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Labour market update: November 2018

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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

This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics ¹ and UK labour market statistics ² published by the Office for National Statistics (ONS).

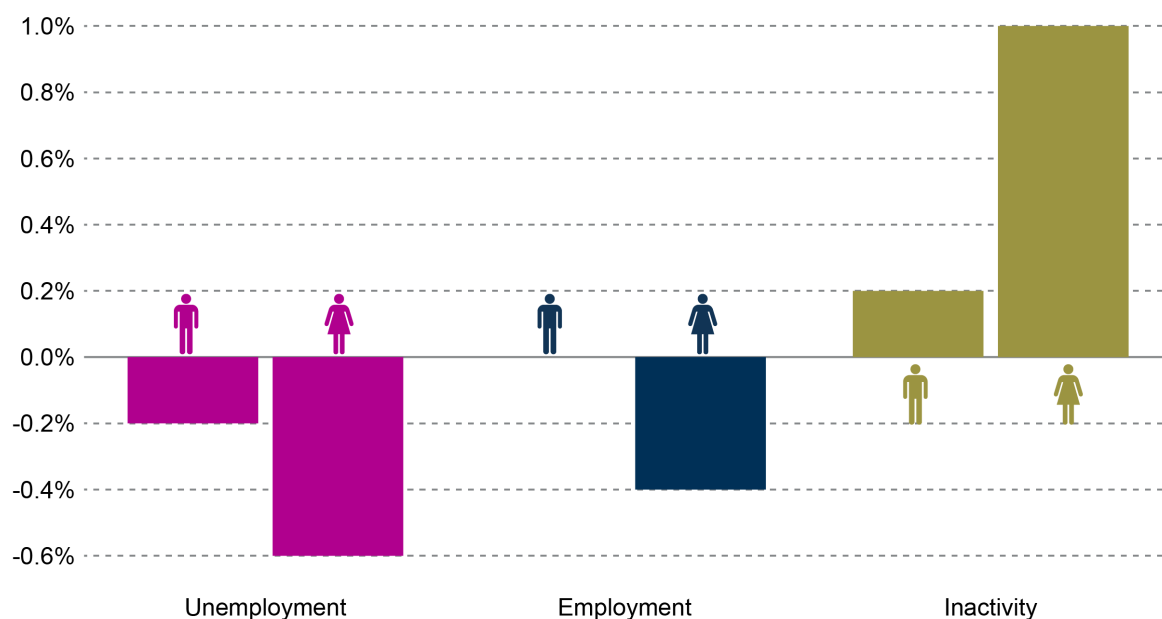
The Scottish unemployment rate is lower than the UK overall, 3.8% compared to 4.1%. The unemployment level fell by 12,000, with women accounting for the majority of this decrease, falling by 7,000.

However the employment rate also fell by 0.2 percentage points over the quarter to 75.0%. The number of people in employment fell by 6,000. Women accounting all of the decrease with 12,000 fewer women in employment while the number of men increased by 6,000.

The inactivity rate increased by 0.6 percentage points to 22.0%. The inactivity level increased by 19,000. The majority of the increase in the inactivity rate came from women, with the number of inactive women increasing by 16,000 over the quarter.

Figure 1 shows how the unemployment, employment and inactivity rates have changed over the quarter for men and women.

Figure 1: Change in unemployment, employment and inactivity rates over the quarter by gender



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

Scottish headline labour market figures, Jul-Sep 2018

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	3.8%	-0.4	4.4%	-0.2	3.0%	-0.6
Employment	75.0%	-0.2	79.0%	0.0	71.2%	-0.4
Economic Inactivity	22.0%	+0.6	17.3%	+0.2	26.6%	+1.0

[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/or 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 decreased by 12,000 over the quarter and by 6,000 over the year.

The unemployment rate for Scotland is 3.8%, whilst for the UK as a whole it is 4.1%.

The unemployment rate in Scotland fell over the quarter and the year while it increased over the quarter in the UK but fell over the year.

The Scottish employment level and rate are the lowest since comparable records began in 1992.

This is now the ninth consecutive quarter where the unemployment rate in Scotland has been below 5.0%, and the third consecutive quarter where the rate has fallen.

