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Labour Market update: October 2017

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This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics from the Office for National Statistics (ONS).



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Executive Summary

Unemployment in Scotland increased over the quarter. However there were contrasting trends by gender. The number of unemployed women fell by 1,000, while the number of unemployed men increased by 10,000.

The employment rate in Scotland increased by 1.2 percentage points over the quarter and is now the highest since comparable records began in 1992. The majority (70%) of the increase in the employment level came from women finding work.

Over the quarter the economic inactivity rate in Scotland fell by 1.4 percentage points which is the largest decrease since comparable records began.

Scottish headline labour market figures, Jun-Aug 2017

	Overall		Men		Women	
	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)
Unemployment	4.1%	+0.3	4.7%	+0.6	3.4%	-0.1
Employment	75.3%	+1.2	78.7%	+0.9	72.0%	+1.4
Economic Inactivity	21.5%	-1.4	17.5%	-1.3	25.4%	-1.4

[Regional labour market: Headline indicators for Scotland - October 2017](#)

What are the labour market measurements?

The International Labour Organisation provides the official definition of labour market statistics.

What is Unemployment?

Level: Any individual aged 16 and over without a job who has been actively seeking work within the last four weeks and is available to start work within the next two weeks

Rate: Number of unemployed individuals as a proportion of the total number of economically active people, which includes both the unemployed and those in work.

What is Employment?

Level: Any individual aged 16 and over who is undertaking one hour or more a week of paid work

Rate: Number of people in employment expressed as a percentage of all people aged 16-64

What is Economic Inactivity?

Level: Any individual aged 16 to 64 who is not in employment, has not looked for work in the last four weeks, and is unable to start work within the next two weeks.

Rate: Number of people economically inactive expressed as a percentage of all people aged 16-64

The main reasons for economic inactivity are:

- Being a student and not having or looking for a job
- Looking after the family and/or home
- Being sick (temporary and long-term)
- Being retired
- Being discouraged

You can find out more information on labour market statistics in the [SPICe Labour market statistics briefing](#).

Unemployment

The number of unemployed people in Scotland increased by 9,000 over the quarter but fell by 15,000 over the year.

The unemployment rate for the UK has fallen to 4.3% and was the joint lowest since 1975.

Despite the rise over the quarter the rate in Scotland sits at 4.1%, which is one of the lowest rates on record. Over the year, the rate fell by 0.6 percentage points.

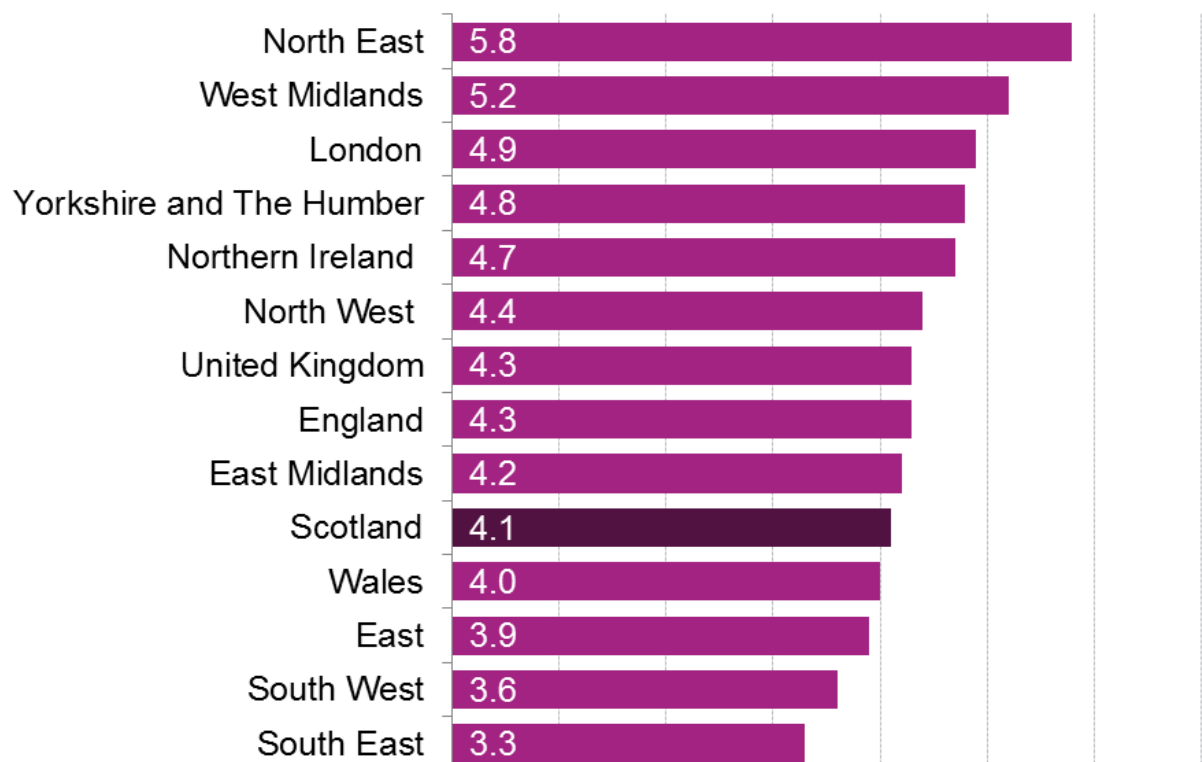
Unemployment (16+) - seasonally adjusted, Jun-Aug 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	113	+9	-15	4.1%	+0.3	-0.6
UK	1,443	-52	-215	4.3%	-0.2	-0.7

