



The Scottish Parliament
Pàrlamaid na h-Alba

SPICe

The Information Centre
An t-Ionad Fiosrachaidh

SPICe Briefing

Pàipear-ullachaidh SPICe

Labour Market Update: September 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).



13 September 2017
SB 17-63

Contents

Executive Summary	3
What are the labour market measurements?	4
Unemployment	5
Unemployment by gender	5
Unemployment by age	5
Employment	7
Employment by gender	7
Employment by age	7
Economic inactivity	9
Economic inactivity by gender	9
Economic inactivity by age	9
Claimant Count	11
Constituency data: Economic inactivity rate	12
The Scottish Labour Market since the devolution referendum	15
Bibliography	17

Executive Summary

The unemployment rate in Scotland sits at 3.8% ¹ which is the lowest rate since comparable records began in 1992. The youth unemployment rate is the lowest since comparable records began in 2001.

The employment rate increased by 1.8 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.

Over the quarter Scotland has seen the largest decrease in economic inactivity since comparable record began in 1992.

Scottish headline labour market figures, May-Jul 2017

	Overall		Men		Women	
	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)
Unemployment	3.8%	-0.2	4.1%	+0.2	3.5%	-0.6
Employment	75.8%	+1.8	79.6%	+1.9	72.2%	+1.7
Economic Inactivity	21.2%	-1.6	17.0%	-2.0	25.1%	-1.2

[Regional labour market statistics in the UK: September 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 fell by 4,000 over the quarter and 24,000 over the year.

The unemployment rate for the UK is 4.3% and has not been this low since 1975. ² The rate in Scotland sits at 3.8%. This is the lowest rate since comparable records began in 1992.

Scotland has the third lowest unemployment rate of the regions and nation of the UK. ¹

Unemployment (16+) - seasonally adjusted, May-Jul 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	106	-4	-24	3.8%	-0.2	-0.9
UK	1,455	-75	-175	4.3%	-0.2	-0.5

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

Unemployment by gender

Over the quarter in Scotland, the fall in the unemployment level was primarily due to the decrease in the number of unemployed women, a fall of 8,000, while the number of unemployed men increased over the quarter.

Over the year the unemployment level and rate for men in Scotland saw the largest decrease since the change between 2012 and 2013. The number of unemployed women is at it's lowest level since comparable records began in 1992.

Unemployment by gender (16+) - seasonally adjusted, May-Jul 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	59	+3	-17	4.1%	+0.2	-1.2
	Women	47	-7	-7	3.5%	-0.6	-0.6
UK	Men	788	-52	-111	4.4%	-0.3	-0.6
	Women	667	-23	-63	4.2%	-0.2	-0.5

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

Unemployment by age

The unemployment rates for 16-24 year olds, 25-34 year olds and 35-49 year olds in Scotland are now at the lowest since comparable records began in 2002.

Unemployment by age - not seasonally adjusted, May-Jul 2017

Age group		Scotland	UK
16-24	Rate	9.4%	12.6%
	Year change (% pts)	-3.0	-1.7
25-34	Rate	3.1%	3.7%
	Year change (% pts)	-0.4	-0.6
35-49	Rate	2.5%	2.9%
	Year change (% pts)	-0.7	-0.3
50-64	Rate	3.3%	3.2%
	Year change (% pts)	-1.4	-0.2

Employment, unemployment and economic inactivity by age group (not seasonally adjusted), Educational status and labour market status for people aged from 16 to 24 (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 49,000 over the quarter and 44,000 over the year.

The employment rate in Scotland increased by 1.8 percentage points over the year while the UK saw an increase of 0.5 percentage points.

The UK employment rate is the highest since comparable records began in 1971.² Scotland's employment rate is the highest since comparable records began in 1992.

Employment (Level 16+, rate 16-64) - seasonally adjusted, May-Jul 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	2,674	+49	+44	75.8%	+1.8	+1.8
UK	32,136	+181	+379	75.3%	+0.5	+0.8

[Regional labour market statistics in the UK: September 2017](#) and [UK labour market: September 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 49,000 over the quarter, with the increase almost equally split between men and women.

The male employment rate, at 79.6%, is one of the highest on record but is still below the pre-recession peak of 80.1% (Nov-Jan 2007). The female employment rate is higher in Scotland than in the UK, and fourth highest of the regions and nations of the UK.

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, May-Jul 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,377	+24	+19	79.6%	+1.9	+2.0
	Women	1,297	+25	+25	72.2%	+1.7	+1.6
UK	Men	17,021	+50	+116	79.8%	+0.3	+0.5
	Women	15,115	+131	+262	70.8%	+0.7	+1.1

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

Employment by age

The youth employment rate for Scotland is the highest since comparable records began in 2002 and is the highest of the regions and nations of the UK.

