

Economic Inactivity in Blaenau Gwent

Introduction

Blaenau Gwent has one of the highest levels of economic inactivity of all the local authorities in Wales. This short report outlines the patterns witnessed within Blaenau Gwent, considering gender and age, as well as looking at the reasons for economic inactivity.

The report will firstly outline the latest economic inactivity statistics from the Labour Force Survey, to outline Blaenau Gwent's position. Following this, Census 2001 statistics on economic inactivity will be presented to show patterns with age and gender as well as outlining some reasons for economic inactivity.

It is recognised that these two data sources (LFS and Census) are not directly comparable, due to definition and collection differences. However, The Census 2001 data presented has been produced to reflect the working age population (16 to 59 for females and 16 to 64 for males) rather than using the general Census sample base of all people aged 16 to 74.

Labour Force Survey

The Labour Force Survey (LFS) data relates to the period March 2001 to February 2002. The economic inactivity rate for Blaenau Gwent stood at 31.5%. This equates to approximately 13,000 people of working age economically inactive in Blaenau Gwent.

Blaenau Gwent rate (at 31.5%) was significantly above the Welsh and UK average that stood at 26.6% and 21.4% respectively. A corollary of this is that if Blaenau Gwent enjoyed a similar activity rate to Wales an extra 2,000 people would be seeking work.

Blaenau Gwent's economic inactivity rate was one of the highest in Wales, with only Merthyr Tydfil (34.8%), Neath Port Talbot (32.6%) and Rhondda Cynon Taff (31.7%) recording higher rates.

Census 2001 – Working Age Economic Inactivity

Analysis of the Census 2001 results showed that 34.9% of the Blaenau Gwent working age population (16 to 59f/64m) stated that they were economically inactive. This was above the Welsh average that stood at 29.1%. This equated to approximately 14,500 people of working age in Blaenau Gwent being economically inactive.

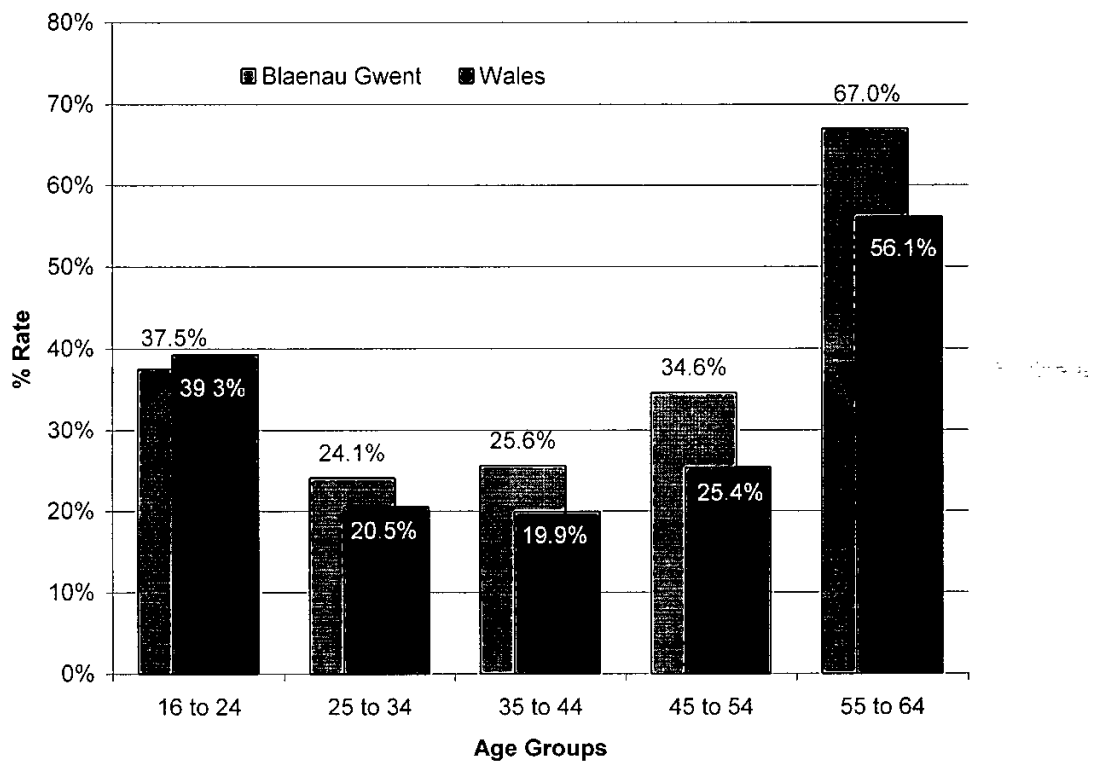
Economic Inactivity by Gender

There is a noticeable split when considering gender, with females significantly more likely to be economically inactive. 40.5% of working age females (aged 16 to 59) were economically inactive compared to 29.7% of working age males (aged 16 to 64) from Blaenau Gwent.

