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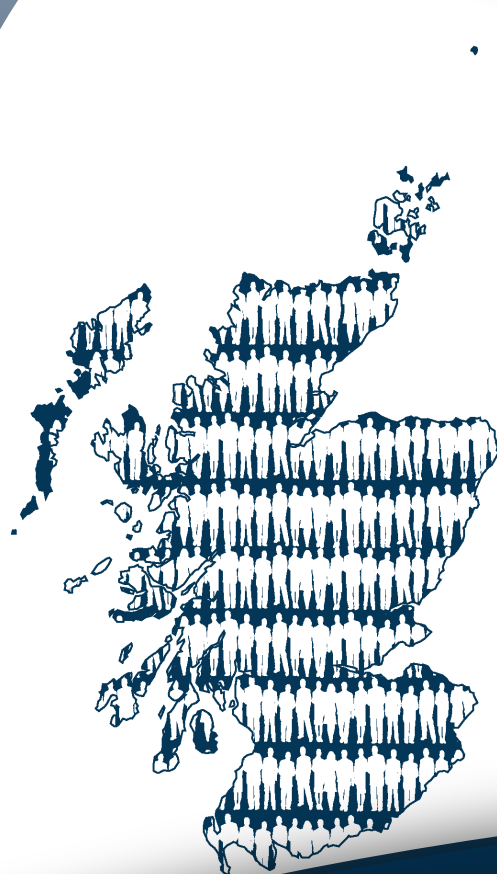
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Labour Market Update: August 2017

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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

The unemployment rate in Scotland sits at 3.9% which is the lowest rate since comparable records began in 1992. Over the year it saw one of the largest annual decreases since 1995.

The youth unemployment rate is the lowest since comparable records began in 2001 and according to the Scottish Government is one of the lowest in the EU.

The employment rate increased by 1.1 percentage points over the quarter to 75.2% and is the highest since comparable records began in 1992. The increase in employment is mainly due to men entering employment.

Scottish headline labour market figures, Apr-Jun 2017

	Overall		Men		Women	
	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)
Unemployment	3.9%	-0.5	4.2%	-0.3	3.6%	-0.6
Employment	75.2%	+1.1	79.2%	+1.7	71.3%	+0.6
Economic Inactivity	21.8%	-0.7	17.4%	-1.4	26.0%	0.0

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

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 in formation on labour market statistics in the [SPICe Labour market statistic briefing](#).

Unemployment

The number of unemployed people in Scotland fell by 12,000 over the quarter and 34,000 over the year. This is the largest annual decrease since 1995.

The unemployment rate for the UK is 4.4% and has not been this low since 1975. The rate in Scotland sits at 3.9%. This is the lowest rate since comparable records began in 1992.

Over the year Scotland has seen one of the largest decreases in the unemployment rate since 1995.

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

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	107	-12	-34	3.9%	-0.5	-1.2
UK	1,484	-57	-157	4.4%	-0.2	-0.5

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

Unemployment by gender

Over the year in Scotland, the fall in the unemployment level was primarily due to the decrease in the number of unemployed women, a fall of 12,000 over the year including a fall of 8,000 in the most recent quarter.

Over the year the unemployment rate for men in Scotland saw a decrease of 1.5 percentage points compared to 0.4 for the UK.

In Scotland this is the largest annual decrease in the male unemployment rate since the change between 2006 and 2007. The male unemployment rate has not been this low since comparable records began (in 1992).

The unemployment rate for women is the lowest since comparable records began in 1992.

Unemployment by gender (16+) - seasonally adjusted, Apr-Jun 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	60	-4	-22	4.2%	-0.3	-1.5
	Women	47	-8	-12	3.6%	-0.6	-0.9
UK	Men	818	-34	-74	4.6%	-0.2	-0.4
	Women	666	-23	-83	4.2%	-0.2	-0.6

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

Unemployment by age

The youth unemployment rate in Scotland is now at the lowest rates seen since comparable records began in 2002. The youth employment rate has also seen the largest decrease over the year since records comparable records began in 2002.

The Scottish Government state the youth unemployment rate in Scotland is among the lowest of all EU countries. ¹

The unemployment rate for 25-34 year olds is the lowest since comparable records began in 2002.

