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Labour Market Update: April 2017

Andrew Aiton

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

The unemployment rate in Scotland sits at 4.5% which is the lowest rate since 2008. Over the year it saw the biggest decrease since 1995. The youth unemployment rate is the lowest since comparable record began in 2001. However the employment rate fell slightly to 73.4%.

The economic inactivity rate is at it highest since 2010, with the rate for men at its highest since comparable records began in 1992.

Scottish headline labour market figures, Dec-Feb 2017

	Overall		Men		Women	
	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)
Unemployment	4.5%	-0.5	4.6%	-0.6	4.5%	-0.4
Employment	73.4%	-0.1	76.9%	-0.2	70.1%	-0.1
Economic Inactivity	23.0%	+0.5	19.4%	+0.8	26.5%	+0.3

[Regional labour market statistics in the UK: Apr 2017](#)

Unemployment

This section looks at unemployment in Scotland. The International Labour Organisation's definition of unemployment is:

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.

Scotland and UK comparison

The number of unemployed people in Scotland fell by 15,000 over the quarter and 47,000 over the year.

The unemployment rate for the UK has fallen to 4.7% and has not been lower since June to August 1975¹. The rate in Scotland sits at 4.5%.

Over the year Scotland has seen the biggest decrease in the unemployment rate since 1995.

Unemployment (16+) - seasonally adjusted, Dec-Feb 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	123	-15	-47	4.5%	-0.5	-1.6
UK	1,559	-45	-141	4.7%	-0.1	-0.4

[Regional labour market statistics in the UK: Apr 2017](#) and [UK labour market statistics: Apr 2017](#)

Unemployment by Gender

Over the year in Scotland, the fall in the unemployment level was mainly due to a decrease in the number of unemployed men by 38,000. .

Over the year the unemployment rate for men in Scotland saw a decrease of 2.5 percentage points compared to 0.4 for the UK.

In Scotland this is the largest fall since comparable records began in 1992. The male unemployment rate has not been this low since 2008 (Mar-May 2008: 4.2%)

Unemployment by Gender (16+) - seasonally adjusted, Dec-Feb 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	64	-9	-38	4.6%	-0.6	-2.5
	Women	60	-6	-9	4.5%	-0.4	-0.6
UK	Men	853	-30	-76	4.8%	-0.2	-0.4
	Women	706	-15	-65	4.5%	-0.1	-0.5

[Regional labour market statistics in the UK: Apr 2017](#) and [UK labour market statistics: Apr 2017](#)

Unemployment by age

The youth unemployment rate in Scotland is now at the lowest rate since comparable records began in 2001.

The unemployment rate for 25-34 year olds is the lowest since comparable records began in 2001.

Unemployment by Age - not seasonally adjusted, Dec-Feb 2017

Age group		Scotland	UK
16-24	Rate	8.9%	11.7%
	Year change (% pts)	-6.9	-1.3
25-34	Rate	3.4%	4.6%
	Year change (% pts)	-1.5	-0.3
35-49	Rate	3.9%	3.1%
	Year change (% pts)	-0.5	-0.2
50-64	Rate	4.3%	3.3%
	Year change (% pts)	+0.2	-0.4

[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

This section looks at employment in Scotland. The International Labour Organisation's definition of employment is:

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

Scotland and UK comparison

The number of people aged 16 and over in employment in Scotland decreased by 8,000 over the quarter and 12,000 over the year.

The employment rate in Scotland fell by 0.1 percentage point from over the year while the UK saw an increase of 0.1 percentage point.

The UK employment rate is the joint highest since comparable records began in 1971².

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

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	2,596	-8	-12	73.4%	-0.1	-0.4
UK	31,841	+39	+312	74.6%	+0.1	+0.5

[Regional labour market statistics in the UK: Apr 2017](#) and [UK labour market statistics: Apr 2017](#)

Employment by Gender

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

In Scotland the decrease in the level of employment over the year was driven mainly by 5,000 men leaving employment, compared to 3,000 women.

The UK saw an increase of 39,000 over the quarter due to 38,000 men finding work.