[Regional labour market: Headline indicators for Scotland - October 2017](#) and [UK labour market statistics: October 2017](#)

Looking at unemployment across the UK, Scotland has the 5th lowest unemployment rate of the nations and regions of the UK. The South East has the lowest rate at 3.3%, while the North East has the highest at 5.8%.

Figure 1: Unemployment rates across the UK (16+)- Jun-Aug 2017



[Summary of labour market statistics - October 2017](#)

Unemployment by Gender

Over the quarter the increase in unemployment was due to an increase in the number of unemployed men, while the number of unemployed woman fell. This is the first increase in the number of unemployed men in Scotland since Dec-Feb 2016.

The unemployment rate for women in Scotland (3.4%) is lower than the UK wide rate for women, while the rate for men is higher. (4.7% versus 4.2%)

Unemployment by Gender (16+) - seasonally adjusted, Jun-Aug 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	68	+10	-5	4.7%	+0.6	-0.4
	Women	45	-1	-10	3.4%	-0.1	-0.8
UK	Men	775	-56	-118	4.4%	-0.3	-0.6
	Women	668	+4	-98	4.2%	0.0	-0.7

[Regional labour market: Headline indicators for Scotland - October 2017](#) and [UK labour market statistics: October 2017](#)

Unemployment by age

As this data is not seasonally adjusted it is compared with the same quarter in previous years.

- The youth unemployment rate (16-24) in Scotland is now at the lowest rate since comparable records began in 2001, when comparing the same quarter.
- Looking across the age groups, the youth unemployment rate is the only age group where Scotland significantly deviates from the UK (2.7 percentage points lower).

Unemployment by Age - not seasonally adjusted, Jun-Aug 2017

Age group		Scotland	UK
16-24	Rate	10.6%	13.3%
	Year change (% pts)	-1.6	-1.6
25-34	Rate	3.8%	3.7%
	Year change (% pts)	+0.5	-0.7
35-49	Rate	2.8%	2.9%
	Year change (% pts)	-0.4	-0.5
50-64	Rate	3.2%	3.0%
	Year change (% pts)	-1.4	-0.3

[Regional labour market: Estimates of unemployment by age, Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\)](#) and [Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\)](#)

Employment

The number of people aged 16 and over in employment in Scotland increased by 35,000 over the quarter and 40,000 over the year.

The employment rate in Scotland increased by 1.2 percentage points over the quarter and is now the highest since comparable records began in 1992. The annual increase in the rate is the largest since 2013.

The UK employment rate is the highest since comparable records began in 1971.