Economic Inactivity by Age Groups

The graph below shows the economically inactive rates for specific age groups in Blaenau Gwent and Wales.

Figure 1: Graph of Economic Inactivity by Age



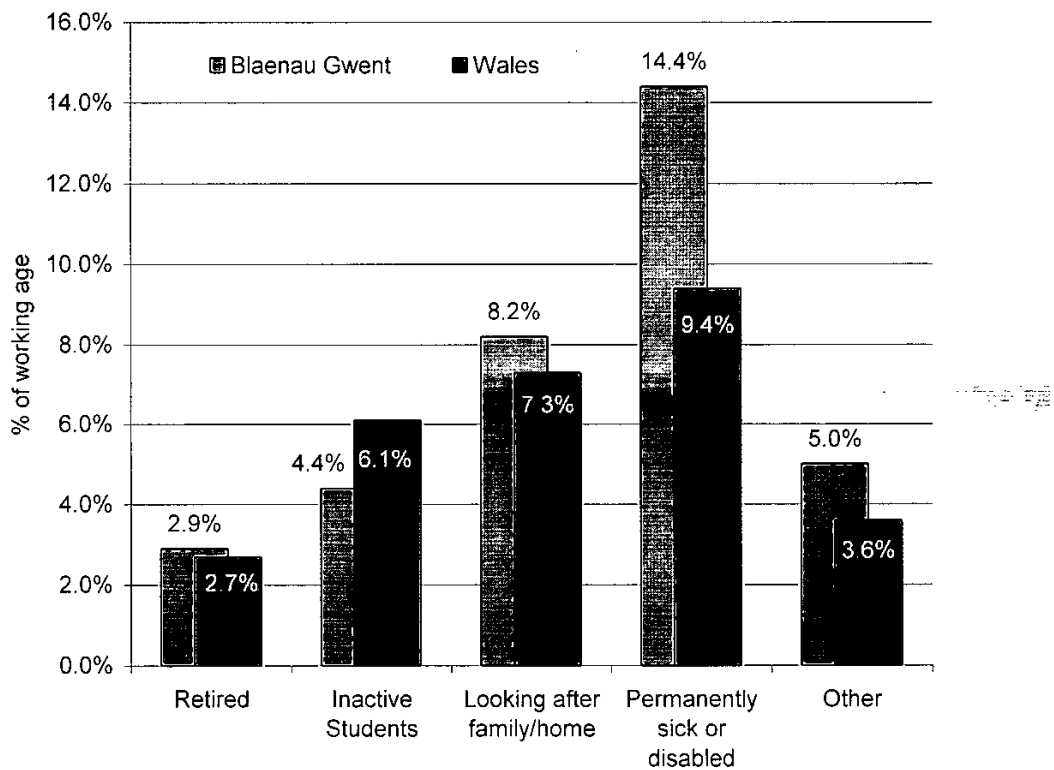
As can be seen from the graph above, with the exception of the 16 to 24 age group, all the Blaenau Gwent age groups have inactive rates well above the Welsh average.

Also of note is the age band with the lowest inactivity rates. In Blaenau Gwent the 25 to 34 age group (24.1%) have the lowest inactivity rates compared to 35 to 44 age band across Wales overall.

Reasons for Economic Inactivity

Anecdotally, the reasons for high inactivity rates in industrial communities like Blaenau Gwent has been attributed to early retirement by males involved within heavy industry, and also the lack of opportunities for females, in industries such as retail and offices. However, the Census 2001 results show that there are other reasons for Blaenau Gwent's high levels of economic inactivity. The Census 2001 economic inactivity results were broken down showing why people were economically inactive. The graph below compares Blaenau Gwent's results with those witnessed for Wales for the working age population.

Figure 2: Graph of Economic Inactivity by Category



Permanently Sick or Disabled

As can be seen from the graph, Blaenau Gwent has a significantly greater proportion of working age people claiming they were permanently sick or disabled. Further analysis of those people permanently sick or disabled shows that they are not associated with any specific gender or age group, with Blaenau Gwent having higher proportions of working age people claiming they were sick or disabled in both genders and all age groups. The table below highlights this, as well as showing that the proportion of permanently sick or disabled increases more dramatically by age in Blaenau Gwent than across Wales as a whole.

Figure 3: Proportions of Working Age People Permanently Sick or Disabled

	Blaenau Gwent	Wales	% difference
All working aged people	14.4%	9.4%	+5.0%
Males (16 to 64)	15.5%	10.5%	+5.0%
Females (16 to 59)	13.1%	8.3%	+4.8%
16 to 24 year olds	2.5%	1.6%	+0.9%
25 to 34 year olds	6.3%	4.6%	+1.7%
35 to 44 year olds	11.0%	7.2%	+3.8%
45 to 54 year olds	20.4%	13.0%	+7.4%
55 to 64 year olds	30.5%	20.7%	+9.8%

Retirement

As can be seen from figure 2, the proportion of people of working age who have retired was only slightly above that witnessed for Wales as a whole (Blaenau Gwent 2.9%; Wales 2.7%). Analysis by age also shows that Blaenau Gwent has lower proportions of people within the 54 to 64 age group retired than throughout Wales as a whole (Blaenau Gwent 25.7%; Wales 26.0%).

