

Western Isles Enterprise Area Update / August 1997

Highlights

- According to the latest estimates, the population of the Western Isles Enterprise (WIE) area fell by 1.2% between 1991 and 1995. This follows a fall of 5.7% between 1981 and 1991.
- Between 1990 and 1997, unemployment rates in the WIE area have remained typically 3-4% above the HIE average.
- Long-term unemployment as a percentage of all unemployment is around 4% higher in the WIE area than the HIE average.
- Within the total number of long-term unemployed, youth unemployment makes up a smaller percentage in the WIE area than the HIE average.
- According to the latest Annual Employers' Survey the number of employees in employment in the WIE area has fallen by just over 10% between 1993 and 1995. These figures exclude the self-employed.
- By far the biggest component of this decrease has been a fall of more than 64% in the Agriculture and Fishing sector. This may reflect a shift to self-employment. Employment in the Energy and Water sector has fallen by over 51%, while Manufacturing employment has increased slightly.
- Male employment has fallen in eight out of nine employment sectors; female employment has increased in five.
- The number of VAT-registered companies in the WIE area increased by 1.6% in 1994 (latest available data).

Introduction

This update contains information about the economic and demographic structure of the Western Isles Enterprise area. The data used have come from the General Register's Office for Scotland (GRO(S)) and the Office for National Statistics (ONS). The most recent available data have been used, although in some cases this may only be 1995.

However, these data still allow us to see the direction of population and employment trends.

Population

Table 1 below shows the changes which have occurred in the population of the WIE area between 1991 and 1995. The data in Table 1 have come from the 1991 and 1995 mid-year estimates from the GRO(s).

TABLE 1: RESIDENT POPULATION

		Change	%Change
	1995	1991-1995	1991-1995
WIE area	29,040	-360	-1.2
HIE area	372,788	3,556	1.0
Scotland	5,136,600	29,600	0.6

Source: GRO(S)

Table 1 shows that the population of the Western Isles is estimated to have decreased by 1.2% between 1991 and 1995. This compares with estimated average population growth of 1% for the HIE area, and 0.6% for Scotland as a whole. Over the same period, the GB population increased by 1.3%.

Between 1981 and 1991, the Western Isles population fell by 5.7%, which represents an average annual decrease of 0.5%. The estimated decrease of 1.2% between 1991 and 1995 represents an annual average decrease of 0.25%, suggesting that while the area's population is still declining, it may be doing so at a slower rate.

Table 2 over compares population change in the WIE area and other LEC areas. WIE is one of three LEC areas showing negative population growth, of which the Western Isles has experienced the smallest decline.

TABLE 2: POPULATION CHANGE 1991-1995 BY LEC AREA AT 30 JUNE EACH YEAR

	Population 1991		Population 1995		% change 1991-1995
LEC					
Argyll and the Islands	71,500	19.4	69,489	18.6	-2.9
Caithness and Sutherland	39,880	10.8	39,240	10.5	-1.6
Inverness and Nairn	73,080	19.8	75,690	20.3	3.4
Lochaber	19,310	5.2	19,520	5.2	1.1
Moray, Badenoch & Strathspey	33,198	9.0	34,209	9.2	3.0
Orkney	19,560	5.3	19,870	5.3	1.6
Ross & Cromarty	49,100	13.3	50,700	13.6	3.2
Shetland	22,540	6.1	23,090	6.2	2.4
Skye & Lochalsh	11,740	3.2	11,940	3.2	1.7
Western Isles	29,400	8.0	29,040	7.8	-1.2

HIE Area total	369,308	100	372,788	100.0	1.0
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Source:GRO(S)

Age Structure

The table below looks at the age structure of the Western Isles population, showing the total population in each age group as a percentage of the total population, comparing 1991 and 1995.

TABLE 3: RESIDENTS BY AGE WIE & HIE AREAS 1991 AND 1995

Age Group	WIE1991 (% of total)	WIE 1995 (% of total)	HIE 1995 (% of total)
0-4	6.1	5.7	6.2
5-19	20.8	20.5	19.5
20-44	32.3	31.7	34.0
45-64	22.4	24.1	24.3
65-84	16.2	15.6	14.3
85+	2.2	2.5	1.8

Source:GRO(S)

The age structure of the WIE area population has changed little between 1991 and 1995. The most significant changes have been a 1.7 percentage point increase in the proportion of people aged 45-64 years, and a 0.6 percentage point decrease in the proportion aged 20-44 years. Altogether, 42.2% of the Western Isles population was aged 45 years or over in 1995, compared with 40.8% in 1991.

