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EDUCATION and LEARNING WALES



Learning and Labour Market Intelligence for Wales: South West Wales

May 2005

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Learning and Labour Market Intelligence for Wales: The 2005 Regional Reports

Introduction

Successful economies are adapting to the increasingly competitive international environment by shifting production towards higher value-added products. Economic growth is now more dependent than ever on the accumulation of knowledge and skills that can generate increasing returns. The historical advantages of low wages, low taxes, and low input costs are less important in the “knowledge economy” where competitive advantage flows from innovation, quality, and productivity-driven cost reductions. It follows that those countries that can offer an environment where firms become more productive and innovative will generally experience superior performance to those that are only able to offer low costs.

Developing the nation’s stock of human capital resources has become a central platform of economic policy in the UK. In Wales, the National Assembly has assumed strategic responsibility for tackling a low skill, low wage and high dependency problem endemic to the region. Accordingly, investment in people is given priority and considered to be the key to successful community development, social inclusion and wealth creation.

However, it is necessary that decisions on learning provision are based on a sound understanding and evidence of need. Those responsible for planning and delivering learning and education need to know where best to target their resources, what is being achieved in return for those resources and whether the broad policy directions are being achieved. It follows that accurate and timely intelligence on the needs of employers and learners and the supply of skills within the framework of a rapidly changing labour market are made available to policymakers.

Using the Reports

The 2005 Labour Market Intelligence reports for Wales succeed the previously published Baseline Data Reports (2003). The formula of 1 National, 4 Regional and 22 local area reports has been retained and as with the baseline documents, the purpose of the Labour Market Intelligence reports is to alert readers to the range of statistical and intelligence resources relevant to the learning agenda in Wales.

Several new data sets have been included and some older ones have been omitted pending revision. Where source materials can be accessed via the internet, the appropriate URLs have been referenced.

The structure and format of the new reports have been modified slightly. The main body of the national and regional reports is comprised of 3 chapters. Each of these is divided into separate text and exhibit sections with hypertext links at appropriate reference points. Many of the data exhibits have been annotated so as to emphasise the key messages. The new format should be especially welcome news to those users whose needs are well defined and specific. Those who require access to a broader information set will also find the shorter narrative and annotated data sections more convenient. While the regional reports are capable of being used as free-standing documents the common format makes for easier cross referencing between geographies and we would recommend that the reports are used in this way.

The data reported in the 2005 reports are up to date and timely in the sense of embodying most recent revisions. Notwithstanding discontinuities and some gaps this still means that in many instances data can be as much as two years old. A variety of education, training and learning market data beyond 2003 were not available at the time of publication. In addition release of the complete dataset for the 2002/2003 Welsh boost to the Labour Force Survey has been subjected to delay and full access was therefore not possible at the time of publication. However limited coverage and summary analyses of these data via NOMIS was unaffected.

Data sourced from the Office for National Statistics (ONS), Statistics Wales (SW) and NOMIS are Crown Copyright. Data sourced from ELWa are copyright ELWa. Other data sources are referenced in the text.

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Chapter 1

South West Wales - a brief economic profile

Introduction

The National Report has given a picture of the pattern of change in Welsh employment, unemployment and inactivity. It also provides a comparison of Wales with the rest of Great Britain. The regional reports will also show how various indicators have been changing over time, but comparisons of labour market developments will be restricted to within Wales.

Population

With a population of around 650,000 people in mid 2003, South West Wales barely experienced any population growth over the preceding 10 years. This meant that its share of the Welsh population fell from 23% to 22%. But while the size of the population has remained relatively static, the make-up of that population has not. Consistent with trends elsewhere, the retirement aged population of South West Wales increased by 3% over the decade while the number of children fell by 6%. The result of an ageing population, coupled with relatively weaker growth in the working age population has been a fall in the dependency ratio¹ from 2.80 to 2.77 ([Table 1.1](#)).

Given the historically low propensity of older people to participate in learning, a predicted decline in the aggregate participation rate could be anticipated as the population ages. However, more people of retirement age may be economically active in the future and learning provision may need to take account of this.

Elsewhere along the age spectrum, the effects of population change on the demand for learning is more predictable. With a fall of almost 14% (5,000) in the number of children of pre-school age and a further 7% decline (3,000) in those aged from 5-9, the demand for school places is likely to be adversely affected over the coming years. Meanwhile, an increase in the working age population of some 7,000 people,

¹ The ratio of working age to retirement age population.

disguises a fall of over 11,000 people (9%) aged 15-29 and an increase almost 14,000 (12%) in those aged 45-59. As the composition of the working age population alters, this is likely to be reflected in different learning needs which may promote the demand for more flexible leaning provision.

Population size is determined by a combination of birth rates, death rates and net migration. With deaths exceeding births, the natural component of population change in South West Wales is negative² and the small population increase observed in the region is a consequence net inward migration. [Table 1.2](#) reveals there is a net inflow of people in every Unitary Authority area. However, this observation must be qualified in several respects:

- There is a large movement of population into and out of every Unitary Authority area. Many of these may represent short distance relocations across local authority boundaries rather than economically induced (long distance) migratory moves.
- Although in the aggregate the gross inflow more than compensates for the population outflow, this is not always when account is taken of age-specific mobility. Among the age group 16-24, there are net losses of young people from both Pembrokeshire and Carmarthenshire with significant net flows of persons aged 25-64 in the opposite direction. Those aged 65 and over are responsible for the least amount of migration.
- Population movements emphasise something of an urban rural contrast with Swansea attracting a net inflow of young people (16-24).

Gross Value Added

Gross value added³ (GVA) is the difference between the values of inputs and outputs and can therefore be used to measure rates of economic growth. Local GVA data providing the closest match to the ELWa South West Wales region relate to NUTS 3 areas and these are shown in [Table 1.3](#).

² Digest of Welsh Local Area Statistics, 2004

³ The headline estimates that are presented are a moving average based 'trend' of the unadjusted estimates for each region. The trending removes some of the year-to-year volatility in the unadjusted series. Under the European System of Accounts 1995 (ESA 95) the term GVA is used to denote estimates that were previously known as gross domestic product (GDP) at basic prices. Under ESA 95 the term GDP denotes GVA plus taxes (less subsidies) on products i.e. at market prices. Regional Accounts are only published at basic prices.

In 2002, the Gross Value Added of South West Wales came to £8.9 billion or 25% of the all-Wales total. Measured in current basic prices (and therefore before taking account of inflation), the region's growth rate averaged around 3.4% p.a. between 1995 and 2002. This was considerably below the Welsh average (of 4.9%) and reduced the region's share of Welsh GVA by some 2 percentage points.

By far the highest rates of growth are recorded in Swansea. With an annual average increase of 5.9% Swansea's economy has been growing at between 2 and 3 times that of the remainder of South West Wales ([Table 1.3a](#)). On this evidence it would appear that economic expansion in Swansea is the main driving force in the South West Wales economy. This would also perhaps explain the net inflow of 16-25 years olds into Swansea indicated in the previous discussion.

A better measure of comparative economic performance and prosperity is provided by GVA per capita although controlling for population differences has little effect on conclusions already arrived at. Indeed the economic gap between Swansea and the remainder of the region widens (although that previously observed between Neath Port Talbot and the South West Wales area is lessened somewhat). With a per capita growth rate in excess of 6% per annum and a level of GVA that is around £3,000 per head above the remainder of the region, Swansea would appear to be the economic hub of the South West Wales region ([Table 1.3b](#)).

[Table 1.3c](#) shows that prosperity levels in all areas of South West Wales are lower than those in the UK generally. In 1995 GVA per head ranged from 72% of the UK average in South West Wales NUTS 3 area to 81% in Swansea and 84% in Neath Port Talbot. Subsequent shifts in economic fortunes, and in particular rapid growth in the service economy, have enabled Swansea to move closer towards the UK average, while conditions elsewhere in the region have deteriorated further. On the basis of these current trends the prosperity gap between Swansea and the remainder of the region would appear to be growing.

Structural change in South West Wales has resulted in a reduced emphasis on manufacturing activity and increased production in the service economy. Since 1995, the share of manufacturing and "other industrial output" in the total GVA of the region

has fallen by 9 percentage points and that of agriculture (forestry and fishing) by 1%. The service industry has correspondingly increased its share of GVA by 10 percentage points ([Figure 1.1](#)). As already suggested the spatial impacts of these changes have been unevenly distributed.

The implications of these structural changes for the region's long-term growth prospects are uncertain. For instance, much of the activity in the service economy is directed inwardly in the sense of being dependent on local consumption demand and hence on income within the region. The absence of export markets (i.e. outside South West Wales), limits their capacity to create (net) wealth and contribute to economic growth in the region. Although there are exceptions (e.g. tourism and hospitality) such considerations have implications for the effectiveness of supply side measures in promoting economic growth in the service economy.

Business Formation and Survival

VAT registrations and de-registrations are the best official guide to business start-ups and closures. They are crude indicators of entrepreneurship and used judiciously can yield insights about business formation and survival rates. It is common to express registrations and deregistrations either as a percentage of the stock of VAT businesses or as proportion of the resident population. Both conventions have been adopted in this report because levels of entrepreneurship can sometimes appear high or low depending on which denominator is applied ([Table 1.4](#)).

In 2003, registrations in South West Wales amounted to 8.5% of the VAT stock (24 per 10,000 population) and on a par with that in Wales generally. Within the region there are large variations in business formation rates. Relative to the business stock, business formation rates are highest in Neath Port Talbot and least in Pembrokeshire. However, relative to the population, the opposite would appear to be the case. With 31 VAT registrations per 10,000 population the formation rate in Pembrokeshire is almost twice as large as in Neath Port Talbot. The differences between the two sets of results can be explained by variations in business density. Accordingly Pembrokeshire has a large population of (mostly) small firms relative to its population and business density is therefore high. Neath has far fewer firms relative to its population, although average

firm size is much larger. The effect of this lower business density is to artificially inflate the ratio of registrations to VAT stock.

Regions with high levels of registrations also tend to exhibit higher de-registration. This reflects the short lifespan of many new enterprises. Typically the survival rate of new registrations in South West Wales is around 89% at 12 months falling to 57% at 48 months ([Figure 1.2](#)).

Because of correlation between the volume of VAT registrations and deregistrations estimated closure rates are subject to the same problems of interpretation as are encountered with the business formation rate. Fortunately, the difference between registrations and deregistrations is less ambiguous. Irrespective of how it is measured Carmarthenshire has the highest rate of deregistrations and Neath Port Talbot the highest net formation rate.

In a number of respects the economy of South West Wales resembles the Welsh economy and this is also confirmed by examination of its industrial make-up. Location quotients indicate a slight over-dependence on the agricultural sector which makes up 25% of the VAT stock. Manufacturing, construction and some services are slightly under-represented with the service industries accounting for 58% of the VAT stock compared to 60% in Wales. The most notable absences are in Financial services along with Real Estate and other business services. High rates of VAT registration are recorded in both the hotel sector and real estate/other business services and in both cases are associated with increasing numbers of businesses ([Table 1.5](#)).

Firm Size Distribution

At 92% South West Wales has proportionately fewer micro enterprises (employing less than 10 people) than Wales generally (94%). Yet it has a larger share of its employment in micro enterprises than Wales (33% as against 31%). A correspondingly smaller proportion of the region's workforce (36.8%) is employed in firms of size 250+ employees ([Table 1.6](#)) even though it has relatively more firms in this sizeband compared to Wales. This suggests an economy with a disproportionate degree of dependence on SMEs and micro enterprises.

Firm size distribution in South West Wales displays a spatial bias with larger business units located in areas of high population density in the east of the region. Swansea and Neath Port Talbot exhibit roughly twice the concentration of medium and large firms as the remainder of South West Wales. Approximately one half of all jobs in these two areas are located in establishments with more than 250 employees. In contrast, in Pembrokeshire and Carmarthenshire, the share of jobs located in large units falls to 23% and 30% respectively. Small firms and micro business account for the bulk of the business stock in all areas. They also account for the majority of all employment in the rural areas ([Table 1.7](#); [Table 1.8](#)). Establishments in the small firms sector tend to exhibit lower productivity and are invariably more insecure. For these reasons, such establishments may not have the same capacity for, or commitment to training and development as bigger firms.

Synthesis and Themes

The economic make-up of South West Wales closely resembles that of the Welsh economy and as in Wales as a whole, the population of the region is ageing. The advancing age profile of the population need not restrict labour supplies but meeting the skill needs of employers could present some challenges should the propensity to learn or willingness to train decline as the average age of the workforce rises. Consequently strategies may be needed to overcome the natural reluctance of middle-aged and older people to re-skill and which recognise the more varied family and caring circumstances which older people are likely to find themselves in.

The South West region of Wales is a collection of districts seemingly with different economic characteristics and following radically different economic trajectories. No part of South West Wales is particularly prosperous when compared against the UK benchmark but there is evidence of a sizeable and growing gap between a successful core area and a weaker periphery. With per capita GVA increasing at over 6% per annum, Swansea is an economic hotspot and seemingly the epicentre for economic expansion in the region. Population flows provide further evidence of this. Thus whilst Carmarthenshire and Pembrokeshire both experience net losses of young adults

(aged 16-24), this section of the population accounts for a significant proportion of inflow of people into Swansea.

Economic conditions in South West Wales are also the product of structural changes that have also been taking place in other economies and which have entailed de-industrialisation alongside expansion of service economy. But whether an increasing reliance on the service economy will provide a robust basis for future advances in prosperity remains to be seen. Many business enterprises in the service sector rely on demand that is generated within the home region and are unable to supply markets elsewhere. This lack of “export orientation” means there are limits to the capacity of some service industries to contribute to wealth creation in the home region. Furthermore, pockets of deteriorating prosperity levels within the region may also act as a brake on expansion of the service sector generally.