Employment by Gender (Level 16+, rate 16-64) - seasonally adjusted, Dec-Feb 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,334	-5	-6	76.9%	-0.2	-0.1
	Women	1,261	-3	-6	70.1%	+0.1	-0.7
UK	Men	16,921	+38	+71	79.4%	+0.2	+0.2
	Women	15,626	+1	+241	69.9%	+0.1	+0.8

[Regional labour market statistics in the UK: Apr 2017](#) and [UK labour market statistics: Apr 2017](#)

Employment by Age

The employment rate for 16-24 year-olds in Scotland has fallen by 0.5 percentage points over the year and is the lowest since 2013. (Dec-Feb 2013: 51.1%).

The 1.5 percentage points fall in the employment rate for the 50-64 age group is the largest fall since comparable records began in 2001.

Employment by Age - not seasonally adjusted, Dec-Feb 2017

Age group		Scotland	UK
16-24	Rate	56.4%	54.5%
	Year change (% pts)	-0.5	+0.1
25-34	Rate	80.8%	82.1%
	Year change (% pts)	-0.4	+0.5
35-49	Rate	82.4%	84.0%
	Year Change (% pts)	+0.3	+0.3
50-64	Rate	68.5%	70.9%
	Year Change (% pts)	-1.5	+0.8

[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

This section looks at economic inactivity in Scotland. The International Labour Organisation's definition of economic inactivity is:

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.

Scotland and UK comparison

The number of people economically inactive in Scotland increased by 18,000 over the quarter and 60,000 over the year, which is the largest annual increase since comparable records began in 1992.

Over the quarter the economic inactivity rate in Scotland increased by 0.8 percentage point whilst the UK's was unchanged.

The change in the economic inactivity rate over the year in Scotland was the highest since comparable records began in 1992.

The economic inactivity rate in Scotland is the highest it has been since 2010 (Mar-May 2010 23.6%).

Economic Inactivity (16-64) - seasonally adjusted

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	786	+18	+60	23.0%	+0.8	+1.8
UK	8,884	-10	-36	21.6%	0.0	-0.2

[Regional labour market statistics in the UK: Apr 2017](#) and [UK labour market statistics: Apr 2017](#)

Economic Inactivity by Gender

Economic inactivity rates are higher for women than for men.

The number of economically inactive people increased mainly due to 13,000 men becoming economically inactive.

Over the year the inactivity rate from men in Scotland increased by 2.4 percentage points which is the largest annual increase since comparable records began in 1992.

The inactivity rate for men is the highest since comparable records began in 1992.

Since 2015 when female inactivity was at its lowest (Dec-Feb 2015: 24.0%) the rate has increased by 2.5%.

Economic Inactivity by gender (16-64) - seasonally adjusted, Dec-Feb 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	323	+13	+39	19.4%	+0.8	+2.4
	Women	463	+4	+21	26.5%	+0.3	+1.2
UK	Men	3,369	-13	+57	16.5%	-0.1	+0.2
	Women	5,514	+3	-93	26.7%	0.0	-0.

[Regional labour market statistics in the UK: Apr 2017](#) and [UK labour market statistics: Apr 2017](#)

Economic Inactivity by Age

Youth economic inactivity is at its highest rate since comparable records began in 2001. The yearly increase is the highest since comparable records began in 2001.

The economic inactivity rate for 25-34 year-olds is the highest it has been since 2003 (Dec-Feb 2003: 16.6%).

Economic Inactivity by Age - not seasonally adjusted, Dec-Feb 2017

Age Group		Scotland	UK
16-24	Rate	38.1%	38.3%
	Year change (% pts)	+5.7	+0.8
25-34	Rate	16.4%	14.0%
	Year change (% pts)	+1.7	-0.3
35-49	Rate	14.3%	13.3%
	Year change (% pts)	+0.2	-0.2
50-64	Rate	28.4%	26.7%
	Year change (% pts)	+1.4	-0.5

[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.

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 March in both Scotland and the UK as a whole increased by 0.1 percentage point over the month as well as the year.

The Scottish claimant count rate is higher than the UK rate.