Unemployment by age - not seasonally adjusted, Apr-Jun 2017

Age group		Scotland	UK
16-24	Rate	8.4%	11.8%
	Year change (% pts)	-4.3	-1.4
25-34	Rate	2.9%	4.0%
	Year change (% pts)	-1.0	-0.5
35-49	Rate	2.9%	3.0%
	Year change (% pts)	-0.2	-0.3
50-64	Rate	3.0%	3.1%
	Year change (% pts)	-1.8	-0.3

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

Employment

The number of people aged 16 and over in employment in Scotland increased by 30,000 over the quarter and 22,000 over the year.

The employment rate in Scotland increased by 1.1 percentage points over the year while the UK saw an increase of 0.7 percentage points.

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

Scotland's employment rate is the highest since comparable records began in 1992.

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

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	2,650	+30	+22	75.2%	+1.1	+1.1
UK	32,073	+125	+338	75.1%	+0.3	+0.7

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

Employment by gender

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

The employment level in Scotland increased by 30,000 over the quarter, with most of this accounted for by an increase of 24,000 in male employment in the most recent quarter.

The male employment rate, at 79.2%, is one of the highest on record but is still below the pre-recession peak of 80.3% (Apr-Jun 2007) and is below the UK male employment rate. The female employment rate however is higher in Scotland than in the UK.

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Apr-Jun 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,369	+24	+16	79.2%	+1.7	+1.6
	Women	1,281	+6	+6	71.3%	+0.6	+0.5
UK	Men	17,021	+55	+118	79.8%	+0.3	+0.5
	Women	15,052	+70	+219	70.5%	+0.3	+0.9

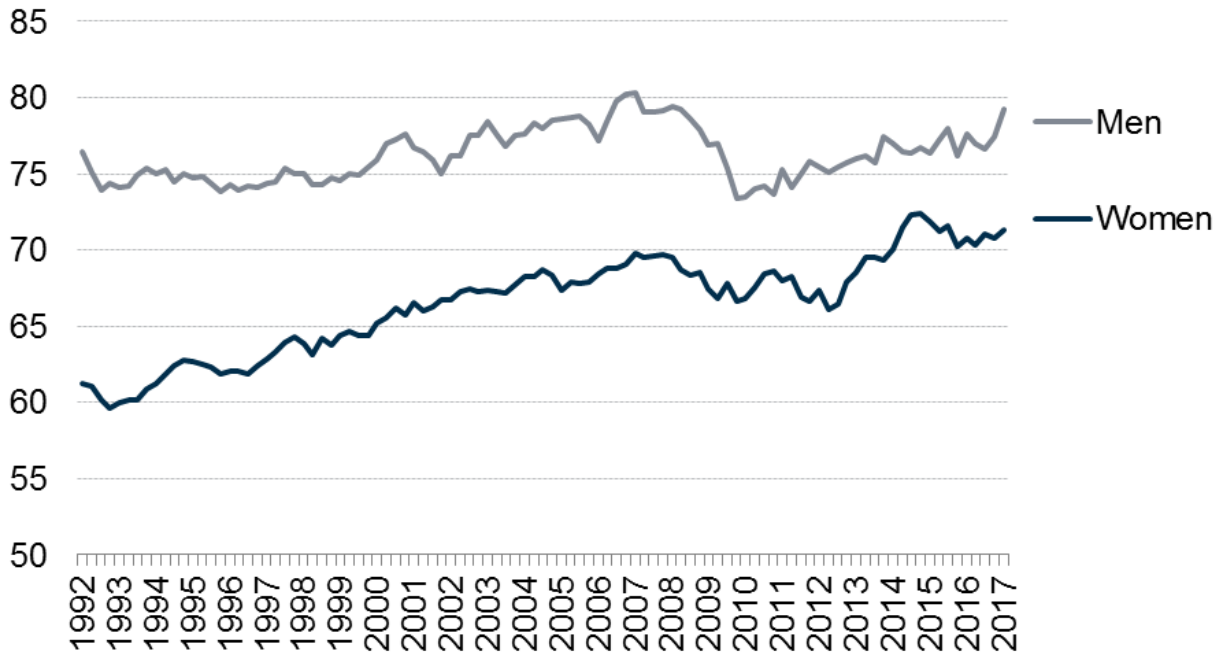
[Regional labour market: Headline indicators for Scotland \(Aug 2017\) and UK labour market statistics: Aug 2017](#)

Figure 1 show how the employment rates for men and women have changed since 1992 in Scotland. Despite a recent slowdown in the employment rate for women in Scotland overall there has been a big increase since 1992. The employment rate for women has increased by 10 percentage points between 1992 and 2017 while it has only increased by 1.7 percentage points for men.