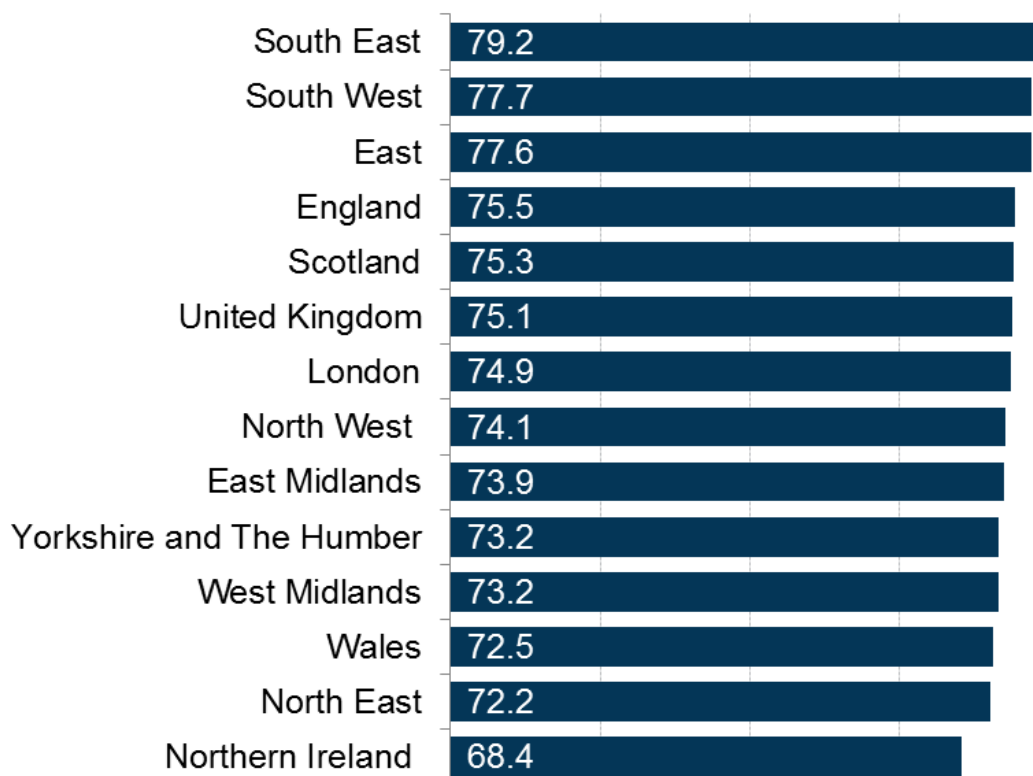
Employment (Level 16+, rate 16-64) - seasonally adjusted, Jun-Aug 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	2,655	+35	+40	75.3%	+1.2	+1.4
UK	32,105	+94	+317	75.1%	+0.2	+0.7

[Regional labour market: Headline indicators for Scotland - October 2017](#) and [UK labour market statistics: October 2017](#)

Looking at employment across the UK, Scotland has the 5th highest employment rate of the nations and regions of the UK. The South East has the highest rate at 79.2%, while Northern Ireland has the lowest at 68.4%.

Figure 2: Employment rates across the UK (16-64)- Jun-Aug 2017



[Summary of labour market statistics - October 2017](#)

Employment by Gender

Employment levels and rates are higher for men than for women at both the Scottish and UK level.

The employment level in Scotland increased mainly due to an extra 24,000 women entering employment, while an extra 12,000 men found work

The employment rate for women in Scotland is currently one of the highest on record, however the rate for men is still below the pre-recession peak of 80.3%

The UK saw an overall increase in employment of 317,000 people over the year, mainly due to 246,000 extra women finding work.

Employment by Gender (Level 16+, rate 16-64) - seasonally adjusted, Jun-Aug 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,361	+12	+14	78.7%	+0.9	+1.1
	Women	1,294	+24	+26	72.0%	+1.4	+1.6
UK	Men	17,005	+16	+71	79.6%	+0.1	+0.2
	Women	15,099	+78	+246	70.7%	+0.3	+1.1

[Regional labour market: Headline indicators for Scotland - October 2017](#) and [UK labour market statistics: October 2017](#)

Employment by Age

As this data is not seasonally adjusted it is compared with the same quarter in previous years.

- The 3.2 percentage point increase in the employment rate for 50-64 year olds is the biggest since 2003 (Jun-Aug 2002 to Jun-Aug 2003: +3.5 percentage points). The employment rate, for this age group, is now the highest since comparable record began in 2001, when comparing the same quarter.
- Looking across the age groups, the youth employment rate is the only age group where Scotland significantly deviates from the UK (5.2 percentage points higher).