Claimant Count - Seasonally adjusted, March 2017

	Level	Month Change	Year Change	Rate	Month Change (% pts)	Year Change (% pts)
Scotland	77,000	+2,300	+2,600	2.2%	+0.1	+0.1
UK	765,400	+25,500	+11,800	1.9%	+0.1	+0.1

[Claimant Count via nomis](#)

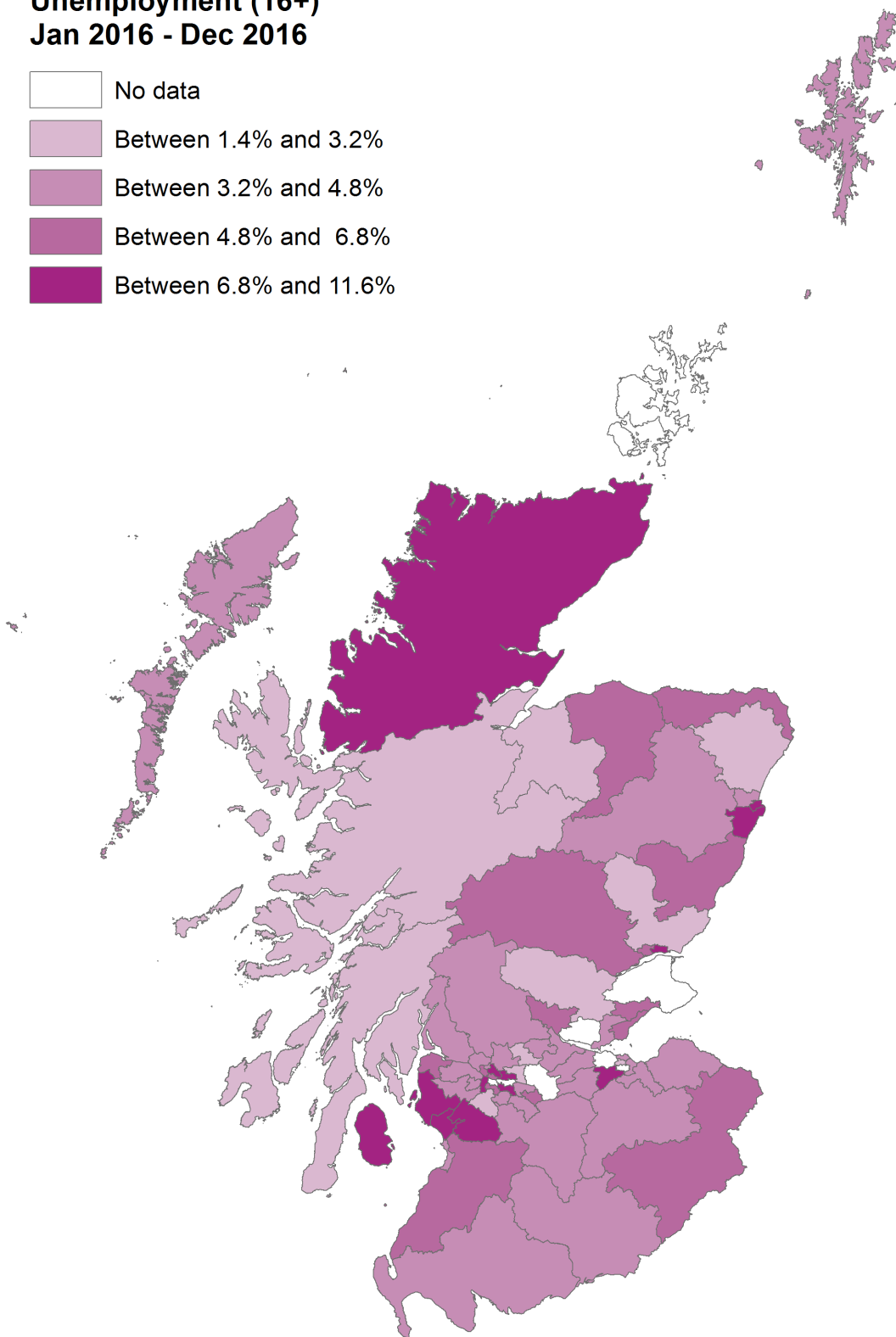
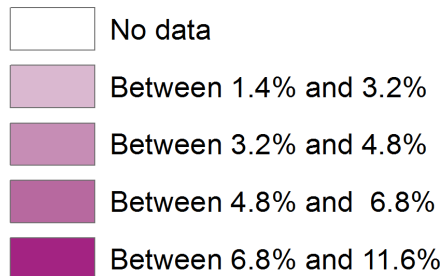
Constituency data: Unemployment Rate

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 2016.

Cunninghame South has the highest unemployment rate at 11.6% while Inverness and Nairn has the lowest at 1.4%. Aberdeen Central saw the biggest increase over the year, while Cumbernauld and Kilsyth saw the largest decrease.

