

HIDDEN UNEMPLOYMENT IN THE EAST MIDLANDS

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Summary

This report presents new estimates of 'hidden' and 'real' unemployment in the East Midlands and its constituent districts for January 2002. The estimates are based on an improved version of methods deployed in several previous studies and draw on a wide range of official data. The figures provide the most detailed and comprehensive view of local unemployment that is currently available.

The key statistical findings are that:

- The real level of unemployment in the East Midlands in January 2002 was nearly three times higher than the claimant count – 188,000, compared to 65,000.
- This corresponds to a real rate of unemployment of 8.8 per cent.
- The difference between claimant and real unemployment is attributable to an estimated 123,000 hidden unemployed.
- The stock of hidden unemployed in the region is divided fairly evenly between men and women.
- Unemployed people who have been diverted onto sickness benefits (mainly Incapacity Benefit) make up the largest group of hidden unemployed - an estimated 75,000. These are men and women with health problems who could have been expected to be in work in a fully-employed economy.
- The extra ILO unemployed identified by the Labour Force Survey - 32,000 in total, mostly comprising people ineligible for Jobseeker's Allowance - are a further major group of hidden unemployed, especially among women.
- Hidden unemployment tends to be greatest in the districts where claimant unemployment is highest, particularly the former coalfield districts in the north of the region.

- Parts of Lincolnshire also have high real unemployment, as do the three main cities in the region, though in the cities high rates of unemployment need to be seen in the context of lower rates in surrounding suburban districts
- The inclusion of hidden unemployment in a wider view of joblessness does not change the East Midlands' position in regional rankings - there is hidden unemployment in other regions too.
- Claimant unemployment in the East Midlands fell by 54,000 between January 1997 and January 2002, but hidden unemployment is estimated to have risen by 21,000 over the same period. This limited the reduction in real unemployment to 33,000, or about 15 per cent.

The report notes that the present policies of various regional agencies are not especially 'geared up' to address hidden unemployment. Existing policies and institutional structures in the region are also not well adapted to deal with the diversity of labour market circumstances in the region - particularly the contrast between the southern part, currently close to full employment, and parts of the north where unemployment is still endemic.

Continuing national and regional economic growth would probably reduce claimant unemployment still further, but the large stock of hidden unemployed poses a more intractable problem. Policies to re-engage the hidden unemployed with the labour market would be helpful, but in the parts of the region where unemployment remains widespread this approach needs to be complemented by much stronger policies to boost the demand for labour.

1. INTRODUCTION

There is a widely held view that the problem of unemployment is all but solved. The UK labour market in 2002 is seen as being characterised mainly by labour shortages, and residual unemployment is frequently attributed to failings in individual skills and motivation.

There is little doubt that the UK labour market has indeed improved substantially since the depths of the early 1990s recession, and that parts of southern England are now at or near full employment. However, the assertion that serious unemployment has all but faded away is wrong. It is a view based on serious misunderstandings about what has actually happened in the UK labour market over the last two decades. In particular, the denial of continuing and large-scale joblessness in many parts of the country relies all too often on flawed unemployment data.

This report explores the scale of hidden unemployment – and by implication the real level of unemployment – in the East Midlands. It provides figures for every district, illustrating the diversity of labour market situations in the region, and draws comparisons with other regions and the national average.

The analysis is presented in a number of stages. Section 2 explains how unemployment becomes hidden, and the various forms that hidden unemployment can take. Methods of measuring hidden unemployment, developed from earlier research, are explained. There is also discussion of the reliability of the resulting unemployment estimates.

Section 3 of the report presents unemployment figures for the East Midlands for January 2002. These contrast official data with new estimates of hidden and real unemployment. Figures are also presented on changes over the five years since January 1997, using previous estimates that have been adjusted to be comparable with the 2002 data. Comparisons with the other regions in Great Britain are also presented here.

Section 4 examines the policy context in the East Midlands. It considers the existing activities of key agencies in the region and how they relate to the hidden unemployed. It looks at possible future scenarios for the region and their potential impact on levels of

joblessness. And finally this section also considers the implications of our new data for labour market policy.

An appendix explains the detailed methods and statistical sources, and presents figures for every district.

2. HOW UNEMPLOYMENT BECOMES HIDDEN

The limitations of official statistics

The most widely used measure of unemployment in the UK is the *claimant count*. This is the number of people out-of-work and claiming unemployment-related benefits – mainly Jobseeker's Allowance (JSA), but also a few who do not qualify for JSA and instead receive only National Insurance credits for unemployment. The claimant count has a number of advantages : it is available monthly, it is very up-to-date (figures are only a couple of weeks old when released) and it provides information for small areas such as districts and wards.

No-one argues that the claimant count fails to measure what it sets out to measure. The trouble is that the number of people out-of-work and claiming unemployment-related benefits no longer represents the totality of the unemployment problem. The criticisms have been numerous – from academic sources ⁽¹⁾, from independent watchdogs such as the Unemployment Unit ⁽²⁾ and from no less a source than the Royal Statistical Society ⁽³⁾.

The problem with the claimant count is that the numbers it records are heavily dependent on social security rules. In general, the tighter the rules governing eligibility for unemployment-related benefits, the fewer jobless people will be included in the claimant count. Since the early 1980s there have been more than thirty important changes in eligibility rules that have had the effect of reducing the claimant count. One of the most important occurred in 1996 when JSA replaced Unemployment Benefit, imposing stricter conditions on eligibility and a shorter, six-month period for non-means tested benefit. Unsurprisingly, claimant unemployment plummeted in the months immediately following the introduction of JSA. The government itself has long accepted that social security rules distort the claimant count, and from time to time its statisticians have revised earlier years' unemployment figures to place them on the same basis as the new, lower level identified by the contemporary claimant count.

The point is that for at least the last seven or eight years it has been entirely uncontroversial to observe that the claimant count understates the true level of unemployment. The trouble is that this has not stopped many uninformed commentators – and quite a few who should

know better – continuing to quote the claimant count as if it were a reasonably accurate guide to the level of unemployment. This continuing reliance on flawed claimant unemployment data is worst at the local scale, where the paucity of alternative measures is felt most keenly.

In theory at least, the government's preferred measure of unemployment is now the *ILO measure* derived from the Labour Force Survey (LFS). This uses the International Labour Organisation (ILO) definition of unemployment which counts anyone who is out of work and wants a job, is available to start work in the next two weeks, and has looked for work in the last four weeks. The ILO unemployment figures are derived from the Labour Force Survey, which covers about 60,000 households each quarter across the UK. The ILO definition produces unemployment figures for Britain as a whole that in the last three or four years have been around half a million higher than the claimant count. Unfortunately, the usefulness of ILO unemployment data is compromised because the figures become available more slowly (about three months in arrears) and because they are based on a sample survey relatively few figures are available for small areas such as districts. This perpetuates reliance on the claimant count.

In theory the ILO measure of unemployment is independent of benefit rules. In practice, however, there is a growing realisation that in the UK context the ILO unemployment figures are badly distorted by mechanisms that divert large numbers of individuals between different parts of the benefit system. In particular, diversions between JSA, Income Support and Incapacity Benefit affect not only the claimant count but also the extent of active job seeking and therefore the numbers counted as ILO unemployed. On Income Support and Incapacity Benefit, for example, there is no requirement to look for work or be available for work. Many men and women on these two benefits do not actively seek work if they think there is little chance of finding an appropriate job, and they are therefore excluded from the ILO unemployment figures.

Two pieces of evidence point to severe under-recording of UK unemployment by the ILO measure. One is the extraordinary number of non-employed men and women now claiming sickness-related benefits, mainly Incapacity Benefit – more than 2.6 million of working age, or almost three times the number of claimant unemployed⁽⁴⁾. We return at length to these figures later in the report. The other piece of evidence is the proportion of those who say they want work who are actually included in the ILO measure. In the mid 1990s, only around

half of all those in the prime working age groups in the UK who were either wanting work, seeking work or were available for work were counted as ILO unemployed, compared to two-thirds in Germany and four-fifths in France⁽⁵⁾.

In the UK context, neither the claimant count nor the ILO measure can be relied upon to give a total measure of unemployment.

Hidden unemployment

There are several mechanisms through which unemployment becomes hidden. Taking the claimant count as the starting point – ie. as ‘visible’ unemployment – let us examine the four groups of hidden unemployed included in our estimates of real unemployment.

The first group are the *extra ILO unemployed*. These are the additional unemployed people counted by the Labour Force Survey, using the ILO definition, above the numbers recorded by the claimant count. Most of the men and women in this extra group are ineligible to receive Jobseeker’s Allowance. They include people who left their last job voluntarily or who were dismissed for misconduct, all of whom are automatically disqualified from JSA for a period. These men and women can still sign-on to receive National Insurance (NI) credits and some are eligible for other means-tested benefits. For many in this position, however, because there is no financial incentive to register as a claimant they do not do so, and they are therefore left out of the claimant unemployment figures.

More importantly, entitlement to JSA is wholly means-tested after six months, and earlier in the case of those with insufficient NI credits. This means that entitlement to JSA becomes dependent on household rather than individual circumstances. For example, someone with a partner in full-time work will be ineligible for means-tested JSA. They can still sign-on to receive NI credits for unemployment, but again since there is no immediate financial incentive few bother and they therefore drop out of the claimant count. Ineligibility for JSA is especially widespread among women. Many women who are actively seeking work and available to start (and therefore included in the ILO definition of unemployment) do not qualify for JSA because their partner is in work, and as a consequence they are omitted from the claimant count.

That the extra ILO unemployed should be included in a measure of real unemployment is uncontroversial, and consistent with the government's stated preference for the ILO measure over the claimant count.

The second group that need to be included among the hidden unemployed are some of the people on *government schemes*. When government schemes first became prominent in the early 1980s they were widely regarded as merely a mechanism for keeping some of the unemployed gainfully occupied. Participants certainly regarded themselves as unemployed first and foremost, and only temporarily diverted from that status. There was a strong element of 'make-work' and the remuneration – often benefit plus a few pounds – was nearly always well below that in conventional employment. Most participants on government schemes would have taken a 'proper' job if one had been available instead. Government schemes could therefore be seen as a way of hiding unemployment. This perspective was entirely reasonable well into the 1990s.

However, the nature and role of government schemes has changed. The training element has become more important, and among some 16-18 year olds government schemes have become a fairly normal point of entry to the labour market. The present day Modern Apprenticeship schemes, in particular, offer good quality routes to skills and future employment. Accordingly it would be wrong to carry on counting all those on government schemes as hidden unemployed. Nevertheless, the 'make-work' and 'benefit plus' elements of some schemes have not disappeared entirely. Some schemes do offer a route into continuing employment, but others still largely provide a temporary diversion from unemployment. At least some of the participants on government schemes therefore still need to be counted among the hidden unemployed.

The third group of hidden unemployed are those who have been pushed into premature *early retirement*. Of course, early retirement is not always unwelcome, but in a proportion of cases it is forced on individuals by redundancy and by a shortage of suitable alternative jobs. Their health and age may allow them to carry on working for some years, and they may still wish to do so, but a difficult labour market stands in the way. They assess their options, and giving up looking for work often seems the most realistic way forward.

Early retirement as an alternative to conventional unemployment is particularly likely for men and women who are able to draw on a company or personal pension and therefore get by

without a job. Moreover, pension income and/or substantial savings would in any case often disqualify them from means-tested JSA. There is therefore no financial incentive for these men and women to sign on as unemployed, and because they do not do so they too drop out of the claimant count. Because they have given up looking for work they will also not be included in the ILO measure of unemployment.

The fourth and final group of hidden unemployed are those who claim *sickness benefits*. This is the single most important mechanism through which unemployment becomes hidden and it deserves a full explanation.

It is not widely recognised that two benefit systems operate in parallel. The first relates to 'unemployment', now in the form of Jobseeker's Allowance (JSA) and means-tested after six months. The other benefit system relates to 'sickness', since 1995 in the form of Incapacity Benefit (IB). About two-thirds of IB claimants actually receive Incapacity Benefit, which is paid at a slightly higher rate than JSA and is not means-tested except for a small number of new claimants with substantial pension income. The remaining third, who have insufficient NI credits to qualify for IB itself receive means-tested Income Support but with a disability premium.

