

2012/3

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## Pocket Watch – Little relief in the latest unemployment figures

### Introduction

This week the latest set of labour market stats were published. They cover the period Sept-Nov 2011 and show that over that period, the UK unemployment total rose by 118,000 to 2.68m. The figure for young people, that's 16-24 year olds, rose by 52,000 to 1.04m although that figure drops to 729,000 once the numbers in full-time education but looking for a job are taken out. The figures thus continue a depressing trend although in areas like claimant count, there is, as the Employment Minister recently suggested, some evidence of stabilisation

### The context

The figures provoked a lot of political and media comment but while worrying for many, they didn't actually tell us much that was new. The Office for Budget Responsibility and the British Chambers of Commerce for instance had both forecast that unemployment would rise to nearly 2.8m by the end of 2012 and most economic commentators had predicted a fairly grim year ahead generally. For the present, hopes are being pinned on a job stimulus from the private sector, even though only 5,000 jobs were created here in the last quarter as the public sector continued to shed jobs, and on a range of initiatives that the Government has announced over the last few months. For many people these can't deliver soon enough

### So what's the Government doing to try and help?

At the moment Government efforts are being concentrated in three areas.

1. A range of measures to try and improve prospects for young people. Many of these have been brought together in the form of a Youth Contract which has received backing from a number of employer bodies. The Youth Contract, which will run over the next 3 years at a cost of nearly £1bn, is intended to provide half a million 'new' opportunities for young people including apprenticeships, work placements, internships and job opportunities
2. Making sure that the Work Programme, the integrated welfare and work scheme intended to help those out of work or at risk of, delivers the returns and efficiencies expected. The aim is to get a million people off work and welfare and into jobs over the next couple of years using a mix of incentives, payment by results and welfare reform
3. Improving conditions for growth by removing barriers, simplifying planning systems, supporting infrastructure projects and transforming the skills system so that it is driven by the needs of users. This new version of a demand-led skills system is intended to grant users, notably employers, greater ownership of parts of the system in the form of funding and design of some provision so that their needs can be met more directly

### Next milestones

The 2011 final growth figures are published on January 25, the next employment update comes out on February 25 and Budget 2012 is set for March 21

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**Unemployment Stats Jan 2012**