
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. This contrasts with the situation in the late 1980s where Scottish unemployment was almost 60% above the UK average. However, developments in the UK economy over the past three years have been associated with a re-emergence of the more familiar polarised pattern of regional development. The narrowing of regional unemployment rates in the early 1990s appears to be a temporary phenomenon associated with the spatial incidence of the recession in the late 1980s.

For the period January to March 1999, the average UK unemployment rate, on the ILO definition, was 6.3%. However, the range across the UK regions goes from a high of 10.6% in Merseyside to 4.0% in the South East. In terms of unemployment figures there is a clear North-South/centre-periphery division. For example, the English unemployment rate, at 6.0%, is lower than the UK figure with the unemployment rate in Scotland (7.6%), Wales (7.5%) and Northern Ireland (7.2%) all higher than the UK average. However, in this regard, the relative unemployment position of Northern Ireland has changed in the recent past. In the year to March 1999 the unemployment rate in the province has fallen 1.3%, the largest fall in any region. The Northern Ireland unemployment rate, traditionally above Scotland and Wales has now fallen below both these regions.

Concentrating on regions with a below average unemployment rate identifies the South East (4.0%), the Eastern region (4.2%) the South West (5.0%), East Midlands (5.2%) the North West (5.8%). 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 7.5%, 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.

Over the past year, the UK unemployment rate has fallen by 0.2%. However, the spatial distribution has been relatively uneven. We have mentioned already the large fall in the unemployment rate within Northern Ireland. There has been an almost identical fall (1.2 percentage points) in the unemployment rate in the East of England. However, there have been regions, which have experienced significant increases in the unemployment rate. Amongst these are the North East, where unemployment has risen by 1.2 percentage points and the West Midlands with a rise of 0.8 percentage points.

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 5.4% and this varies across regions between 4% in the East of England to 8.4% in the North East. For males the position is much more extreme. The UK male unemployment rate is 7% but the minimum regional unemployment rate for men is 4% and this is in the South East, where the male rate is below the female rate. However, in all the other regions the male unemployment rate is higher than the female rate, and in some cases by a large amount. The most marked example is Merseyside where the male rate climbs to 13.1% (as against a female rate of 7.5%).

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 78.6% but this varies within very wide regional limits so that Merseyside has an employment rate of only 68.8%, Scotland's employment rate is 76.9% whilst the South East has an employment rate of 83.1%. 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 for the non-English regions, the employment rate gives a rather different picture to the unemployment rate. That is

to say, whilst Northern Ireland and Wales both have an unemployment rate below that of Scotland, Scotland has a higher employment rate. Both Wales and Northern Ireland traditionally have relatively low employment rates.

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, whilst the peripheral regions and London itself experience relatively low activity rates and high unemployment. There are clearly relative movements which are important for individual regions but the strong pull of the South East is ever present.

Regional labour market summary January to March 1999 Numbers are in thousands	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(%)
North East	2,042	1,165	72.4	646	518	1,049	574	475	115	9.9	72	11.1	43	8.4
North West	4,291	2,645	77.0	1,463	1,182	2,491	1,362	1,129	154	5.8	101	6.9	53	4.5
Merseyside	1,089	582	68.8	325	257	520	283	237	62	10.6	43	13.1	19	7.5
Yorkshire & the Humber	3,963	2,445	78.1	1,380	1,066	2,274	1,265	1,009	171	7.0	115	8.3	56	5.3
East Midlands	3,292	2,128	81.0	1,177	950	2,017	1,113	904	110	5.2	64	5.4	46	4.9
West Midlands	4,150	2,618	78.9	1,461	1,156	2,430	1,345	1,086	187	7.2	117	8.0	71	6.1
Eastern	4,207	2,722	81.1	1,535	1,187	2,608	1,468	1,139	115	4.2	67	4.4	48	4.0
London	5,503	3,586	77.8	1,993	1,594	3,316	1,828	1,488	270	7.5	164	8.2	106	6.7
South East	6,197	4,122	83.1	2,288	1,834	3,956	2,198	1,758	166	4.0	91	4.0	75	4.1
South West	3,885	2,488	82.5	1,365	1,123	2,363	1,289	1,074	124	5.0	76	5.6	48	4.3
England	38,619	25,501	79.3	13,635	10,866	23,025	12,726	10,300	1,476	6.0	909	6.7	567	5.2
Wales	2,306	1,321	73.8	736	586	1,223	670	553	99	7.5	66	8.9	33	5.7
Scotland	4,026	2,475	76.9	1,346	1,129	2,288	1,231	1,056	187	7.6	114	8.5	73	6.4
Great Britain	44,951	28,297	78.8	15,716	12,581	26,536	14,627	11,909	1,762	6.2	1,089	6.9	673	5.3
N Ireland	1,235	735	71.7	410	325	682	375	306	53	7.2	34	8.4	19	5.8
United Kingdom	46,186	29,032	78.6	16,125	12,907	27,217	15,002	12,215	1,815	6.3	1,123	7.0	692	5.4

Source: Labour Force Survey