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# Labour market update: December 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).



EMPLOYMENT APPLICATION FORM

PERSONAL INFORMATION

Last Name

First Name

Address

City

Email address

PERSONAL INFORMATION

Last Name

First Name

Address

City

Email address

**12 December 2018**  
**SB 18-83**

# Contents

<b>Executive Summary</b>	<b>3</b>
<b>What are the labour market measurements?</b>	<b>5</b>
<b>Unemployment</b>	<b>6</b>
Unemployment by gender	7
Unemployment by age	8
<b>Employment</b>	<b>10</b>
Employment by gender	10
Employment by age	12
<b>Economic inactivity</b>	<b>14</b>
Economic inactivity by gender	14
Economic inactivity by age	16
<b>Claimant Count</b>	<b>18</b>
<b>Constituency data: inactivity</b>	<b>19</b>
<b>Bibliography</b>	<b>22</b>

# Executive Summary

This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics <sup>1</sup> and UK labour market statistics <sup>2</sup> published by the Office for National Statistics (ONS). The majority of the data is for Aug-Oct 2018, unless otherwise stated.

The unemployment rate for Scotland is 3.7%, whilst for the UK as a whole it is 4.1%. The Scottish employment level and rate are the lowest since comparable records began in 1992.

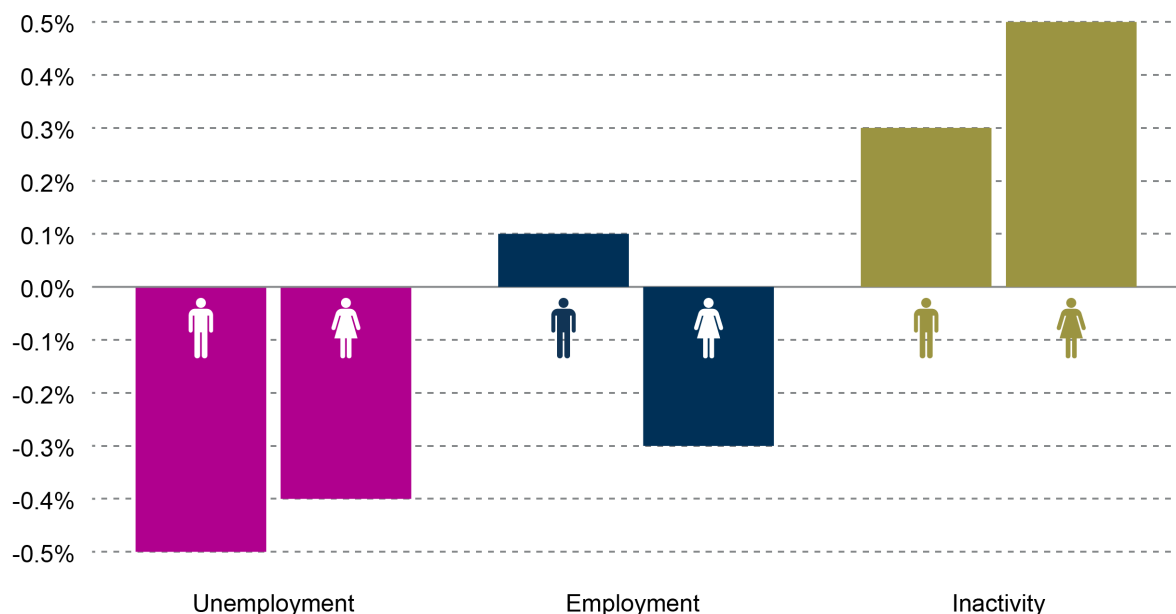
The employment rate fell slightly over the quarter to 75.0%. However, it was unchanged over the year. When looking at the employment level, this is now the fifth consecutive quarter where employment has decreased, falling by 40,000 since May-Jul 2017.

Economic inactivity in Scotland increased over both the quarter and the year, whilst it fell over both the quarter and the year in the UK overall.

This is the fifth consecutive quarter where the number of inactive women has risen, increasing by 20,000 since May-Jul 2017.

Figure 1 shows the change in unemployment, employment and inactivity rates over the quarter by gender.

**Figure 1: Change in unemployment, employment and inactivity rates over the quarter by gender (May-Jul 18 to Aug-Oct 18)**



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

## Scottish headline labour market figures, Aug-Oct 2018

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	3.7%	-0.4	4.1%	-0.5	3.2%	-0.4
Employment	75.0%	-0.1	78.9%	+0.1	71.3%	-0.3
Economic Inactivity	22.1%	+0.4	17.7%	+0.3	26.3%	+0.5

[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 13,000 over both the quarter and the year.