For many of the longer-term jobless who suffer from health problems, the differential in benefit rates creates an incentive to claim IB rather than JSA. For example, an unemployed man in his fifties with a wife in work and perhaps a small pension from a previous employer will not generally be entitled to means-tested JSA. In essence, his wife's earnings and his pension reduce or eliminate his JSA entitlement. But if he has sufficient NI credits to be entitled to Incapacity Benefit (which most men with a work history will have) he will receive a weekly sum irrespective of his wife's earnings or in most circumstances of his pension as well.

The gatekeepers determining access to Incapacity Benefit are medical practitioners – initially the claimant's own GP, but for claims beyond six months doctors working on behalf of the Benefits Agency. In theory, to qualify for IB a person must be unfit for work. In practice, the tests applied by the Benefits Agency assess ability to undertake certain basic physical tasks, rather than inability to do all kinds of work in all circumstances. Many older unemployed people have picked up injuries over the course of their working life, and there is the effect of simply getting older. In practice, therefore, many of the long-term unemployed with health

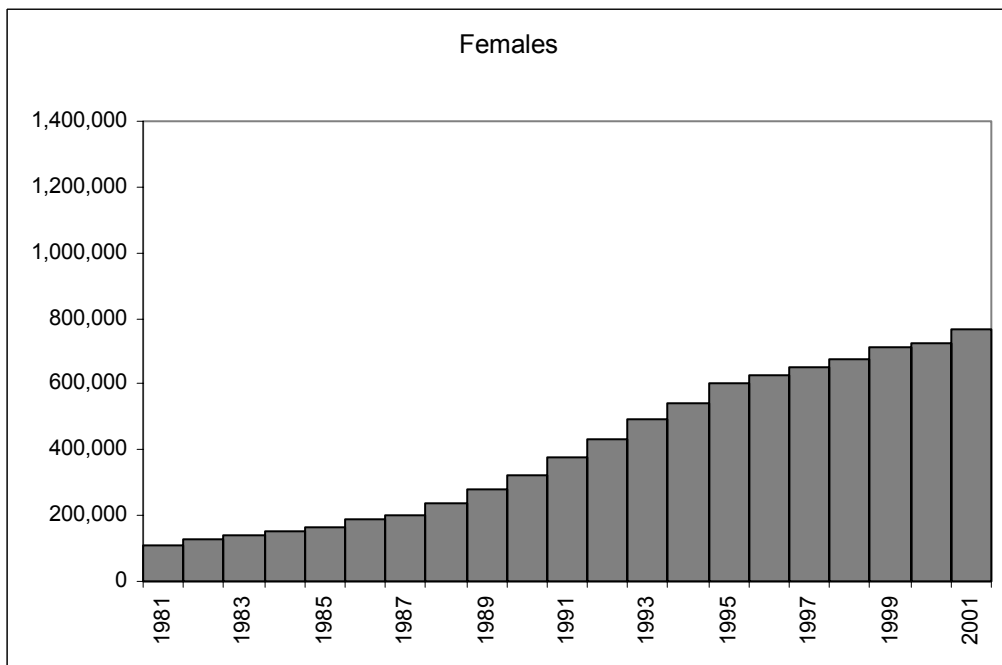
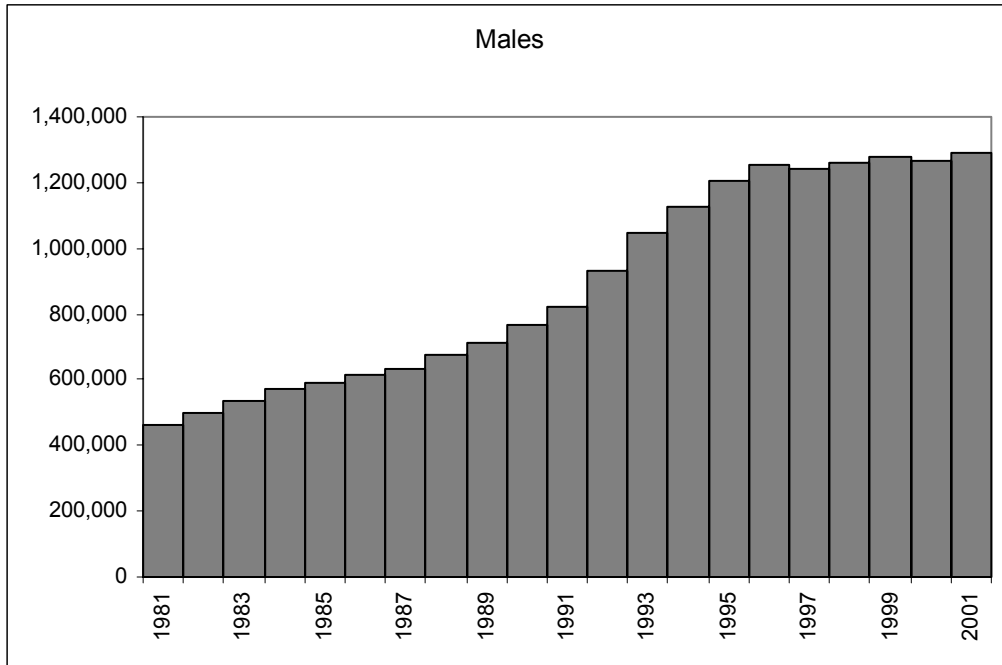
problems are able to claim IB rather than JSA, and in doing so they too drop out of the claimant unemployment figures. Survey research confirms that although self-reported health limitations are just about universal among male IB claimants, only about a quarter say that they cannot do any work at all. For most the limitation is on what type of work they can do, or how much ⁽⁶⁾.

The numbers claiming Incapacity Benefit are now truly astonishing. Figure 2.1 shows the number of men and women of working age (16-64 for men, 16-59 for women) claiming IB (or its predecessor Invalidity Benefit) for more than six months. The numbers have risen more or less continuously for two decades. In 1981 there were 570,000 men and women in this category. By 2001 the figure had risen to 2,060,000. Even this is not the full picture. Added to this there are more than 300,000 further claimants of working age receiving Severe Disablement Allowance (SDA), which is paid to people with a high degree of disability but insufficient NI credits to qualify for IB. There are also more than 200,000 short-term (ie. less than six months) IB claimants of working age. Official statistics show that in Britain as a whole in August 2001 there was a grand total of 2.65 million people of working age claiming sickness-related benefits. Of these, 1.60 million were men and 1.05 million were women.

It is highly unlikely that there has been a four-fold increase in the level of long-term incapacitating illness in the workforce over the last two decades. Indeed, the increase has happened at a time when general standards of health are known to be showing a slow but steady improvement, admittedly with the slowest improvement among the most disadvantaged groups. What can be observed in the rise in the number of long-term sickness claimants is above all the interaction of a difficult labour market and the social security system.

This impression is reinforced by the distribution of sickness claimants across the country ⁽⁷⁾. There are exceptionally large numbers in places such as South Wales, Merseyside, North East England and Clydeside. In some of these areas, sickness claimants now account for more than 15 per cent of the entire male working age population. The proportion of women claiming sickness benefits is lower, but the geography is much the same. What these particular areas have in common of course is that they all experienced large-scale job losses in the 1980s and 90s, especially from traditional industries, and for many years they have all faced significant unemployment problems. The pattern is exactly what could be expected as

FIGURE 2.1: CLAIMANTS OF WORKING AGE INCAPACITATED BY LONG-TERM* SICKNESS AND INVALIDITY, GREAT BRITAIN



*for six months or more

Source: Social Security Statistics, Department of Work and Pensions

a result of the diversion of men and women onto sickness-related benefits in areas where jobs are hard to find.

The distribution of sickness claimants in the East Midlands, shown in Figure 2.2, conforms to this general picture. These maps use data from the Department of Work and Pensions (DWP) for August 2001. The data includes all the men and women of working age claiming Incapacity Benefit or Severe Disablement Allowance. In each district the figures are expressed as a percentage of the estimated working age population.

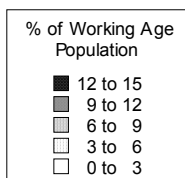
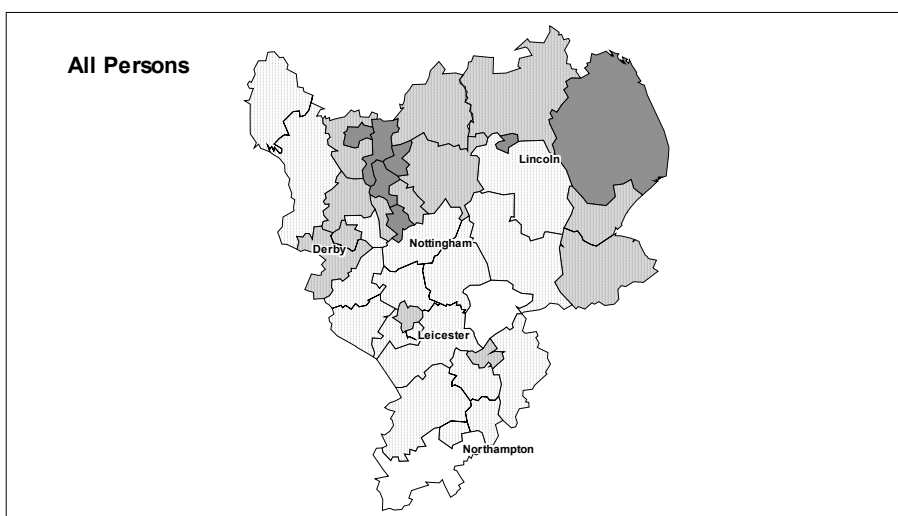
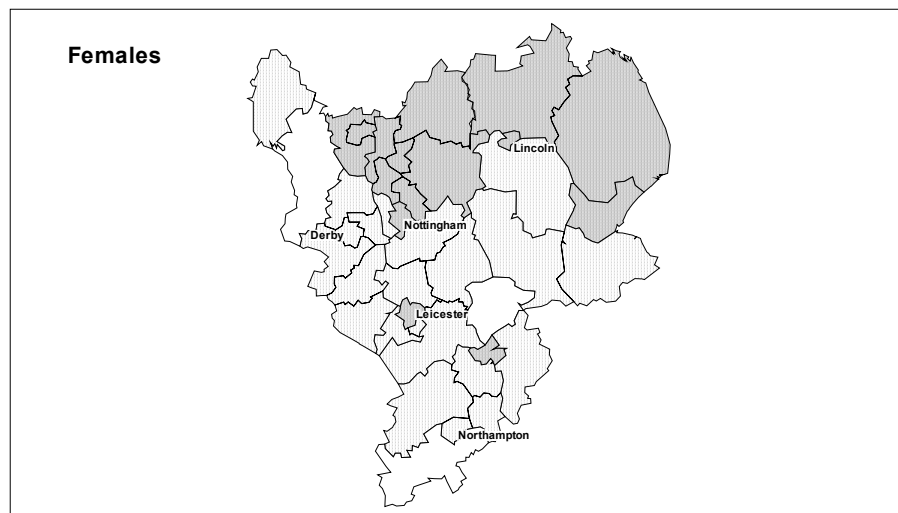
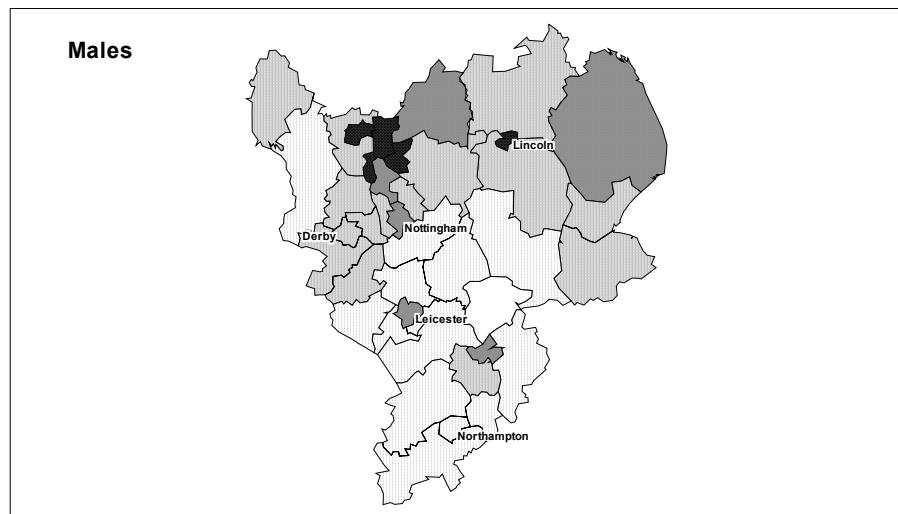
Across the region as a whole, the share of working age men claiming these two sickness-related benefits varies from a low of 2.8 per cent in Rutland to a high of 14.7 per cent in Bolsover. Among working age women, the share varies from 2.2 per cent in South Northamptonshire to 8.6 per cent in Mansfield and in Nottingham. There is a clear geographical pattern, or rather several overlapping patterns. The former coalfield districts in North Nottinghamshire and North Derbyshire have high levels of sickness claimants. Parts of Lincolnshire also display high levels. Leicester, Nottingham and Derby stand out as having high levels compared to their immediately surrounding districts. Elsewhere, for example across much of Leicestershire and Northamptonshire, levels are quite low. Across the East Midlands region as a whole in August 2001, 105,000 men and 71,000 women of working age were claiming IB or SDA.