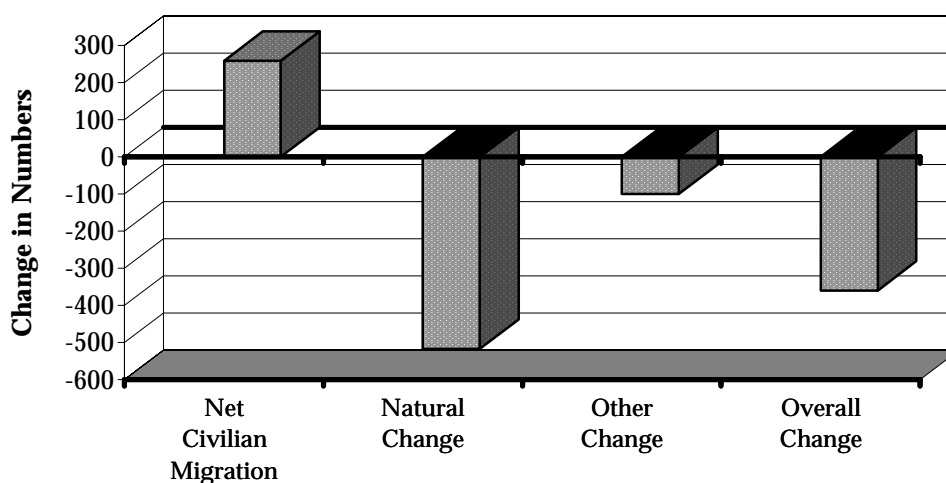
Comparisons with the HIE area as a whole show that the Western Isles population has a relatively larger proportion of people aged over 65 years than the HIE area on average, but also a larger proportion of people aged between 5 and 19 years.

Migration

The population change identified above is composed of three component parts: Natural Change is the balance of births over deaths in the time period; Net Civilian Migration is the balance of in-migration over out-migration, excluding the movement of Armed Forces personnel; Other Changes includes any other effects which have led to population change, including the movement of Forces personnel.

The figure below illustrates these changes in the Western Isles population between 1991 and 1995. As this shows, the only positive change has been net civilian migration of 258 persons which represents a 0.8% population increase. This positive change has been more than offset by negative natural and other changes, so that the overall population change is a decrease of 360 persons.

Western Isles Enterprise Area Components of Population Change 1991-1995



Source:GRO(S)

Table 4 below compares the components of population change between 1991 and 1995 for the Western Isles, the HIE area as a whole, and Scotland. This shows that while Natural Change has had the greatest effect on the size of the Western Isles population in this time, this component of population change is relatively less significant to the HIE area and Scotland. For the HIE area as a whole and for Scotland, the significance of Other Change is unusually high because of the closure of the US Naval base at Holy Loch in 1991.

TABLE 4: COMPONENTS OF POPULATION CHANGE 1991-1995

	Change in numbers	Net Civilian Migration	Natural Change	Other Change*
WIE	-360	258	-518	-100
HIE	3,556	6739	-157	-3111
Scotland	29,600	24,145	9,745	-4290