The unemployment rate for Scotland is 3.7%, whilst for the UK as a whole it is 4.1%.

The unemployment rate in Scotland fell over the quarter and the year by 0.4 percentage points. While the rate was unchanged over the quarter for the UK as a whole, but fell over the year by 0.2 percentage points

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

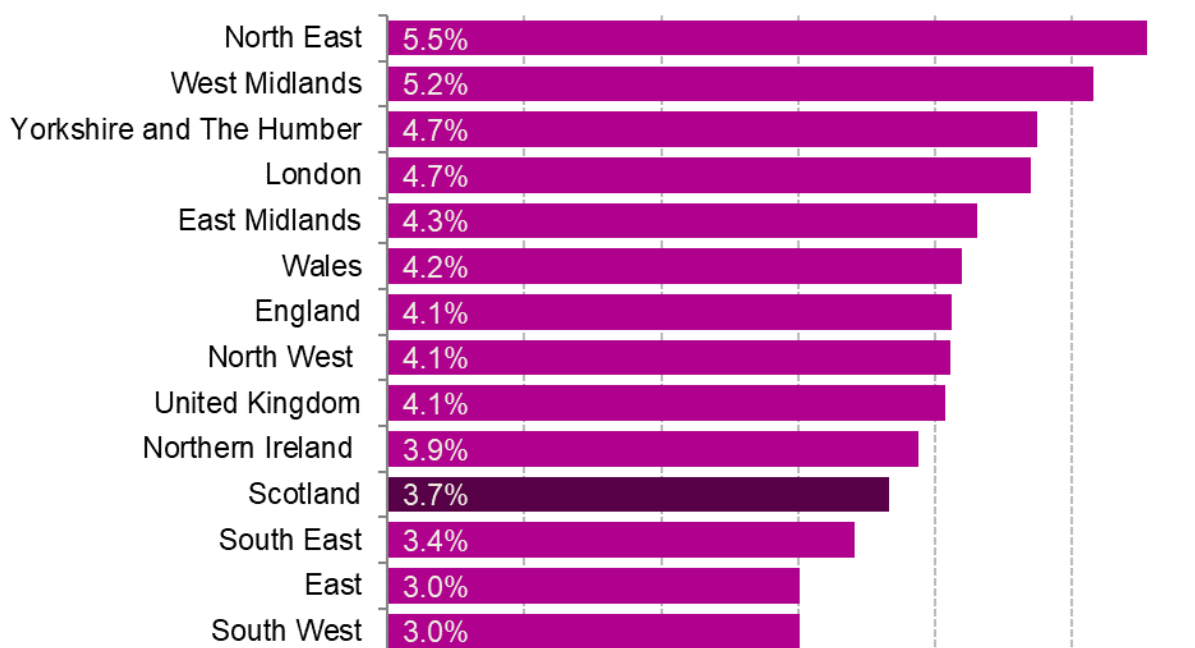
## Unemployment (16+) - seasonally adjusted, Aug-Oct 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	100	-13	-13	3.7%	-0.4	-0.4
UK	1,380	+20	-49	4.1%	0.0	-0.2

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

Looking at unemployment across the UK, the East and South East of England has the lowest rate at 3.0%, whilst the North East has the highest at 5.5%. The rate in Scotland is the fourth lowest across the UK.

**Figure 2: Unemployment rates across the UK (16+) - Aug-Oct 2018**



[Regional labour market summary](#)

## Unemployment by gender

Over the quarter the unemployment level decreased by 13,000 in Scotland. The number of unemployed women fell by 5,000, and there were 8,000 fewer unemployed men.

Over the year the unemployment level fell by 13,000 in Scotland. The number of unemployed women increased by 3,000, whilst the number of unemployed men fell by 16,000.

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.

Despite falling over the quarter the unemployment rate for women in Scotland increased over the year.

The unemployment rates for men and women are lower in Scotland than the UK.

### Unemployment by gender (16+) - seasonally adjusted, Aug-Oct 2018

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	58	-8	-16	4.1%	-0.5	-1.1
	Women	42	-5	+3	3.2%	-0.4	+0.3
UK	Men	747	+27	-36	4.2%	+0.1	-0.3
	Women	633	-8	-13	4.0%	-0.1	-0.1

[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 Feb-Apr 2010. Since then it has fallen by 5.7 percentage points and is at its lowest rate in the past 10 years

The unemployment rate for women peaked at 8.1% in Nov-Jan 2012. Since then it has fallen by 4.9 percentage points to the current rate of 3.2%. This is 0.3 percentage points above its low point of 2.9% in Aug-Oct 2017.