Employment by Age - not seasonally adjusted, Jun-Aug 2017

Age group		Scotland	UK
16-24	Rate	60.9%	55.7%
	Year change (% pts)	+0.1	-0.1
25-34	Rate	82.7%	83.6%
	Year change (% pts)	+1.1	+1.5
35-49	Rate	83.2%	84.6%
	Year Change (% pts)	+0.4	+0.7
50-64	Rate	71.6%	71.1%
	Year Change (% pts)	+3.2	+0.4

[Regional labour market: Estimates of employment by age, Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\)](#) and [Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\)](#)

Economic Inactivity

The number of people economically inactive in Scotland fell by 47,000 over the quarter and 29,000 over the year.

Over the quarter the economic inactivity rate in Scotland fell by 1.4 percentage points, which is the largest decrease since comparable records began.

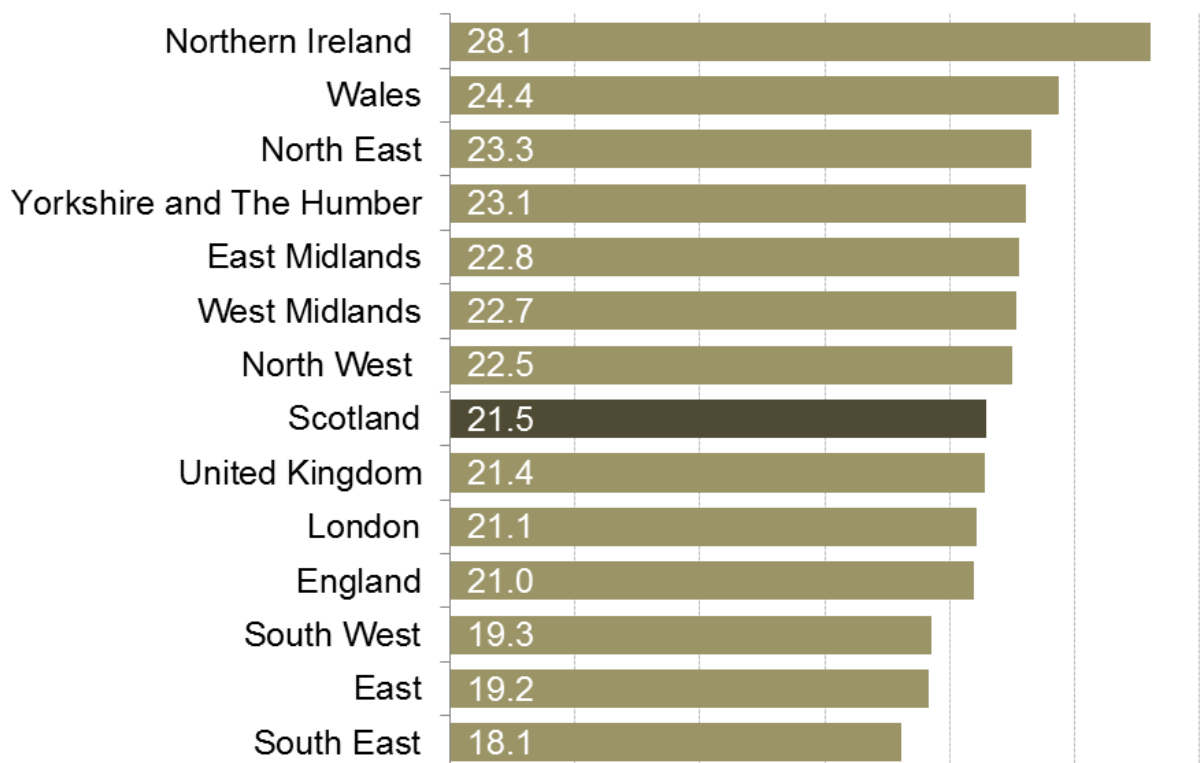
Economic Inactivity (16-64) - seasonally adjusted, Jun-Aug 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	735	-47	-29	21.5%	-1.4	-0.8
UK	8,812	-17	-13	21.4%	-0.1	-0.1

[Regional labour market: Headline indicators for Scotland - October 2017](#) and [UK labour market statistics: October 2017](#)

Looking at economic inactivity across the UK, the Scottish rate is around the UK average. Northern Ireland has the highest rate at 28.1%, while the South East has the lowest at 18.1%.

Figure 3: Economic inactivity rates across the UK (16-64)- Jun-Aug 2017



[Summary of labour market statistics - October 2017](#)

Economic Inactivity by Gender

Economic inactivity rates are higher for women than for men.