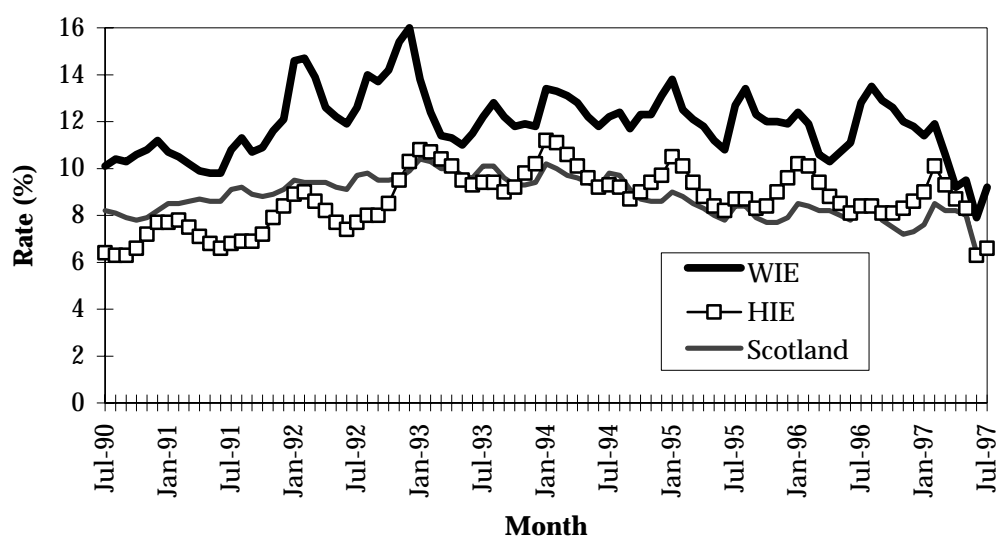
Source:GRO(S)

Labour Market

Unemployment

The figure below charts the pattern of unemployment rates in the Western Isles against the HIE area average and Scotland, between 1990 and 1997. Throughout this period, the Western Isles' unemployment rate has remained higher than both the HIE area and Scottish averages. The differential between the Western Isles' rate and the HIE area rate has varied from a high of 6 percentage points in August 1992 to a low of 0.5 percentage points in April 1997.

Unemployment Rates 1990-97 Western Isles, HIE and Scotland



Long Term Unemployment

Table 5 below shows long-term unemployment of between 26 and 52 weeks, and of more than 52 weeks, as a percentage of all unemployment, for the Western Isles, HIE and Scotland.

TABLE 5: DURATION OF UNEMPLOYMENT APRIL 1997

	Numbers unemployed	26 to 52 weeks		more than 52 weeks		% change 1996-97
		% of Total unempl.	% change 1996-97	Number unemployed	% of total unempl.	
WIE	256	21.9	-3.4	399	34.1	-13.1
HIE	2,467	17.5	-31.0	4215	29.9	-17.8
Scotland	29,362	17.7	-26.3	51,614	31.1	-17.4

Source: ONS (NOMIS)

The proportion of unemployed persons in the Western Isles who had been so for between six months and a year is 21.9%, compared with 17.5% for the HIE area as a whole and 17.7% for Scotland. Those persons unemployed for more than a year make up 34.1% of the Western Isles' workforce, one of the highest proportions in Scotland, compared with 29.9% for the HIE area and 31.1% for Scotland. The position of the Western Isles relative to the HIE average has remained unchanged in this respect since the last Economic Update in 1994.

Youth Unemployment (Long Term)

TABLE 6: YOUTH LONG-TERM UNEMPLOYMENT (16-24yrs)

	Long term unemployment 26-52wks			Long term unemployment 52wks+		
	Total	Youth	% of Total	Total	Youth	% of Total
WIE	256	37	14.4	399	26	6.5
HIE	2,467	570	23.1	4,215	422	10.0
Scotland	29,362	8,843	30.1	51,614	7,752	15.0

Source: ONS (NOMIS)

Table 6 above shows long-term unemployment among 16-24 year-olds, as a proportion of all long term unemployment in the Western Isles. As in Table 5, long-term unemployment is sub-divided into those unemployed for between six months and a year, and those unemployed for more than a year.

The proportion of those who have been unemployed for between 26 and 52 weeks, who are aged between 16 and 24 years, is 14.4%. This is 8.7 percentage points lower than the HIE average figure of 23.1%, and 15.7 percentage points lower than the 30.1% shown for Scotland. Similarly, the proportion of those unemployed for more than a year who are younger than 25 years is 6.5% for the Western Isles, compared with 10% for the HIE area and 15% for Scotland. This youth long term unemployment rate is one of the lowest in Scotland. Given the relatively lower proportion of the population in the 20-44 year old age bracket (Table 3 above), this low youth long term unemployment may be partially explained by out-migration of the young.

Area Distribution of Unemployment

The table below shows comparative unemployment figures for the wards which make up the WIE area. The unemployment rates given in the left-hand column are unofficial, and have been calculated using numbers of economically active, taken from the 1991 Census of Population. This column shows that the highest unemployment rates are in Bays, Uig and Castlebay. By contrast, Sandwick, Aignish and Gress have unemployment rates well below the Western Isles average.