Arguably, in some settings the survival of firms can be just as important as their ability to grow. For instance in marginal communities, even those businesses with no plans to expand often perform an essential social cohesion role. A learning environment that promotes business retention and survival may therefore be just as vital as that which seeks to stimulate economic growth and expansion. It may be especially relevant for rural communities.

Micro and small businesses comprise a large segment of the business community in South West Wales and especially in rural Pembrokeshire and Carmarthenshire. Business size and density has a rural dimension, and brings added vulnerability. Research on the behaviour of such firms indicates that they are less likely to provide formal learning opportunities for employees, yet at the same time will feel the impact of skills shortages disproportionately. The smaller size and the occupational composition of the local labour markets in rural areas can pose serious recruitment problem for all but micro business, fragmentation and lower population densities also make it generally more expensive to deliver business support and learning to rural than to comparable urban-based businesses. This gap has to be bridged by the public sector while measures to break down barriers to learning created by isolation may also be necessary.

Table 1.1 Population and Migration: Population Change, 1993 to 2003, by Age

Population and Migration: Population Change, 1993 to 2003, by Age						
			Mid 1993	Mid 2003	Change from 1993 1993-2003	%
Total population		All ages	649,600	652,400	2,800	0.4%
		Children:				
	Pre-school	0-4	39,800	34,400	-5,400	-13.6%
	School age	5-9	41,800	38,700	-3,100	-7.4%
		10-14	41,800	42,600	800	1.9%
Total		Under 15	123,400	115,700	-7,700	-6.2%
		Working age				
		15-29	123,900	112,900	-11,000	-8.9%
		30-44	128,100	130,100	2,000	1.6%
		45-59	118,400	133,100	14,700	12.4%
		60-64M	17,600	18,400	800	4.5%
Total		15-59F/64M	388,000	394,500	6,500	1.7%
		Retirement age				
		60-64F	18,400	19,000	600	3.3%
		65-74	69,300	64,100	-5,200	-7.5%
		75-84	39,400	45,000	5,600	14.2%
		85+	11,100	14,100	3,000	27.0%
Total		60F/65M+	138,200	142,200	4,000	2.9%

Source: Mid Year Population Estimates (NOMIS)

The total population of South West Wales exhibits slight increase between 1993 and 2003.

The key features of these data are:

- 8,000 fewer children
- 7,000 more people of working age
- 4,000 more people of retirement age and 9,000 aged 75 or over

Table 1.2 Population Migration across UA boundaries: 2002- 2003

Internal migration within the United Kingdom: Unitary Authorities 2002-2003				
Thousands		Persons		
	Age	Inflow	Outflow	Balance
AREA				
	0-15	1.4	0.7	0.6
	16-24	1.1	1.4	-0.3
	25-44	2.2	1.5	0.7
	45-64	1.6	0.7	0.9
	65+	0.6	0.3	0.3
Carmarthenshire	All Ages	6.8	4.6	2.2
	0-15	1.0	0.6	0.5
	16-24	0.8	0.7	0.0
	25-44	1.7	1.0	0.6
	45-64	0.8	0.4	0.5
	65+	0.3	0.2	0.1
Neath Port Talbot	All Ages	4.6	2.9	1.7
	0-15	0.9	0.6	0.3
	16-24	0.7	1.1	-0.4
	25-44	1.4	1.0	0.4
	45-64	1.0	0.5	0.4
	65+	0.4	0.3	0.2
Pembrokeshire	All Ages	4.4	3.5	1.0
	0-15	1.1	0.9	0.2
	16-24	3.1	2.9	0.2
	25-44	2.3	2.3	0.0
	45-64	0.8	0.7	0.2
	65+	0.4	0.3	0.0
Swansea	All Ages	7.7	7.2	0.6

Source: National Statistics, *Internal Migration 2002-2003 Local Authority Flows by Broad Age Group and Gender*
<http://www.statistics.gov.uk/StatBase/ssdataset.asp?vlnk=8488&Pos=1&ColRank=1&Rank=272>
<http://www.statistics.gov.uk/StatBase/Expodata/Spreadsheets/D8488.xls>

Deaths exceed births in South West Wales.

Net inflows of population occur in all areas.

Pembrokeshire and Carmarthenshire experience net out-migration of young adults (16-24).

Swansea is a net recipient of young people.

Table 1.3 Gross Value Added NUTS 3 Areas

Table 1.3a			
Gross Value Added at current basic prices (£ Mill)			
£ million	South West Wales	Bridgend and Neath Port Talbot	Swansea
1995	2,764	2,416	1,996
1996	2,799	2,583	2,063
1997	2,848	2,717	2,162
1998	2,886	2,623	2,281
1999	2,919	2,639	2,389
2000	3,057	2,598	2,533
2001	3,224	2,678	2,665
2002	3,315	2,758	2,824
Annual % change	2.8%	2.0%	5.9%
Table 1.3b			
Gross Value Added per head at current basic prices			
£ per year	South West Wales	Bridgend and Neath Port Talbot	Swansea
1995	7,806	9,042	8,764
1996	7,910	9,710	9,081
1997	8,022	10,267	9,535
1998	8,097	9,906	10,105
1999	8,153	9,998	10,615
2000	8,484	9,875	11,284
2001	8,904	10,177	11,926
2002	9,067	10,454	12,610
Annual % change	2.3%	2.2%	6.3%
Table 1.3c			
GVA per head Index (UK=100)			
	South West Wales	Bridgend and Neath Port Talbot	Swansea
1995	72	84	81
1996	69	85	80
1997	66	85	79
1998	63	77	79
1999	61	75	80
2000	61	71	81
2001	61	70	82
2002	59	68	83
Percent Point Change since 1995	-13	-16	+2

Source link:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=7359>

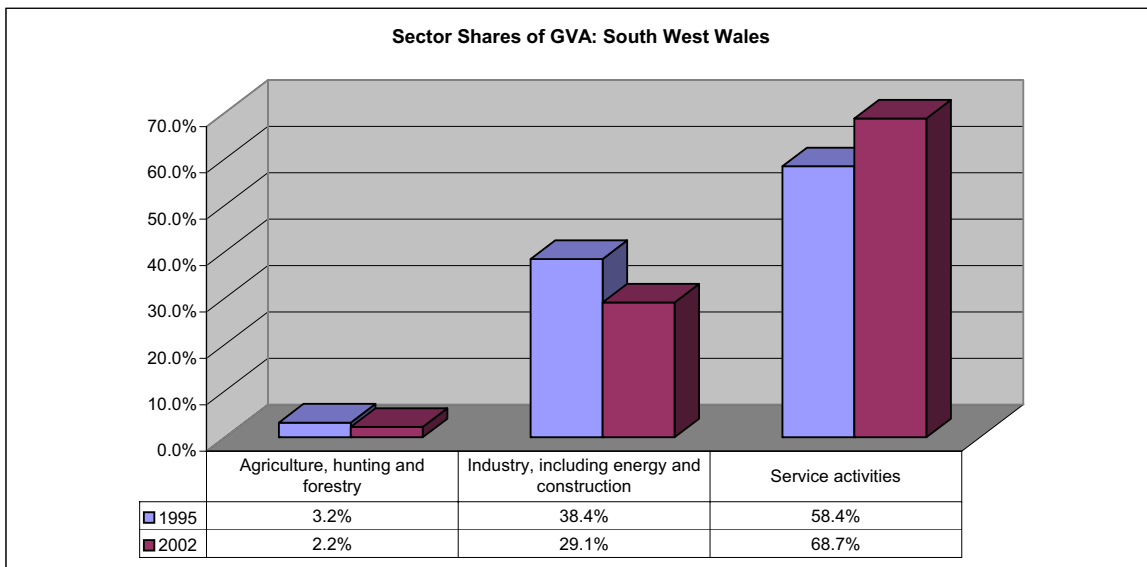
http://www.statistics.gov.uk/downloads/theme_economy/Nuts3_Tables_1-12.xls

South West Wales' GVA grew on average by around 3.4% per annum between 1995 and 2002.

At the NUTS 3 level there are significant inter-area disparities in growth rates:

- Swansea's economy has been growing at between 2 and 3 times that of the remainder of South West Wales. Swansea has a per capita growth rate in excess of 6% per annum and a level of GVA that is around £3,000 per head above the remainder of the region.
- Prosperity levels in all areas of South West Wales are lower than those in the UK generally

Figure 1.1 Structural Change in GVA 1995-2002



Source: National Statistics: http://www.statistics.gov.uk/downloads/theme_economy/Nuts3_Tables_1-12.xls (Location N39)

Since 1995, the share of industry in total GVA in the South West Wales has fallen by 9 percentage points while the service industry's contribution has increased by 10%

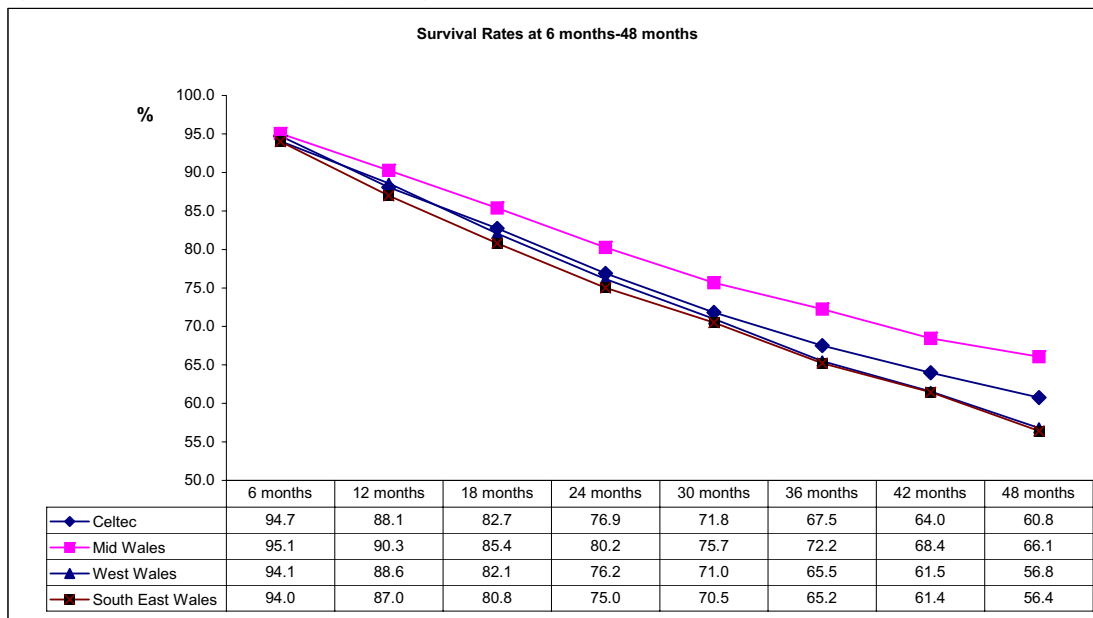
Table 1.4 Business Density, formation and survival, 2003.

	<i>Percent of VAT Stock</i>			<i>Per 10,000 resident population</i>				<i>Firm Size Employees per ABI Workplace Unit</i>
	Registration	De-registration	Net Registration	Registration	Deregistration	Net Registration	Business Density	
Pembrokeshire	7.4	7.3	0.1	30.5	30.1	0.4	412	8
Carmarthenshire	6.8	8.1	(1.3)	26.1	31.0	(4.8)	377	9
Swansea	10.7	10.2	0.4	21.6	20.7	0.9	203	16
Neath Port Talbot	11.1	9.4	1.6	17.7	15.2	2.6	163	13
South West Wales	8.5	8.6	(0.1)	23.6	24.0	(0.4)	279	12
Wales	8.7	8.8	(0.1)	23.5	23.6	(0.1)	269	12

Source: NOMIS tables: vat registrations/deregistrations by industry 2003 ; midyear population estimates 2003
annual business inquiry workplace analysis 2003

Registrations in South West Wales amounted to 8.5% of the VAT stock and on a par with that in Wales generally. Relative to the business stock, business formation rates are highest in Neath Port Talbot and least in Pembrokeshire. However, relative to the population, the opposite would appear to be the case.

Figure 1.2 Business Survival Rates by Training and Enterprise Areas^(a)



Note: These are geographies and labels as they appear in the DTI database.

Source: DTI Small Business Service, *VAT Survival Statistics*, 2004 (Businesses registered in 1998)

Typically in South West Wales, the 12 month survival rate of new registrations is around 89% falling to 57% by 48 months after registration.

Table 1.5 VAT registered businesses by industrial group, 2003

	Number of VAT businesses	%	LQ (Benchmark =Wales)		Registrations as % of stock beginning 2003	Deregistrations as % of stock beginning 2003	Absolute change in VAT Stock
Agriculture; fishing	4,605	25.3	1.2		0.7	1.8	-210
Mining; energy/water	20	0.1	1.0		0.0	0.0	-5
Manufacturing	1,180	6.5	0.9		0.6	0.5	10
Construction	1,925	10.6	0.9		1.0	0.9	15
Wholesale & retail	3,810	20.9	1.0		1.7	1.9	-30
Hotels & restaurants	1,840	10.1	1.1		1.5	1.0	90
Transport & communications	735	4.0	0.9		0.4	0.4	-10
Finance	55	0.3	0.8		0.0	0.0	0
Real estate, business services	2,755	15.1	0.8		2.1	1.5	105
Public administration; other	1,055	5.8	1.0		0.4	0.4	-5
Education; health	220	1.2	0.9		0.1	0.1	-5
Total	18,200	100.0	1.0		8.4	8.6	-45

Source: ONS, NOMIS

Industrial structure shows a marginally higher concentration of businesses in both Agriculture and Tourism. Consistent with trends in the rest of Wales there are large absolute increases in the number of VAT registered businesses in Hotels and Restaurants and in Real Estate and other business services.