It is the seventh 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, May-Jul 2017

Age group		Scotland	UK
16-24	Rate	61.7%	54.8%
	Year change (% pts)	+2.0	+0.4
25-34	Rate	83.8%	83.7%
	Year change (% pts)	+1.8	+1.3
35-49	Rate	83.8%	84.6%
	Year Change (% pts)	+1.0	+0.8
50-64	Rate	71.5%	71.1%
	Year Change (% pts)	+2.4	+0.4

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

Economic inactivity

The number of people economically inactive in Scotland decreased by 54,000 over the quarter but only 35,000 over the year.

Inactivity in Scotland is now the fourth lowest in the UK and around the UK average. ¹

Over the quarter the economic inactivity rate in Scotland fell by 1.6 percentage points whilst the UK's fell by 0.3 percentage points. This is the largest decrease in economic inactivity in Scotland over the quarter since comparable records began in 1992.

Economic Inactivity (16-64) - seasonally adjusted, May-Jul 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	722	-54	-35	21.2%	-1.6	-1.0
UK	8,743	-107	-96	21.2%	-0.3	-0.3

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

Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

The number of economically inactive people in Scotland decreased by 54,000 over the quarter, mainly due to 33,000 men leaving economic inactivity. This is the largest decrease in economically inactive men since comparable records began in 1992.

Economic Inactivity by gender (16-64) - seasonally adjusted, May-Jul 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	283	-33	-15	17.0%	-2.0	-0.9
	Women	439	-21	-21	25.1%	-1.2	-1.2
UK	Men	3,364	-5	+42	16.4%	0.0	+0.1
	Women	5,379	-102	-138	26.0%	-0.5	-0.7

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

Economic inactivity by age

The economic inactivity rate for 50-54 year olds is the lowest it has been since comparable records began in 2002 (May-Jul 2002 38.8%).

Economic Inactivity by Age - not seasonally adjusted, May-Jul 2017

Age Group		Scotland	UK
16-24	Rate	31.9%	37.2%
	Year change (% pts)	-1.1	+0.8
25-34	Rate	13.6%	13.1%
	Year change (% pts)	-1.5	-0.6
35-49	Rate	14.1%	12.8%
	Year change (% pts)	-0.5	-0.5
50-64	Rate	26.0%	26.5%
	Year change (% pts)	-1.5	-0.3

[Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\), Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\) 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 August 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, August 2017

	Level	Month Change	Year Change	Rate	Month Change (% pts)	Year Change (% pts)
Scotland	81,400	-100	+3,000	2.3%	0.0	+0.1
UK	806,300	-2,800	+29,500	1.9%	-0.1	0.0

[Claimant Count via nomis](#)