Other Patterns

Figure 2, also showed that Blaenau Gwent has a significant proportion of working age people looking after the home or family (8.2% compared to 7.3% across Wales). This was particularly noticeable for females with 15.5% of working age females looking after the home or family (Wales; 13.7%). This would equate to approximately 3,100 females aged between 16 to 59.

JobMatch

JobMatch is a strategic project between Blaenau Gwent County Borough Council, Jobcentreplus, Working Links and Careers Wales Gwent seeking to address:

- Economic inactivity
- Low income levels
- Low skill levels amongst employed and unemployed
- Poor skill levels and low academic performance

An application for support from the European Social Fund was submitted and approved by the Welsh European Funding Office, September 2003. The project commenced January 2004 and will operate until December 2006. It is a labour market intermediary (LMI) using innovative ways to engage disadvantaged clients and move them from welfare into work. It is operating within the most disadvantaged communities of Blaenau Gwent to provide pathways from benefits and unemployment into work.

JobMatch engages local people both before and beyond New Deal intervention and provision, enveloping mainstream services and adding value. Outreach services through the Community Development Team are used to attract the most disadvantaged clients and those unlikely to access mainstream provision. Early and appropriate intervention within the communities will engage those with significant barriers to employment. In addition, it will increase the opportunities and provision available to New Deal clients through initiatives such as Intermediate Labour Market (ILM) programmes. Once in work, people will be given support to keep them there and help them to advance through appropriate workforce training.

The specific aims of JobMatch are:

- To engage the most socially disadvantaged, economically excluded and economically inactive people.
- To reduce the levels of economic inactivity in some of the most deprived communities of Blaenau Gwent
- To build bridges between employers and economically inactive people to improve access to jobs and address employer recruitment needs.
- To engage people in lifelong learning activity to improve their personal resilience.
- To provide work ready development for people on a waged basis through Intermediate Labour Market (ILM)

JobMatch provides a structured programme of support engaging people who are economically inactive working with them, developing their skills levels and enhancing their employability in order to provide a pathway to employment.

Whilst the support given to each individual will be different according to personal need, the project comprises five key stages.

1.

Community Outreach workers employed through Blaenau Gwent's Community Development Team target those furthest from the labour market with significant barriers to employment and who have not been engaged through mainstream provision. The outreach workers partner with the network of community professional already working in Blaenau Gwent to maximise levels of client engagement, specifically working with health professionals, social workers, community development workers and Blaenau Gwent's three development trusts, to tap into their networks and community contacts.

2.

Each client/beneficiary is allocated a Personal Consultant to advise and guide them into work. This includes an initial assessment of personal need, including financial assessment to promote "better off in work" and which leads to the production of an agreed action plan setting out the support and action necessary to return the individual to work. Such activities may include:

- Motivation and confidence building
- Help with job search
- Basic Skills training
- Work placement
- Sector/occupation specific training
- Careers advice and guidance
- Self-employment support
- Mentor support
- Childcare
- Carer support

3.

A strong network of local employer contacts is being maintained and further developed through the introduction of Employment Liaison Officers. Their role is to develop and maintain a network of local employer contacts, building upon the existing employer relationships that have been established over many years and further, to develop employer contacts which address preconceptions towards the employment of people who are long term unemployed. The Employment Liaison Team liase with employers to establish both current and future recruitment need, developing recruitment solutions which match beneficiary skills to job opportunities. They also work closely with beneficiaries to change their perceptions towards employment opportunities by arranging familiarisation visits to experience different employment sectors. Once in employment, the beneficiaries are mentored closely by the Employment Liaison Team to ensure they receive the personal support to achieve sustainable employment.

4.

The Intermediate Labour Market (ILM) element of the JobMatch project offers a waged, supported employment route to clients and enables people with no work history to gain experience upon which they can build. It gives relevant work experience and accredited training in a supported environment, to reflect the fact that many clients may not be ready for the world of work. Clients will be employed for a period of up to twelve months according to individual needs.

5.

In order to support people in work, JobMatch is introducing an innovative aftercare service designed to improve job retention and progress people into higher paid jobs through personal development. Post employment support, careers guidance and advice on advancement in work is given on a one to one basis aligned with financial incentives to encourage employment retention and skills accumulation, to encourage people to develop and compete for higher paid jobs within the workforce.

JobMatch is the first project of its type in Wales, offering a real opportunity to attract those clients who are currently not involved in any legitimate economic or lifelong learning activity and as such, considerable interest is being shown in the project both from other local authorities and the Welsh Development Agency.