The measurement of hidden unemployment

The methods used here to measure hidden unemployment are an improved version of those applied in several previous studies. The first of these covered the coalfields ⁽⁸⁾, and a second England's disadvantaged rural areas ⁽⁹⁾. A 1997 study entitled *The Real Level of Unemployment* presented figures for every district in Britain ⁽¹⁰⁾. The revised methods deployed here also benefit from the insights provided by extensive recent survey work of non-employed men in different parts of the country ⁽¹¹⁾. The detailed statistical sources and methods are described in the Appendix.

Of the four groups of hidden unemployed, the *extra ILO unemployed* are in principle fairly easily counted. They are the additional unemployed recorded by the Labour Force Survey, using the ILO definition, over and above those recorded by the claimant count. Most of the

FIGURE 2.2: SICKNESS CLAIMANTS OF WORKING AGE BY DISTRICT, AUGUST 2001



Sources: DWP and authors' estimates

claimant unemployed are counted in the ILO unemployment figures but there are exceptions. These include people who claim Jobseeker's Allowance but are not looking for or available for work, and a small group who work a few hours a week but remain entitled to JSA ⁽¹²⁾.

The second group, participants on *government schemes*, were all counted as hidden unemployed in the earlier studies. However, the changing nature and role of government schemes means that this simple approach is no longer appropriate. Instead, in the approach adopted here only those without a contract of employment are counted as hidden unemployed. This is a distinction that the government itself makes – those without a contract are not counted in official employment figures for example. It also reflects the diversity among government schemes. While participants on Modern Apprenticeship programmes, for instance, do normally have a contract of employment, those without contracts will typically be on schemes that are still some distance from conventional employment.

Measuring the third and fourth groups of hidden unemployed – among *sickness claimants* and the *early retired* – requires a more sophisticated approach. Clearly, not all Incapacity Benefit claimants can be regarded as hidden unemployed. While some might have been in work if jobs had been available, others have disabilities, injuries or illnesses that would prevent them from working in all circumstances. Likewise, although some early retirees might have been in work if jobs had been available, many others have plainly decided to retire and give up work for good. The key question is just how many in each case might be regarded as 'hidden unemployed'.

We have adopted broadly the same approach for both groups. This involves establishing 'benchmarks' that represent the levels of sickness and early retirement achievable in a fully-employed economy. Levels above these benchmarks are treated as a form of hidden unemployment. This is in principle the same method as in the early studies, but here an improved and more robust version is deployed for the first time.

Regarding *sickness claimants*, there are two components to the benchmark. The first is the proportion of men and women of working age who are sickness claimants in fully-employed parts of south east England. The area chosen here to represent a 'fully-employed economy' comprises the seven counties of Berkshire, Buckinghamshire, Hampshire (less Portsmouth and Southampton), Hertfordshire, Oxfordshire, Surrey and West Sussex. These make up a

block to the north, west and south of London where there has effectively been full employment for the last three or four years. The share of the working-age population in work – the ‘employment rate’ – averaged in excess of 80 per cent in each of these counties in 2000/01. The employment rate in neighbouring counties to the east and south-east of London (Essex, Kent, East Sussex) fell a little below this 80 per cent threshold.

The second component of the benchmark is the underlying deviation in sickness levels in each district from the level in this fully-employed part of south east England. Here, as a guide, we use the proportion of men and women of working age who were recorded as ‘permanently sick’ by the 1981 Census of Population, when the figures were still largely unaffected by the subsequent diversion into hidden unemployment. The higher underlying level of incapacitating ill-health in the former coalfields, for example, is thus built-in to the benchmark. In each district the benchmark therefore takes account not only of the level of sickness claimants achievable in a fully-employed part of Britain but also of geographical variations in the underlying level of ill-health. This is a robust approach and a significant advance on previous methods.

For *early retirees* the approach is the same but the fully-employed benchmark has to be adjusted because some districts in this part of south east England are significant destinations for retirement migration – the West Sussex coast is a case in point, and the figures suggest that some rural areas are also affected. The fully-employed benchmark therefore comprises twenty districts within the same seven counties that have the lowest proportion of men of working age who are early retired ⁽¹³⁾. As with sickness claimants, the benchmark for each district is also adjusted to take account of underlying deviations in levels of early retirement from these twenty districts in 1981, before the onset of large-scale hidden unemployment. This allows for the higher underlying level of early retirement in destinations such as seaside towns, and in areas such as the coalfields where the occupational structure traditionally generated high numbers of early retirees. Once more, this approach is an important advance on previous methods. However, the data on early retirees is less comprehensive than for sickness claimants and this necessitates greater estimation, as described in the Appendix.

In all cases, the claimant and real unemployment rates are expressed as a percentage of the estimated economically active population of working age in 2000 (the most recent year for which figures are available). For real unemployment rates, the hidden unemployed are

added into the economically active denominator. All the unemployment rates are 'residence based' – ie. they refer to people living in the area, rather than the unsatisfactory mixture of residence and workplace statistics used to derive the denominator for official claimant unemployment rates. Where comparisons are drawn between new figures on hidden and real unemployment for January 2002 and figures for January 1997, derived from the previous national study ⁽¹⁴⁾, the original figures for January 1997 have been adjusted to place them on the same basis as the January 2002 figures.

How reliable?

Competing sets of unemployment figures do not all try to measure the same thing. In essence, our definition of real unemployment counts *those who might reasonably be expected to have been in work in a fully-employed economy*. They are counted whether or not they happen to be active job seekers or claimants of unemployed-related benefits. In contrast, the claimant count sets out to include just the claimants, and the ILO measure includes only the job seekers who are active and available.

Putting aside this conceptual issue, however, there is still the question of the extent to which 'hidden' and 'real' unemployment are measured accurately. The issues divide into two categories – problems of definition and problems of calculation. Both have implications for the robustness of the resulting estimates.

Regarding definition, two problems deserve mention. The first is the inclusion of some of the people on government schemes as part of the hidden unemployed. This unavoidably involves a subjective judgement about the nature and role of these schemes, and about where to place the dividing line within the schemes. However, the number of hidden unemployed added to the total by the inclusion of some of the people on government schemes is modest. For example, it adds just 7 per cent to the claimant count total for the East Midlands in our 2002 estimates.

The second definitional issue concerns women looking after children or the home full-time and not claiming either unemployment or sickness-related benefits. This group undoubtedly includes some hidden unemployed. Our method counts women in this position as hidden unemployed only if they are actively seeking and available for work. The quite large

numbers in this category are indicated by the large excess of ILO unemployment over the claimant count for women. However there is a further group among these women who might like work but do not look because they think that there are no appropriate opportunities available. This group, whose attachment to the paid labour force might be possible in some circumstances, is excluded from our figures. Its inclusion would boost 'hidden' and 'real' unemployment to higher levels.

Regarding problems of calculation, it must be conceded that there is a margin of error in all the figures. This arises from a number of sources : the raw data that provides the building blocks is not all for January 2002; the allocation of regional figures between districts is in some cases necessary; and the data is derived from a number of separate sources that are not fully compatible at the margins. It is impossible to put an accurate figure on this built-in error, but it may mean that estimates of real unemployment for individual districts are accurate only to within one or two percentage points of the quoted figure. However, the extent of 'double counting' is probably small. In particular, survey evidence indicates that only around six per cent of male IB claimants are active job seekers ⁽¹⁵⁾ , so it is unlikely that large numbers of IB claimants will also be counted among the ILO unemployed.

The more significant issue concerns the reliability of the benchmarking procedure. We have already noted that the approach deployed here represents an important improvement on previous methods. The benchmark for each district reflects not only what has been shown to be possible in fully-employed parts of south east England but also underlying local variations in ill-health and early retirement. The estimated number of hidden unemployed among the early retired, derived by these methods, is modest in all areas, but the overall numbers of early retired are not large. The 1991 Census of Population, for example, identified just 430,000 men and 170,000 women of working age across Britain who were 'retired', and Labour Force Survey figures (which count only a narrower group of the early retired) point to only a modest subsequent increase.

The estimated number of hidden unemployed among sickness claimants, however, is altogether larger and makes up by far the largest component of hidden unemployment. The estimates for this group of hidden unemployed, or more particularly the men within this group, can be cross-checked against estimates derived by four alternative methods, described in full elsewhere ⁽¹⁶⁾. Two are statistical comparisons using alternative benchmarks. The third and fourth are based on Sheffield Hallam survey data for male IB

claimants ⁽¹⁷⁾. In Britain as a whole in August 2001 a total of 1,460,000 men of working age were claiming Incapacity Benefit. The four alternative methods generate the following estimates of hidden unemployment among this group of men:

Using the level of 'permanent sickness' in the South East in 1991 as the benchmark	680,000
Using the national (GB) level of 'permanent sickness' in 1981 as the benchmark	730,000
Using the share of male IB claimants who say they would like a full-time job (47%)	690,000
Using the share of male IB claimants who lost their last job mainly for reasons other than ill-health or injury (52%)	760,000

The number of hidden unemployed men among sickness claimants, for Britain as a whole, generated by the methods used in this report is 670,000. The fact that five separate methods point to hidden unemployment among this group of men of between 670,000 and 760,000 gives considerable confidence. The method adopted in this report, however, remains the preferred approach and the one most likely to generate robust figures at the district scale.

One further check on the reliability of the estimates of hidden unemployment among sickness claimants comes from a comparison with Labour Force Survey data for winter 2001/02 ⁽¹⁸⁾. This shows that of the 7.2 million men and women of working age in the UK who have a current work-limiting health problem or disability, 15.7 per cent or 1.13 million are economically inactive but say they would like a job. By comparison, the total number of men and women in Great Britain among sickness claimants who are identified as hidden unemployed using the methods in this report is almost the same at 1.15 million, though our methods point to 70,000 more men and 50,000 fewer women than this comparison with LFS disability data.

In what sense unemployed?

It is important to be clear about the nature of the hidden unemployment that our methods identify. These are people who might reasonably be expected to have been in work in a fully-employed economy. They are not necessarily active job seekers. However, the fact that some do not actively look for work should not disqualify them for inclusion because where jobs are in short supply many people are realistic enough to know that they are unlikely to find suitable employment. They therefore give up looking for work, but that does not make them any less unemployed.

It also important to emphasise that there is nothing fraudulent about the behaviour of the large number of people who now claim Incapacity Benefit. All these men and women will have had to secure medical certification. The health limitations are genuine even if not necessarily always fully incapacitating, as survey responses indicate ⁽¹⁹⁾. What has happened is that job loss has fallen disproportionately on less healthy workers, many of whom are also older and less skilled. These people have then found themselves at the back of the queue for jobs. The benefits system and the employment services have then interacted to divert large numbers away from recorded unemployment and into recorded sickness.

Ill-health or disability certainly does not mean that someone is necessarily incapable of holding down a job. The Labour Force Survey, for example, shows that in 2001/02 no fewer than 3.4 million people with jobs had a self-reported disability ⁽²⁰⁾. Further back in time there was a tradition that many large employers moved long-serving workers in poorer health onto lighter duties. In the coal industry for instance, men would typically be moved from underground work to jobs on the pit-top. The larger industrial employers have often now closed of course, and where they survive the pace of work has usually intensified. The space for the older, less fit worker has gone.