Table 1.6 Size Structure of Welsh Business, 2003

Employee Size band	Enterprises			Employment		
	South West Wales	Wales	UK	South West Wales	Wales	UK
Micro (0 - 9)	92.0	93.8	94.5	33.4	31.3	28.2
Small (10 - 49)	4.2	4.2	4.5	16.8	14.8	15.1
Medium (50 – 249)	1.1	1.0	0.8	13.0	12.4	13.3
Large (250+)	2.8	0.9	0.2	36.8	41.5	43.4
All	100.0	100.0	100.0	100.0	100.0	100.0

Source: National Statistics, Size analysis of Welsh business, Sept 2004

<http://www.wales.gov.uk/keypubstatisticsforwales/content/publication/economy/2004/sdr69-2004/sdr69-2004.pdf>

At 92% South West Wales has proportionately fewer micro enterprises than Wales generally (94%). Yet it has a larger share of its employment in micro enterprises than Wales (33% as against 31%).

A correspondingly smaller proportion of the region's workforce (36.8%) is employed in firms of size 250+ employees even though it has relatively more firms in this sizeband compared to Wales.

Table 1.7 Size band analysis of enterprises active in local authorities in Wales, 2003

Local Authority	Percent				All	Number
	Micro 0-9	Small 10-49	Med 50-249	Large 250+		
Pembrokeshire	94.5	3.2	0.6	1.7	100	10,385
Carmarthenshire	93.4	3.6	0.9	2.1	100	11,055
Swansea	90.4	4.5	1.4	3.7	100	12,285
Neath Port Talbot	87.9	6.3	1.7	4.1	100	5,065

Small firms and micro business account for the bulk of the business stock in all areas of South West Wales.

Table 1.8 Employment by Unitary Authority Area 2003

Local Authority	Percent				All	Number
	Micro 0-9	Small 10-49	Med 50-249	Large 250+		
Pembrokeshire	50.4	18.0	8.5	23.0	100	34,250
Carmarthenshire	42.7	16.1	11.3	29.9	100	44,450
Swansea	27.0	13.8	10.9	48.3	100	72,895
Neath Port Talbot	24.2	15.9	11.1	48.8	100	34,785

Source: National Statistics, Size analysis of Welsh business, Sept 2004

<http://www.wales.gov.uk/keypubstatisticsforwales/content/publication/economy/2004/sdr69-2004/sdr69-2004.pdf>

Small firms and micro business account for the majority of all employment in the rural areas.

Swansea and Neath Port Talbot exhibit roughly twice the concentration of medium and large firms as the remainder of South West Wales. Approximately one half of all jobs in these two areas are located in establishments with more than 250 employees.

In contrast, in Pembrokeshire and Carmarthenshire, the share of jobs located in large units falls to 23% and 30% respectively.

Chapter 2

Participation in Learning

Introduction

Learning is a necessary undertaking for securing a range of economic, social and personal rewards. The amount of learning undertaken within society is difficult to gauge precisely. Using a broad definition of learning (to encompass reading and practicing) NIACE (2003) have estimated that 42% of adults in Wales (people aged 17 or over) were either currently engaged in learning or had undertaken some sort of learning activity during the previous 3 years¹. This was a higher proportion than for any other UK country. Yet it still means that nearly 6 out of 10 people had had no exposure to any form of learning in the preceding 3 years. In fact almost one third of the NIACE sample (32%) had not undertaken any learning since leaving full-time education. The survey results for South West Wales indicate little in the way of significant departure from the all-Wales position with 42% of people claiming to be current or recent learners and just 29% having not participated in any learning post compulsory education ([Table 2.1](#)).

Participation Rates

Participation rates in formal learning are highest among 16-18 year olds and tail off quickly thereafter. The participation of young people in post compulsory education and training is largely governed by their destinations after completion of their GCSEs.

Destinations data are published by Careers Wales and at the all-Wales level these indicate that the participation of 16 year olds in full-time education may have fallen since the beginning of the decade. However, the change is slight and perhaps a reaction to an increasingly buoyant labour market. Overall the participation of 16 year olds in education and training has remained relatively steady (at around 82%) since the beginning of the decade.

¹ This is a small sample survey (approximately 1,000 individuals) with especially small samples outside of South East Wales. Standard deviations are not reported and the robustness of the estimated proportions cannot be ascertained.

Comprehensive destinations statistics are currently unavailable for the South West Wales region although some information is available for rural South West Wales (Carmarthenshire and Pembrokeshire). This shows that in 2002 some 3,300 16 year-olds completed statutory education in Carmarthenshire and Pembrokeshire. Of these 86% went into some form of continued learning in education or work based learning with 78% continuing in full time education at a school or a college ([Table 2.2](#)). These participation rates are marginally higher than the all-Welsh averages and comparable to those in other rural areas in the Principality.

At 4.1% the proportion known not to be involved in any learning or employment in the two counties is slightly smaller than observed in the all-Wales data. However, as previously indicated in the National report these “first destinations” data may considerably understate the true quantum of inactivity among 16 year olds. A considerable proportion of people who may start a learning opportunity but will either not complete, or not progress.

Learning Pathways

Approximately 75% - 80% of 16 year olds in South West Wales will remain in full time education either at school or a Further Education Institution. This stage of the learning process involves further testing and filters individuals into and along particular careers and labour market pathways.

Just over 4,500 pupils above school leaving age attended maintained schools in South West Wales² in 2002/03 and around 1,600 of these were entered for 2 or more A/AS levels or advanced GNVQs. Their performance in these assessments was better than the all-Wales average with 70% achieving two or more grades A-C and 95% gaining two or more grades A-E³. The subsequent 2003/04 cohort shows a marginal improvement in results with 96% gaining two or more grades A-E. Again the regional results were marginally better than the all-Wales average ([Table 2.3](#)).

² LEAs of Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot.

³ For further details see statistical bulletin SDR 72/2003 released by NAW , 27 Nov. 2003

Opportunities to progress onto formal or vocational learning are available at Further and Higher Education institutions. Higher Education in Wales is provided in 13 HE institutions, the Open University, and (to a much lesser extent) in 18 Further Education institutions in Wales. In all some 53,488 students from Wales attended HE institutions in the UK in 2002/03. Almost 90% of these (47,998) were undergraduates and 62 % were studying at Welsh institutions. This proportion of home students has been increasing steadily since the early 1990s.

South West Wales has 3 HE Institutions - 2 located in Swansea (University of Wales; Swansea Institute of Higher Education) and Trinity College Carmarthen. Between them they account for 17% of enrolments (20,400) in the Welsh HE sector. Student numbers in the Welsh HE sector have increased by steadily at around 4.5% per annum since 1998. In South West Wales, growth in the HE population has been slightly more restrained, at just 3.5% per annum.

Further Education

By far the largest increase in the learning population has occurred in the Further Education sector. Since 1995/96, the total number of further education students in Wales has risen by 30%, a trend driven by increasing numbers of people electing to study on a part-time basis. More than 8 out of 10 FE students in Wales are enrolled on part-time courses and since 1995, their numbers have grown by 42%.

There are 5 colleges of Further Education in South West Wales with a combined population of around 60,000 students in 2002/03 ([Table 2.4](#)). Swansea College is the largest FE provider with 17,000 students – 28% of the FE student population in the region. The 3 largest providers account for 75% of FE provision in the region ([Table 2.5](#)).

Part time students outnumber the full time population by around 4:1 though there is considerable variation by institution ([Figure 2.1](#)). Adult learners (i.e. those aged 19 or over) make up over 90% of the part-time student population while 79% of the full-time student population are aged 18 years or younger ([Table 2.6](#)).

By institution between 10% and 26% of students in South West Wales are supported by employers with an average for the region of 22% - equivalent to that in Wales ([Table 2.7](#)). Without knowledge of what learning is being supported and for what purpose, such data have to be interpreted cautiously. But they give an indication of how far learning providers are able to match their provision with the requirements of the business sector.

The total number of FE student registrations for courses leading to qualifications (i.e. qualification aims) came to just over 154,000 indicating that many students were pursuing more than one qualification. GCSE's and A/AS level qualifications and Key Skills figured strongly among the qualification aims of the full-time (and generally younger) student body. Among those registered for part-time and other modes of study, qualification aims were dominated by Open College Network credits and 'Other' qualifications ([Table 2.8](#)).

Many if not most of new job opportunities in Wales are located in the service economy and in activities such as administration, health care and social services. Not surprisingly this pattern is also reflected in the subject choices of students. Over a third of the subject qualifications aimed for by students on FE courses are in IT and Care subjects. The 3 most popular subjects accounting for 44% of all qualification aims are IT, Care, and Business and Management ([Figure 2.2](#)). Science/Mathematics accounted for 7% of qualification aims – though some of these would presumably include basic skills qualifications.

In 2002/03, almost 8 out of 10 students (79%) at FE institutions across Wales completed their programme of study. In South West Wales the completion rate (at 84%) was considerably better than the Welsh average. Rates of student attrition do vary considerably by institution although in the South West Wales region, these are universally low. Nevertheless, on average 1 in 6 students were not achieving their learning objectives.

The causes of student turnover are not well understood. While almost a quarter of leavers appear to have left for financial reasons, to take up employment or else

transfer to other institutions, nearly 8 out of 10 were motivated by “personal”, “other” or “unknown” reasons ([Table 2.9](#)).

Of those who remain in learning, most will successfully complete their programmes of study. However attainment rates do appear to vary with mode and level of study. For Mainstream A qualifications such as GCSEs and A Levels, full-time students are generally more successful than part-timers. This perhaps is not altogether surprising given that those engaged in part-time study differ markedly from the full-time student population and may be confronted by greater obstacles to learning. Nevertheless, for Mainstream B qualifications such as OCN units, part-time students universally exhibit higher attainment rates than full-time students ([Table 2.10](#)).

Work Based Learning (WBL)

There were over 12,000 ELWa funded Work Based Learners in South West Wales in the financial year to March 2003⁴. Almost all of these were regarded as being in full-time training with many receiving that training in the work place either in full-time employment or with non-employed status. Modern Apprenticeships and Foundation Modern Apprenticeships accounted for over two thirds of trainees most of whom were under 25 years of age ([Table 2.11](#); [Figure 2.3](#))

This is also reflected in a similar distribution of qualification outcomes which were mostly at Levels 1 and 2. Just 10% of qualification outcomes were at Level 3. Overall, 11,512 qualifications were achieved by trainees (including 945 training episodes still in progress) in 2002-03. The most frequently achieved qualifications were Key Skills at Levels 1 and 2 (47%) followed by NVQs or GNVQs at Levels 1 and 2 (23%) - [Table 2.12](#).

Destinations of leavers from WBL show that many of those leaving the youth programme will go on to further training and education. Employment is the most likely outcome for 38% of all leavers and 59% of those aged 19-24. However, not all outcomes are positive and post training transition to unemployment is a particular problem for adults, especially the over 50s. More than 1 in 5 trainees enter unemployment following training and for those aged 25-49 and 50-64, this rises to

⁴ Financial year totals for 2003/04 are not currently available.

38% and 44%. Given the relatively high incidence of unemployment among trainees generally it is interesting that there are almost no flows into self-employment ([Table 2.13](#)).

Adult and Continuing Education

Adult education provision in Wales is currently either provided or facilitated by local education authorities (LEAs). Objectives for adult education are not wholly economic and enable community objectives such as social inclusion and regeneration to be promoted.

Maintained provision has traditionally been “General” in nature - comprising, for example, Foreign (“holiday”) Languages, Physical Education/Sport/Fitness and Practical Crafts/Skills. “General” courses accounted for over 14,300 enrolments (88 per cent of the total) in Wales in 2002/03 and almost four fifths of students enrolling on “General” courses were female. In 2002/03 two fifths of all enrolments in Wales were in Practical Crafts/Skills and around a half of enrolments were part-time day and half evening only.

There has been a sustained fall in the number of venues for maintained provision in Wales and more than one half the provision in South West Wales (60%) is on an assisted basis⁵ ([Table 2.14](#)). No local authority provision was available in Neath Port Talbot. The total number of enrolments for sessions in 2002/03 in South West Wales came to just over 12,000 ([Table 2.15](#)).

Welsh Language Provision

The last decade has marked a substantial change in the way Welsh speakers have addressed their Welsh language skills. This ranges from experiencing and using Welsh mainly in a social context to using Welsh in a professional context. At the same

⁵ These are courses controlled and managed by another organisation, but which the local authority supports either financially, or by providing premises or other facilities free of charge or at subsidised rates.

time, more employers and non-Welsh speakers have come to regard bilingual competences as advantageous.

The demographics of the Welsh language vary considerably across Wales and in South West Wales, Welsh is available as a first language in the majority of schools in Pembrokeshire and Carmarthenshire ([Table 2.16](#)). In the more densely populated districts to the east of the region, the situation is very different so that in Swansea and Neath Port Talbot the vast majority of maintained schools (80%-90%) offer Welsh as second language only.

Courses providing “Welsh for Adults” (funded through ELWa) are offered by (nearly) all Higher and (all) Further Education institutions in South West Wales. During the academic year 2002/03 there were 4,338 Welsh for Adults enrolments at these institutions⁶. The bulk of these enrolments were at the University of Wales Swansea and Coleg Sir Gar ([Table 2.17](#))

Workforce Development

Workforce development is a broader concept than education or training alone and encompasses those interventions (including education and training) that equip individuals with the knowledge and skills to participate more effectively in the workplace and in society. The most robust aggregate information relates to training received by those in employment and is provided by the Local Area Labour Force Survey. This shows the numbers of people who received training (other than Government-supported work-based learning) in the preceding four weeks before the survey.