The number of economically inactive people in Scotland decreased over the quarter as 25,000 women and 22,000 men left economic inactivity.

- Since Dec-Feb 2017, when the male inactivity rate was at its highest in Scotland, the rate has decreased by 2.0 percentage points.
- The fall in the female inactivity rate in Scotland is the largest since Jun-Aug 2013.

Economic Inactivity by gender (16-64) - seasonally adjusted, Jun-Aug 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	291	-22	-11	17.5%	-1.3	-0.6
	Women	444	-25	-18	25.4%	-1.4	-1.0
UK	Men	3,410	+51	+93	16.7%	+0.2	+0.5
	Women	5,403	-68	-106	26.1%	-0.3	-0.6

[Regional labour market: Headline indicators for Scotland - October 2017](#) and [UK labour market statistics: October 2017](#)

Economic Inactivity by Age

As this data is not seasonally adjusted it is compared with the same quarter in previous years.

- The youth economic inactivity rate (16-24) in Scotland (31.9%) is at its highest since comparable record began in 2001, when comparing the same quarter.
- The economic inactivity rate for 50-64 year old (26.1%) is at its lowest since comparable record began in 2001, when comparing the same quarter.

Economic Inactivity by Age - not seasonally adjusted, Jun-Aug 2017

Age Group		Scotland	UK
16-24	Rate	31.9%	35.7%
	Year change (% pts)	+1.1	+1.4
25-34	Rate	14.0%	13.1%
	Year change (% pts)	-1.6	-0.9
35-49	Rate	14.4%	12.9%
	Year change (% pts)	-0.1	-0.3
50-64	Rate	26.1%	26.7%
	Year change (% pts)	-2.3	-0.2

[Regional labour market: Estimates of economic inactivity by age, Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\)](#) and [Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\)](#)

Claimant Count

The Claimant Count figures presented here are the experimental statistics from the ONS for Jobseekers Allowance, plus Universal Credit claimants who are out of work.

Under Universal Credit a broader span of claimants are required to look for work than under Jobseekers Allowance. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.

This is not an official measure of unemployment, but it does provide accurate information on the labour market at a local level.

Scotland and UK comparison

The seasonally adjusted claimant count rate for September in Scotland was unchanged over the month and year.

There was no change over the quarter or year in the claimant count rate in the UK.

The Scottish claimant count rate is higher than the UK rate (2.3% versus 1.9%).