Unemployment (16+) - seasonally adjusted, Jul-Sep 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	103	-12	-6	3.8%	-0.4	-0.2
UK	1,381	+21	-43	4.1%	+0.1	-0.2

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

Looking at unemployment across the UK, the South West has the lowest rate at 2.9%, whilst the North East has the highest at 5.0%. The rate in Scotland is the fourth lowest across the UK.

Figure 2: Unemployment rates across the UK (16+) - Jul-Sep 2018



[Regional labour market summary](#)

Unemployment by gender

Over the quarter the unemployment level decreased by 12,000 in Scotland. The number of unemployed women fell by 9,000, and there were 2,000 fewer unemployed men.

Over the year the unemployment level fell by 7,000 in Scotland. The number of unemployed women fell by 5,000, whilst the number of unemployed men fell by 1,000.

The unemployment rate for both men and women in Scotland fell over the quarter and the year. The unemployment rate for women is the lowest since comparable records began in 1992.

The unemployment rate for both men and women fell at a higher rate than across the UK as a whole.

The unemployment rate for men is higher in Scotland than the UK, whilst the rate is lower for women in Scotland than in the UK.

Unemployment by gender (16+) - seasonally adjusted, Jul-Sep 2018

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	63	-2	-1	4.4%	-0.2	-0.1
	Women	40	-9	-5	3.0%	-0.6	-0.4
UK	Men	750	+29	-20	4.2%	+0.1	-0.2
	Women	631	-8	-23	4.0%	0.0	-0.2

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

Figure 3 shows how the unemployment rates by gender in Scotland have changed over the past 10 years.

The unemployment rate for men peaked at 9.8% in Jan-Mar 2010. Since then it has fallen by 5.4 percentage points. It has increased slightly since its low point of 4.2% in Apr-Jun 2017.

The unemployment rate for women peaked at 8.2% in Jan-Mar 2012. Since then it has fallen by 5.2 percentage points to the current rate of 3.0%.

Figure 3: Unemployment rate by gender (16+) - seasonally adjusted, Jul-Sep 2008 to Jul-Sep 2018



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

Unemployment by age

This data is not seasonally adjusted and is compared with the same quarter in previous years.

The unemployment rate for 35 to 49 year olds (2.6%) is the lowest since comparable records began in 2001.

The only age group in Scotland that deviates significantly from the UK is 16-24 year olds, at 2.3 percentage point lower than the UK.

Unemployment by age - not seasonally adjusted, Jul-Sep 2018

Age group		Scotland	UK
16-24	Rate	10.0%	12.3%
	Year change (% pts)	+0.6	-0.8
25-34	Rate	3.0%	3.8%
	Year change (% pts)	-1.0	-0.1
35-49	Rate	2.6%	2.8%
	Year change (% pts)	-0.4	0.0
50-64	Rate	3.4%	3.0%
	Year change (% pts)	-0.2	0.0

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 fell by 6,000 over the quarter, and by 16,000 over the year.

The rate in Scotland fell over both the quarter and the year, while it was unchanged across the quarter and increased over the year for the UK as a whole.