**Figure 3: Unemployment rate by gender (16+) - seasonally adjusted, Aug-Oct 2008 to Aug-Oct 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 25 to 34 (2.8%) and 35 to 49 year olds (2.5%) are 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 2.4 percentage point lower than the UK.

**Unemployment by age - not seasonally adjusted, Aug-Oct 2018**

Age group		Scotland	UK
16-24	Rate	10.1%	12.5%
	Year change (% pts)	+0.4	-0.5
25-34	Rate	2.8%	3.8%
	Year change (% pts)	-0.5	-0.2
35-49	Rate	2.5%	2.8%
	Year change (% pts)	-0.8	0.0
50-64	Rate	3.2%	2.9%
	Year change (% pts)	-0.3	-0.1

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 1,000 over the quarter, and by 19,000 over the year.

This is now the fifth consecutive quarter where the employment level has fallen, falling by 40,000 since May-Jul 2017

The rate in Scotland fell over both the quarter but was unchanged over the year. While across the UK it increased over both the quarter and the year.

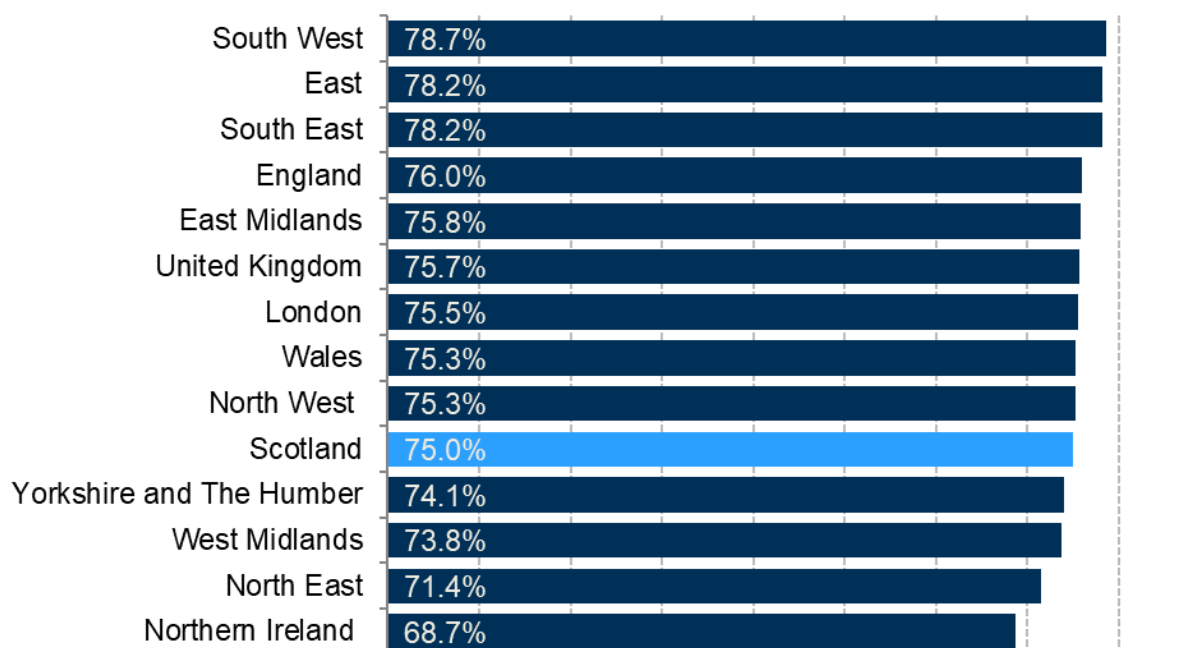
## Employment (Level 16+, rate 16-64) - seasonally adjusted, Aug-Oct 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,633	-1	-19	75.0%	-0.1	0.0
UK	32,476	+79	+396	75.7%	+0.2	+0.6

[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 78.7%, whilst Northern Ireland has the lowest at 68.7%.

**Figure 4: Employment rates across the UK (16-64), Aug-Oct 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 7,000 fewer women in employment, whilst the number of men increased by 7,000.

This is the fourth consecutive quarter where the number of women in employment has decreased, falling by 25,000 since Aug-Oct 2017.