Hidden unemployment is nevertheless different in some ways from conventional, claimant unemployment. Because so many of the hidden unemployed, especially on Incapacity Benefit, have given up actively seeking work their unemployment may be less painful than for JSA claimants. They no longer have to endure failed job applications and dashed hopes. Also, because of their detachment from the labour market they do not form part of the stock of potential workers from whom employers choose and consequently they exert no

downward pressure on wage inflation. Often the hidden unemployed may have become reconciled to their position outside the labour market. In a sense what has happened, after two decades in which labour markets have been slack in many parts of the country, is that unemployment has filtered down to rest with the groups who find it most difficult to hold onto jobs – older workers, the less healthy, less skilled and women with young children at home. As their status on the margins of the workforce has been consolidated, these groups have increasingly drawn on benefits other than JSA or have been denied access to benefits altogether. Their unemployment has slipped from view.

But none of this changes the fact that the hidden unemployed could be expected to have been in work in a genuinely fully-employed economy. Indeed, the much smaller number of sickness claimants prior to the 1980s and 90s indicates that far more people with health problems for example were once in employment. Labour ministers are right in arguing that too many of these people have become “parked” on Incapacity Benefit. What the same ministers have not acknowledged is the extent to which this now hides the real level of unemployment.

3. THE REAL LEVEL OF UNEMPLOYMENT

East Midlands, January 2002

Table 3.1 shows the claimant count alongside estimates of hidden and real unemployment for the East Midlands region in January 2002.

The first line of this table shows that in January 2002 the total number of people in the East Midlands out-of-work and claiming unemployment-related benefits - the claimant count - was 65,000. This represented a claimant unemployment rate of 3.2 per cent. About three quarters of the claimant unemployed were men.

The next four lines show estimates of hidden unemployment. In total, these figures point to 123,000 hidden unemployed in the region – equivalent to nearly two hidden unemployed for every person on the claimant count.

The largest component of hidden unemployment is estimated to be the excess number of sickness claimants - more than 75,000, of which nearly 42,000 are men. These are exceptionally large numbers but they need to be placed in context. As noted in Section 2, in August 2001 a total of 176,000 people of working age in the East Midlands were out-of-work and claiming sickness-related benefits. In other words, the estimates suggest that only around four out of ten sickness claimants in the region might be regarded as hidden unemployed. The estimates of hidden unemployment among sickness claimants also need to be seen in the context of the four-fold increase nationally in the number of long-term IB claimants over the last two decades. It is worth repeating here, too, that the disabilities affecting these hidden unemployed individuals are real and that their entitlement to IB is legitimate. However, the evidence indicates that despite their disabilities a large proportion of these men and women would probably have been in work in a fully-employed economy, and in that sense they need to be counted as unemployed.

The second largest group are the extra ILO unemployed - 32,000 in total, of whom three-quarters are women. As explained in Section 2, the majority of these are individuals who are denied access to Jobseeker's Allowance, for example because other household income

Table 3.1 : Unemployment in the East Midlands, January 2002

	Male	Female	Total
CLAIMANT COUNT	48,500	16,500	65,000
Extra ILO unemployed	6,500	25,500	32,000
Government schemes	2,900	2,100	5,000
Excess sickness claimants	41,900	33,400	75,300
Excess early retired	7,000	4,100	11,200
HIDDEN UNEMPLOYED	58,300	65,200	123,500
REAL UNEMPLOYMENT (ie claimant plus hidden)	106,800	81,700	188,500
Unemployment rates:			
Claimant count	4.2	1.8	3.2
Real unemployment	8.8	8.8	8.8

Sources : see Appendix

eliminates their entitlement. The large number of women in this particular group is a common feature of comparisons of claimant and ILO unemployment.

The remaining components of hidden unemployment - government schemes and the excess early retired – account for more modest numbers, 5,000 and 11,000 respectively.

Adding the hidden unemployed to the claimant count gives real unemployment. The figures here point to 188,000 unemployed, of which 107,000 are men. This is equivalent to a real unemployment rate in the East Midlands of 8.8 per cent. The fact that real unemployment far exceeds claimant unemployment illustrates the extent to which the claimant figures now represent only part of the unemployment problem. The scale of real unemployment also

underlines the extent to which the unemployment problem has not yet been solved. Instead, a large proportion of unemployment has slipped from view, out of the claimant unemployment figures.

Hidden unemployment affects both men and women. In the East Midlands as a whole the numbers of hidden unemployed men and women are broadly the same. However, women's unemployment is much more likely to be 'hidden' – four out of five of the women counted as real unemployed are 'hidden', compared to only about one in two men. Among men, sickness claimants dominate the hidden unemployed. Among women, sickness claimants and the extra ILO unemployed both contribute substantially to hidden unemployment. In total, although fewer women are unemployed the real unemployment rate happens to be the same as for men because the rates are expressed as a percentage of the economically active population, which is lower for women.

Figures 3.1-3.3 show claimant, hidden and real unemployment rates by district for January 2002. Full figures by district are presented in the Appendix.

Hidden unemployment exists in all East Midlands districts, but the incidence is generally greater in the northern part of the region. The former coalfield districts in North Nottinghamshire and North Derbyshire have the highest rates of hidden unemployment among men. Much of the coalfield plus the Lincolnshire coast, Nottingham, Leicester and Corby have the highest rates of hidden unemployment among women.

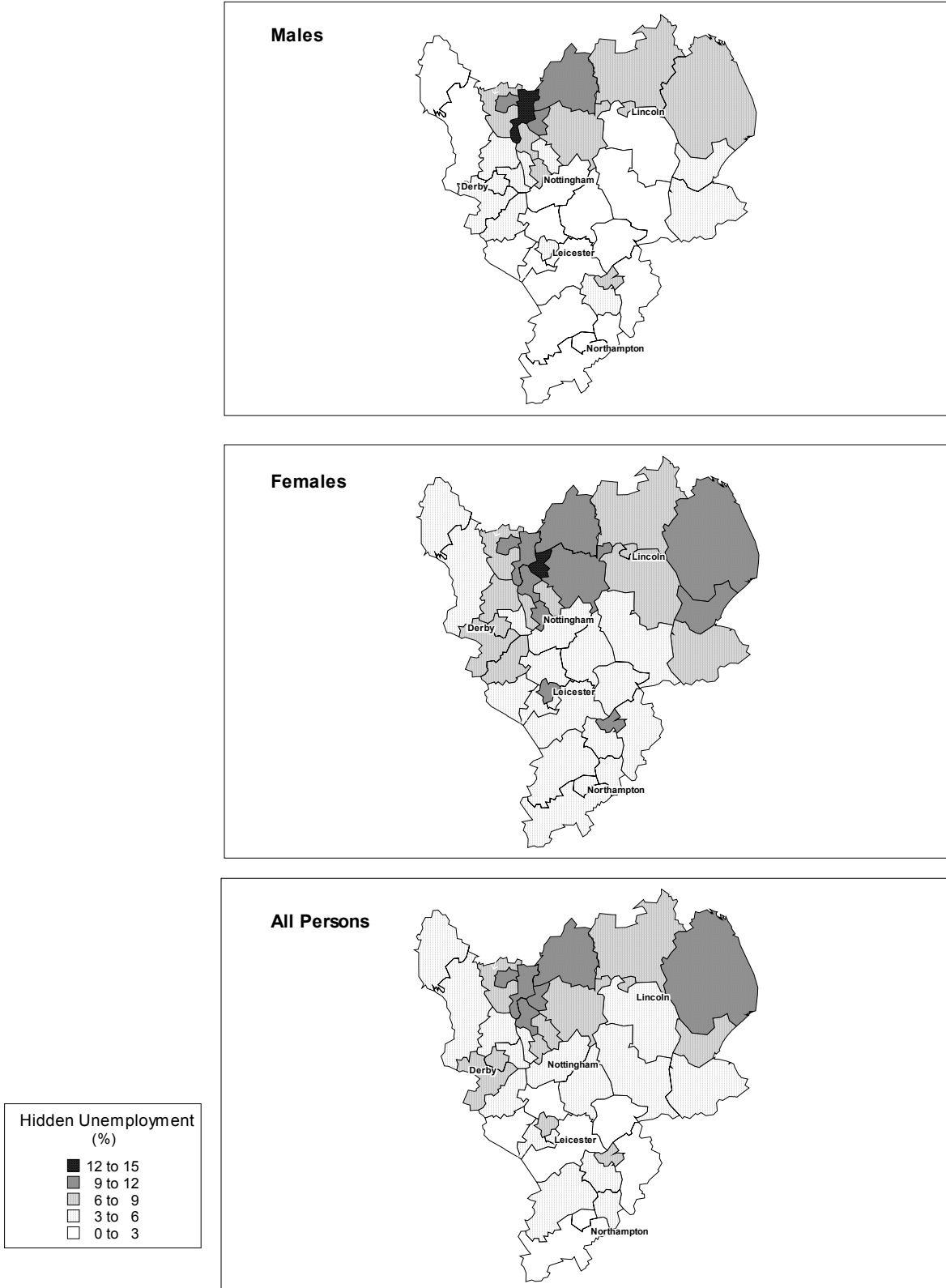
The concentration of hidden unemployment in the northern part of the region, and in the cities to a lesser extent, broadly mirrors the distribution of claimant unemployment. Consequently, the areas already known to have higher levels of claimant unemployment are doubly affected by high levels of hidden unemployment. This is illustrated by Table 3.2, which ranks districts by their rate of real unemployment. Whereas claimant unemployment varies only modestly across the region from around 1 to 6 per cent, real unemployment ranges from around 3 to 15 per cent. In the districts where claimant unemployment is low, hidden unemployment typically adds 2-3 percentage points to the unemployment rate. In the districts where claimant unemployment is high, hidden unemployment typically adds 8-10 percentage points. As a result, the estimated rates of real unemployment in some districts are particularly high. Fourteen districts are estimated to have real rates of unemployment in excess of 10 per cent, peaking at 15.7 per cent in Mansfield.

FIGURE 3.1: CLAIMANT UNEMPLOYMENT BY DISTRICT, JANUARY 2002



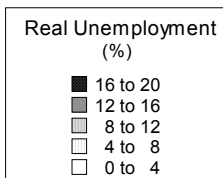
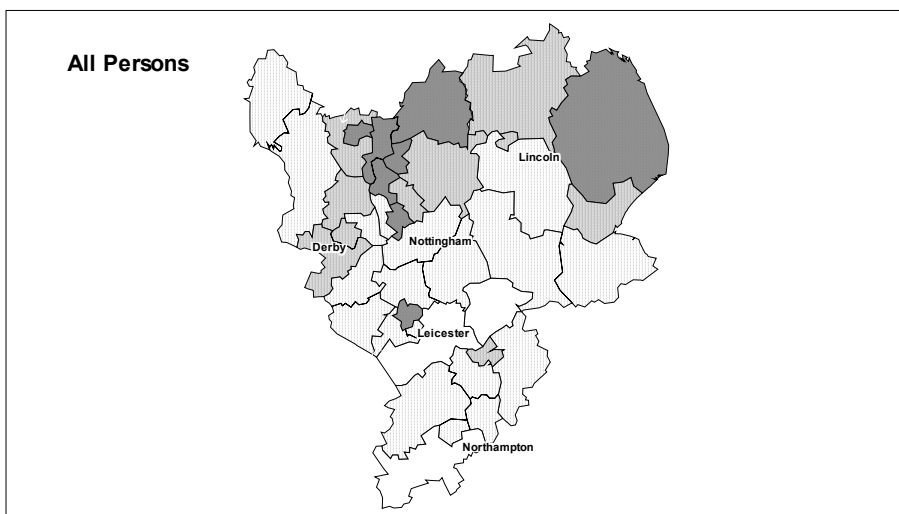
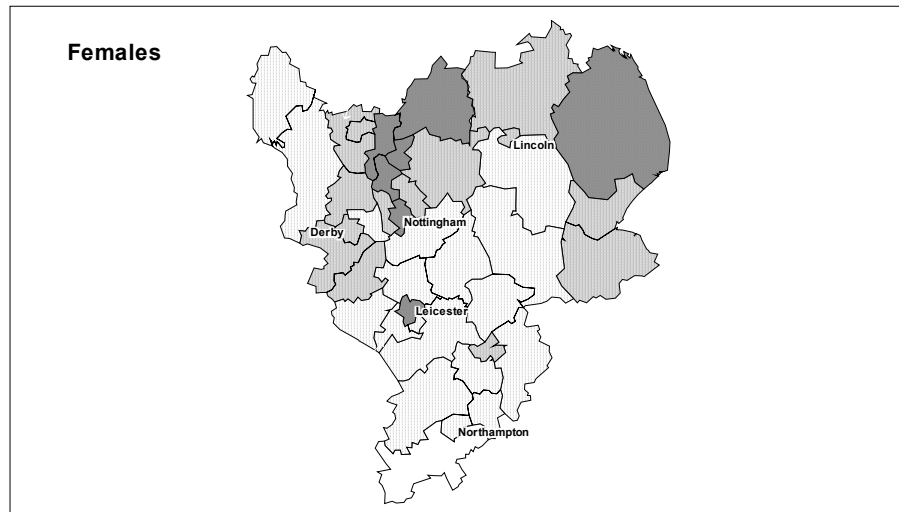
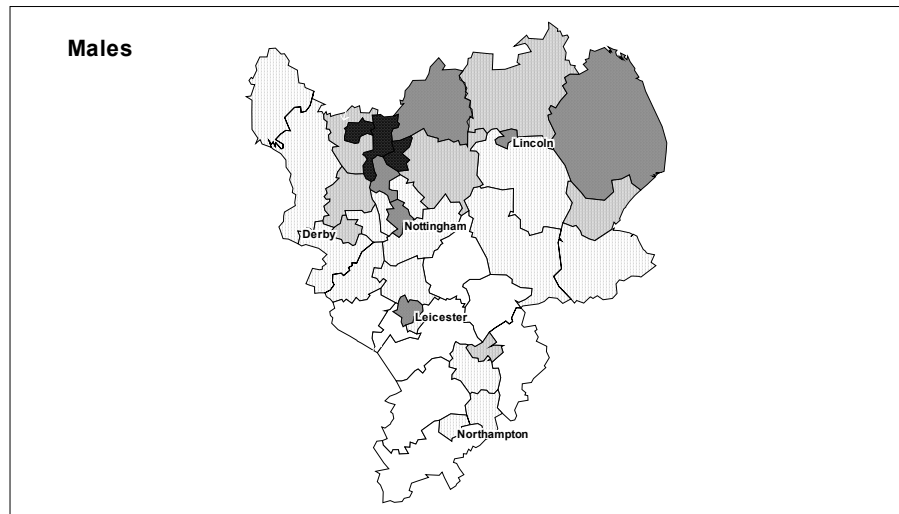
Sources: ONS and authors' estimates