Claimant Count - Seasonally adjusted, September 2017

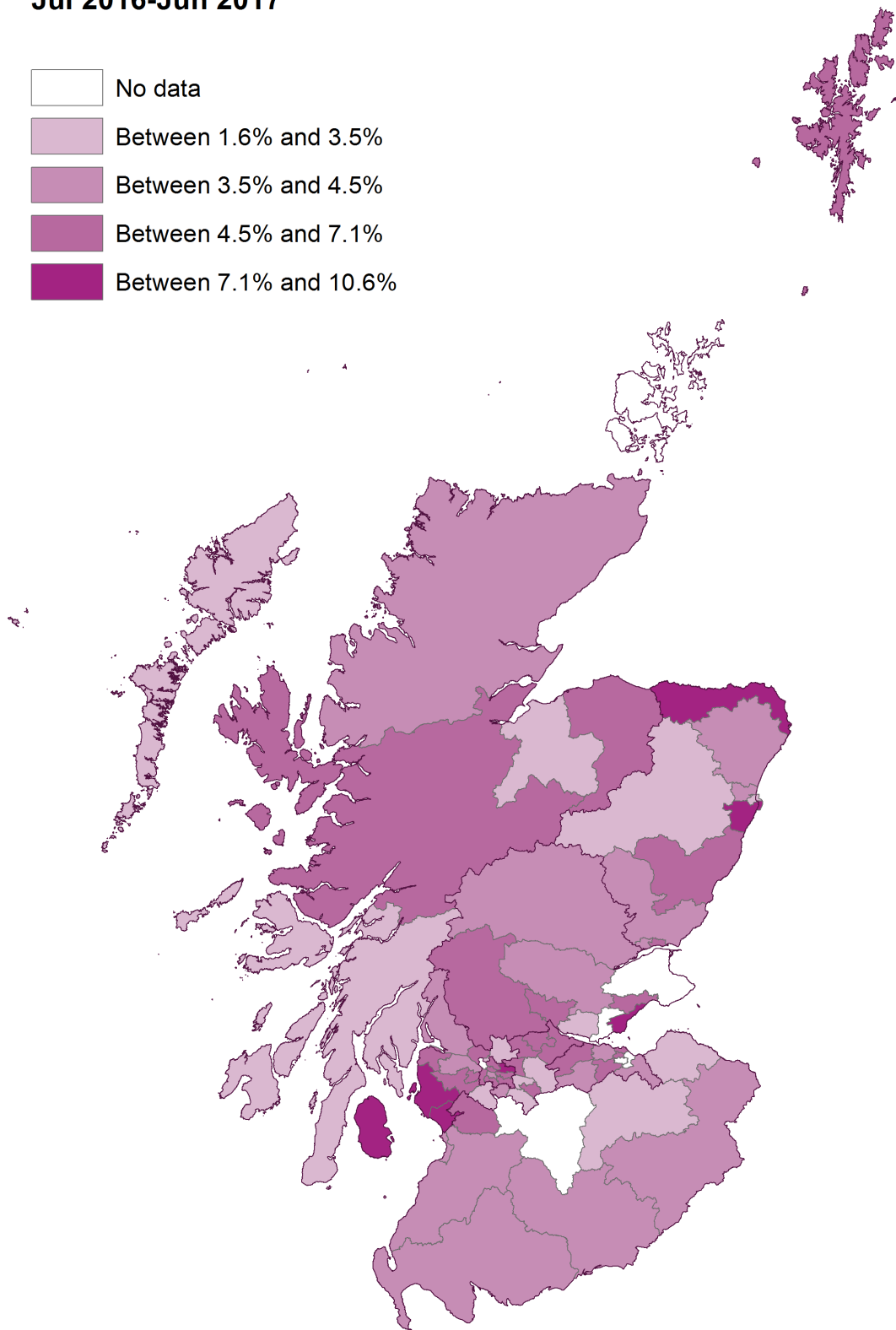
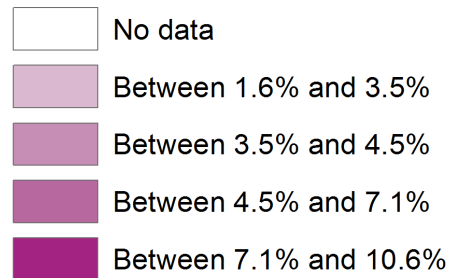
	Level	Month Change	Year Change	Rate	Month Change (% pts)	Year Change (% pts)
Scotland	80,500	+600	+700	2.3%	0.0	0.0
UK	804,100	+1,700	+25,700	1.9%	0.0	0.0

[Claimant Count via nomis](#)

Constituency data: Unemployment Rate

The constituency data for Scotland comes from the Annual Population Survey (APS). The APS datasets are produced quarterly, with each dataset containing 12 months of data. The latest APS data is for July 2016 to June 2017.

- Kirkcaldy has the highest unemployment rate at 10.6%, while Argyll and Bute has the lowest at 1.6%.
- Kirkcaldy saw the biggest increase over the year, while Glasgow Maryhill and Springburn saw the largest decrease.

Figure 4: Unemployment rate by Constituency - 2016**Unemployment rate (16+)
Jul 2016-Jun 2017**

Based on OS material with the permission of OS. SPCB 10039291

Find out the [latest labour market data for your constituency.](#)