The rate for women fell over both the quarter and the year, whilst the rate for men was increased over both the quarter and 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, Aug-Oct 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,359	+7	+6	78.9%	+0.1	+1.1
	Women	1,274	-7	-25	71.3%	-0.3	-1.0
UK	Men	17,236	+70	+265	80.3%	+0.2	+0.8
	Women	15,240	+9	+131	71.2%	+0.2	+0.4

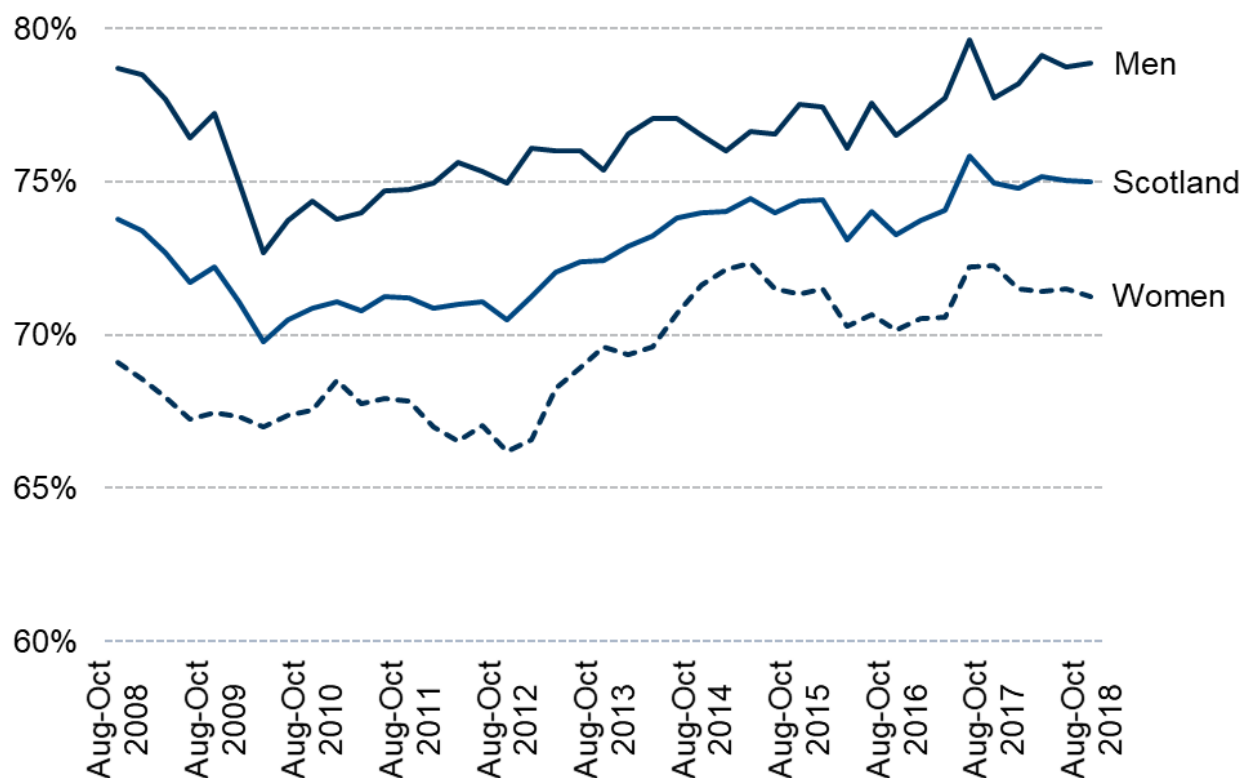
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 5 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 Aug-Oct 2012, when it was its lowest in the last 10 years, at 66.2%. It is, however, slightly below its peak of 72.4% in Feb-Apr 2015.

The men's employment rate has increased by 6.2 percentage points since Feb-Apr 2010, when it was its lowest in the last 10 years, at 72.7%. However, the rate is still slightly below the rate in May-Jul 2017, when it was above 79.6%.

**Figure 5: Employment rate by gender (16-64) - seasonally adjusted, Aug-Oct 2008 to Aug-Oct 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 12.1 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 2.9% higher.

**Employment by age - not seasonally adjusted, Aug-Oct 2018**

Age group		Scotland	UK
16-24	Rate (%)	58.8%	55.9%
	Year change (% pts)	-1.0	+0.8
25-34	Rate (%)	82.6%	83.5%
	Year change (% pts)	-0.6	+0.4
35-49	Rate (%)	84.3%	85.1%
	Year change (% pts)	+2.8	+0.5
50-64	Rate (%)	70.0%	71.9%
	Year change (% pts)	-1.5	+0.7

[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 14,000, and 7,000 over the year.