Unemployment rate by Constituency (16+) - 2016

Unemployment (16+) Jan 2016 - Dec 2016



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

[Annual Population Survey Jan 2016 - Dec 2016, via nomis](#)

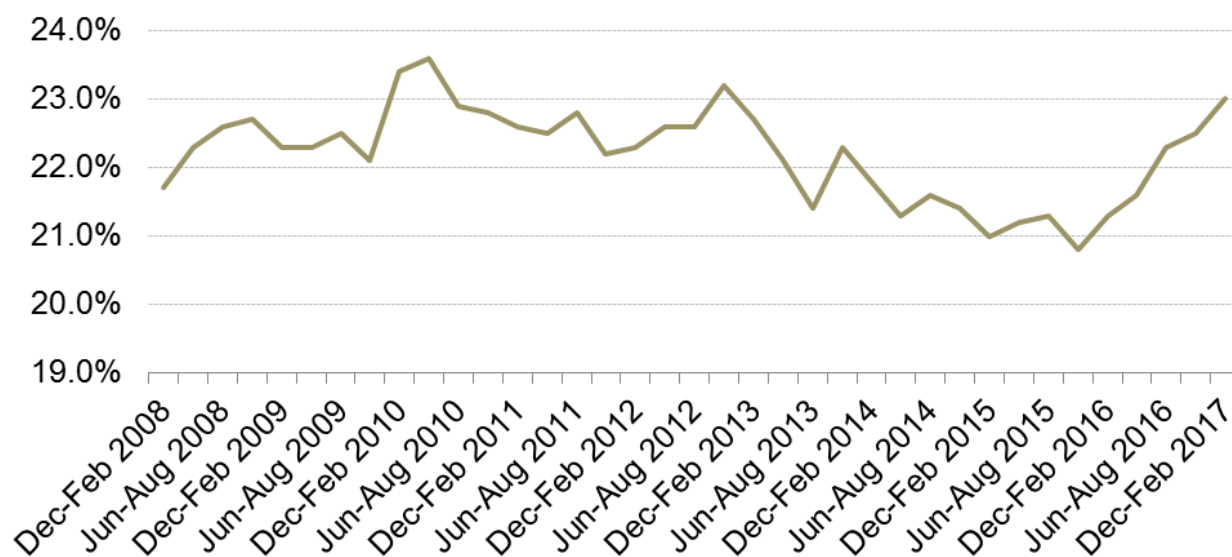
Find out the [latest labour market data for your constituency.](#)

Guest Indicator: Economic inactivity

Economic inactivity in Scotland has risen in each of the last 5 quarters and is now the highest it has been since 2012 (Sep-Nov 2012 23.3%).

Economic inactivity in Scotland has risen by 2.2 percentage points since Sep-Nov 2015