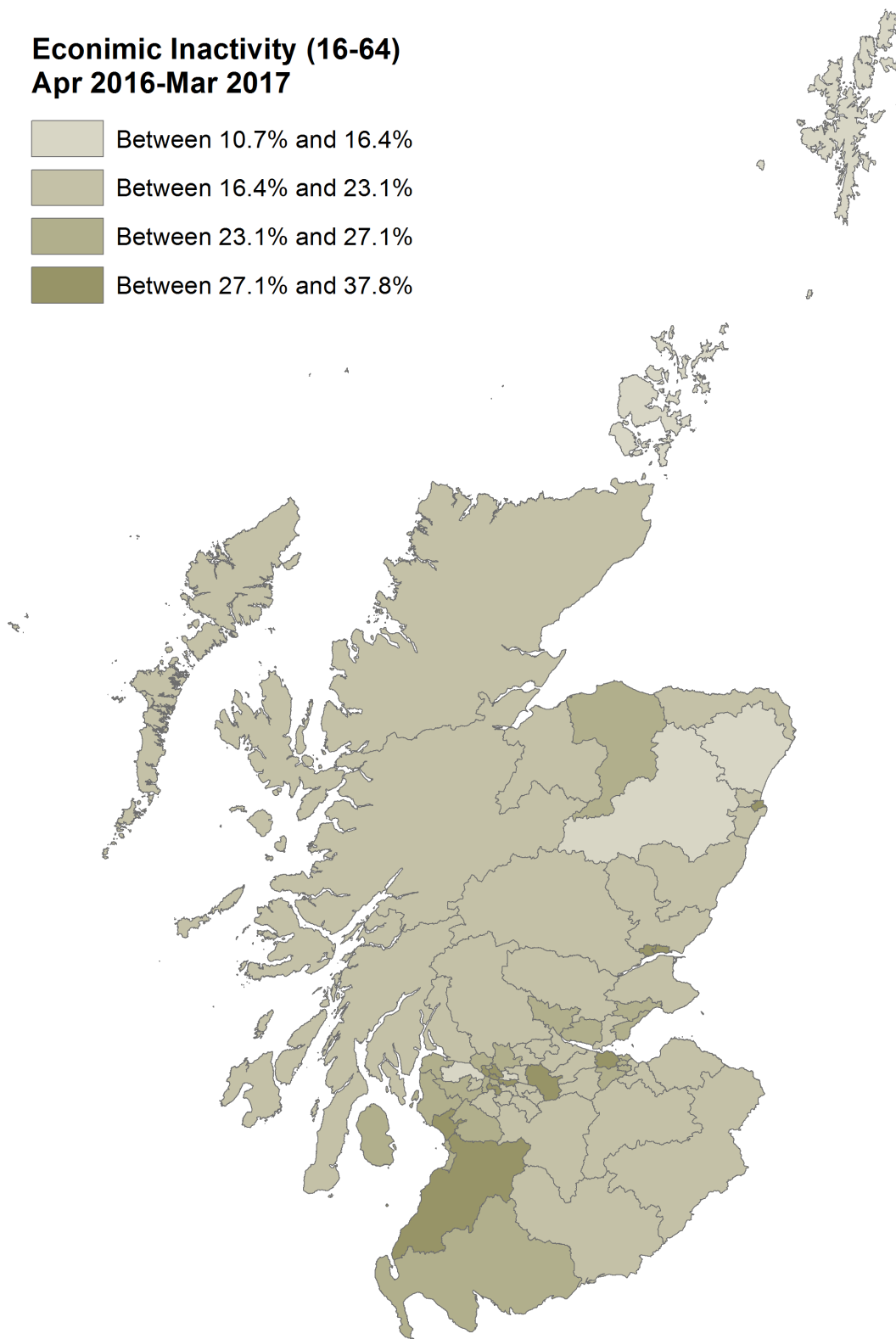
Constituency data: Economic inactivity rate

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.

Glasgow Cathcart has the highest economic inactivity at 37.8% while the Shetland Islands has the lowest at 10.7%. Glasgow Cathcart also saw the biggest increase over the year, while Glasgow Maryhill and Springburn saw the largest decrease.

Figure 2: Economic inactivity rate by Constituency (16-64) - Apr 2016-Mar 2017.



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

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

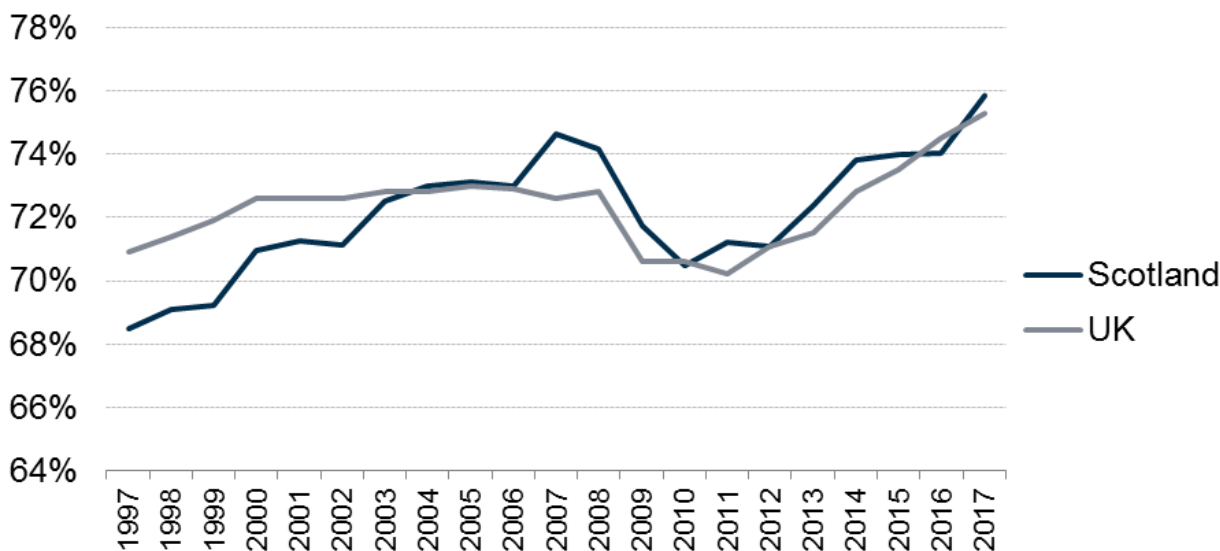
The Scottish Labour Market since the devolution referendum

This week saw the 20th anniversary since Scotland voted on whether or not to have its own parliament. This section takes a brief look at how the labour market has changed since 1997 in Scotland.