Results from the 2002/2003 LFS for the South West Wales region are consistent the all-Wales pattern of training ([Table 2.18](#)).

⁶ For further details and analysis see *Evaluation of the national Welsh for Adults programme*, NFER, ELWa, 2003

On average, 16% of the employed workforce had received some form of training in the 4 weeks preceding the survey although women were more likely to receive training opportunities than men. The distribution of training also favours those already well qualified. Of those who were already qualified to Level 4 and above (mostly graduates), 25% had received job-related training in the previous four weeks. For those qualified to Level 3 or lower, the equivalent figure was just 14% ([Table 2.19](#)).

These differences may arise because employers anticipate a higher return from investment in those workers who are already highly qualified and thus perceived as more productive. Alternatively, those who are more qualified may be more amenable / inclined to take up further training opportunities. In this respect, some of the higher level of training for those at already high levels of qualification may be due to requirements of various professions to be able to demonstrate continuing professional development to retain qualified status. The same will apply to a number of craft trades, such as electricians, who require to up-date themselves to a competence in the latest electrical regulations. This factor would be most apparent at NVQ level 3 and above.

The likelihood of receiving training also differs markedly by sector, and this seems to underlie many of the other differences noted. In the public sector, 23% of staff had received training in the last four weeks, compared to 14% in private services and 13% in production industries. As the public sector employs a high proportion of women, and a high proportion of highly qualified workers, this sectoral difference could account for some of the observed difference in workforce development. Structural explanations, such as the relative size of the public sector may also be important in accounting for variations in the incidence of workforce training by Unitary Authority area ([Table 2.20](#)).

Qualifications act as a proxy for skill levels and provide an objective basis for assessing what progress is being made in up-skilling the workforce. Relative to Wales or GB, the South West region has fewer high achievers (NVQ 4+) and more people with no qualifications ([Table 2.21](#)). Significantly there is a bulge at NVQ levels 2 and 3 which could indicate a degree progress towards the attainment of additional higher qualifications.

Conclusions

The skills profile in South West Wales resembles the average in Wales. But this may indicate less about the calibre of the labour force in South West Wales than the position in Wales relative to other regions of the United Kingdom. It follows there is a need to stimulate and sustain more learning activity in Wales, especially among those who need it most and are least inclined to participate. This is not just a matter of encouraging individual participation but equally of convincing employers of the benefits of training. The relatively low incidence of employer support in the FE sector generally suggests a narrow view of the benefits from learning. This is reinforced by inequalities in the distribution of workplace training and which tends to favour those who are perceived to have most to offer – invariably these are often already well qualified.

The experience of learning can be a powerful stimulus helping to create a virtuous cycle of learning. But not all learning outcomes are necessarily positive ones. Even in the currently favourable labour market conditions almost 4 out of 10 training episode leavers over 25 end up unemployed. While first destinations immediately following compulsory education suggest high participation in learning, subsequent drop out may significantly reduce the cohort. Among Further Education students, on average 1 in 5 do not complete their intended programme of study and in some institutions attrition rates are far higher. Few premature leavers do so in order to take up employment.

Arguably inequalities in the distribution of learning opportunities and learning outcomes reflect an efficient mechanism that matches individual abilities with jobs. But such inequalities are self-perpetuating, and socially undesirable. They are obstacles to economic progress and to the transformation of Wales into a learning society.

Table 2.1 Participation in Learning, 2003

Current, Recent and Past Learning		
	South West Wales	Wales
	%	%
Current Learning	14	22
Recent learning (within the last 3 years)	28	20
Past learning (over 3 years ago)	24	26
Not since full-time education	34	32

Source: Moving Forward, Survey on Adult Participation in Learning in Wales 2004; Table 11.

42% of adults in Wales and South West Wales are current or recent learners.
32% in Wales and 34% in South West Wales had not undertaken any learning since leaving full-time education.

Table 2.2: Destinations of pupils at the end of compulsory education in Pembrokeshire and Carmarthen, 2002

Destinations of leavers from compulsory education						
All	Pembroke shire	%	Carmarthen shire	%	South West Rural	%
Continuing in full time education	1,015	79.9%	1,569	77.0%	2,584	78.1%
Work-based training – employed and non employed status	93	7.3%	168	8.2%	261	7.9%
Employed – other	56	4.4%	116	5.7%	172	5.2%
Known not to be in education, training or employment	71	5.6%	84	4.1%	155	4.7%
No response / Left the area	35	2.8%	101	5.0%	136	4.1%
In learning or planned training	1,108	87.2%	1,737	85.2%	2,845	86.0%
Total	1,270	100.0%	2,038	100.0%	3,308	100.0%

Source: Careers Wales

3,300 16 year-olds completed statutory education in Carmarthenshire and Pembrokeshire. Of these 86% went into some form of continued learning in education or work based learning with 78% continuing in full time education at a school or a college

Table 2.3: Pupils aged 17 at the start of the academic year, 2002/03 and 2003/04, by Local Education Authority

maintained schools in.....	percentage of pupils entering two or more A/AS levels or achieved vocational equivalent who...					
	number of pupils entering two or more A/AS levels or achieved vocational equivalent		achieved two or more A/AS levels grade A-C or vocational equivalent		achieved two or more A/AS levels grade A-E or vocational equivalent	
	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04
Pembrokeshire	490	469	69	69	95	95
Carmarthenshire	566	586	71	71	96	98
Swansea	472	501	66	71	92	96
Neath Port Talbot	97	115	81	65	98	97
South West Wales	1,625	1,671	70	70	95	96
Wales	9,848	10,041	68	68	94	95

Includes independent schools, but excludes further education institutions.

Source: Statistical Directorate, NAFW, November 2003

Performance at A level or equivalent in South West Wales is better than the all-Wales average.

Table 2.4 Students enrolled at FE and HE Institutions in South West Wales 2002/2003

Students	Full-time	Part-time	All modes
FE students at FE institutions	10,973	48,387	59,360
HE students at FE institutions	314	1,046	1,360
Total students at FE institutions	11,287	49,433	60,720

Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003")

Notes: 1) All students enrolled in 2002/03 are counted

2) Includes all FE and HE institutions excluding some Welsh for Adults provision in HE institutions.

3) Extract from tables F1.1 and F1.2

Part-time students outnumber the full time population by around 4:1

Table 2.5 Further Education Students in South West Wales by Institution

Further Education Institutions in South West Wales		
Institution	Student Numbers	Market Share %
Coleg Sir Gar	12,482	21%
Gorseinon College	4,830	8%
Neath Port Talbot College	14,630	25%
Pembrokeshire College	10,563	18%
Swansea College	16,855	28%
South West Wales	59,360	100%

Source: ELWa, "HE, FE and Training Statistics in Wales 2002/2003"

Swansea College and Coleg Sir Gar account for over one half of FE students South West Wales.

Table 2.6 Students enrolled by age group and mode of attendance, South West Wales 2002/03

Age Group	Full Time		Part Time		Total	
	No	%	No	%	No	%
Under 16	136	1	1,145	2	1,281	2
16-18	8,567	78	2,844	6	11,411	19
19-20	750	7	2,018	4	2,768	5
21-24	474	4	3,770	8	4,244	7
25-39	727	7	15,259	32	15,986	27
40-59	284	3	17,286	36	17,570	30
60+	18	0	5,630	12	5,648	10
Total	10,973	100	48,387	100	59,360	100

Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003" Table F3.4)

Instances of unknown age are excluded from individual age rows but included in the total. Percentages are based on totals excluding age not known

Adults (i.e. those aged 19 or over) make up the bulk of the part-time population while 78% of the full-time student population are 16-18 years olds

Table 2.7: FE Students enrolled at FE Institutions who were supported by employers 2002/2003

College	Number of students	Supported by employers	Percent
Coleg Sir Gâr	12,482	3,277	26%
Gorseinon College	4,830	476	10%
Neath Port Talbot College	14,630	3,810	26%
Pembrokeshire College	10,563	3,973	38%
Swansea College	16,855	1,618	10%
South West Wales	59,360	13,154	22%
Wales	258,600	57,699	22%

Source: ELWa (extract from "FE Performance Indicators 2002/2003")
Extract from Target 7

The average rate of employer support is identical to that in Wales but there is considerable variation across institutions.

Table 2.8: Qualification Aims of FE Students enrolled at FE Institutions by Qualification Type, Level 2002/2003

Level of qualification	Full Time		Part Time	
	Number	Percent	Number	Percent
GNVQ Foundation	213	0	1	0
NVQ Level 1	546	1	924	1
GCSE	1,797	3	1,083	1
GNVQ Intermediate / First	906	1	262	0
NVQ Level 2	2,179	3	6,490	8
GCE A/AS Level	10,804	16	677	1
GNVQ Advanced / National / AVCE	4,396	6	820	1
NVQ Level 3 and above	320	0	3,445	4
Key Skills	23,065	34	5,788	7
OCN Units	8,865	13	21,826	25
SLDD Course	1,426	2	3,009	4
Other	13,301	20	41,357	48
Total	67,818		85,682	

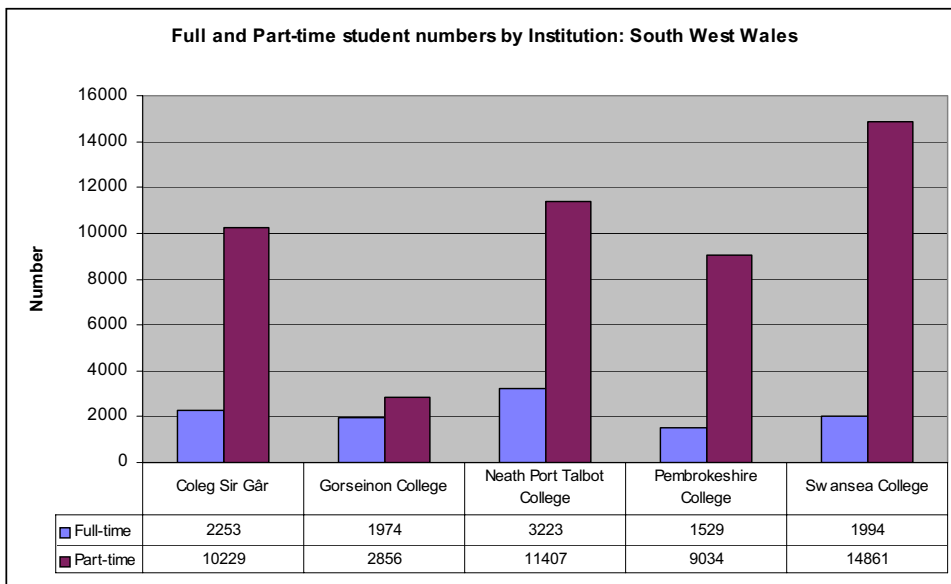
Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003")

Notes: 1) All qualification aims being taken by FE students, however they are funded, in 2002/2003

4) Extract from table F4.3

FE student registrations for courses leading to qualifications indicate that many students are pursuing more than one qualification. GCSE's and A/AS level qualifications and Key Skills figure more strongly among the qualification aims of the full-time student body. Open College Network credits and 'Other' qualifications figure more strongly of the part-time student body

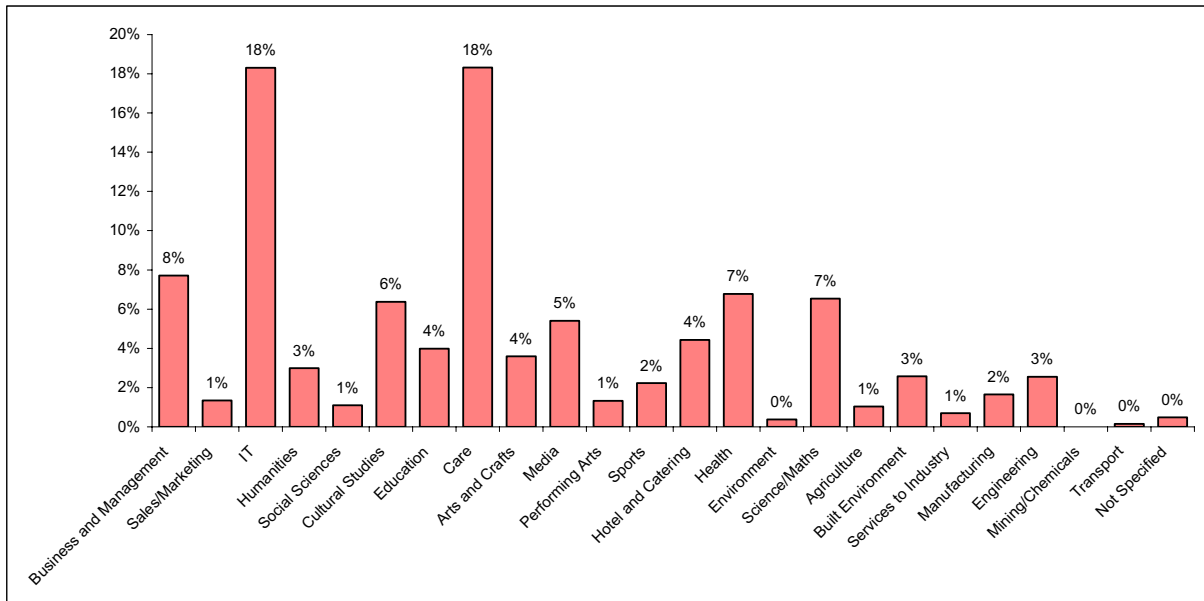
Figure 2.1 FE Student numbers by Institution: South West Wales 2002/2003



Source: ELWa Performance Indicators, 2002/03 (PI 1)

Part time students outnumber the full time population by around 4:1 but this varies considerably by institution.