Economic Inactivity rates Dec-Feb 2008 to Dec-Feb 2017 - Scotland

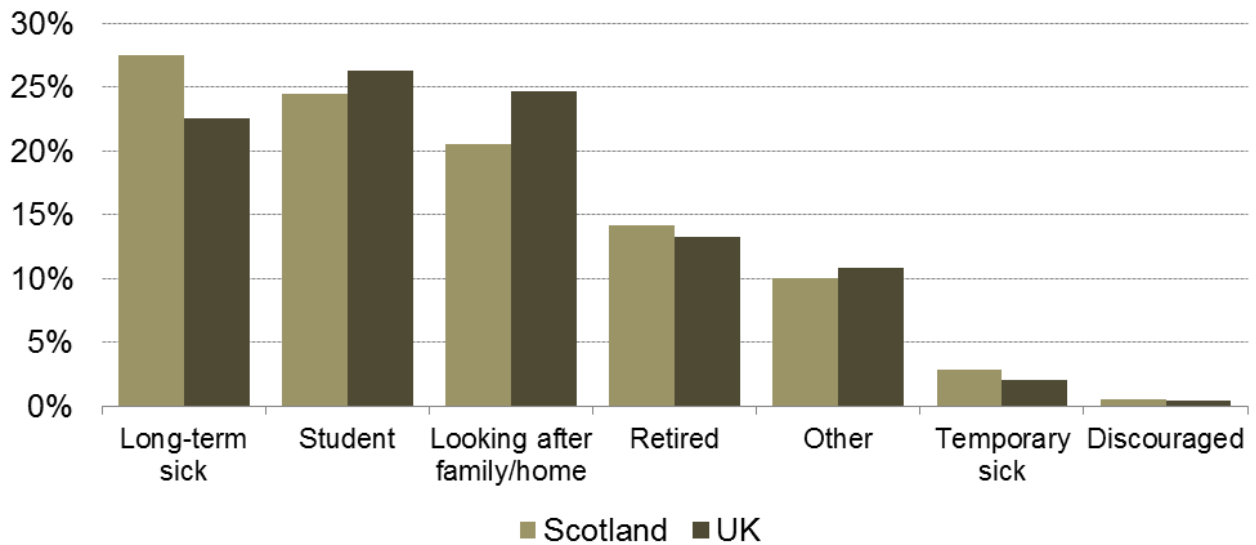


[Regional labour market statistics in the UK: Apr 2017](#)

In Scotland the most common reason given for economic inactivity is long-term illness. This accounts for 27.5% of economic inactivity numbers in Scotland compared to 22.6% across the UK as a whole. The most common reason in the UK is that people are studying.

Long-term illness is the most common reason for economic inactivity in Scotland in 2016

Comparison of reasons for economic inactivity in Scotland and the UK, 2016

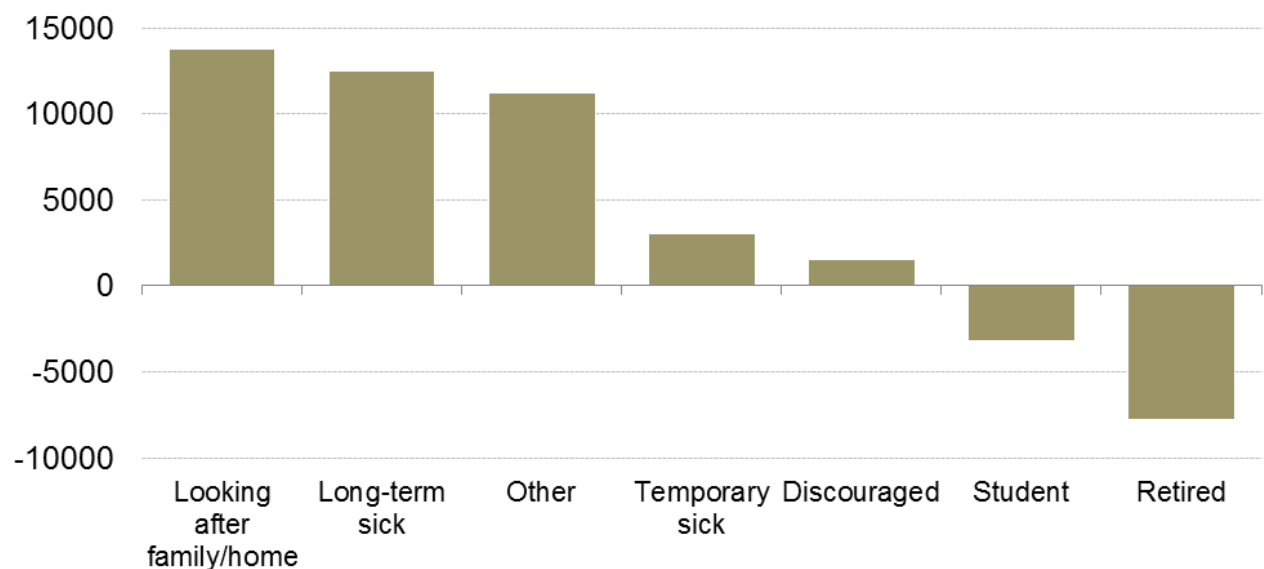


[Annual Population Survey Jan 2016 - Dec 2016, via nomis](#)

Between 2015 and 2016 an extra 31,000 people became economically inactive. While there was a drop in the number of retired people, there was an extra 13,800 people looking after the home/family. There was also a significant increase in the number of people who are long-term sick.

13,800 more people looking after the home/family in Scotland between 2015 and 2016

Change in the level of economically inactive people in Scotland between 2015 and 2016



[Annual Population Survey Jan 2016 - Dec 2016, via nomis](#)

Bibliography

- 1 Office for National Statistics. (2017, April 12). UK labour market statistics: Apr 2017. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsapr2017> [accessed 12 April 2017]
- 2 Office for National Statistics. (2017, April 12). UK labour market statistics: Apr 2017. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsapr2017> [accessed 12 April 2017]

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