Employment rates for women peaked in Jan-Mar 2015 at 72.4% having increased by 5.5 percentage points since Jul-Sep 2011, while it increased by 1.7 percentage points for men. However since then while the employment rate for men has increased, it has fallen for women.

The employment rate for women has increased by 10 percentage points between 1992 and 2017

Figure 1: Employment rate (%) by gender in Scotland - 1992 to 2017



Regional labour market: Headline indicators for Scotland (Aug 2017)

Employment by age

25-34 year olds have seen the first increase in the employment rate since between 2013 to 2014.

It is the fourth consecutive year where there has been an increase in the employment rate for 50-64 year olds with the rate now at its highest since comparable records began in 2002.

Employment by age - not seasonally adjusted, Apr-Jun 2017

Age group		Scotland	UK
16-24	Rate	59.3%	54.0%
	Year change (% pts)	+2.0	+0.3
25-34	Rate	83.4%	83.4%
	Year change (% pts)	+1.9	+1.1
35-49	Rate	82.7%	84.5%
	Year Change (% pts)	-1.0	+0.7
50-64	Rate	71.5%	71.2%
	Year Change (% pts)	+2.3	+0.5

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

Economic inactivity

The number of people economically inactive in Scotland decreased by 24,000 over the quarter but only 1,000 over the year.

Over the quarter the economic inactivity rate in Scotland fell by 0.7 percentage points whilst the UK's fell by 0.2.

Over the year the inactivity rate in Scotland was unchanged but it fell across the UK as a whole.

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

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	743	-24	-1	21.8%	-0.7	0.0
UK	8,756	-64	-90	21.3%	-0.2	-0.3

[Regional labour market: Headline indicators for Scotland \(Aug 2017\) and UK labour market statistics: Aug 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, mainly due to 24,000 men leaving economic inactivity. This is the largest decrease in economically inactive men since 2011 (-27,000 between Apr-Jun and Jan - Mar 2011).

Since 2015 when female inactivity was at its lowest (Jan-Mar 2015: 23.4%) the rate has increased by 2.6 percentage points.

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	289	-24	-3	17.4%	-1.4	-0.2
	Women	453	-1	+3	26.0%	0.0	+0.2
UK	Men	3,326	-22	0	16.3%	-0.1	-0.1
	Women	5,440	-42	-90	26.3%	-0.2	-0.5

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

Economic inactivity by age

The economic inactivity rate for 16-24 year olds is the highest it has been since 2002 (Jan-Mar 2002: 26.9%).

The economic inactivity rate for 50-54 year olds is the lowest it has been since comparable records began in 2002 (Apr-Jun 2002 39.4%).

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

Age Group		Scotland	UK
16-24	Rate	35.3%	38.8%
	Year change (% pts)	+0.8	+0.6
25-34	Rate	14.1%	13.2%
	Year change (% pts)	-1.2	-0.7
35-49	Rate	14.8%	12.9%
	Year change (% pts)	+1.2	-0.5
50-64	Rate	26.3%	26.6%
	Year change (% pts)	-1.1	-0.3

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

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 July in Scotland increased by 0.1 percentage point over the year.