FIGURE 3.2: HIDDEN UNEMPLOYMENT BY DISTRICT, JANUARY 2002



Sources: see Appendix

FIGURE 3.3: REAL UNEMPLOYMENT BY DISTRICT, JANUARY 2002



Sources: see Appendix

Table 3.2: Unemployment by district, January 2002

	Claimant count (%)	Real unemployment (%)
Mansfield	4.5	15.7
Bolsover	4.3	15.4
Nottingham	6.1	14.3
Chesterfield	5.3	14.2
Bassetlaw	4.8	14.2
East Lindsey	4.2	13.2
Ashfield	4.1	13.1
Leicester	6.2	13.0
Lincoln	4.3	11.9
Corby	3.4	10.8
Newark and Sherwood	2.7	10.8
North East Derbyshire	3.6	10.6
Derby	4.5	10.4
West Lindsey	3.5	10.3
Boston	2.5	9.4
Gedling	2.4	8.5
Amber Valley	2.7	8.3
South Derbyshire	1.9	8.2
Broxtowe	2.4	7.7
North West Leicestershire	2.0	7.6
Erewash	3.0	7.1
South Holland	1.9	6.9
North Kesteven	1.7	6.2
Kettering	1.8	6.2
Wellingborough	2.5	5.7
Northampton	3.0	5.6
High Peak	2.0	5.6
South Kesteven	2.0	5.6
Oadby and Wigston	2.3	5.5
Rushcliffe	1.5	5.1
Charnwood	2.4	4.9
Daventry	1.6	4.9
Blaby	1.6	4.8
Melton	1.4	4.7
Derbyshire Dales	1.6	4.6
Hinckley and Bosworth	1.8	4.4
East Northamptonshire	1.8	4.2
Harborough	1.3	3.4
Rutland	0.6	3.1
South Northamptonshire	0.9	2.7

Sources: see Appendix

There is quite a lot of variation in real unemployment between districts with otherwise broadly similar levels of claimant unemployment. For example, Derby's claimant count, at 4.5 per cent, is little different from that in Bolsover at 4.3 per cent, but real unemployment in Bolsover is estimated to be much higher - 15 per cent compared to 10 per cent. Conversely, Northampton has relatively low real unemployment (just 5.6 per cent) in relation to its claimant count (3.0 per cent).

Some of this detailed variation should be treated with caution. As we noted in Section 2, our estimates of real unemployment at the district scale are probably only reliable to within 1-2 percentage points of the quoted figure. This is unavoidable given the data available. However, the larger differences between districts undoubtedly reflect real phenomena and above all the distribution of sickness claimants, who are both numerous and fairly reliably counted at the district level by DWP data. Thus Bolsover has a much higher rate of real unemployment than Derby, especially among men, because the diversion onto sickness benefits has generally happened to a much greater extent in former coalfield areas where there is a problem not just of joblessness but also of ill-health arising from previous employment in the coal industry. Five of the top seven districts, in terms of real unemployment, are coalfield districts - Mansfield, Bolsover, Chesterfield, Bassetlaw, and Ashfield.

Table 3.3 groups districts into five broad categories - cities, suburban districts, the former coalfields, industrial towns and mainly rural. The allocation is purely indicative and is based solely on our own knowledge of the region rather than on statistical criteria but it does highlight the contrast between the cities and former coalfields, on the one hand, where real unemployment averages 12-13 per cent, and the rest of the East Midlands region where it averages around 6 per cent. The three cities are well ahead of the coalfields in terms of claimant unemployment but adding in hidden unemployment closes the gap, illustrating the magnitude of hidden unemployment in former coalfield districts and the tendency for more of the unemployment in the cities to be visible as claimant unemployment. The high rate of unemployment in the cities also needs to be set alongside the lower rate in neighbouring suburban districts, which mostly form part of the same built-up areas.

Table 3.3 : Unemployment in the East Midlands, by type of area, January 2002

	Claimant count		Real unemployment	
	no.	%	no.	%
Cities	20,300	5.6	48,500	12.7
Suburban	6,400	2.2	20,000	6.6
Former coalfields	14,400	3.9	50,300	12.7
Industrial towns	12,900	2.6	33,200	6.6
Mainly rural	10,900	2.0	36,500	6.5
East Midlands	65,000	3.2	188,500	8.8

Sources : see Appendix

Cities : Derby, Leicester, Nottingham

Suburban : Erewash, Blaby, Oadby and Wigston, Broxtowe, Gedling, Rushcliffe

Former coalfields : Bolsover, Chesterfield, NE Derbyshire, NW Leicestershire, Ashfield, Bassetlaw, Mansfield, Newark and Sherwood

Industrial towns : Amber Valley, High Peak, Charnwood, Hinckley and Bosworth, Lincoln, Corby, Kettering, Northampton, Wellingborough

Mainly rural : Derbyshire Dales, S Derbyshire, Harborough, Melton, Rutland, Boston, E Lindsey, N Kesteven, S Holland, S Kesteven, W Lindsey, Daventry, E Northamptonshire, S Northamptonshire

Comparison with other regions

Table 3.4 compares claimant and real unemployment in the East Midlands with levels in the other regions of Great Britain. The figures for real unemployment are all compiled on the same basis and are therefore fully comparable.

In terms of claimant unemployment, the East Midlands is a little below the national average. In effect, the region falls half-way between the most prosperous regions of the south and the more depressed regions further north. Adding in hidden unemployment does not alter the

East Midlands' ranking. In terms of real unemployment, the region remains the fourth lowest and a little below the national average.

In the East Midlands the real rate of unemployment is estimated to be 5 percentage points higher than the claimant rate. This disparity is greater than in the South East, South West and Eastern region, where it is 3-4 percentage points, but it is considerably less than in the North East or Wales, where the gap is 10 percentage points. In the same way as hidden unemployment within East Midlands tends to be concentrated in the districts where claimant unemployment is highest, across Britain as a whole the regions with the highest claimant unemployment also tend to have the greatest hidden unemployment.

Table 3.4 : Unemployment by region, January 2002

	Claimant count (%)	Real unemployment (%)
North East	5.6	15.6
Wales	4.0	13.5
Scotland	4.6	13.5
North West	4.1	12.4
West Midlands	3.9	10.2
London	4.5	10.2
Yorkshire and Humber	4.0	9.8
EAST MIDLANDS	3.2	8.8
South West	2.3	6.4
Eastern	2.2	6.0
South East	1.8	4.9
Great Britain	3.5	9.5

Sources : see Appendix

Change in unemployment 1997-2002

The 1997 study⁽²¹⁾ referred to earlier provided estimates of real unemployment by district for January 1997. These earlier figures have been adjusted to place them on the same basis as the new January 2002 figures, which incorporate improvements to the basic methodology. Table 3.5 shows the changes in claimant, hidden and real unemployment in the East Midlands as a whole between January 1997 and January 2002.

Claimant unemployment in the region fell substantially over this period, by nearly 54,000. Most of the reduction was among men. In contrast, hidden unemployment is estimated to have risen by just over 21,000. The rising number of sickness claimants and the growing excess of ILO unemployment over claimant unemployment lie behind this increase, whereas government schemes now account for fewer hidden unemployed as the balance has shifted from 'make work' towards more formal training. The large reduction in claimant unemployment was nevertheless sufficient to produce a reduction in estimated real unemployment of just under 33,000. Nearly all this net reduction was among men. Among women the fall in claimant unemployment is balanced by an almost equal estimated increase in hidden unemployment.

That the overall level of real unemployment in the East Midlands should have fallen during a prolonged period of national economic growth is hardly surprising. What appears to have happened however is that the whole of the reduction has been a result of men and women moving off the claimant count. In contrast, the hidden unemployed – who are often further removed from job seeking and employment – seem to have been largely unaffected. Indeed, the rising numbers of hidden unemployed suggest a continuing diversion of those without work away from claimant unemployment into more unconventional forms of joblessness.

That real unemployment among women in the region should have fallen so little during a period of sustained economic growth, as our figures suggest, is at first sight surprising, especially as the service-oriented nature of much recent growth has tended to generate more job opportunities for women than men. The explanation is almost certainly that more women have been entering the workforce, so that rising women's employment and broadly stable women's unemployment (at least on the 'real' measure) have been able to co-exist.

Table 3.5 : Change in unemployment in the East Midlands, Jan 1997 - Jan 2002

	Male	Female	Total
CLAIMANT COUNT	-42,700	-11,200	-53,900
Extra ILO unemployed	+6,500	+1,200	+7,700
Government schemes	-6,100	-3,300	-9,400
Excess sickness claimants	+7,400	+13,700	+21,100
Excess early retired	+1,100	+600	+1,700
HIDDEN UNEMPLOYED	+8,900	+12,200	+21,100
REAL UNEMPLOYMENT (ie claimant plus hidden)	-33,800	+1,000	-32,800