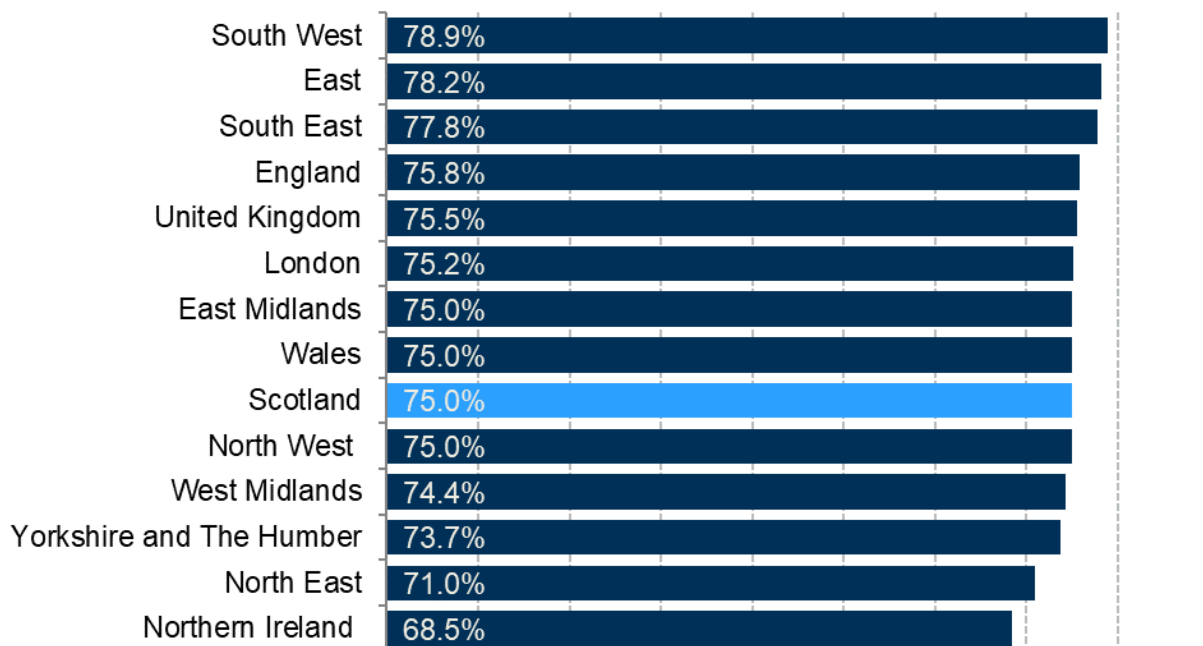
Employment (Level 16+, rate 16-64) - seasonally adjusted, Jul-Sep 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,636	-6	-16	75.0%	-0.2	-0.2
UK	32,409	+23	+350	75.5%	0.0	+0.5

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

Looking at employment across the UK, the Scottish rate is lower than the UK average. The South West has the highest rate at 78.9%, whilst Northern Ireland has the lowest at 68.5%.

Figure 4: Employment rates across the UK (16-64), Jul-Sep 2018



[Regional labour market summary](#)

Employment by gender

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

Over the quarter, the fall in the employment level came from there being 12,000 fewer women in employment, whilst the number of men increased by 6,000.

The rate for women fell over both the quarter and the year, whilst the rate for men was unchanged over the quarter but increased over the year.

The rate for men in Scotland is lower than the UK, whilst the rate for women in Scotland is higher than in the UK.

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Jul-Sep 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,363	+6	+1	79.0%	0.0	+0.5
	Women	1,273	-12	-17	71.2%	-0.4	-0.9
UK	Men	17,192	+29	+208	80.0%	-0.1	+0.6
	Women	15,217	-6	+142	71.0%	0.0	+0.4