In 1997 the employment rate was 2.4 percentage points lower than the UK. It is now 0.5 percentage points higher than the UK, at an all time high of 75.8%.

Employment in Scotland has grown since 1997 and is now higher than the UK

Figure 2: Employment rates (16-64) in Scotland and the UK at May-Jul of each year since 1997



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

Since 1997 women have accounted for 59% of the increase in the number of people in employment in Scotland.

Figure 3: Proportion of the increase in the number of people in employment in Scotland between 1997 and 2017



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

In 1997 the unemployment rate in Scotland was 1.2 percentage points higher than UK. It is now 0.5 percentage points lower than the UK, at an all time low of 3.8%.

Unemployment in Scotland has fallen since 1997 and is now lower than the UK

Figure 3: Unemployment rates (16+) in Scotland and the UK at May-Jul of each year since 1997

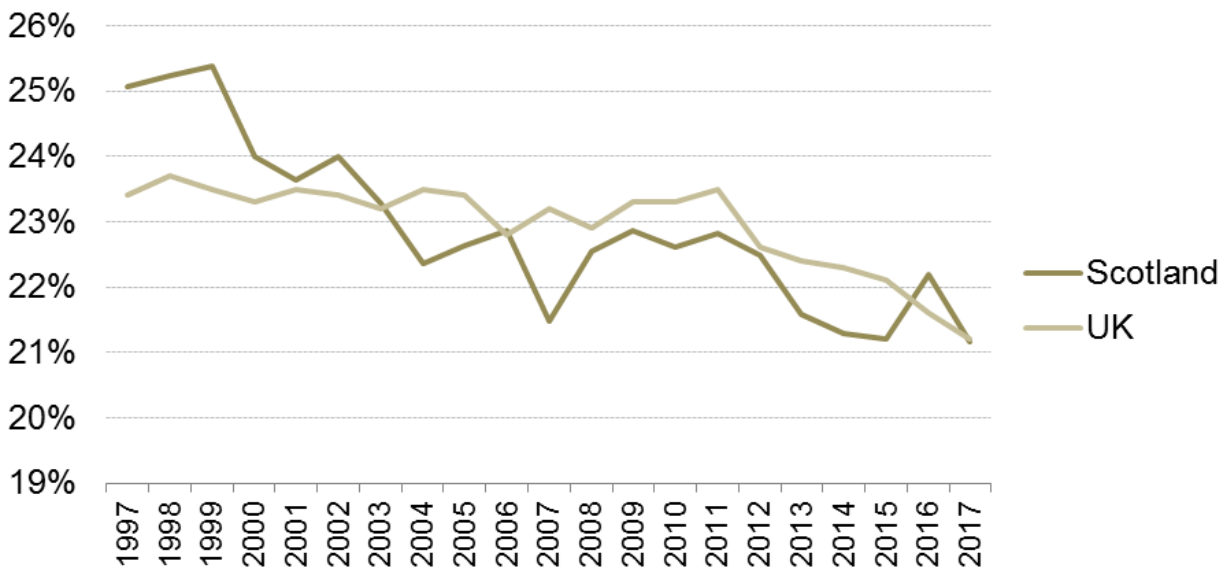


[Regional labour market statistics in the UK: September 2017](#) and [UK labour market: September 2017](#)

In 1997 the economic inactivity rate in Scotland was 1.7 percentage points higher than UK. It is now the same as the UK at 21.2%.

Economic inactivity in Scotland has fallen since 1997 and is now the same as the UK

Figure 4: Economic inactivity rates (16-64) in Scotland and the UK at May-Jul of each year since 1997



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

Bibliography

- 1 Office for National Statistics. (2017, September 13). HI00 Regional labour market: Headline LFS indicators for all regions. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforallregionshi00> [accessed 13 September 2017]
- 2 Office for National Statistics. (2017, September 13). UK labour market: September 2017. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/september2017> [accessed 13 September 2017]

Scottish Parliament Information Centre (SPICe) Briefings are compiled for the benefit of the Members of the Parliament and their personal staff. Authors are available to discuss the contents of these papers with MSPs and their staff who should contact Members of the public or external organisations may comment on this briefing by emailing us at SPICe@parliament.scot. However, researchers are unable to enter into personal discussion in relation to SPICe Briefing Papers. If you have any general questions about the work of the Parliament you can email the Parliament's Public Information Service at sp.info@parliament.scot. Every effort is made to ensure that the information contained in SPICe briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