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

Claimant Count - Seasonally adjusted, July 2017

	Level	Month Change	Year Change	Rate	Month Change (% pts)	Year Change (% pts)
Scotland	81,500	-100	+3,900	2.3%	0.0	+0.1
UK	807,800	-4,200	+34,000	1.9%	-0.1	0.0

[Claimant Count via nomis](#)

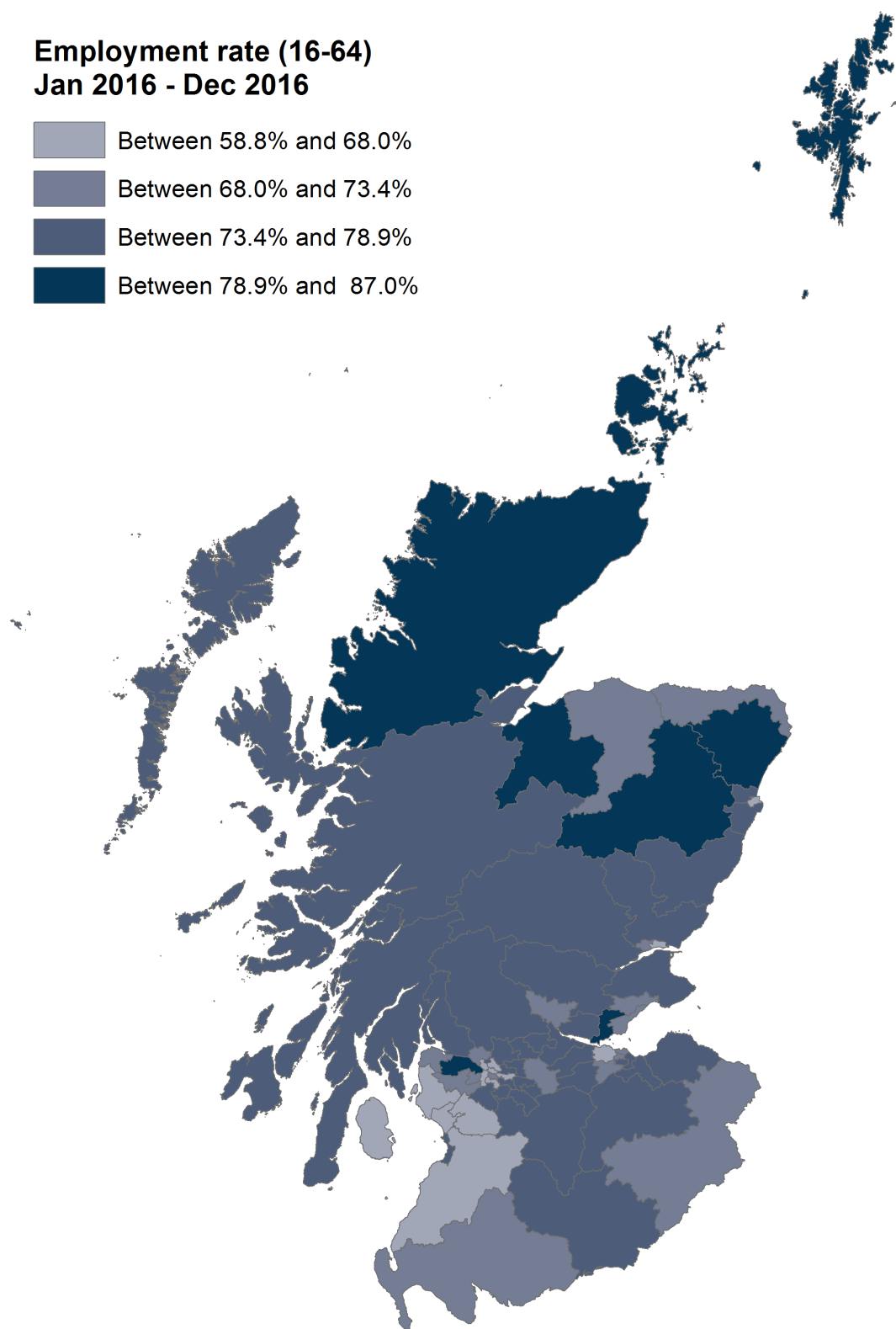
Constituency data: Employment rate

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 Apr 2016-Mar 2017.

The Orkney Islands have the highest employment rate at 87.0% while Glasgow Cathcart and has the lowest at 58.8%. Glasgow Maryhill and Springburn saw the biggest increase over the year, while Glasgow Cathcart saw the largest decrease.

Figure 2: Employment rate by Constituency (16-64) - 2016



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

Bibliography

- 1 Scottish Government. (2017, August 16). Record high in Scottish employment. Retrieved from <https://news.gov.scot/news/record-high-in-scottish-employment> [accessed 17 August 2017]

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