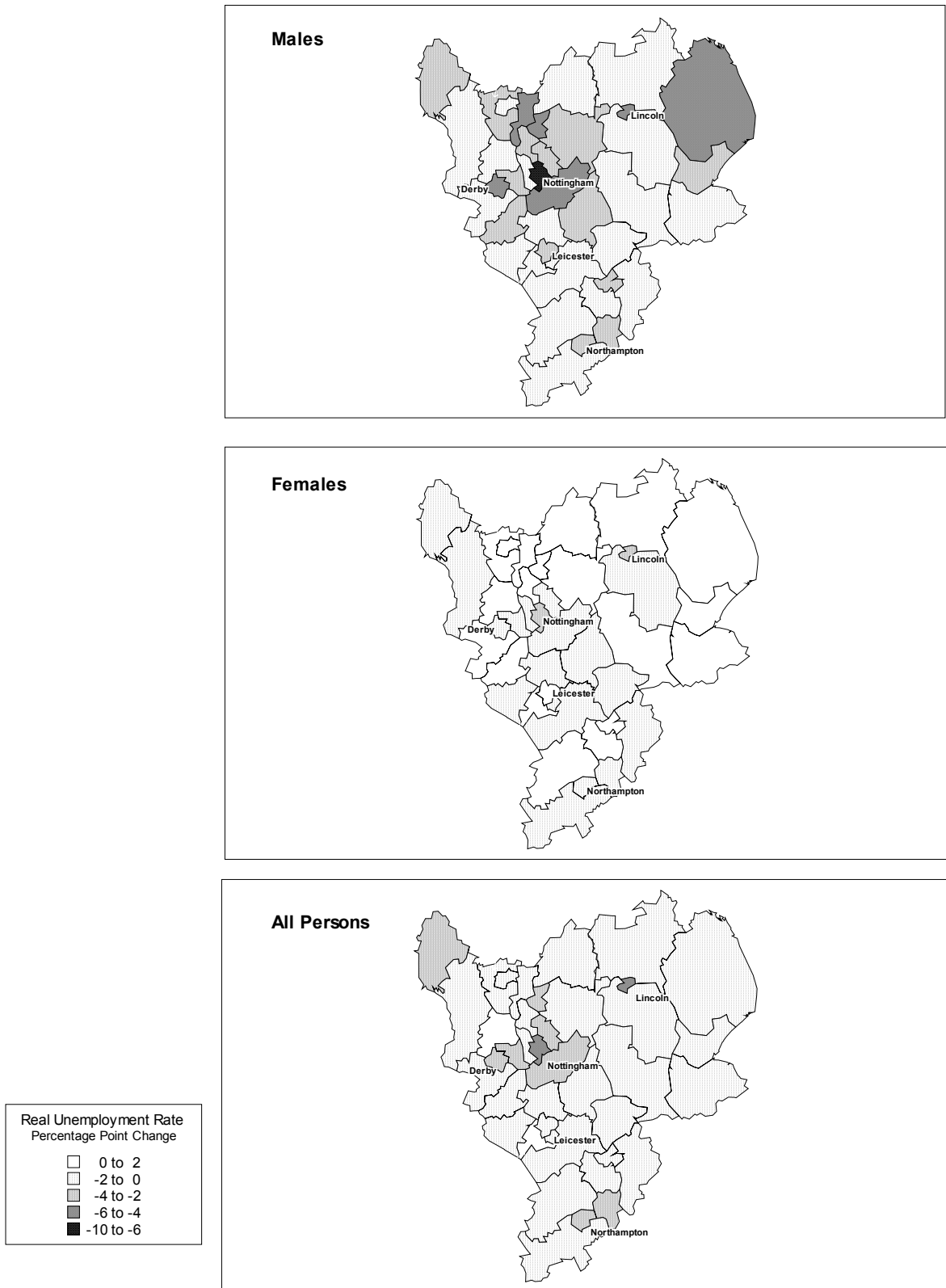
Sources : see Appendix

Figure 3.4 shows the estimated change in real unemployment by district between January 1997 and January 2002.

Among men, the largest reductions in real unemployment have been in and around Nottingham, and also in parts of North Nottinghamshire and North Derbyshire and along the Lincolnshire coast. These are mostly areas where the real level of unemployment among men was high in 1997, so the large reduction has been from a high starting point.

Among women, quite extensive parts of the region have experienced little or no reduction in real unemployment. These include a block of districts in North Nottinghamshire and North Derbyshire where textiles and clothing have traditionally been large-scale employers of women. Both these sectors have been under acute pressure from international competition over the last few years, often resulting in job losses and factory closures. Large parts of rural Lincolnshire also show no reduction in real unemployment among women.

FIGURE 3.4: CHANGE IN REAL UNEMPLOYMENT RATES BY DISTRICT, 1997-2002



Sources: see Appendix

These overlapping patterns generate a complex overall pattern of change in the region. The largest reduction in total real unemployment occurred in Nottingham City, where the estimated fall between 1997 and 2002 was nearly 6 percentage points. Several neighbouring districts appear to have shared Nottingham's healthy trend. Three of the other main regional centres – Derby, Lincoln and Northampton – are also estimated to have experienced above average reductions in real unemployment.

Table 3.6 : Change in real unemployment, Jan 1997 – Jan 2002

	Percentage point reduction	as % 1997 real unemployment
South West	2.5	24.3
Eastern	2.2	23.9
South East	1.8	23.6
Yorkshire and Humber	3.3	22.8
North West	3.3	20.7
London	3.0	19.2
Wales	3.2	18.0
EAST MIDLANDS	1.8	14.8
North East	2.5	13.2
Scotland	2.3	12.7
West Midlands	1.2	9.9
Great Britain	2.5	18.4

Sources : see Appendix

Finally, Table 3.6 compares the reduction in real unemployment in the East Midlands with the other regions in Great Britain. This shows that across the regions the estimated reduction in real unemployment between 1997 and 2002 was fairly even at 1-3 percentage points. This relatively flat-rate reduction resulted in a bigger proportional fall in the regions in the South where unemployment was already lowest. The East Midlands is estimated to have experienced a 1.8 percentage point reduction in real unemployment – 0.7 per cent less than the national average - and the proportional fall, nearly 15 per cent, was also a little less than for Britain as a whole.

4. THE POLICY CONTEXT

The local perspective

As part of the research, a range of representatives of key agencies operating in the East Midlands were consulted to obtain their views on economic and labour market conditions in different parts of the region. The consultees covered 20-25 local and regional bodies, of which around half responded, including Government Office, the East Midlands Development Agency, three sub-regional partnerships and two local Learning and Skills Councils. They were all asked particularly about the policy initiatives that are being taken to address worklessness, especially those aimed at the hidden unemployed. A further source of information was a series of published reports, including the State of the Region reports, findings from the Regional Household Survey, local economic profiles, skills needs assessments and a range of policy documents.

A simple and widely accepted way of portraying the intra-regional variation in the East Midlands is as a 'North/South divide':

- the *North* is mainly characterised by higher than average levels of claimant unemployment and labour market detachment, lower wages and incomes, older housing, slower jobs growth in buoyant sectors, concentrations of deprivation, and overall a relatively high degree of labour market slack
- the *South* features higher than average employment rates, faster jobs growth (especially in services), an occupational structure more biased towards higher level non-manual occupations, more complex commuting patterns, greater prosperity, more expensive better quality housing, some planning restrictions which may thwart the nature and location of further development, and overall a tight labour market.

The grouping of districts used in Section 3 provides a fuller picture of intra-regional variation:

- *Cities* - the three main cities (Derby, Leicester, Nottingham) may have seen recent employment growth but this has occurred alongside continuing unemployment and

deprivation. New jobs have often drawn in people with the requisite skills and attributes from a wider catchment area rather than from the local resident labour force.

- *Suburban* – this group encompasses the main areas of private housing on the fringes of the three main cities. The residents of these areas tend to be more prosperous than average and more mobile in their search for work. While the local economic base of these areas may be fairly weak, the suburbs provide good access to opportunities in the cities and other neighbouring areas.
- *Former Coalfields* – key features here are high levels of claimant unemployment and labour market detachment, lower skills and incomes and higher levels of deprivation. There is some employment growth but the new jobs are often in a restricted range of sectors and occupations, and often part-time, precarious and low wage. Some former coalfield areas (for example North West Leicestershire) appear to be adjusting better or more quickly than others and some of the more attractive parts of coalfield districts have seen in-movement of workers who commute elsewhere.
- *Industrial Towns* - these cover a range of circumstances, with some towns (such as Northampton, Kettering and Wellingborough) faring well and overcoming the loss of traditional industries by the attraction of new services. Others (for example Corby and Lincoln) are tending to lag behind. The scale of new investment and development is smaller, and location away from the main growth corridors does not help.
- *Mainly rural* – some of these districts feature tight labour markets with virtually full employment. However, the nature of labour demand across rural areas in the East Midlands varies. In parts of Lincolnshire there is evidence of continuing joblessness with the agricultural sector for example characterised by seasonal fluctuations in demand for labour and low wages. In the south of the region there are often labour shortages, attributable in part to the housing market and planning constraints.

Future scenarios

The recent experience of the East Midlands economy is one of relative success. Regional employment has been growing more quickly than the UK average for the last twenty years,

with only the South East, the Eastern region and the South West enjoying faster growth. The employment rate for persons of working age is slightly higher than the UK average, although its rate of increase was below the UK average over the period from 1997 to the end of 2001.⁽²²⁾ On both the claimant and ILO unemployment measures the regional unemployment rate has been, and remains, lower than the UK average. Adding in hidden unemployment does not change the region's ranking, as Section 3 showed.

The position on some other economic indicators gives cause for concern. GDP per capita remains lower than the UK average. Levels of educational attainment and workforce skills are lower than the UK average. Average wages are relatively low. Indeed, as highlighted by the *State of the Region's Economy* report,⁽²³⁾ there is evidence of a 'low pay, low skill equilibrium', and the sustainability of this equilibrium is questionable.

Projections for the East Midlands⁽²⁴⁾ suggest a continuing shift in employment away from manufacturing and traditional primary industries in favour of services. The dominant feature is the projected loss of 75,000 jobs in manufacturing over the period from 1999 to 2010. In relative terms, this represents a slightly greater loss than for the UK as a whole.

Nevertheless, the East Midlands is projected to retain a greater share of employment in manufacturing than the UK average. Textiles, footwear & clothing account for the largest projected job losses in manufacturing over the period to 2010, although substantial job losses are also expected in engineering. Manufacturing job losses contrast with projected gains over the same period of around 125,000 jobs in business and miscellaneous services. Smaller, but substantial increases are projected in public services such as health and education, and in distribution, transport and communications.

Projected job losses are expected to fall disproportionately on male full-time employees. Between 1999 and 2010 a loss of 55,000 male full-time jobs in the East Midlands is projected, contrasting with an expected increase in female full-time employees of nearly 50,000. For both males and females increases of about 50,000 part-time employees are projected.

Industrial change influences occupational change. Over the medium-term, the single largest projected increase in employment in the East Midlands is for personal service occupations. Women are expected to account for the majority of this net increase, with many of the employment opportunities being for part-time employees. The next largest projected increases are in professional, managerial and other white-collar jobs. Projected job losses

are concentrated in skilled and trade occupations with an expected decline in employment of 35,000. These job losses are expected to fall almost entirely on males. Further losses of over 10,000 jobs are expected for process, plant and machine operatives. Here women are expected to bear the brunt of the projected job losses. So while on the basis of employment projections men in manual jobs may be expected to be most vulnerable to job loss, some groups of women may also find their jobs disappearing. Overall, the projected shifts in the industrial and occupational structure of employment suggest increasingly difficult circumstances for those with poor skills.

A 'scenario building' approach provides alternative views of the future, as illustrated by the four scenarios summarised below:

- *Free Market Future* – In this scenario employment in low value-added industries and services declines as the East Midlands fails to compete with low-cost locations elsewhere in the world. There is an increasing share of employment in high value-added products and services, and a premium on highly skilled workers. Workers in the low value-added industries, and particularly those with few transferable skills, would be most vulnerable to joblessness. In those local areas where there is a high reliance on such industries, the highest levels of job loss might also be expected.
- *Social Interventionist Future* – A relatively high degree of labour market regulation is central to this scenario as part of a policy framework to offset the polarising effect of unregulated economic growth. This might include positive discrimination in favour of disadvantaged groups coupled with strong local economic development and regeneration policies to narrow the gap between less favoured areas and the rest of the region.
- *Successful Future* – In this scenario the East Midlands might be characterised by high levels of economic activity, high levels of educational attainment and a skilled and adaptable workforce. Nevertheless, labour market opportunities for those with poor skills might be expected to continue to diminish, especially as they have difficulty in gaining a foothold in the knowledge economy.
- *Failing Future* – There is minimal if any job growth as companies in the region fail to keep pace with the changing demands of the global economy. Mobile investment seeks

alternative destinations. The region haemorrhages more highly skilled people with ambition who move away to pursue careers elsewhere. Spatial and social divides are exacerbated.

It is clear that although these four scenarios display some distinctive features, they also share aspects in common. The first concerns the role of knowledge and technological change. Competitive companies recognise, and act upon, the need to invest in expanding their knowledge base and reap the benefits of technological change. Technological change offers potential for job losses as well as gains – with the losses concentrated amongst the less skilled, particularly in manufacturing. The second message concerns polarisation. In some scenarios, and in current labour market projections for the East Midlands, there is potential for growing disparities at several levels.

So what implications can be drawn for the future of unemployment – particularly hidden unemployment – in the East Midlands? Four strategic observations can perhaps be made.

The first is that the *trajectory* of future unemployment is likely to be sensitive to the emerging scenario for the region and indeed for the UK economy as a whole. The ‘free market future’ and the ‘failing future’, in particular, imply substantial economic dislocation in which only some of the men and women made redundant by declining sectors are absorbed by growth in the rest of the region’s economy.