Table 8 also shows the proportions of all the unemployed in each area who will be affected by the measures announced in the Chancellor's Budget, under the Welfare to Work scheme. The centre column shows the percentage of unemployed persons who are aged less than 25 years and who have been unemployed for more than six months.

The areas showing the highest levels of youth unemployment are Paible, Benbecula and Coulregrein. Other measures announced under the Welfare to Work programme affect those who have been unemployed for more than two years. The right hand column in Table 8 shows that the areas which have the largest proportion of long-term unemployed are lochdar, Lochboisdale and Sandwick.

In both cases it should be remembered that where numbers of unemployed are small, percentages will tend to seem large.

TABLE 8: UNEMPLOYMENT BY AREA

Ward	Unemployment rate	% Youth unemployed for more than 26wks.	% Long-term unemployed for more than 2 years.
Port of Ness	9.5	5.1	23.1
Dell	12.4	0.0	25.0
Barvas	8.0	3.6	35.7
Shawbost	11.7	1.9	26.4
Carloway	9.0	5.3	21.1
Uig	14.1	0.0	29.4
Gress	4.7	4.0	32.0
Coll	5.8	5.4	35.1
Laxdale	7.1	2.3	31.8
Coulregrein	8.7	6.6	26.2
Manor Park	9.5	4.9	36.6
Bayhead	4.9	0.0	40.7
Goathill	5.7	4.2	25.0
Newton	11.5	2.1	27.7
Sandwick	3.9	5.0	50.0
Aignish	4.3	5.0	30.0
Tiumpán	8.3	3.9	23.5
North Lochs	8.3	0.0	29.4
Kinloch	8.5	4.2	29.2
Pairc	11.9	4.5	36.4
Tarbet	12.1	0.0	46.5
Bays	14.4	4.7	37.2
Obbe	9.7	4.9	43.9
Paible	11.4	7.0	34.9
Lochmaddy	7.2	0.0	37.5
Benbecula	6.9	6.8	27.1
lochdar	9.0	0.0	54.5
Lochboisdale	10.3	1.6	51.6
Northbay	10.4	0.0	41.2
Castlebay	13.0	2.8	41.7
Totals	8.5	3.2	34.1

Source: ONS (NOMIS)

Employment

The employment data for 1995 given in the table and chart below are from the 1995 Annual Employers' Survey, which has replaced the bi-annual Census of Employment (from which the 1993 figures were taken). As a survey, rather than a census, the AES is based on a sample of firms in the Highlands and Islands area, rather than all firms. Statistical techniques are used to estimate employee numbers based on the sample survey. The results of the 1995 AES will not be confirmed until September 1997, at which time a more detailed analysis of its results will be produced. In the meantime,

the employee numbers given for 1995, and any conclusions resulting from these should be treated as provisional and subject to future revision.

The table below shows the number of employees in employment in the Western Isles area, by broad industrial category. These data are taken from the 1993 Census of Employment and the 1995 Annual Employers' Survey, and do not include the self-employed.

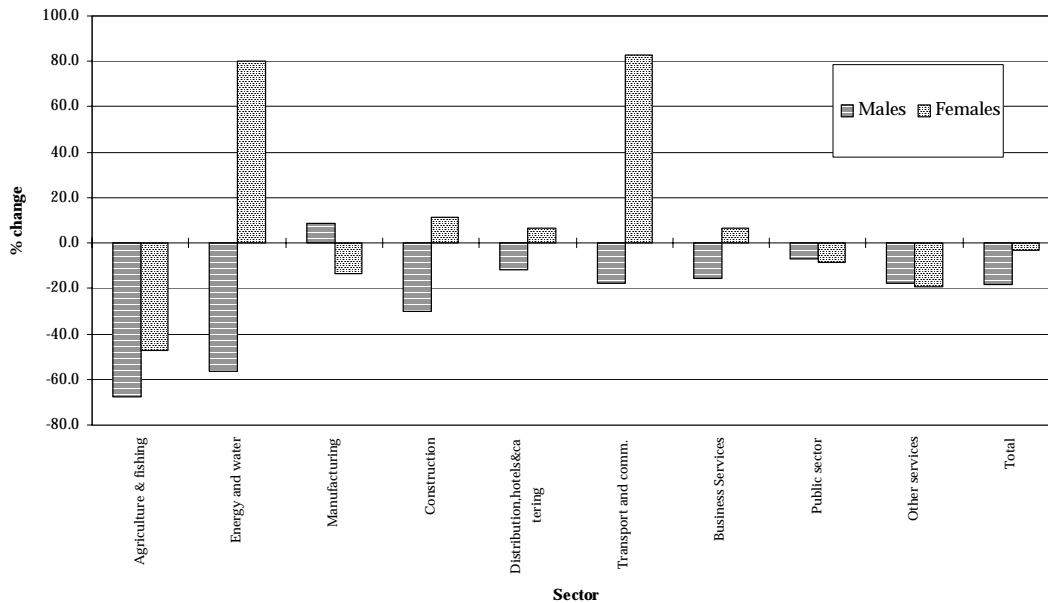
TABLE 9: WIE AREA EMPLOYMENT BY SECTOR 1993-1995

