

---

# *Regional* REVIEW

---

From 1992 to 1996 there was a general marked narrowing of regional unemployment differentials. During this period unemployment in the southern regions rose much more rapidly than in the peripheral regions. Whilst national unemployment was rising, unemployment differentials were narrowing. Scotland was in the situation where its unemployment rate was below or just marginally above the UK average over all of this period. This contrasts with the situation in the late 1980s where Scottish unemployment was almost 60% above the UK average. However, the period of UK employment growth over the last two years has been associated with an increasing dispersion of unemployment rates across regions. The narrowing of regional unemployment rates in the early 1990s appears to be a temporary phenomenon associated with the spatial adjustment of the UK economy following the Lawson boom.

For the period July to September 1998, the average UK activity unemployment rate, on the ILO definition, was 6.5%. However, the range across the UK regions goes from a high of 11.5% in Merseyside to 4.6% in the South East. We again see the emergence of a clear North-South/centre-periphery division in the unemployment figures. For example, the English unemployment rate, at 6.3%, is lower than the UK figure with the unemployment rate in Scotland (7.7%), Wales (7.7%) and Northern Ireland (8.2%) all higher than the UK average. Again, concentrating on regions with a below average unemployment rate identifies the South East (4.6%), the Eastern region (4.7%) the South West (5.0%), East Midlands (5.6%) the North West (6.2%) and the West Midlands (6.4%). One point of interest concerning these aggregate unemployment rate figures is the position of London. Whilst the regions around (and within commuting distance) of London have very low unemployment rates, London, at 8.2%, has one of the highest. This perhaps simply reflects the differential position of large cities where unemployment tends to concentrate. Note that Merseyside, another region identified with a major conurbation, also has a very high unemployment rate.

If the total unemployment rate is broken down by sex, it is clear that the spatial variation is much more pronounced for males than females. The UK average female unemployment rate is 5.7% and this varies across regions between 4% in the South West to 8.0% in Liverpool.

For males the position is much more extreme. For those regions bordering London, the male unemployment rate is at, or lower than, the total unemployment rate. However, in all the other regions the male unemployment rate is higher than the total rate, and in some cases by a large amount. The most marked example is Merseyside where the male rate climbs to 14.3% (as against a female rate of 8%).

If we concentrate now on the proportion of regional populations economically active, this reinforces the impression given by the unemployment rates and paints, if anything, an even more polarised picture. The UK average is 79.3% but this varies within very wide regional limits so that Merseyside has an employment rate of only 71.1%, Scotland's employment rate is 77.4% whilst the South East has an employment rate of 84%. Very high employment rates are concentrated in the south with the South East, the South West and the Eastern region very high. The West and East Midlands also have above average employment rates whilst all other regions are below the UK average. Note that Wales, whilst having an unemployment rate equal to Scotland has a much lower employment rate and that the employment rate in Northern Ireland is much closer to the worse performing region, Merseyside, than its unemployment rate.

There was some speculation that the economic experience in the early 1990s was heralding a movement towards a more even spatial distribution of economic activity within the UK. However, the more recent figures on employment, unemployment and activity rates fail to bear this out. We still have economic activity polarised around London, characterised by very high activity rates and low unemployment rates, with the peripheral regions and London itself experiencing relatively low activity rates and high unemployment.

Regional labour market summary	Total aged 16 & over	Economically active				Employee jobs (June 1988)			ILO Unemployed (July 1998 to September 1998)					
	Total	Total		Men	Women	Total	Men	Women	Total		Men		Women	
	Level	Level	Rate(%)	Level	Level	Level	Level	Level	Level	Rate (%)	Level	Rate (%)	Level	Rate(%)
<b>Numbers are in thousands</b>														
North East	2,038	1,169	73.0	652	517	907	456	451	100	8.6	65	10.0	35	6.8
North West	4,295	2,686	78.0	1,496	1,190	2,632	1,315	1,317	167	6.2	109	7.3	58	4.9
Merseyside	1,082	602	71.1	334	268				69	11.5	48	14.3	21	8.0
Yorkshire & the Humber	3,957	2,464	78.6	1,385	1,079	1,906	966	940	181	7.4	114	8.2	67	6.2
East Midlands	3,283	2,128	81.1	1,183	945	1,621	820	801	118	5.6	71	6.0	47	5.0
West Midlands	4,146	2,659	80.4	1,501	1,159	2,160	1,113	1,046	169	6.4	109	7.3	60	5.2
Eastern	4,190	2,760	82.5	1,557	1,203	1,989	1,003	986	130	4.7	74	4.7	56	4.7
London	5,496	3,546	77.4	1,981	1,565	3,360	1,722	1,638	291	8.2	182	9.2	109	6.9
South East	6,188	4,156	84.0	2,299	1,856	3,168	1,573	1,595	193	4.6	100	4.4	92	5.0
South West	3,874	2,488	83.1	1,380	1,108	1,892	962	930	125	5.0	80	5.8	44	4.0
England	38,547	24,657	80.0	13,769	10,888	19,634	9,931	9,703	1,543	6.3	953	6.9	591	5.4
Wales	2,302	1,328	74.3	739	590	981	475	505	102	7.7	61	8.2	41	7.0
Scotland	4,026	2,488	77.4	1,360	1,127	2,026	991	1,035	192	7.7	117	8.6	75	6.7
Great Britain	44,876	28,473	79.5	15,867	12,605	22,641	11,397	11,244	1,837	6.5	1,131	7.1	707	5.6
N Ireland	1,232	733	72.4	414	319	596	296	300	60	8.2	36	8.8	24	7.5
United Kingdom	46,108	29,206	79.3	16,281	12,925	23,237	11,693	11,544	1,898	6.5	1,167	7.2	731	5.7