The second point concerns the *balance* between claimant and hidden unemployment. The employment projections for the region point strongly to declining job opportunities for men, compared to women. Men’s unemployment is more likely to be ‘visible’ in the claimant count, but the specific groups of men who are likely to find themselves in the weakest labour market position – the older, less skilled and less healthy – are prone to dropping out of claimant unemployment into various forms of hidden unemployment, particularly as sickness claimants and to a lesser extent as early retirees. The continuing growth of job opportunities for women, on the other hand, would suggest falling hidden unemployment among this group, especially as claimant unemployment among women in almost all of the region is already low. In particular, many of the ‘extra ILO unemployed’ – women who are looking for work but not included in the claimant count – may be among the first to be drawn into employment. If women’s labour market participation continues to increase, however, the impact of additional employment on real levels of unemployment among women may be

much more muted, as seems to have been the case in the East Midlands between 1997 and 2002.

The third point concerns the *geography* of unemployment. Aspects of the 'free market future' and 'failing future' scenarios especially point to pressures for greater polarisation within the East Midlands. The 'free market future', in particular, suggests that the already tight labour market in southern parts of the region may grow still tighter, as there is presently little unemployment (claimant or hidden) in most of these areas. Rising demand for labour in this part of the region could probably be met only by significant in-migration, with all the attendant consequences for housing demand and land use. If serious in-roads are to be made into the large stock of hidden unemployment in some northern parts of the region, and indeed into the present stock of claimant unemployment in some districts, a 'social interventionist future' seems the best hope.

Finally, the *scale* of current unemployment should not be ignored. According to the estimates in Section 3, five years of sustained national economic growth between 1997 and 2002 reduced the real level of unemployment in the East Midlands by 37,000, or about one-in-six. That still leaves an enormous problem – as estimated 187,000 claimant or hidden unemployed, concentrated in particular in a dozen or so districts in the northern part of the region. While claimant unemployment might continue to fall if strong economic growth is maintained, on the basis of trends over the last five years the problem of hidden unemployment looks much more intractable. To bring genuine full employment to the whole of the East Midlands might require as much as a generation of further economic growth.

Implications for policy

There are numerous national and local initiatives to help unemployed people move back into work, particularly in the most disadvantaged areas⁽²⁵⁾. Probably the best known are the New Deal programmes established by the Labour government during its first term. These initially concentrated just on JSA claimants and in particular on the under 25s. Evaluations have shown that they have been most successful in helping those participants who are closest to work⁽²⁶⁾ and at the front of the 'queue for jobs', while those furthest away from labour market engagement have benefited less. More recently the New Deal has been widened to encompass people who fall outside the claimant unemployed. These include older people, lone parents, the disabled and partners.

In areas where joblessness has proved particularly intense, Employment Zones and Action Teams for Jobs have been established, with substantial local discretion in designing 'what works' at local level ⁽²⁷⁾ alongside Single Regeneration Budget and other local projects. The East Midlands contains seven districts that have been designated as eligible for the Neighbourhood Renewal Fund, and there are three areas where intensive co-ordinated regeneration is in progress under the New Deal for Communities banner. The region also contains a range of other area-based initiatives that might impinge to a greater or lesser extent on unemployment, including Education Action Zones and Health Action Zones.

Some key lessons have been learned from previous initiatives. There is increasing recognition that there may be multiple barriers in reattaching both the claimant and hidden unemployed with the world of work. Evaluations show that there are benefits to be gained from individualising support. It is also clear that those who are hardest-to-help may benefit most from greater support and flexible delivery. These lessons are being translated into policy. Thus the New Deal is being 're-engineered' to bring greater flexibility in order to deal with some of the more persistent barriers to employment, and efforts to overcome labour market detachment are increasingly being incorporated into wider regeneration strategies and programmes. The establishment of Jobcentre Plus marks an important step in the recognition that joblessness is not just about the claimant unemployed. By bringing together the functions of the Employment Service and the Benefits Agency, Jobcentre Plus aims to offer all those looking for work a more co-ordinated approach and a highly personalised service.

A relatively new feature of the regeneration landscape in the East Midlands is the development of structures of planning and delivery that seek to incorporate all players in the process. In geographical terms, these are expressed in a hierarchy of partnership-based bodies, with the East Midlands Development Agency at the apex, and sub-regional and local levels below that. A major question here is how this activity is co-ordinated, both vertically between levels and horizontally across the region. Those agencies with a region-wide remit appear to be doing what they can to address the geographical variability and spatial mismatches that have already been outlined. However, they face major constraints in terms of powers, resources, policy tools and intra-regional politics. There is clearly great potential for tension to exist between promoting economic development and investment within the region generally and the way in which this activity is distributed to different parts of the region.

At the sub-regional and local scale, the tendency is inevitably (and perhaps justifiably) for agencies to seek new investment or job creation that is located within their own 'patch', often ignoring needs and opportunities in adjacent areas. That is not to say that cross-boundary working does not occur, just that it is not the norm. And it has to be said that the development of sub-regional partnerships has begun to break down many of the local barriers and parochial attitudes that characterised parts of the region until relatively recently - the North Derbyshire/North Nottinghamshire Coalfield Alliance and the Greater Nottingham Partnership are prime examples of this.

There is a particular interest in the co-existence of relatively high levels of vacancies alongside relatively high levels of unemployment. In Nottingham, for instance, the local labour market is buoyant, employers report hard-to-fill and skill-shortage vacancies, yet in some of the inner wards in particular there is a higher than average incidence of claimant unemployment and even higher levels of real unemployment. One important reason is a mismatch between the skills of unemployed individuals and the vacancies available. Secondly, there may be problems with mechanisms allocating people to jobs – lack of information, or recruitment and application procedures that exclude some people. Thirdly, there may be problems with the motivations and intentions of individuals, preventing them looking for work or competing effectively for the jobs that are available. Fourthly, there may simply be discrimination against certain groups of workers. Many employers appear to prefer school leavers and women returners for entry-level jobs for instance, rather than older workers who have perhaps been on benefit for some while.

Matching unemployed people and unfilled vacancies in the same localities is a legitimate and valuable aim of labour market policy in the East Midlands and elsewhere. Our discussions with key agencies in the region confirm that this is central to the current approach to unemployment. In so far as policies are now tailored to individual needs and circumstances, and backed up by tax incentives, these sorts of policies are probably better designed than ever before. There is also an appreciation in some quarters that working closely with specific employers to ensure a supply of labour with the skills that are really needed – the 'demand-led' approach in employment service jargon – has much to commend it, even if this approach is not yet widespread.

However, the scale of hidden unemployment suggests that current policies, by themselves, are not enough. There are two key problems.

First, although the 'economically inactive' are for the first time beginning to be included in New Deal programmes, the majority of labour market interventions are still targeted mainly at the claimant unemployed. Indeed, it is apparent that some players in the region still see 'unemployment' and the 'claimant unemployed' as more or less synonymous, and they are not geared-up in either their thinking or actions to address the other groups without work. As a result, the hidden unemployed continue to be largely overlooked despite the evidence that they now outnumber those on JSA. The hidden unemployed are usually further from employment and active job seeking, and they are therefore not an easy group from which to obtain successful 'outcomes'. But the hidden unemployed – especially the very large numbers on Incapacity Benefit – also often require the most intensive support to re-engage them with employment. At present they are mostly not receiving this help.

The second problem concerns the neglect of demand-side factors. The evidence indicates that where the demand for labour is strong enough, as in the south of the region, both claimant and hidden unemployment can be reduced to low levels. However, the scale of real unemployment in other parts of the region, such as the former coalfield districts in the north, indicates that unemployment is unlikely to be eliminated without boosting the supply of jobs. Indeed, in the absence of substantial additional employment in these areas, greater efforts to place people in jobs will simply shuffle those who are in work and those who are unemployed, with little or no net impact on the overall level of joblessness. What continues to be needed in these places are policies that will deliver the new infrastructure, new investment and the new jobs that are still so badly needed.

- (1) see P. Gregg (1994) 'Out for the count : a social scientist's account of unemployment statistics in the UK', *Journal of the Royal Statistical Society A*, vol. 157, pp 253-270.
- R. MacKay (1999) 'Work and nonwork : a more difficult labour market', *Environment and Planning A*, vol. 31, pp 487-502.
- D. Webster (2002) 'Unemployment : how official statistics distort analysis and policy, and why', paper presented to the Radical Statistics annual conference.
- (2) for example P. Convery (1996) 'How many people are unemployed?', *Working Brief*, no. 78, pp 23-26, Unemployment Unit, London.
- (3) Royal Statistical Society (1995) *Report of the Working Party on the Measurement of Unemployment in the UK*, Royal Statistical Society, London.
- (4) see C. Beatty and S. Fothergill (1999) *Incapacity Benefit and Unemployment*, CRESR, Sheffield Hallam University.
- (5) A. Green (1999) 'Insights into unemployment and non-employment in Europe using alternative measures', *Regional Studies*, vol. 33, pp 453-464.
- (6) see C. Beatty and S. Fothergill (1999a) op. cit.
- also C. Beatty, S. Fothergill and R. Macmillan (2000) 'A theory of employment, unemployment and sickness', *Regional Studies*, vol. 34, pp 617-630.
- (7) C. Beatty, S Fothergill and R. Macmillan (2000) op. cit.
- (8) C. Beatty and S. Fothergill (1996) 'Labour market adjustment in areas of chronic industrial decline : the case of the UK coalfields', *Regional Studies*, vol. 30, pp 627-640.
- (9) C. Beatty and S. Fothergill (1997) *Unemployment and the Labour Market in Rural Development Areas*, Rural Development Commission, London.
- (10) C. Beatty, S. Fothergill, T. Gore and A. Herrington (1997) *The Real Level of Unemployment*, CRESR, Sheffield Hallam University.
- (11) P. Alcock, C. Beatty, S. Fothergill, R. Macmillan and S. Yeandle (2002 forthcoming) *Work to Welfare : how men become detached from the labour market*, CUP, Cambridge.
- (12) for a full discussion of the overlap between claimant and ILO unemployed see Department of Employment (1995) *How Exactly is Unemployment Measured?*, Department of Employment, London
- (13) These districts are : Bracknell Forest, Reading, Slough, West Berkshire, Workingham, Aylesbury Vale, Milton Keynes, Wycombe, Basingstoke and Deane, Rushmoor, Test Valley, Broxbourne, North Hertfordshire, Stevenage, Watford, Cherwell, Oxford, West Oxfordshire, Surrey Heath and Crawley.
- (14) C. Beatty, S. Fothergill, T. Gore and A. Herrington (1997) op. cit.

- (15) C. Beatty and S. Fothergill (1999) op. cit.
- (16) P. Alcock, C. Beatty, S. Fothergill, R. Macmillan and S. Yeandle (2002 forthcoming) op. cit., ch. 5.
- (17) C. Beatty and S. Fothergill (1999) op. cit.
- (18) *Labour Market Trends*, vol. 110, p 298.
- (19) C. Beatty and S Fothergill (1999) op. cit.
- (20) *Labour Market Trends*, op. cit.
- (21) C. Beatty, S. Fothergill, T. Gore and A. Herrington (1997) op. cit
- (22) C. Lindsay (2002) 'Regional labour market performance', *Labour Market Trends* 110, 249-58.
- (23) DTZ Pidea Consulting (2002) *The East Midlands: The state of the region's economy*.
- (24) From IER (2001) *Projections of Occupations and Qualifications, 2000/2001 – Volume 2: Regional Results*; Cambridge Econometrics (February 2002) *Regional Economic Prospects for the East Midlands*.
- (25) For further information on some of the local initiatives undertaken in Great Britain see M. Campbell, I. Sanderson and F. Walton (1998) *Local responses to long-term unemployment*. York: Joseph Rowntree Foundation.
- (26) C. Hasluck (2000) 'Early lessons from the evaluation of New Deal Programmes', *Labour Market Trends* 108, 369-378.
- (27) M. Campbell and P. Meadows (2001) *What works locally? Key lessons on local employment policies*. York: Joseph Rowntree Foundation.

Appendix A : Statistical methods and sources

This appendix sets out the detailed methods and data sources used to generate the estimates of hidden and real unemployment presented in the report. The methods use a combination of administrative, survey and Census of Population data. The availability of results from the 2001 Census of Population, from late 2002 onwards, will simplify the estimation procedures and enable greater accuracy at the local scale. The 2001 Census of Population should therefore be used as the starting point for any subsequent up-date.