Figure 2.2 Qualification Aims of FE Students by Subject, South West Wales 2002/2003



Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003, Table F4.1

Over a third of qualification aims are in IT and Care subjects. The 3 most popular subjects accounting for 44% of all qualification aims are IT, Care and Business and Management.

Table 2.9: Student Completion Rates for all FE students at FE institutions who completed or terminated their programme of study, 2002/03

	All students	Percent completed programme of study	Transferred to another Institution	Left without completing programme of study				Total leavers
				Entered Employment	Financial Reasons	Personal Reasons (incl. dropped out)	Other incl not known	
Coleg Sir Gâr	1,393	81%	0%	4%	0%	0%	15%	19%
Gorseinon College	1,133	78%	1%	1%	0%	1%	19%	22%
Neath Port Talbot College	2,239	85%	0%	1%	0%	12%	3%	15%
Pembrokeshire College	959	82%	1%	3%	0%	3%	11%	18%
Swansea College	1,263	93%	0%	1%	0%	3%	3%	7%
South West Wales	6,987	84%	0%	2%	0%	5%	9%	16%
Wales	30,761	79%	1%	4%	0%	6%	11%	21%

Source: ELWa, FE Performance Indicators (Table PI3)

Student retention is well above average and especially high in Swansea College.

Table 2.10: Attainment rates for full-time and part-time FE students at FE institutions who completed their qualification aims in 2002/2003

	Mainstream A Qualifications			Mainstream B Qualifications			All Other Qualifications		
	Number of individual qualifications fully achieved (Q)	Number of qualification-based learning progs. completed whether successfully or not (P)	Q/P (%)	Number of individual qualifications fully achieved (Q)	Number of qualification-based learning progs. completed whether successfully or not (P)	Q/P(%)	Number of individual qualifications fully achieved (Q)	Number of qualification-based learning progs. completed whether successfully or not (P)	Q/P(%)
Full Time									
Coleg Sir Gâr	1,510	1,976	76%	2,163	4,439	49%	1,165	1,409	83%
Gorseinon College	3,489	3,733	93%	1,371	2,522	54%	351	400	88%
Neath Port Talbot College	3,037	4,116	74%	1,864	4,873	38%	1,127	1,549	73%
Pembrokeshire College	749	1,011	74%	3,223	7,188	45%	1,886	2,124	89%
Swansea College	1,626	2,127	76%	5,087	8,247	62%	723	1,035	70%
South West Wales	10,411	12,963	80%	13,708	27,269	50%	5,252	6,517	81%
Part Time									
Coleg Sir Gâr	950	1,339	71%	3,668	5,971	61%	1,993	2,592	77%
Gorseinon College	183	342	54%	469	760	62%	1,586	1,897	84%
Neath Port Talbot College	1,021	1,343	76%	2,732	3,884	70%	1,643	2,389	69%
Pembrokeshire College	893	1,319	68%	3,701	6,152	60%	3,442	4,486	77%
Swansea College	1,194	1,588	75%	7,294	13,057	56%	3,101	5,690	54%
South West Wales	4,241	5,931	72%	17,864	29,824	60%	11,765	17,054	69%

Source: ELWa, FE Performance Indicators (PI4)
 Mainstream A = GNVQ, Advanced VCE, NVQ, GCSE, First, National, A/AS Level and Access to HE
 Mainstream B = All other qualifications formerly categorised as Schedule 2a, b and c.

Attainment rates vary with mode and level of study. For Mainstream A qualifications full-time students tend to be more successful than part-timers but the opposite tends to be true for those pursuing Mainstream B qualifications.

Table 2.11 Trainees by programme and region 2002-03

	No	S.West Wales %	Wales %
Skillbuild	1,973	16	16
Foundation Modern Apprenticeship	4,711	37	37
Modern Apprenticeship	3,985	31	29
Other Youth Programmes	80	1	0
Employability Training	342	3	3
Skills Training	1,071	8	7
Recruit and Train	137	1	4
Modern Skills Diploma	380	3	3
Total	12679	100	100

Source: ELWa, Higher Education, Further Education and Training Statistics, 2002/03; T2.6

Modern Apprenticeships and Foundation Modern Apprenticeships accounted for more than two thirds of trainees most of whom were under 25 years of age.

Fig. 2.3 Trainees by age and gender: South West Wales



Source: National Trainee Database (T2.1)

Modern Apprenticeships and Foundation Modern Apprenticeships accounted for over two thirds of trainees most of whom were under 25 years of age.

Table 2.12: Qualification Outcomes by type and age group: South West Wales 2002-03

Outcome Type	Leaving Age Group						Continuing Training Episode	Total
	Under 16	16-18	19-24	25-49	50-64	65+		
(G)NVQ Level 1	0	476	76	225	69	0	38	884
(G)NVQ Level 2	0	301	962	212	40	0	222	1,737
(G)NVQ Level 3	0	30	452	65	4	0	43	594
(G)NVQ Level 4	0	1	20	2	0	0	2	25
(G)NVQ Level 5	0	0	0	0	0	0	0	0
Key Skill Level 1	0	1,421	608	334	103	0	92	2,558
Key Skill Level 2	0	541	1,759	106	17	0	394	2,817
Key Skill Level 3	0	67	343	40	0	0	77	527
Key Skill Level 4	0	0	0	0	0	0	0	0
C&G Profile of Achievement	0	0	0	0	0	0	0	0
OCR Skills Profile	0	0	0	0	0	0	0	0
Pacific Institute Award	0	724	19	204	54	0	26	1,027
ASDAN	0	374	14	0	0	0	1	389
Vocational Access Certificate	0	7	7	0	0	0	1	15
Wordpower	0	113	9	17	2	0	5	146
Numberpower	0	108	8	26	3	0	4	149
Language Units	0	82	0	4	8	0	0	94
Management Units	0	8	24	16	4	0	8	60
Other Qualification	0	224	53	134	47	0	32	490
Total	0	4,477	4,354	1,385	351	0	945	11,512

Source: (National Trainee Database): ELWa, FE Performance Indicators, Table T3.3

Just 10% of qualification outcomes are Level 3.

Table 2.13 Training episode leavers by destination and age group: South West Wales 2002-03

Leaver Destination	Leaving Age Group						Total
	Under 16	16-18	19-24	25-49	50-64	65+	
Education	1	160	56	59	20	0	296
Training	0	278	156	42	16	0	492
Employed	0	551	1568	266	50	1	2,436
Self-employed	0	2	9	3	2	0	16
Unemployed	0	568	287	170	66	0	1,091
Other	1	630	719	157	37	1	1,545
Total	2	2189	2795	697	191	2	5876
%							
Education	0%	6%	4%	2%	1%	na	4%
Training	0%	24%	6%	17%	17%	na	16%
Employed	67%	21%	59%	33%	31%	na	38%
Self-employed	0%	0%	0%	1%	1%	na	0%
Unemployed	33%	25%	10%	38%	44%	na	22%
Other	0%	24%	20%	9%	6%	na	19%

Source: (National Trainee Database): ELWa, FE Performance Indicators, Table T3.5

Not all training episodes end positively with 38% of 25-49 year olds and 44% of 50-64 year olds unemployed. Despite the high risk of unemployment, virtually none chose self employment.

Table 2.14: Adult and Continuing Education Learners in 2002/2003 by Type of Provision

Type of provision	South West Wales		Wales	
	N	%	N	%
Maintained provision	4,880	40	16,231	29
Contracted out	-	-	3,457	6
Contracted in	7,192	60	30,812	55
Assisted	-	-	5,120	9
All	12,072	100	55,710	100

Source: ELWa ; NafW Statistical Bulletin SB52, 2003
Learners enrolled in the week of 1st December

Provision in South West Wales is a mix of maintained (40%) and contracted-in 60% . All provision in Swansea is LEA maintained.

Table 2.15: Adult and Continuing Education Learners in 2002/2003 by Type of Provision and LEA.

	Maintained		Contracted In		All	
	Venues	Enrolments	Venues	Enrolments	Venues	Enrolments
Pembrokeshire	40	1,941	36	1,375	76	3,316
Carmarthenshire	19	1,454	46	2,670	65	4,124
Swansea	68	1,485	-	-	68	1,485
Neath Port Talbot	-	-	3	3,147	3	3,147
S. West Wales	127	4,880	85	7,192	212	12,072

Source: NafW Statistical Bulletin SB52, 2003

The total number of enrolments for sessions in 2002/03 in South West Wales came to just over 12,000

Notes: There are 4 categories of provision:

Maintained: Courses controlled and managed by the local authority, or by a local authority maintained institution of Further Education for adults. This information is obtained on an individual learner basis.

Assisted: Courses controlled and managed by another organisation, but which the local authority supports either financially, or by providing premises or other facilities free of charge or at subsidised rates. This information is obtained as aggregate data from LEAs.

Contracted out: Provision that the local authority purchases under a formal contractual arrangement from another Further Education provider (e.g. a college).

Contracted In: Provision where the learner is enrolled at a further education institution but is taught at a local authority site under a third party arrangement.

Table 2.16 Maintained secondary schools teaching Welsh, 2002/03

	Welsh as both a first and second language	Welsh as a first language only	Welsh as a second language only	All schools
Pembrokeshire	50.0	12.5	37.5	100.0
Carmarthenshire	46.7	20.0	33.3	100.0
Swansea	0.0	7.1	92.9	100.0
Neath Port Talbot	18.2	0.0	81.8	100.0

Source: Digest of Welsh Local Area Statistics, 2004

The demographics of the Welsh language vary considerably across Wales and this is reflected in the demand for Welsh language provision in schools.

Table 2.17: Welsh for Adults Enrolments at FE and HE Institutions located in South West Wales - 2002/2003

Welsh for Adult Enrolments at FE and HE Institutions located in South West Wales -	
Institution	Total
Coleg Sir Gar	1,007
Gorseinon College	116
Neath Port Talbot College	471
Pembrokeshire College	863
Swansea College	363
University of Wales Swansea	1,345
Trinity College Carmarthen	173
Total	4,338

Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003" extract from tables F1.4

The bulk of adult enrolments are at the University of Wales Swansea and Coleg Sir Gar

Table 2.18: Workforce Development: ELWa South West Wales (March 2003 – Feb 2004)

Workforce development training		
	South West Wales	Wales
Working age population	381,000	1,742,000
In employment	255,000	1,218,000
Training in last 4 weeks (in work)	42,000	197,000
Training as % of in employment (employees + self employed)	16%	16%
Males: Training as % of in employment (employees + self employed)	14%	14%
Females: Training as % of in employment (employees + self employed)	19%	18%
Full-time workers: Training as % of in employment	16%	17%
Part-time workers: Training as % of in employment	18%	15%

Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics

- 16% of the South West Wales workforce had received some form of training in the 4 weeks preceding the survey;
- Women were more likely to receive training than men;

Table 2.19: Workforce Development by Sector and Qualification: ELWa South West Wales (March 2003 – Feb 2004)

Workforce development training:			
	South West Wales		Wales
Training in last 4 weeks	Number	%	%
Production Industries	5,000	13%	13%
Private services	15,000	14%	13%
Public Sector	20,000	23%	24%
NVQ 4 +	17,000	25%	25%
NVQ 3 and below	26,000	14%	18%

Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics

The distribution of training favours those already well qualified.
The likelihood of receiving training also differs markedly by sector.

Table 2.20: Workforce development: Unitary Authorities (March 2003 – Feb 2004)

	Population (working age)	In employment	Training in last 4 weeks (employed + self empl)	Training as % of employment
Pembrokeshire	66,000	46,000	7,000	15%
Carmarthenshire	102,000	66,000	10,000	14%
Swansea	133,000	94,000	17,000	19%
Neath Port Talbot	80,000	49,000	8,000	17%
South West Wales	381,000	255,000	42,000	17%

Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics

There are variations in the incidence of workforce training by Unitary Authority area

Table 2.21: Skills and qualifications: ELWa South West Wales (Mar 2003-Feb 2004)

Skills and qualifications –				
Working age population	South West Wales	South West Wales	Wales	GB
	No.	%	%	%
with NVQ4+	82,000	21.6	22.5	25.2
with NVQ3	59,000	15.4	14.3	14.7
with trade apprenticeships	26,000	6.9	6.7	6.5
with NVQ2	66,000	17.2	16.7	15.2
with NVQ1	52,000	13.6	13.9	14.6
with other qualifications	28,000	7.4	8.0	8.8
with no qualifications	68,000	17.9	17.8	15.1

Welsh Local Area Labour Force Survey 2003-04, National Statistics.

Relative to Wales or GB, the South West region has fewer high achievers (NVQ 4+) and more people with no qualifications.

Significantly there is a bulge at NVQ levels 2 and 3.

Chapter 3

Patterns of Employment, Unemployment and Inactivity

Patterns of employment

In some respects, the recent development of the South West Wales economy has been similar to that in South East Wales. The population of working age has fallen (though not to the same extent as in the South East region) but a fall in the unemployment rate and a stable activity rate has left employment virtually unchanged. ([Table 3.1](#)) The employment rate has, however, risen slightly from 66.8% in 2001 to 67.6% in 2003. The fall in the unemployment rate took it from 6.6% to 5.9% over the same two year period.

The current figures for employment by age are given in [Table 3.2](#), where the rates are also compared with the rest of Wales and with the UK as a whole. Employment rates in South West Wales tend to be lower than in Wales as a whole in every age group (except 20-24), and they are also lower than in the UK, especially for the over-50 group. It is worthwhile pointing out that the increase in employment rates noted above is almost entirely due to a large increase in employment among 20-24 year olds. 61.5% of this age group were employed in 2001, but by 2003 the figure had risen to 69.9%.

