemployed has overall slightly increased over the last 12 months. Those experiencing long term unemployment have slightly decreased although a peak was apparent around October.

Compared to the national trend, Kirklees male and female unemployment has stayed consistently above the national rate. The differences are much less for female unemployment. Only the proportion of unemployed who are long term unemployed has stayed below the national average.

What would the ILO figures suggest?

The latest figures from the LFS giving the ILO unemployment figures is for the quarter ending Nov 2000. For this quarter ILO unemployment was in the order of 11,000 in Kirklees. Whilst not directly comparable the ILO count is significantly greater than the claimant count of around 6,500 unemployed.

The ILO rate however, is much more on a par with the national position, the GB rate being 5.4% compared to the Kirklees ILO rate of 5.9%.

Unemployment continues to maintain a positive trend in Kirklees overall and looks set to continue though perhaps with more fluctuations and less consistency.

Projects assisting the unemployed into employment continue through SRB and European funding in many areas of the district. Such projects are likely to continue to play an important part in the continuation of the positive trends in the district's unemployment patterns.

This is one of a series of Briefing Notes produced by the Economic Development Service on key policy and research issues. For further information please contact:

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