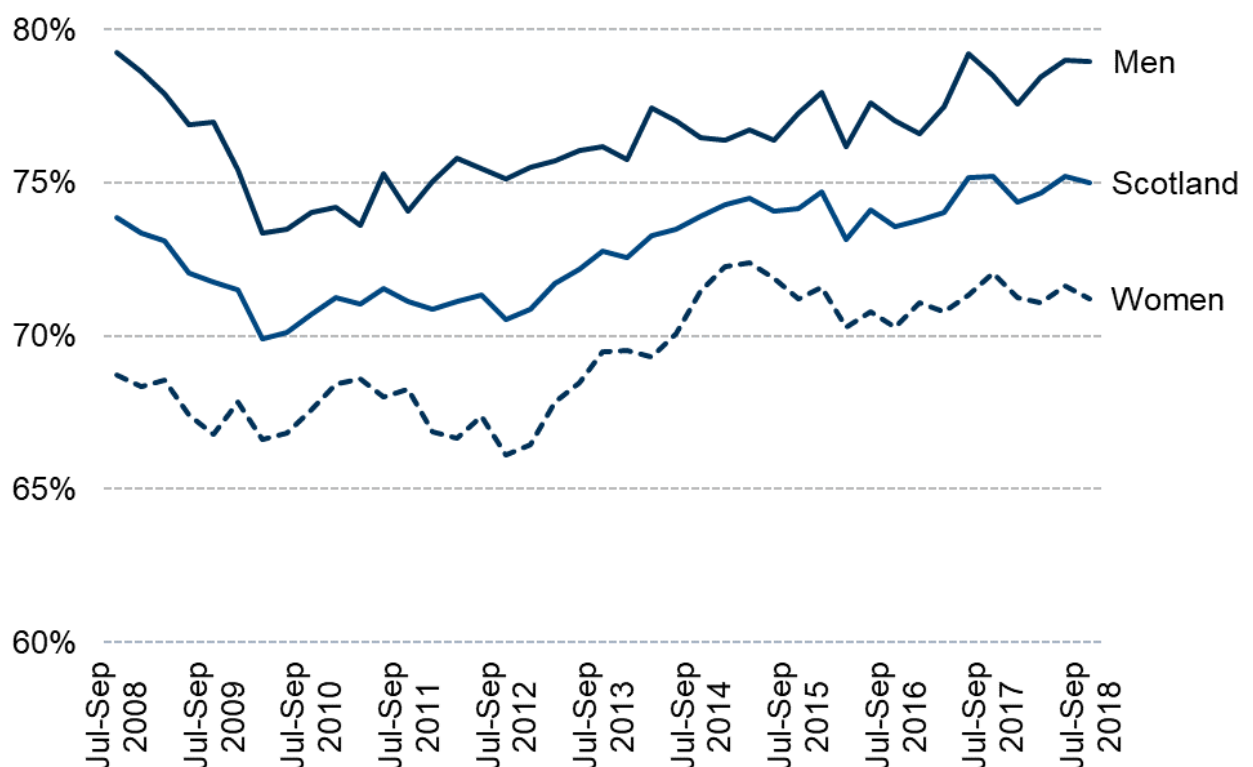
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 4 shows how the unemployment rates by gender in Scotland have changed over the past 10 years.

The employment rate for women has increased by 5.1 percentage points since Jul-Sep 2012, when it was its lowest in the last 10 years, at 66.1%. It is, however, slightly below its peak of 72.4% in Jan-Mar 2015.

The men's employment rate has increased by 5.6 percentage points since Jan-Mar 2010, when it was its lowest in the last 10 years, at 73.3%. However, the rate is still slightly below the rate in Jul-Sep 2008, when it was above 79.3%.

Figure 4: Employment rate by gender (16-64) - seasonally adjusted, Jul-Sep 2008 to Jul-Sep 2018



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

Employment by age

This data is not seasonally adjusted and is compared with the same quarter in previous years.

Despite a slight decrease, the employment rate for 50-64 year olds has increased by 12.6 percentage points since 2001.

The youth employment rate (16-24) is the only age group where Scotland deviates from the UK, with the rate in Scotland 3.4% higher.

Employment by age - not seasonally adjusted, Jul-Sep 2018

Age group		Scotland	UK
16-24	Rate (%)	59.1%	55.7%
	Year change (% pts)	-2.1	+0.4
25-34	Rate (%)	82.2%	83.4%
	Year change (% pts)	-0.7	-0.2
35-49	Rate (%)	84.6%	84.9%
	Year change (% pts)	+2.3	+0.6
50-64	Rate (%)	70.6%	72.0%
	Year change (% pts)	-0.8	+0.8

[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 increased over the quarter by 19,000, and 12,000 over the year.

Over both the quarter and the year the inactivity rate increased in Scotland, whilst it was unchanged across the UK over the quarter, but was fell over the year.