[Tables 3.3](#) and [3.4](#) show employment rates for men and women respectively. Once again employment rates are low in South West Wales when compared with the rest of Wales. Compared to the UK, employment rates among women are almost 5 percentage points lower, and men's employment rates are almost 8 percentage points lower. In 2001, this report showed both men's and women's employment rates with larger differences relative to UK rates, so that employment rates in South West Wales may be judged to have improved relatively as well as absolutely in recent years.

Geographical Distribution

Employment in South West Wales has generally improved, but this overall statistic conceals a geographic divide of the region, with those parts with high rates of employment gaining ground, and those with lower employment rates losing ground. ([Table 3.5](#)) It is striking that the 3 constituencies with the highest ranking employment rates (Gower, Preseli Pembrokeshire, and Carmarthen West and South) are those in

which employment rates have risen, while the other six constituencies (Llanelli, Aberavon, Neath, Carmarthen East & Dinefwr, Swansea East and Swansea West) have suffered falls in employment.

Industrial sectors of employment

There are two sources of information about employment that enable a breakdown by industrial sector: the Labour Force Survey (LFS), which has been the source of most of the information in this report so far; and the Annual Business Inquiry (ABI). These two sources differ in that the LFS is a survey of households, while the ABI is a survey of businesses. The LFS is probably a more reliable source for many issues to do with employment, because the ABI includes only businesses that are VAT or PAYE registered. Small enterprises (such as self-employed building workers) are therefore excluded. Despite this, we report figures from both surveys in [Tables 3.6](#) and [3.7](#).

In common with Wales as a whole, the single largest sector providing employment in South West Wales is the public sector: Public administration, Education and Health. The LFS gives the share of this sector in total employment as 33.2% which is higher than in Wales as a whole (30.8%). ABI gives similar, if slightly larger, figures. Both sources indicate an increase in the share of this sector in total employment. For comparison, the 2001 LFS figure was 30.9%.

The second largest employment sector is Distribution, Hotels and Restaurants, which accounts for a little over 1/5 of employment within South West Wales as well as within Wales as a whole. This sector's share of employment has been static since 2001. Compared with the rest of Wales, South West Wales' Manufacturing sector is small. It has also decreased in relative size over the last two years, from 14.5% to 14.1%.

Construction and Banking, Finance and Insurance each account for over 8% of South West Wales' employment. The Construction sector is a little larger than in Wales as a whole, but Banking is smaller. Construction has retained a constant share of employment in South West Wales since 2001.

Altogether, the industrial sectors described above account for almost 85% of employment in South West Wales. This proportion is unchanged over the last two years, according to the LFS figures.

Occupational patterns of employment

[Table 3.8](#) shows the occupational distribution of employment in Wales and in South West Wales. The two distributions are not substantially different from each other. Neither has there been any substantial change since 2001.

Self-employment

There has been a small increase in the self-employed in South West Wales, from 31,000 to 32,000 since 2001. As [Table 3.9](#) indicates, while the working age population fell by 5,000, the total number employed fell by 1,000. Despite this, self-employment rose slightly.

Levels of Earnings

The New Earnings Survey (NES) was published for the last time in 2003 and has been replaced by the Annual Survey of Hours and Earnings (ASHE), the results of which have just become available. This gives rise to a discontinuity in earnings data as estimates of average weekly pay are higher in ASHE than in the NES. Further, the increase is higher for men than for women, thereby widening the estimated gender earnings differential. There are also regional effects with the level of earnings for people working in London rising more than in other regions. This in part is a consequence of the wider coverage of ASHE.¹ The statistics in [Table 3.10](#) refer to the Unitary Authorities that make up the South West Wales region. Some of these are based on sample sizes that are too small to produce reliable results. These are indicated by (!), or (!!), and should be treated with some circumspection.

Between 2003 and 2004, earnings in Wales rose by 5.4 per cent compared to a 4.1 per cent rise for the UK as a whole, so that average earnings in Wales in April 2004 were £441.7, a figure 12.5 per cent below the UK average and 4.4 per cent below the UK average excluding London and the South-East ([Table 3.10](#)). As noted in the national report, within Wales there are substantial differences in earnings between the Objective One area and the rest of Wales (Objective Three). In 2004 the gross weekly wage was £467.6 in the Objective Three area and £419.6 in the Objective One area. The South West region is entirely within the Objective One area and the weekly earnings data

¹ See C. Daffin, An Analysis of Historical ASHE Data 1998 to 2003, *Labour Market Trends*, December, 2004, pp 493-

indicate why. While Neath Port Talbot has earnings levels close to the Welsh average, the remaining three NUTS areas listed in the Table have earnings 10-12% below the Welsh average. More alarming perhaps is the comparison with 1999 which shows all three of the areas losing ground relative to the Welsh average.

It should be noted too that these figures take no account of different price levels between and within regions and, therefore, do not necessarily point to differences in the standard of living. Nor do they take into account differences in the occupation mix, so that they do not necessarily point to differences in pay for like work.

The national report observed that the gender pay gap in Wales is smaller than in the UK generally. [Table 3.11](#) indicates that it has also declined in Wales as a whole over the last 5 years. This decline also appears to have occurred across the South West Wales region in the sense that nearly all UA's show a reduction in the pay gap. The only exception is Neath Port Talbot, where the gap apparently increased from 1.26 to 1.32.

Skills of the Employed

The skills of the employed workforce in South West Wales have improved since 2001, with 25.8% now being qualified to NVQ Level 4 or above ([Table 3.12](#)). This represents an increase of almost 1 percentage point in the last two years. The down side of this statistic is that skills in Great Britain generally have improved, so that the South West Wales position vis a vis the whole of Wales has changed little, and vis a vis Great Britain has actually got worse. The difference now is 2.8 percentage points, whereas in 2001 it was 1.9.

Non-employment – who is not working?

Non-employment in this report includes both those who are economically inactive and those who are classed as unemployed under the ILO definition². We have already seen in [Table 3.1](#), that economic inactivity in 2003 in South West Wales was 28.2% compared with 25.8% for Wales as a whole.

² The ILO definition is self-reported in work or actively seeking work. It is now generally regarded as preferable to the claimant count measure that is still published in Britain – not least because it is not directly affected by changes in the rules for claiming benefits.

Low qualifications

The recent work by WELMERC³ on patterns of inactivity in Britain has been summarised at some length in the National report. One of the main findings of that study is that: "Differences in economic activity rates between Wales and other regions are due in part to differences in the composition of populations and in part due to differences in propensities towards economic activity for individuals with similar characteristics. In most of the regional comparisons made, around half of the observed difference in regional economic activity rates cannot be accounted for by characteristic effects." It is also true that one of the characteristics driving differences in inactivity rates is educational achievement: "Economic inactivity rates are lower the higher is an individual's educational achievement. ... In 2001 economic inactivity rates were lowest among those with a degree and highest for those with no qualifications. For example, the economic inactivity rate in Wales (GB) in 2001 for individuals with no qualifications was 47 (42) per cent, while for individuals whose highest qualification was a degree the inactivity rate was only 12 (10) per cent."

Disabilities

For the analysis of the employment situation of people with disabilities, we use a wide definition of disability. Firstly, there are people who are defined as disabled within the meaning of the Disability Discrimination Act. This covers people who have "a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities". An additional category is those who have a work-limiting disability. This has been identified in surveys as being a health problem which limits the type or amount of work which a person can undertake. In this analysis, we include people who are either DDA disabled or work-limited disabled, or both (the largest category). Therefore we include a wide range of people with health limitations to possible employment as well as people with more immediately recognisable forms of disability.

[Table 3.13](#) shows the breakdown of the working age populations of South West Wales and Wales as a whole. These are virtually unchanged from the figures reported in the last of these reports for 2001. 23.9% of the working age population of South West Wales had at least one of the types of disability described above. This compares with 24.1% in

³ WELMERC: "Identifying barriers to economic activity in Wales" <http://www.wales.gov.uk/subiresearch/content/eru/rpt03-04-e.htm>.

2001, and 23.0% in Wales as a whole. The employment rate for people with disabilities in South West Wales (as recorded in the Welsh boost to the Local Area Labour Force Survey) is 36.7%. This is lower than the Wales rate of 39.8%, but still only just under half the employment rate for those without disabilities.

It should be noted though that South West Wales' good economic health over the last two years has reflected on the disabled, as well as on others. The increase in their employment rate of just over 2 percentage points since 2001, has been about the same as in Wales as whole. ([Table 3.14](#))

Finally, [Table 3.15](#) breaks down the economically inactive and unemployed by disability status. These figures are virtually unchanged from 2001, except that the proportion of the unemployed who are disabled has risen a little in South West Wales. In 2001, this figure was 22.2%, it is now 25.0%.

People aged over 50

In 2003, 67.6% of people aged over 50, but under retirement age were working, which is well below the rate for Great Britain, and 2.9 percentage points below that for Wales as a whole ([Table 3.16](#)). Comparing these statistics with those from 2001 indicates no change in the GB figure, an increase from 69.1% for Wales, and an increase from 57.3% for South West Wales⁴. The issue of low qualifications among the older age groups appears to have worsened somewhat in South West Wales, with 34% of those of working but aged over 50 now having qualifications below NVQ2, compared with 32.5% 2 years ago.

Unemployment

Unemployment on the ILO international standard measure was 16,000 in South West Wales in 2003 ([Table 3.1](#)), which is 5.9% of the economically active. There is considerable variation in the unemployment rate across Wales. In [Table 3.17](#), Economy inactivity and non-employment rates are shown for the 4 UA's making up South West Wales. Both rates are higher than for Wales as a whole in all the Unitary Authorities bar one, reinforcing the impression that the labour market in South West Wales is not

⁴ Table 59 in this report's predecessor gives figures different from these. We have been unable to reconstruct how these numbers were computed.

particularly buoyant. The exception is Swansea, where both rates are marginally below the national averages.

Benefit claims are also high in South West Wales relative to the rest of Wales. Claims for all the main benefits (JSA, Incapacity Benefit, Disability Allowances and Income Support) are higher as a percentage of the working age population in all UA's other than Pembrokeshire ([Table 3.18](#)). In [Table 3.19](#) data are provided for claimant count of Job Seekers' Allowance in May 2003 in the 4 Unitary Authorities making up the South West Wales area. The rate varies between 1.8 per cent in Carmarthenshire to 2.6 per cent in Pembrokeshire. It should, however, be pointed out that some of these absolute figures are below the minimum publishable due to small sample size (1,000 or 2,000 being the minimum depending on area). The claimant count for the whole of Wales fell from 45,000 in June 2003 to 38,220 in June 2004 (i.e. from 2.6 to 2.2. per cent).

As shown in the National Report, New Deal statistics for March 2003 show that Wales was the second most successful region in securing sustained jobs for both 18-24 year olds unemployed for six months or more and for longer term unemployed adults. There is some difficulty in extracting regional information from the New Deal statistics, since the Jobcentre Plus districts are not conformable with the Assembly regions. In [Tables 3.20](#) and [3.21](#), we give the summary statistics for New Deal performance in the two districts that include the South West Wales area: Swansea Bay, and West Wales respectively. The Tables show that, as of December 2004, in Swansea Bay 81.6% of those entering the New Deal for Young People obtained sustained employment. The corresponding figure for West Wales was 82.4%. The New Deal 25 Plus delivered 77.0% entrants to sustained employment in Swansea Bay, and 78.2% in West Wales. The figures for younger workers are rather better than the figures for Wales as a whole given in the National Report, while those for older workers are worse.

A new data source that became available in 2003 is Job Centre Plus's district level statistics of performance relative to the Performance and Resources agreement. In 2003-4 the target for Wales as a whole was missed by 2.9 per cent, but the two South West Wales districts performed very differently, with West Wales missing its target profile by over 13%, and Swansea Bay exceeding it by 4% ([Table 3.22](#)). For lone parents job entries for Wales as a proportion of the client base rose to 13.9 per cent

compared to the GB average of 10.1 per cent ([Table 3.23](#)). In both the South West Wales districts, job entries for lone parents were lower than in Wales generally. In the case of people with disabilities, job entries as a proportion of the client base in Wales were only 2.1 per cent, and ([Table 3.24](#)) they were much the same in the South West Wales districts. Wales' performance comfortably exceeds that of GB in relation to job entries for customers unemployed for six months or more and for other disadvantaged clients – 48.7 per cent as opposed to 36.8 per cent. South West Wales is very slightly below the Welsh average, but still comfortably above GB ([Table 3.25](#)). For customers unemployed for less than six months the difference is more marginal – 10.91 per cent as opposed to 9.1 per cent ([Table 3.26](#)). Both the South West Wales districts performed below the (Welsh) national average – 8.5% in Swansea Bay and 10.5% in West Wales.

We have referred to the WELMERC study of inactivity in Wales already in this chapter. This not only points to the fact that economic inactivity is substantial in Wales relative to other regions in Britain, but also that it varies significantly across Wales and so has a geographical dimension. The WELMERC study was not, however, structured in such a way as to be able to extract from it statistics that are reliable on a regional basis, some basic facts can, however, be extracted from the Labour Force Survey. In 2003, the inactivity rate in South West Wales was 28.2%. This is higher than the rate for Wales as a whole ([Table 3.1](#)). Of the economically inactive, 22.4% wanted a job, in comparison to 23.8% for Wales ([Table 3.27](#)).