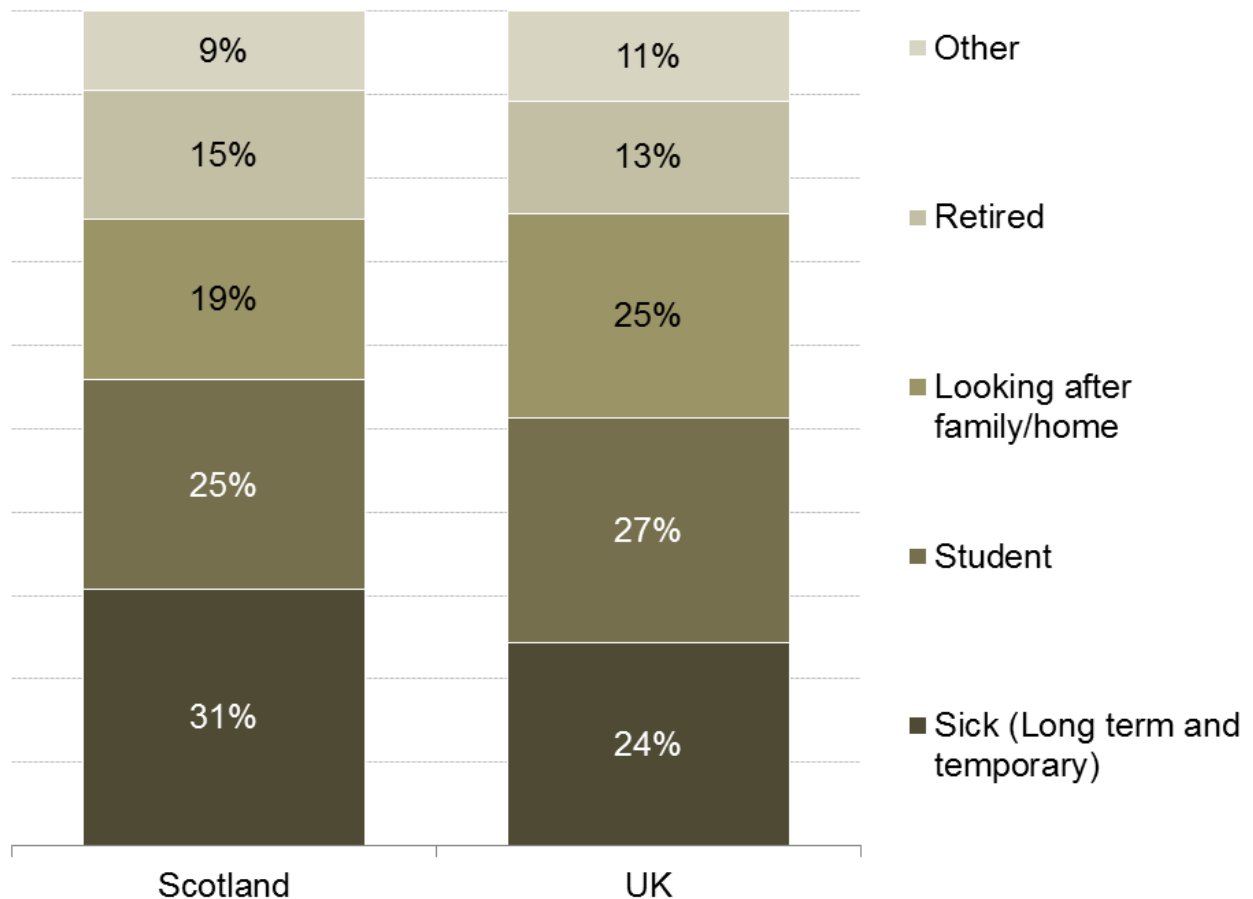
Guest Indicator: Inactivity in Scotland

This quarter has seen a large decrease in economical inactivity on the previous quarter. However it still accounts for over 25% of those aged 16-64 in Scotland and has done since Dec-Feb 2016. This section examines in more detail what inactivity in Scotland looks like.

In Scotland people who are inactive are more likely to be sick, both long term and temporary, than the UK wide figure. While for the UK as a whole people are more likely to be looking after the family/home or studying.

Scotland has a higher proportion of people who are economically inactive due to sickness

Figure 5: Comparison between Scotland and the UK for reasons for inactivity - July 2016 to June 2017