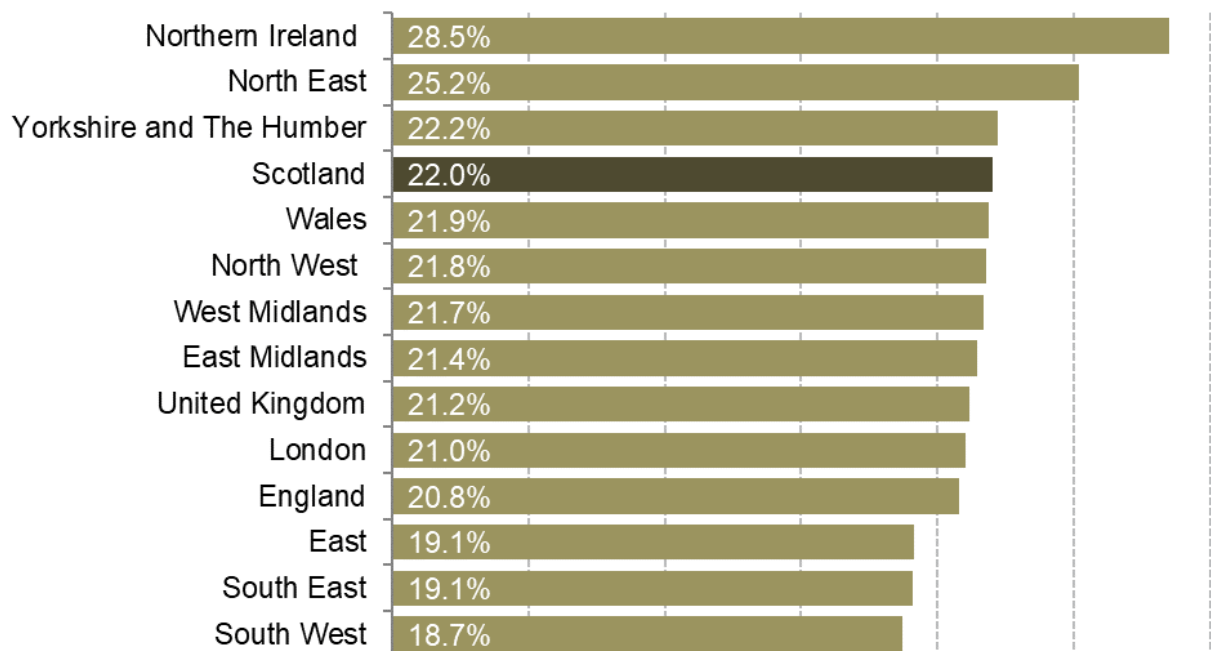
Economic inactivity (16-64) - seasonally adjusted, Jul-Sep 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	750	+19	+12	22.0%	+0.6	+0.4
UK	8,736	+1	-147	21.2%	0.0	-0.4

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

Looking at economic inactivity across the UK, the Scottish rate is slightly higher than the UK average. Northern Ireland has the highest rate at 28.5%, whilst the South West has the lowest at 18.7%.

Figure 5: Economic inactivity rates across the UK (16-64)-Jul-Sep 2018



[Regional labour market summary](#)

Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

Over the quarter the number of inactive men increased by 3,000, whilst the number of inactive women increased by 16,000.

Over the year the increase in the inactivity level came from an extra 20,000 inactive women, whilst the number of inactive men fell by 7,000.

The inactivity rate for men is higher in Scotland than the UK, whilst the rate for women is lower than that for the UK overall.

Economic Inactivity by gender (16-64) - seasonally adjusted, Jul-Sep 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	288	+3	-7	17.3%	+0.2	-0.4
	Women	463	+16	+20	26.6%	+1.0	+1.2
UK	Men	3,354	-10	-92	16.3%	-0.1	-0.5
	Women	5,382	+11	-55	26.0%	0.0	-0.3