ECONOMICALLY ACTIVE POPULATION OF WORKING AGE

This variable is required for the calculation of claimant, hidden and real unemployment rates. The working age and economically active populations are also required at several intermediate steps in the calculations.

Data specification and sources:

- (1) Mid-year working age population estimates by sex by district for 2000 (most recent available), from ONS via NOMIS
- (2) Working age economic activity rates by sex by district, for 2000/01, from the Local Area Database (LADB) - which is annual Labour Force Survey (LFS) data - obtained direct from ONS
- (3) Population by age and sex, by district for 1991, from Census of Population via NOMIS

The mid-year working age population estimates are for 15-64 (men) and 15-59 (women). These are adjusted to 16-64 and 16-59 on the basis of the proportion of 15 year olds in each district in 1991. To produce estimates of the economically active population, the revised working age population estimates are multiplied by the economic activity rates from the LFS. To calculate hidden and real unemployment rates, the 'excess' sick and 'excess' retired are added into the denominator.

CLAIMANT UNEMPLOYMENT

Data specification and source:

- (1) Claimant unemployment numbers by sex by district for January 2002, from ONS via NOMIS. (Also published monthly in *Labour Market Trends*).

EXTRA ILO UNEMPLOYED

Data specification and sources:

- (1) ILO unemployment rates by sex for the region as a whole for winter 2001/02, from ONS via NOMIS. (Also published in *Labour Market Trends*).

Detailed examination of ILO unemployment rates at district and county level indicates that because of the small sample size neither is sufficiently reliable for this part of the exercise, which is therefore carried out at the regional level.

The claimant unemployment rate for the region is deducted from the ILO rate and the difference is treated as hidden unemployment. This flat-rate percentage figure, by sex, is converted into absolute numbers for each district using the economically active population of working age.

GOVERNMENT SCHEMES

Data specification and sources:

- (1) Number of government-supported trainees without a contract of employment, by sex and TEC area, July 2000 (the most recent date available), from DfES.
- (2) Change in number of government-supported trainees without a contract of employment, Great Britain, July 2000 – December 2001, from *Labour Market Trends*.

The figures by TEC area are allocated to constituent districts on the basis of each district's share of 2000 working age population. A proportional adjustment is made to the figure for all districts to allow for national change in the numbers in this group between July 2000 and December 2001.

EXCESS SICKNESS CLAIMANTS

Data specification and sources:

- (1) Number of IB and SDA claimants of working age (including NI credits-only claimants) by sex by district, August 2001, from DWP Analytical Services Division, Newcastle. The figures are based on a 5 per cent sample of claimants and are produced annually.
- (2) 'Permanently sick' aged 16+, by sex by district, from the 1981 Census of Population, via NOMIS.
- (3) Working age population by sex by district 1981, from the Census of Population, via NOMIS.
- (4) Residents of psychiatric hospitals by sex by district 1981, from the Census of Population, via NOMIS.

DWP sickness claimant numbers are converted into rates using the 2000 working age population as a base. The 1981 sickness figures are also converted into rates using 1981 working age population.

For each district the benchmark against which 'excess' sickness is measured comprises two elements:

- The 2001 sickness claimant rate in seven fully-employed counties in South East England (see main text).

- The percentage point deviation in the rate of permanent sickness in each district in 1981 from the average rate of permanent sickness in the seven South East counties in 1981.

The 1981 deviation in each district from the average rate in the seven counties in 1981 is added to the average 2001 rate in the seven counties to produce the benchmark for each district. The excess sickness rate is the difference between this benchmark and the actual rate in each district in 2001. Negative values are treated as zero.

A final adjustment is made for residents of psychiatric hospitals who inflate the 'permanently sick' data for a small number of districts in 1981 but not for 2001 when these institutions had mostly closed. Where the number of these residents exceeded 1 per cent of the working age population in 1981, the excess over 1 per cent is deducted from the 1981 permanent sickness data used to derive the local benchmark.

The excess sickness claimant rate is converted back into absolute numbers using the 2000 working age population figures.

EXCESS EARLY RETIRED

There are no comprehensive and up-to-date figures on the scale of early retirement, particularly at the local scale. LFS data on retirement among people of working age is partial, covering only those who are not seeking work and would not like a job – the largest group among the early retired but one that excludes retired men and women who would like to work. LFS data for this population group is also unreliable at the local and regional scale. A detailed picture of early retirement at the local scale therefore relies on Census data.

Data specification and sources:

- (1) Retired of working age, by sex by district, from the 1991 Census of Population, via NOMIS.
- (2) Retired of working age, by sex by district, from the 1981 Census of Population county reports.
- (3) Working age population, by sex by district, from the 1981 and 1991 Censuses of Population, via NOMIS.
- (4) Number 'inactive, not seeking work, not wanting job, retired' of working age, by sex, for 2000/01 from the LADB of the LFS, and for spring 1993 from the LFS, both obtained direct from ONS.

The 1981 and 1991 early retirement numbers are converted into rates using the working age population for the relevant year.

For each district the benchmark against which 'excess' early retirement is measured comprises two elements and follows fundamentally the same procedure as for excess sickness claimants:

- The 1991 early retirement rate in 20 districts in the fully-employed part of South East England (see notes).

- The percentage point deviation in the rate of early retirement in each district in 1981 from the average rate of early retirement in the 20 districts in 1981.

The 1991 estimates of excess early retired are up-dated to January 2002 in proportion to the annual growth in the numbers of early retired for Britain as a whole, from the available LFS data. This adds 32 per cent to the 1991 estimates of excess early retired. This adjustment assumes that hidden unemployment among the early retired has grown in proportion to early retirement since 1991, and that the geographical distribution remains the same.

In the absence of more satisfactory data, the limitations of the estimates of excess early retired need emphasis.

Appendix B: Unemployment figures by district, January 2002

	Claimant Count (%)			Real Unemployment (%)		
	Male	Female	Total	Male	Female	Total
EAST MIDLANDS	4.2	1.8	3.2	8.8	8.8	8.8
Derbyshire	4.5	1.9	3.4	9.9	8.9	9.5
Amber Valley	3.6	1.5	2.7	8.0	8.8	8.3
Bolsover	5.7	2.4	4.3	17.5	12.7	15.4
Chesterfield	7.5	2.7	5.3	16.3	11.7	14.2
Derby	5.9	2.4	4.5	11.3	9.1	10.4
Derbyshire Dales	2.1	0.9	1.6	4.2	5.3	4.6
Erewash	3.8	1.8	3.0	6.9	7.4	7.1
High Peak	2.6	1.3	2.0	5.4	5.9	5.6
North East Derbyshire	5.1	1.9	3.6	11.2	9.8	10.6
South Derbyshire	2.3	1.3	1.9	7.6	8.9	8.2
Leicestershire	4.0	1.9	3.1	7.0	7.8	7.4
Blaby	2.1	0.9	1.6	3.9	5.8	4.8
Charnwood	3.1	1.5	2.4	4.2	5.7	4.9
Harborough	1.6	0.8	1.3	2.4	4.5	3.4
Hinckley and Bosworth	2.2	1.2	1.8	3.6	5.2	4.4
Leicester	7.8	3.8	6.2	13.1	12.8	13.0
Melton	1.8	0.9	1.4	3.9	5.7	4.7
North West Leicestershire	2.4	1.4	2.0	7.0	8.5	7.6
Oadby and Wigston	3.1	1.3	2.3	4.8	6.2	5.5
Rutland	0.8	0.4	0.6	2.4	4.1	3.1
Lincolnshire	3.7	1.9	2.9	8.8	9.4	9.1
Boston	2.9	1.9	2.5	8.0	11.7	9.4
East Lindsey	5.6	2.6	4.2	13.8	12.5	13.2
Lincoln	5.7	2.3	4.3	13.3	9.8	11.9
North Kesteven	2.1	1.2	1.7	4.8	7.9	6.2
South Holland	2.1	1.6	1.9	5.6	8.8	6.9
South Kesteven	2.4	1.4	2.0	4.7	6.7	5.6
West Lindsey	4.5	2.2	3.5	11.0	9.4	10.3
Northamptonshire	2.9	1.3	2.2	5.0	6.1	5.5
Corby	4.5	2.0	3.4	10.8	10.9	10.8
Daventry	1.8	1.2	1.6	3.6	6.5	4.9
East Northamptonshire	2.2	1.2	1.8	3.3	5.3	4.2
Kettering	2.5	1.0	1.8	6.1	6.2	6.2
Northampton	4.0	1.7	3.0	5.6	5.7	5.6
South Northamptonshire	1.1	0.6	0.9	1.8	3.8	2.7
Wellingborough	3.3	1.5	2.5	4.6	7.0	5.7
Nottinghamshire	5.2	2.1	3.9	12.0	11.0	11.5
Ashfield	5.4	2.3	4.1	13.5	12.7	13.1
Bassetlaw	5.7	3.5	4.8	15.4	12.4	14.2
Broxtowe	3.2	1.5	2.4	7.2	8.2	7.7
Gedling	3.5	1.1	2.4	7.8	9.2	8.5
Mansfield	5.7	2.8	4.5	16.5	14.6	15.7
Newark and Sherwood	3.4	1.6	2.7	10.8	10.9	10.8
Nottingham	8.6	2.9	6.1	15.6	12.6	14.3
Rushcliffe	2.0	0.8	1.5	4.5	5.8	5.1

	Claimant Count			Real Unemployment		
	Male	Female	Total	Male	Female	Total
EAST MIDLANDS	48,488	16,467	64,955	106,800	81,700	188,500
Derbyshire	12,246	3,930	16,176	28,300	19,300	47,600
Amber Valley	1,196	394	1,590	2,800	2,400	5,200
Bolsover	1,026	355	1,381	3,500	2,000	5,500
Chesterfield	2,004	605	2,609	4,700	2,800	7,500
Derby	3,815	1,122	4,937	7,600	4,400	12,000
Derbyshire Dales	431	137	568	900	800	1,700
Erewash	1,165	412	1,577	2,100	1,700	3,900
High Peak	696	261	957	1,500	1,300	2,700
North East Derbyshire	1,343	408	1,751	3,200	2,200	5,400
South Derbyshire	570	236	806	2,000	1,700	3,700
Leicestershire	10,147	3,649	13,796	18,000	15,600	33,700
Blaby	529	195	724	1,000	1,300	2,200
Charnwood	1,440	535	1,975	2,000	2,100	4,100
Harborough	350	148	498	500	800	1,300
Hinckley and Bosworth	658	300	958	1,100	1,300	2,400
Leicester	5,858	1,970	7,828	10,300	7,100	17,500
Melton	263	97	360	600	700	1,200
North West Leicestershire	604	254	858	1,800	1,600	3,500
Oadby and Wigston	445	150	595	700	800	1,500
Rutland	91	37	128	300	400	600
Lincolnshire	6,198	2,426	8,624	15,600	12,600	28,200
Boston	449	188	637	1,300	1,200	2,500
East Lindsey	1,660	654	2,314	4,400	3,300	7,800
Lincoln	1,363	368	1,731	3,400	1,700	5,100
North Kesteven	537	240	777	1,200	1,600	2,900
South Holland	419	235	654	1,100	1,400	2,500
South Kesteven	818	390	1,208	1,600	1,900	3,500
West Lindsey	952	351	1,303	2,400	1,600	4,000
Northamptonshire	5,482	1,923	7,405	9,500	9,100	18,500
Corby	670	221	891	1,700	1,300	3,000
Daventry	389	190	579	800	1,000	1,800
East Northamptonshire	493	199	692	700	900	1,700
Kettering	594	215	809	1,500	1,400	2,900
Northampton	2,365	741	3,106	3,300	2,500	5,800
South Northamptonshire	275	121	396	500	800	1,200
Wellingborough	696	236	932	1,000	1,100	2,100
Nottinghamshire	14,324	4,502	18,826	35,100	24,700	59,800
Ashfield	1,659	553	2,212	4,400	3,300	7,700
Bassetlaw	1,628	690	2,318	4,800	2,600	7,400
Broxtowe	970	364	1,334	2,300	2,100	4,400
Gedling	1,072	299	1,371	2,500	2,600	5,100
Mansfield	1,423	511	1,934	4,600	3,000	7,500
Newark and Sherwood	991	335	1,326	3,400	2,400	5,700
Nottingham	5,963	1,552	7,515	11,600	7,400	19,000
Rushcliffe	618	198	816	1,400	1,400	2,800

APPENDIX C



Sheffield Hallam University

Hidden Unemployment in the East Midlands

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