Over both the quarter and the year the inactivity rate increased in Scotland, whilst it fell over both the quarter and the year in the UK overall.

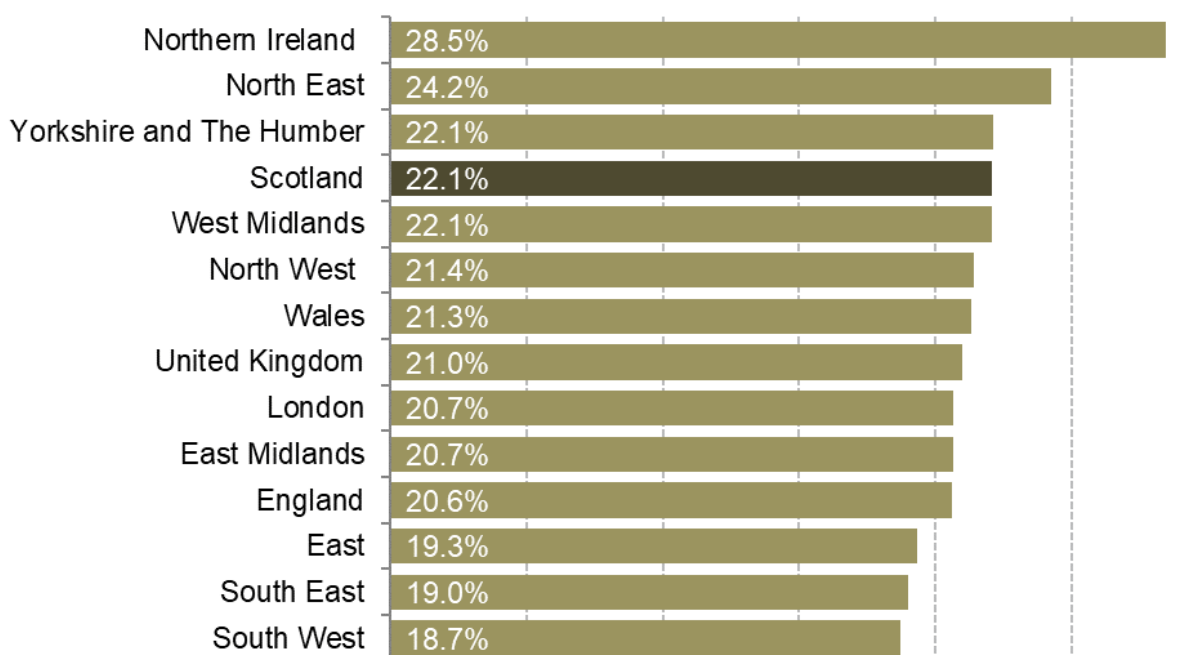
## Economic inactivity (16-64) - seasonally adjusted, Aug-Oct 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	752	+14	+7	22.1%	+0.4	+0.3
UK	8,663	-95	-195	21.0%	-0.2	-0.5

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

Looking at economic inactivity across the UK, the Scottish rate is 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 6: Economic inactivity rates across the UK (16-64)-Aug-Oct 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 5,000, whilst the number of inactive women increased by 9,000.

This is the fifth consecutive quarter where the number of inactive women has risen, increasing by 20,000 since May-Jul 2017.

Over the year the increase in the inactivity level came from an extra 13,000 inactive women, whilst the number of inactive men fell by 6,000.

The inactivity rates for men and women are higher in Scotland than in the UK overall.

### **Economic Inactivity by gender (16-64) - seasonally adjusted, Aug-Oct 2018**

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	294	+5	-6	17.7%	+0.3	-0.3
	Women	458	+9	+13	26.3%	+0.5	+0.8
UK	Men	3,314	-67	-130	16.1%	-0.3	-0.7
	Women	5,350	-28	-65	25.8%	-0.1	-0.4