	1993			1995			1993-95 %change
	Male	Female	Persons	Male	Female	Persons	
Ag. & Fish.	300	57	357	97	30	127	-64.4
Energy and water	133	5	138	58	9	67	-51.4
Manufacturing	513	231	744	558	200	758	1.9
Construction	946	63	1009	663	70	733	-27.4
Dist,hotels,catering	777	1106	1883	686	1178	1865	-1.0
Transport and comm.	344	87	431	283	159	442	2.6
Business Services	326	358	684	275	382	657	-3.9
Public admin.etc	877	2897	3774	817	2647	3464	-8.2
Other services	109	126	235	90	102	192	-18.3
Total	4325	4930	9255	3527	4777	8305	-10.3

Source: ONS (NOMIS)

The largest and most noticeable changes are in the Agriculture and Fishing, and Energy and Water, sectors. These very large percentage changes in part reflect the fact that the absolute employee numbers involved are relatively small in these sectors. In the Agriculture and Fishing sector, the fall in employee numbers may be a result of increased self-employment. The pattern of increases and decreases between 1993 and 1995 is broadly in line with those seen at the HIE area level. Exceptions are Transport and Communications, in which the Western Isles has seen an increase in its employment while employment has decreased over the HIE area, and Business Services which saw the largest increase between 1993 and 1995 at the HIE level, but which has decreased slightly (27 persons) in the Western Isles.

CHANGE IN EMPLOYMENT BY SECTOR 1993-95
Western Isles Enterprise area



The chart above shows male and female employment change between 1993 and 1995, by sector. It shows that male employment has fallen in this time in all but one sector, Manufacturing. Female employment has increased in five of the nine industrial sectors, with the greatest increases being Transport and Communication (82.8%), and Energy and Water (80%).

Business Growth

The best measure available of new businesses in the area is provided by VAT registration statistics. Table 8 below shows VAT statistics for 1994, the latest data available. The table shows the number of new businesses which registered in 1994, the number of businesses which deregistered, the total number (stock) of businesses remaining, and the net change in numbers and as a percentage of the stock.

TABLE 10: VAT REGISTRATIONS BY INDUSTRY WIE AREA, 1994

	Registrations	Deregistrations	Stock	Net Change	% Change
Agriculture	20	20	355	0	0.0
Production	15	5	80	10	12.5
Construction	5	10	115	-5	-4.3
Transport	0	0	40	0	0.0
Wholesale	0	0	35	0	0.0
Retail	0	10	140	-10	-7.1
Finance etc.	0	0	40	0	0.0
Catering	5	0	55	5	9.1
Motor Trades	0	0	35	0	0.0
Other Services	15	0	60	15	25.0
WIE Total	60	45	955	15	1.6
HIE Total	1180	1090	17740	90	0.5
Scotland	12790	11815	118727	975	0.8

Source: ONS (NOMIS)

Overall, the number of VAT registered companies in the Western Isles area increased by 1.6% in 1994. This compares with 0.5% for the HIE area, and 0.8% for Scotland. The Service sector provided the largest positive net change in registrations in 1994, with 15 new registrations, and no de-registrations. The Production sector likewise provided 15 new VAT-registered businesses in 1994, but had 5 deregistrations, so that the total net change was 12.5%.

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