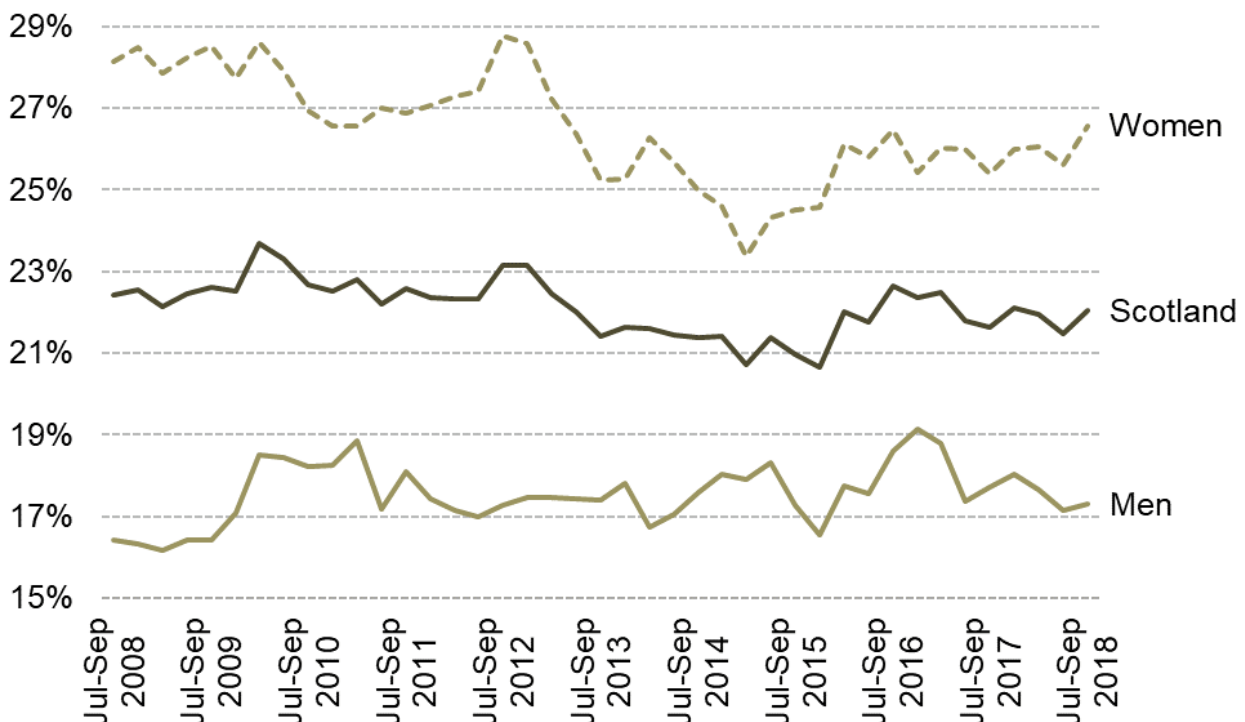
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 6 shows how inactivity rates by gender in Scotland have changed over the past 10 years.

Since the inactivity rate for men peaked in Oct-Dec 2016, at 19.1%, the rate has fallen by 1.1 percentage points to 17.4%. However it is above its lowest rate of 16.2% in Jan-Mar 2008.

The rate for women has fallen by 2.2 percentage points since Jul-Sep 2012, when it was at its highest in the last 10 years. The rate is currently 3.2 percentage points above its lowest point of 23.4% in Jan-Mar 2015.

Figure 6: Inactivity rate by gender (16-64) - seasonally adjusted, Jul-Sep 2008 to Jul-Sep 2018



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

Economic inactivity by age

This data is not seasonally adjusted and is compared with the same quarter in previous years.

The youth inactivity rate is the highest since comparable records began, having increased by 13.4 percentage points since it was its lowest in 2002.

Despite a rise over the year, the inactivity rate for the 50-64 year old age group has fallen by 12.1 percentage points since 2002.

Economic Inactivity by Age - not seasonally adjusted, Jul-Sep 2018

Age Group		Scotland	UK
16-24	Rate (%)	34.4%	36.4%
	Year change (% pts)	+1.9	+0.1
25-34	Rate (%)	15.2%	13.3%
	Year change (% pts)	+1.6	+0.2
35-49	Rate (%)	13.2%	12.6%
	Year change (% pts)	-2.0	-0.6
50-64	Rate (%)	26.9%	25.8%
	Year change (% pts)	+1.0	-0.8

[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 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 October in Scotland and the UK was unchanged.

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

Claimant Count - Seasonally adjusted, October 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	98,200	+1,900	+16,800	2.8%	0.0	+0.5
UK	967,700	+20,200	+156,000	2.3%	0.0	+0.3

[Claimant Count via nomis](#)

Constituency data: employment

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. This data is based on residence analysis of the APS.

The latest APS data is for Jan Apr 2017-Mar 2018.

The Orkney Islands has the highest employment rate at 89.1%, whilst Glasgow Kelvin has the lowest at 53.5%. Glasgow Cathcart saw the biggest increase over the year, whilst Glasgow Maryhill and Springburn saw the largest decrease.

