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For immediate release

Sharp increase in people employed on government job schemes helps cut unemployment, especially for young ‘core jobless’ people

Dr John Philpott, Director of The Jobs Economist, comments as follows on official labour market statistics for July-September 2012 published earlier today by the Office for National Statistics:

“On the face of things another good set of quarterly jobs figures with 100,000 more people in work and unemployment down by 49,000, although the 10,000 rise in JSA claimant unemployment in October takes away some of the shine as does very weak growth in average earnings. **Employment may have become oddly decoupled from what’s happening in the wider economy but viewed in the full perspective of jobs, productivity and pay the UK labour market remains in a state of distress.**

“**More than a fifth (22,000) of the increase in employment and almost half the fall in unemployment is due to a big quarterly rise in the number of people employed on government supported employment and training schemes.** Many of these will be core jobless young people not in full-time education targeted by measures such as the Youth Contract. **The number of unemployed people aged 16-24 in the core jobless category fell by 65,000 on the quarter, compared with an increase of 17,000 in 16-24s looking**

for work while in full-time education. This suggests that help for the target group of core jobless may be substituting for jobs that would otherwise have been taken by those in education.

“The high proportion of scheme supported jobs distorts the underlying trend in growth in full-time and part-time jobs. Even so, it’s good to see **signs of increased working hours and at last a welcome fall in the number of people working part-time because they can’t find a full-time job.** It would seem that the jobs story in the most recent quarter is not so much one of full-time vs. part time work as temporary as opposed to permanent work, **with an increase to 0.65 million in the number of people working as temps because they can’t find permanent jobs.**

“Also welcome in these latest figures is a **surprising quarterly reversal of the traditional north-south divide across the English regions, with the North East, North West, Yorkshire and Humberside and West Midlands easily outperforming London, the South East and the East Midlands both in terms of increased employment and lower unemployment. The South East labour market looks to have weakened markedly since the spring while in London the temporary boost provided by the Olympics appears to be on the wane.**

“As for gender, the latest figures offer **a mix of good news and bad for women. Women account for more than 60% of the 100,000 quarterly increase in employment, but with more women entering the jobs market this only served to cut female unemployment by 10,000.**”

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Notes to Editors:

John Philpott is available for interview

The Jobs Economist is an independent consultancy specializing in analysis of employment and pay trends and related public policy issues

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