The Demand for Skills

Most of what we have discussed above focuses on the supply of labour. As in the National Report, we also consider the employers' demand for labour as expressed in the current number employed, hours of work, vacancies and labour cost. Labour demand is closely linked to the business cycle. Thus during periods of growth, firms may initially respond by increasing the input of labour from their existing workforce, by increasing paid and unpaid overtime, and only when the additional demand seems longer term, recruit extra workers to produce the higher output required. In the recession, the initial response may be to cut hours and then lay-off workers. Some workers, who have particular skills which are in short supply may, however, be hoarded, so that they are readily available when product demand recovers. For these reasons we expect hours of

work to fluctuate much more than numbers employed over the cycle and employment only to react after a time lag.

In the National Report, we examine job starts in Wales using the Labour Force Survey 2003-04. However, the relevant figures are not readily available at a more disaggregated level, so we are unable to carry out a parallel regional analysis.

Job density is defined as the number of filled jobs in an area (including self-employed, government supported trainees and HM forces) divided by the number of working-age residents in that area. It is an alternative measure of the demand for labour in the local area. Job Density figures are available for 2000, 2001 and 2002 and show little change for the constituent countries of the UK apart from Scotland. ([Table 3.28](#)) Within Wales job density is much higher in the Objective Three (O3) area than in the Objective One (O1) area. South West Wales is in the O1 area, and it is no surprise to find low job density values within the region. Swansea has the highest job density rate, but even here the figure is 0.79 compared to a mean job density of 0.84 in the O3 area.

Another means of meeting greater product demand is increasing labour productivity.⁵ This may be measured in a number of ways including productivity per worker and productivity per hour. Long-term UK productivity growth is around 2 per cent per annum. In comparison of productivity across counties allowance should be made for differences in the vintage of the capital stock, in the capital/labour ratio and in the skill distribution of the workforce.

In [Table 3.29](#) productivity is measured in terms of gross value added per person employed and in 2002 Wales' productivity was only 83 per cent of the UK average. However, within Wales there are substantial differences in productivity. None of the NUTS areas that make up the South West Wales region have productivity levels close to the UK average, the highest being Swansea which has productivity 87% of the UK average.

⁵ A useful discussion is contained in C. Lindsay, Labour Productivity, *Labour Market Trends*, November 2004, pp 447-454.

Conclusions

The labour market in South West Wales has not changed dramatically in recent years. It still has comparatively low levels of employment and high rates of unemployment. It is also a divided region, with Gower, Preseli Pembrokeshire and Carmarthen West and South showing relatively high (and increasing) employment rates, while the rest of region has low (and decreasing) employment. Earnings remain low.

The service sector provides most employment in South West Wales, as in the rest of Wales , and there is little or no change in the industrial structure of the region. As elsewhere in Britain self-employment has increased, but not any great extent.

Aspects of particular concern in the South West Wales labour market are the relative lack of qualifications, low earnings, and the low productivity levels of its industries.

Table 3.1: Labour market statistics, South West Wales and Wales, 2003

Labour market statistics 2003			
	South West Wales	Wales	Difference from Wales
Economically active	273,000	1,293,000	
In employment	257,000	1,227,000	
ILO unemployed	16,000	66,000	
Economically inactive	107,000	449,000	
Economic activity rate	71.8	74.2	-2.4
Employment rate	67.6	70.5	-2.9
ILO unemployment rate	5.9	5.1	0.8
Economic inactivity rate	28.2	25.8	2.4

All are working age

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

The population of working age has fallen
 But a fall in the unemployment rate and a stable activity rate has left employment virtually unchanged.
 The employment rate has, however, risen slightly from 66.8% in 2001 to 67.6% in 2003.
 The unemployment has fallen from 6.6% to 5.9% over the same two year period.

Table 3.2: Employment rates by age, South West Wales and Wales, 2003

Employment rates by age %					
	South West Wales	Wales	UK	Difference from Wales	Difference from UK
16-19	42.3	47.1	49.9	-4.8	-7.6
20-24	69.9	68.1	69.1	1.8	0.8
25-34	74.5	77.2	79.2	-2.7	-4.7
35-49	78.8	80.1	81.7	-1.3	-2.9
50-retirement age	56.5	61.9	69	-5.4	-12.5

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

Employment rates in South West Wales tend to be lower than in Wales as a whole in every age group (except 20-24), and they are also lower than in the UK, especially for the over-50 group.

Table 3.3: Male employment rates by age 2003

Employment rates by age %					
	South West Wales	Wales	UK	Difference from Wales	Difference from UK
All men	70.7	74.0	78.7	-3.3	-7.8
16-19	41.1	46.5	48.9	-5.4	-7.8
20-24	72.7	73.8	73.5	-1.1	-0.8
25-34	84.1	85.5	87.5	-1.4	-3.4
35-49	84.1	85.6	88.4	-1.5	-4.3
50-retirement age	57.3	62.6	71.0	-5.3	-13.7

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

Compared to the UK, men's employment rates are almost 8 percentage points lower.

Table 3.4: Female employment rates by age 2003

Employment rates by age %					
	South West Wales	Wales	UK	Difference from Wales	Difference from UK
All women	64.3	66.7	69.2	-2.4	-4.9
16-19	43.5	47.8	50.9	-4.3	-7.4
20-24	67.1	62.6	64.8	4.5	2.3
25-34	65.7	69.4	71.2	-3.7	-5.5
35-49	73.7	74.9	75.1	-1.2	-1.4
50-retirement age	55.4	60.8	66.3	-5.4	-10.9

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

Compared to the UK, employment rates among women are almost 5 percentage points lower.

Table 3.5: Patterns of employment and economic inactivity by parliamentary constituency

Patterns of employment and economic inactivity by parliamentary constituency					
	Employed	Rank	Change since 2001	Rank in 2001	Inactive
Llanelli	64.5	6	-2.8	9	32.1
Aberavon	61.1	9	-0.9	8	834.1
Neath	63.1	7	-1.2	7	732.2
Carmarthen East &	63	8	-3.5	6	632.9
Swansea East	67.7	5	-1.0	5	528.5
Swansea West	68.5	4	-0.9	4	424.5
Carmarthen West & South	71.2	3	3.3	2	225.2
Preseli Pembrokeshire	71.6	2	2.6	3	324
Gower	76.1	1	1.8	1	121
Wales	70.5				25.8

<*> The boundary matching in these constituencies is not exact.

These statistics incorporate the Wales boost to the Labour Force Survey

These figures are suppressed as statistically unreliable

Employment in South West Wales has generally improved, but this overall statistic conceals a geographic divide of the region, with those parts with high rates of employment gaining ground, and those with lower employment rates losing ground.

Table 3.6: Wales: employment by industry 2003, Labour Force Survey estimates

Wales: employment by industry 2003					
	South West Wales		Wales		Difference from Wales
	No.	%	No.	%	%
Agriculture & fishing	7,000	2.6	24,000	2	0.6
Energy & water	3,000	1.3	15,000	1	0.3
Manufacturing	36,000	14.1	198,000	16	-1.9
Construction	21,000	8.2	101,000	8	0.2
Distribution, hotels & restaurants	54,000	21.1	243,000	20	1.1
Transport & communication	14,000	5.5	69,000	6	-0.5
Banking, finance & insurance etc	22,000	8.6	125,000	10	-1.4
Public admin, education & health	85,000	33.2	379,000	31	2.2
Other services	13,000	5.2	72,000	6	-0.8
Total services	189,000	73.6	888,000	72	1.6
Total in industries	255,000	100	12,260,00	100	

All are Working Age

Information relates to the main business of survey respondents living in South West Wales.

Therefore, it will include those whose place of employment is within South East Wales or Mid Wales.

Employment includes self-employment.

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

The single largest sector providing employment in South West Wales is the public sector.

The LFS gives the share of this sector in total employment as 33.2% which is higher than in Wales as a whole (30.8%).

The second largest employment sector is Distribution, Hotels and Restaurants, which accounts for a little over 1/5 of employment within South West Wales as well as within Wales as a whole.

Table3.7: Wales: employment by industry – Annual Business Inquiry data, 2003

Wales: employment by industry – Annual Business Inquiry data					
	South West Wales		Wales		Difference from Wales
	No.	%	No.	%	%
Agriculture and fishing	459	0	1,723	0	0
Energy and water	1,079	0	7,997	1	-1
Manufacturing	31,241	14	179,108	16	-2
Construction	11,023	5	47,110	4	1
Distribution, hotels and restaurants	57,545	25	262,483	24	1
Transport and communications	10,058	4	51,060	5	-1
Banking, finance and insurance, etc	27,153	12	133,146	12	0
Public administration, education & health	81,287	35	366,261	33	2
Other services	10,771	5	55,587	5	0
Total	230,616	100	1,104,475	100	0
Total services	186,814	81	868,537	79	2

* These figures are aggregates from which agriculture class 0100 (1992 SIC) have been excluded by the Office for National Statistics.

Source: Nomis, ONS 2003 <http://www.nomisweb.co.uk>

The single largest sector providing employment in South West Wales is the public sector: Public administration, Education and Health.

The ABI shows the share of this sector in total employment as higher than in Wales as a whole.

The second largest employment sector is Distribution, Hotels and Restaurants, which accounts for a little over 1/5 of employment within South West Wales as well as within Wales as a whole.

Table 3.8: In employment by occupation, South West Wales and Wales 2003

In employment by occupation, Wales 2003					
	South West Wales		Wales		Difference from Wales
	No.	%	No.	%	
Managers and Senior Officials	30,000	11.3	153,000	12.1	-0.8
Professional occupations	28,000	10.3	138,000	10.9	-0.6
Associate Professional and Technical	34,000	12.5	166,000	13.1	-0.6
Administrative and Secretarial	34,000	12.7	155,000	12.2	0.5
Skilled Trades Occupations	36,000	13.6	166,000	13	0.6
Personal Service Occupations	21,000	8	100,000	7.9	0.1
Sales and Customer Service Occupations	25,000	9.2	106,000	8.3	0.9
Process, Plant and Machine Operatives	24,000	8.8	123,000	9.7	-0.9
Elementary Occupations	36,000	13.3	160,000	12.6	0.7
Total	268,000	100	1,267,000	100	0

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

The occupational distribution of employment in South West Wales and Wales are not substantially different from each other. Neither has there been any substantial change since 2001.

Table 3.9: Self-employment 2003 in South West Wales and Wales

Self-employment 2003 in South West Wales and Wales				
	South West Wales 2003	Wales 2003	South West Wales 2001	Wales 2001
Self-employed	32,000	146,000	31,000	143,000
Total in employment	257,000	1,227,000	258,000	1,223,000
% self-employed	12.3%	11.9%	12.0%	11.7%
Working age population	381,000	1,742,000	386,000	1,765,000
% self-employed	8.4%	8.4%	8.0%	8.1%

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

There has been a small increase in the self-employed in South West Wales since 2001. While the working age population fell by 5,000, the total number employed fell by 1,000. Despite this, self-employment rose slightly.

Table 3.10: Average gross weekly earnings, full-time employees on adult rates, by local authority, gender

Year	1999				2004 (including supplementary survey information)			
	Persons	Males	Females		Persons	Males	Females	
Area								
Wales	358.7	391.9	300.5		441.7	480.4	377.4	
Pembrokeshire	(!) 356.1	(!) 430.8	(!) 257.5		(!) 404.9	(!) 436.4	(!) 362.0	
Carmarthenshire	338.7	364.8	(!) 300.6		387.5	(!) 415.2	(!) 338.3	
Swansea	355.6	388.8	309.3		409.3	441.4	370.5	
Neath Port Talbot	391.1	414.5	(!) 329.1		448.7	485.0	(!) 368.0	

Footnotes

- (!) The data item has a coefficient of variation (CV) of between 10% and 20% and is therefore categorised as only 'acceptable' by the Office for National Statistics. Only estimates with a CV of less than 5% are considered 'precise', whilst estimates with a CV of between 5% and 10% are considered 'reasonably precise.' Estimates with a CV of above 20% are considered unacceptable and suppressed.
- (!) The data item has a coefficient of variation (CV) of between 5% and 10% and is therefore categorised as only 'reasonably precise' by the Office for National Statistics. Only estimates with a CV of less than 5% are considered 'precise', whilst estimates with a CV of between 10% and 20% are considered 'acceptable.' Estimates with a CV of above 20% are considered unacceptable and suppressed.

Source: Annual Survey of Hours and Earnings, Office for National Statistics
<http://www.statswales.wales.gov.uk/TableViewer/tableView.aspx?ReportId=113>

Between 2003 and 2004, earnings in Wales rose by 5.4 per cent compared to a 4.1 per cent rise for the UK as a whole, so that average earnings in Wales in April 2004 were 12.5 per cent below the UK average. The South West region is entirely within the Objective One area. While Neath Port Talbot has earnings levels close to the Welsh average, the remaining three NUTS areas have earnings 10-12% below the Welsh average.

Table 3.11: The Gender Pay Gap in South West Wales

	Male earnings/Female earnings 1999	Male earnings/Female earnings 2004
Wales	1.30	1.27
Pembrokeshire	1.67	1.20
Carmarthenshire	1.21	1.23
Swansea	1.26	1.19
Neath Port Talbot	1.26	1.32

Source: Annual Survey of Hours and Earnings

The gender pay gap has declined in Wales as a whole over the last 5 years. This decline also appears to have occurred across the South West Wales region in the sense that nearly all UA's show a reduction in the pay gap. The only exception is Neath Port Talbot, where the gap apparently increased from 1.26 to 1.32.

Table 3.12: Qualifications of those in employment, South West Wales and Wales, 2003

Qualifications of those in employment			
Qualification	South West Wales	Wales	GB
	%	%	%
NVQ 4+	25.8	26.8	28.6
NVQ 3	16.8	15	15.2
Under NVQ 3	57.4	58.2	56.2
Total	100	100.0	100.0

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

The skills of the employed workforce in South West Wales have improved since 2001, with 25.8% now being qualified to NVQ Level 4 or above. South West Wales position vis a vis the whole of Wales has changed little, and vis a vis Great Britain has actually got worse.