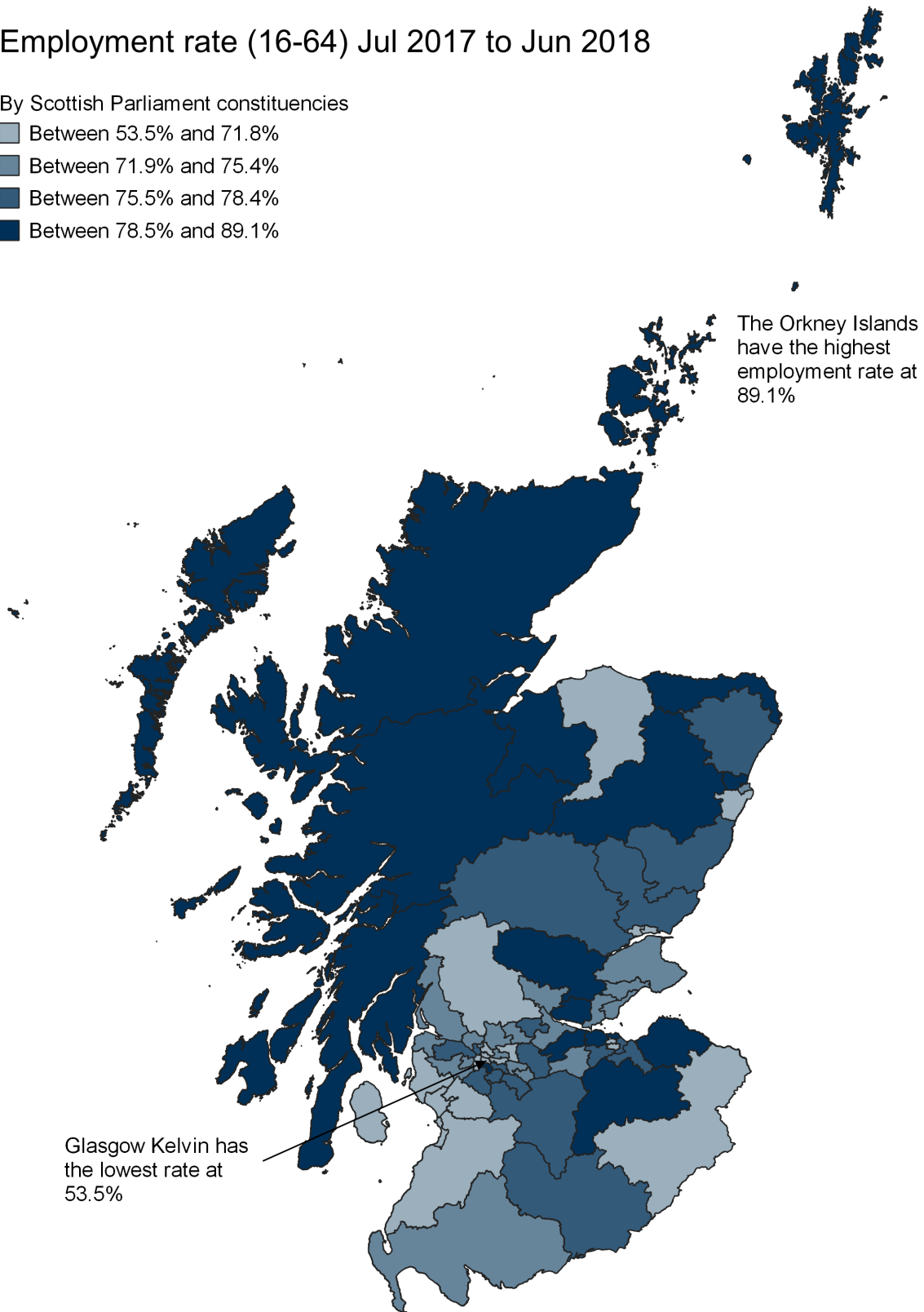
This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

Figure 4: Employment rate by constituency (16-64) - Apr 2017 to Mar 2018

Employment rate (16-64) Jul 2017 to Jun 2018

By Scottish Parliament constituencies

- Between 53.5% and 71.8%
- Between 71.9% and 75.4%
- Between 75.5% and 78.4%
- Between 78.5% and 89.1%



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

Bibliography

- 1 Office for National Statistics. (2018, November 13). Regional labour market statistics in the UK: November 2018. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/november2018> [accessed 13 November 2018]
- 2 Office for National Statistics. (2018, November 13). UK labour market: November 2018. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsnov2018> [accessed 13 November 2018]

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