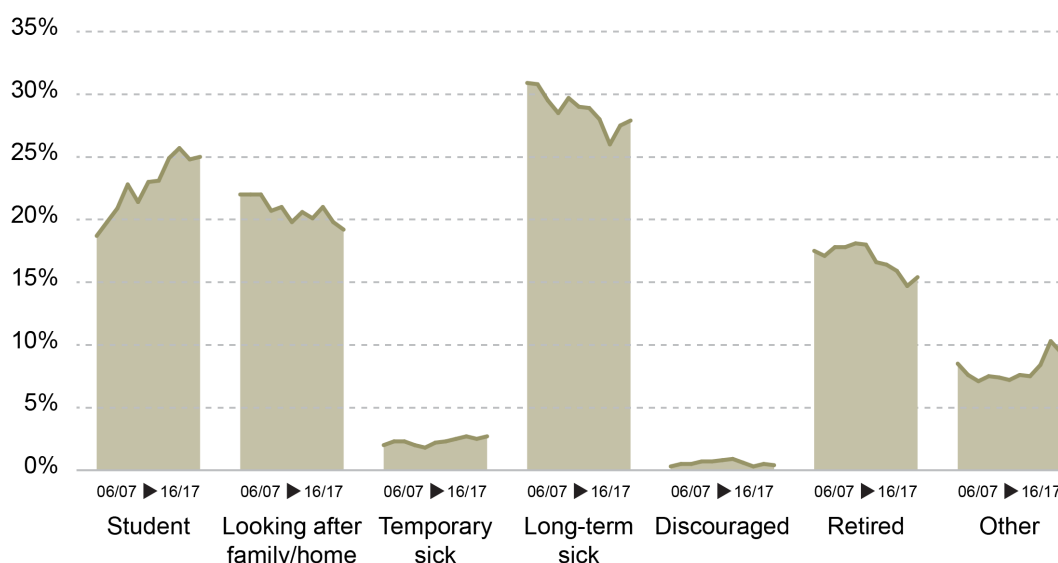
Annual Population Survey Jul 2016 - Jun 2017, via nomis

While long-term sickness has been the most common reason for economic inactivity in Scotland for the past 10 year, it has fallen by 2.9 percentage points, or 11,00 people over the period.

The biggest increase has come from people who are students, seeing a 5.2% increase and now accounting from 25% of all people who are economically inactive in Scotland, over the past 10 years. This is an increase of 49,000 people

Over the last 10 years the proportion of the economically inactive who are studying has increase from 19% to 25%

Figure 6: Change in proportion on those inactive in Scotland by reason - July 2006 to June 2007 July - 2016 to June 2017



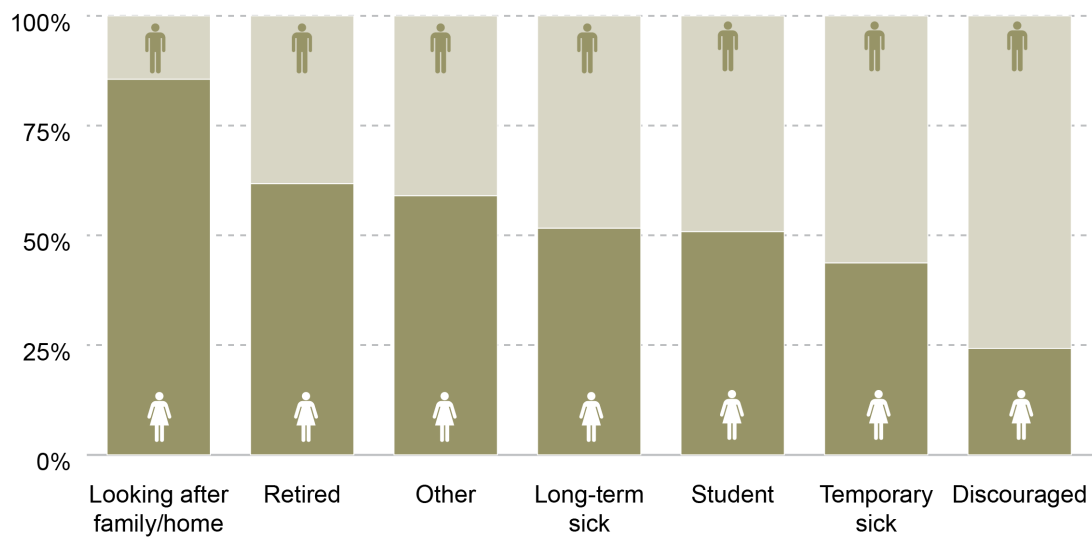
[Annual Population Survey Jul 2016 - Jun 2017, via nomis](#)

While women are more likely to be inactive than men there is a gender split for each reason.

- 85 % of those looking after the family/home are women, although this has decreased slightly over the past 10 years.
- Men make up the majority of those who are temporally sick or discouraged , but these categories account for a small proportion of the total number of people who are inactive.

Women are far more likely to look after the family/home while men are more likely to be discouraged

Figure 7: Gender split of inactive by reason in Scotland - July 2016 to June 2017



[Annual Population Survey Jul 2016 - Jun 2017, via nomis](#)

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