Table 3.13: Disability in South West Wales and Wales, 2003

Disability in South West Wales				
Disability	South West Wales	Percentage of working age population	Wales	Percentage of working age population
	2001		2001	
	Number	%	Number	%
DDA disabled and work-limiting disabled	61,000	16.1%	271,000	15.6%
DDA disabled	15,000	4%	68,000	3.9%
Work-limiting disabled only	14,000	3.8%	61,000	3.5%
Not disabled	290,000	76.1%	1,342,000	77.0%
All disabled	90,000	23.9%	400,000	23.0%
Total	380,000	100%	1,742,000	100.0%

All are working age

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

23.9% of the working age population of South West Wales had at least one type of disability. This compares with 24.1% in 2001, and 23.0% in Wales as a whole.

The employment rate for people with disabilities in South West Wales is 36.7%. This is lower than the Wales rate of 39.8%, but still only just under half the employment rate for those without disabilities.

Table 3.14: Employment rates for Disabled and Non Disabled, South West Wales and Wales, 2003

Disabled employment rates			
	South West Wales	Wales	Difference from Wales
All disabled	36.7	39.8	-3.1
Not disabled	77.6	79.6	-2.0
Difference	-40.9	-39.8	

All are Working Age

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

The increase in the employment rate of the disabled of just over 2 percentage points since 2001, has been about the same as in Wales as whole.

Table 3.15: Disability, economic inactivity and unemployment, South West Wales and Wales, 2003

Disability, economic inactivity and unemployment (ILO definition)				
	Economically inactive		Unemployed	
	South West Wales	Wales	South West Wales	Wales
Total	107,000	449,000	16,000	66,000
With a disability	55,000	227,000	4,000	13,000
Percentage with a disability	51.4	50.6	25.0	19.7
All are Working Age				

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

The proportion of the unemployed who are disabled has risen a little in South West Wales.

Table 16: Qualifications, economic activity for the working age population aged 50 and over, South West Wales and Wales, 2003

Qualifications, economic activity for the working age population aged 50 and over			
	South West Wales	Wales	GB
Number aged 50 plus	107,000	469,000	8,722,000
Number with qualifications below NVQ 2	50,000	222,000	4,049,000
Proportion of 50 plus below NVQ level 2	45%	46%	49%
Total number with qualifications below NVQ level 2 (working age)	148,000	692,000	13,542,000
50 plus proportion of those with low qualifications	34%	32%	30%
Employment rate (Working Age)	67.6	70.5	74.3

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

Economic inactivity in 2003 in South West Wales was 28.2% compared with 25.8% for Wales as a whole.

Table 3.17 Patterns of non-employment by UA area, 2003

Patterns of non-employment by UA area				
Local authority	Economically inactive	Economic inactivity rate	Not employed	Non-employment rate
Carmarthenshire	31,000	30.6%	34,986	34.3%
Neath Port Talbot	26,000	33.1%	30,240	37.8%
Pembrokeshire	17,000	25.6%	19,602	29.7%
Swansea	33,000	24.6%	38,570	29%
Wales	449,000	25.8%	513,890	29.5%

Source: Welsh Local Area Labour Force Survey 2003 NOMIS, ONS <http://www.nomisweb.co.uk>

There is considerable variation in the unemployment rate across Wales
 Economy inactivity and non-employment rates are higher than for Wales as a whole in all the Unitary Authorities bar one.
 The exception is Swansea, where both rates are marginally below the national averages.

Table 3.18 Patterns of key benefit receipt by UA area, August 2004

Patterns of key benefit receipt by UA area										
August 2004	All		Unemployed		Sick & Disabled		Lone Parents		Other	
	000s	% ¹	000s	% ¹	000s	% ¹	000s	% ¹	000s	% ¹
Carmarthenshire	18.6	19	1.6	2	14.1	14	2.1	2	0.7	1
Neath Port Talbot	20.6	28	2.2	3	15.5	21	2.4	3	0.5	1
Pembrokeshire	11.1	17	1.7	3	7.4	11	1.6	2	0.5	1
Swansea	26.7	20	3.6	3	18.8	14	3.6	3	0.7	1
WALES	321.9	18	38.9	2	230.8	13	41.7	2	10.6	1

Figures under 500 marked '**' are subject to a high degree of sampling error and should be used only as a guide to the current situation.

"-" nil or negligible

Figures are rounded to the nearest hundred

Key benefits are Jobseeker's Allowance (JSA), Incapacity Benefit (IB), Severe Disablement Allowance, Disability Living Allowance,

Income Support and National Insurance credits only (through JSA or IB)

¹ Percentage of the population of working age

Source: Client Group Analysis of DWP Information Centre NOMIS, ONS <http://www.nomisweb.co.uk>

Claims for all the main benefits are higher as a percentage of the working age population in all UA's other than Pembrokeshire

Table 3.19: Claimant Count of Jobseeker's Allowance claimants, UAs in South West Wales, May 2003

Claimant Count of Jobseeker's Allowance claimants		
May 2003	Number	Rate %
South West Wales	8,858	*
Carmarthenshire	1897	1.8
Neath Port Talbot	1956	2.4
Pembrokeshire	1710	2.6
Swansea	3295	2.4

Rates are the number of claimants divided by the working age population (Revised definition since 2002).

* These Figures are missing

Source: Nomis, ONS 2003 <http://www.nomisweb.co.uk>

The claimant count rate varies between 1.8 per cent in Carmarthenshire to 2.6 per cent in Pembrokeshire.

Table 3.20 Summary of people into jobs through New Deal: Jobcentre Plus District: Swansea Bay.

Summary	New Deal for Young People		New Deal 25 Plus Enhanced programme			
	Total	of which, Sustained ⁶	Total	of which, Sustained	Total	of which, Sustained
as at end Dec-04	5,270	4,300	2,040	1,570	1,500	1,110
By Gender						
Male	4,020	3,280	-	-	1,320	970
Female	1,250	1,020	-	-	180	140
Disability						
People with Disabilities	990	810	-	-	620	450
Age Group						
18-24	5,270	4,300				
25-29			-	-	340	240
30-34			-	-	300	230
35-39			-	-	280	210
40-49			-	-	400	300
50+			-	-	180	140

Source: Department of Work and Pensions

http://www.dwp.gov.uk/asd/asd1/new_deal/ndyp_sept04/wales.asp

In Swansea Bay 81.6% of those entering the New Deal for Young People obtained sustained employment.

The New Deal 25 Plus delivered 77.0% entrants to sustained employment in Swansea Bay.

⁶ A job from which the participant does not return to New Deal within 13 weeks. This includes jobs in which participants have been employed for less than 13 weeks, but have not yet returned to New Deal.

Table 3.21 Summary of people into jobs through New Deal: Jobcentre Plus District: West Wales

Summary	New Deal for Young People		New Deal 25 Plus Enhanced programme			
	Total	of which, Sustained ⁷	Total	of which, Sustained	Total	of which, Sustained
as at end Dec-04	4,790	3,950	1,470	1,150	1,040	810
By Gender						
Male	3,540	2,920	-	-	870	680
Female	1,250	1,030	-	-	170	130
Disability						
People with Disabilities	900	730	-	-	370	290
Age Group						
18-24	4,790	3,950				
25-29			-	-	220	180
30-34			-	-	190	150
35-39			-	-	170	140
40-49			-	-	280	210
50+			-	-	170	130

Source: Department of Work and Pensions

http://www.dwp.gov.uk/asd/asd1/new_deal/ndyp_sept04/wales.asp

In West Wales 82.4% of those entering the New Deal for Young People obtained sustained employment.

The New Deal 25 Plus delivered 78.2% entrants to sustained employment in West Wales.

⁷ A job from which the participant does not return to New Deal within 13 weeks. This includes jobs in which participants have been employed for less than 13 weeks, but have not yet returned to New Deal.

Table 3.22 Jobcentre Plus District performance against target profile, 2003-4

Jobcentre Plus District Job Entry Performance		
	Performance variance against Profile April 03 to March 04	Total Points profile April 03 to March 04
National Total	-2.9%	7,681,000
District		
West Wales	-13.6%	70,923
Swansea Bay	4.0%	72,791

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

In 2003-4 the target for Wales as a whole was missed by 2.9 per cent, but West Wales missed its target profile by over 13%, and Swansea Bay exceeded it by 4%

Table 3.23 Jobcentre Plus District performance: Lone Parent job entries 2003-04

Jobcentre Plus District Job Entry Performance			
	Lone Parents		
	No. of Job Entries	Customer base	Job entries as a proportion of client base
GB Total	107,233	1,062,303	10.1%
District			
Swansea Bay	948	7,666	12.4%
West Wales	613	5,425	11.3%
Wales	7,806	55,779	13.9%

Participants in New Deal for Lone Parents, and other jobless Lone parents.

Source: Jobcentre Plus
<http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

For lone parents job entries for Wales as a proportion of the client base rose to 13.9% compared to the GB average of 10.1%.

In both the South West Wales districts, job entries for lone parents were lower than in Wales generally.

Table 3.24 Jobcentre Plus District Performance: job entries by people with disabilities 2003-04

Jobcentre Plus District Job Entry Performance			
People with Disabilities			
	No. of Job Entries	Customer base	Job entries as a proportion of client base
National Total	35,726	2,997,396	1.2%
District			
Swansea Bay	683	34,322	2.0%
West Wales	591	28,097	2.1%
Wales	5,045	230,635	2.1%

People with disabilities including participants in New Deal for disabled people, disabled people in receipt of incapacity benefit, severe disability allowance income support, invalidity care allowance and bereavement benefit.

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

In the case of people with disabilities, job entries as a proportion of the client base in Wales were only 2.1 per cent, and they were much the same in the South West Wales districts.

Table 3.25 Jobcentre Plus District Performance 2003-04: job entries by long-term unemployed customers

Jobcentre Plus District Job Entry Performance			
Customers unemployed for 6 months or more and other disadvantaged Clients			
	No. of Job Entries	Customer base	Job entries as a proportion of client base
National Total	307,775	837,272	36.8%
District			
Swansea Bay	2,654	5,567	47.7%
West Wales	2,283	4,703	48.5%
Wales	19,141	39,609	48.7%

Participants in ND50 plus, ND25+, NDYP, employment zones, other people with a disability who are not participants in NDDP or claiming an inactive benefit, and people in receipt of Jobseekers Allowance for 6 months or more.

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

Wales' performance comfortably exceeds that of GB in relation to job entries for customers unemployed for six months or more and for other disadvantaged clients
South West Wales is very slightly below the Welsh average, but still comfortably above GB

Table 3.26 Jobcentre Plus District Performance 2003-04: job entries by short-term unemployed customers

Jobcentre Plus District Job Entry Performance			
Customers unemployed for less than 6 months and other disadvantaged Clients			
	No. of Job Entries	Customer base	Job entries as a proportion of client base
Great Britain	292,431	3,201,023	9.1%
District			
Swansea Bay	2034	23,993	8.5%
West Wales	2129	20,258	10.5%
Wales	18,339	171,533	10.91%

Participants in ND50 plus, ND25+, NDYP, employment zones, other people with a disability who are not participants in NDDP or claiming an inactive benefit, and people in receipt of Jobseekers Allowance for 6 months or more.

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

For customers unemployed for less than six months the difference is marginal
Both the South West Wales districts performed below the (Welsh) national average – 8.5% in Swansea Bay and 10.5% in West Wales.

Table 3.27: Economic Inactivity in South West Wales and Wales, 2003

Economic Inactivity in Wales				
Labour market attachment 1998-2002	South West Wales	% of the inactive	Wales	% of the inactive
	Want work, seeking	0	0	9,000
Want work, not seeking	24,000	22.4	98,000	21.8
Do not want work	83,000	77.6	342,000	76.2
Economically inactive	107,000	100	449,000	100

Source: Welsh Local Area Labour Force Survey, ONS 2003 <http://www.nomisweb.co.uk>

Of the economically inactive, 22.4% wanted a job, in comparison to 23.8% for Wales

Table 3.28 Job Density

Job Density 2000	Job Density 2001	Job Density 2002	Area
0.64	0.65	0.66	Objective One
0.86	0.86	0.84	Objective Three

Job Density 2000	Job Density 2001	Job Density 2002	Unitary Authorities
0.6	0.65	0.62	Carmarthenshire
0.56	0.55	0.6	Neath Port Talbot
0.69	0.75	0.69	Pembrokeshire
0.75	0.76	0.79	Swansea

Source: National Statistics

Job density is defined as the number of filled jobs in an area (including self-employed, government supported trainees and HM forces) divided by the number of working-age residents in that area. It is an alternative measure of the demand for labour in the local area.

South West Wales is in the O1 area, and has low job density values within the region. Swansea has the highest job density rate, but even here the figure is 0.79 compared to a mean job density of 0.84 in the Objective 3 area.

Table 3.29 Productivity in South West Wales, Wales, UK 2002

Productivity in South West Wales				
GVA per person employed				
NUTS area	GVA 2002 £ million	In employment 2002	GVA per person employed £	Index UK=100
South West Wales	3,315	144,000	23021	66
Bridgend and Neath Port Talbot	2,758	104,000	26519	76
Swansea	2,824	93,000	30366	87
Wales	34,997	1,212,000	28875	83
UK	906,000	25,987,000	34864	100

Source: www.statswales.wales.gov.uk

Wales' productivity was only 83 % of the UK average. Within Wales there are substantial differences in productivity. None of the NUTS areas that make up the South West Wales region have productivity levels close to the UK average, the highest being Swansea which has productivity 87% of the UK average.