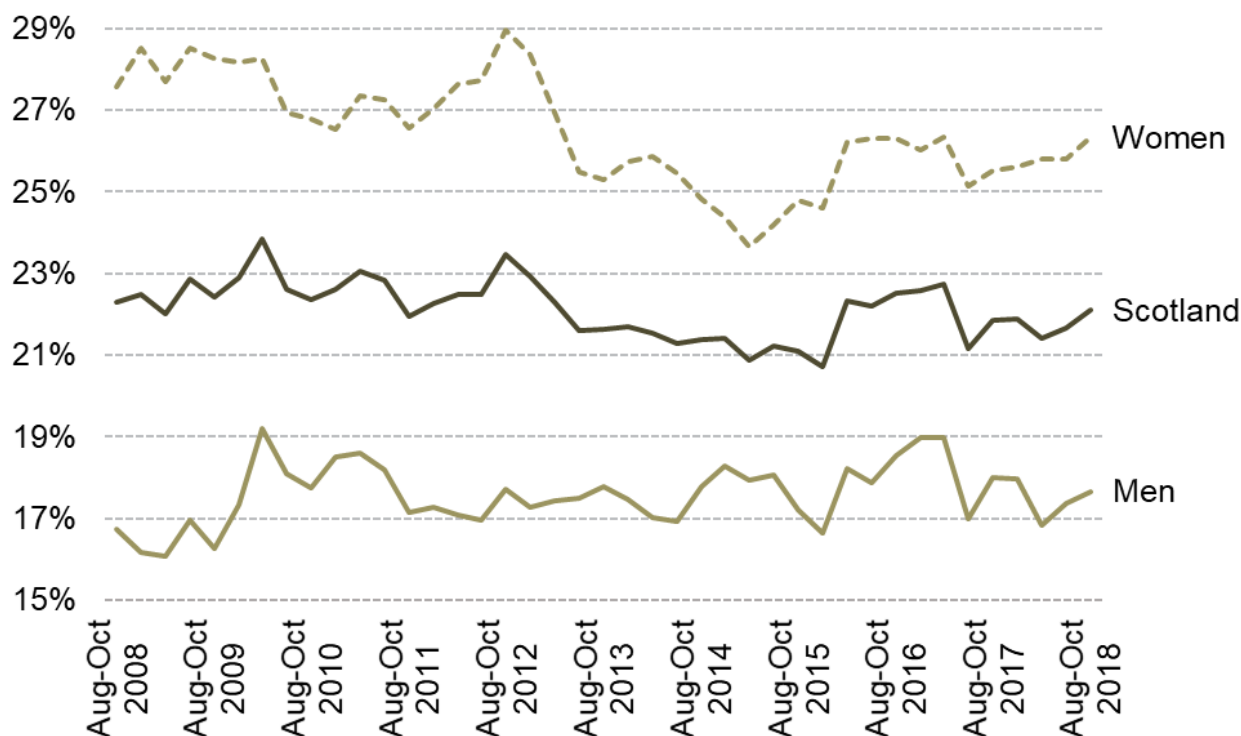
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 7 shows how inactivity rates by gender in Scotland have changed over the past 10 years.

The inactivity rate for men peaked in Feb-Apr 2010, at 19.2% by Nov-Jan 2016 it had fallen by 2.6 percentage points. However by Nov-Jan 2017 it had increased to 19.0%. It has since fallen by 1.3 percentage points to 17.7%.

The inactivity rate for women peaked at 28.9% in Aug-Oct 2012, it then fell to 23.7% by Feb-Apr 2015. It now sits 2.7 percentage points higher at 26.3%.

**Figure 7: Inactivity rate by gender (16-64) - seasonally adjusted, Aug-Oct 2008 to Aug-Oct 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 13.5 percentage points since it was at its lowest in 2002.

Despite a rise over the year, the inactivity rate for the 50-64 year old age group has fallen by 11.5 percentage points since 2002.

**Economic Inactivity by Age - not seasonally adjusted, Aug-Oct 2018**

Age Group		Scotland	UK
16-24	Rate (%)	34.6%	36.1%
	Year change (% pts)	+0.8	-0.6
25-34	Rate (%)	15.0%	13.2%
	Year change (% pts)	+1.1	-0.2
35-49	Rate (%)	13.6%	12.4%
	Year change (% pts)	-2.2	-0.5
50-64	Rate (%)	27.7%	26.0%
	Year change (% pts)	+1.7	-0.6

[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 November in Scotland and the UK increased by 0.1 percentage point.

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	100,000	+1,700	+17,200	2.9%	+0.1	+0.5
UK	992,600	+21,900	+169,800	2.4%	+0.1	+0.4

[Claimant Count via nomis](#)

# Constituency data: inactivity

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 Apr 2017-Mar 2018.





The Orkney Islands has the lowest inactivity rate at 10.9%, whilst Glasgow Kelvin has the highest at 42.5%. The Shetland Islands saw the biggest increase over the year, whilst Glasgow Cathcart saw the largest decrease.

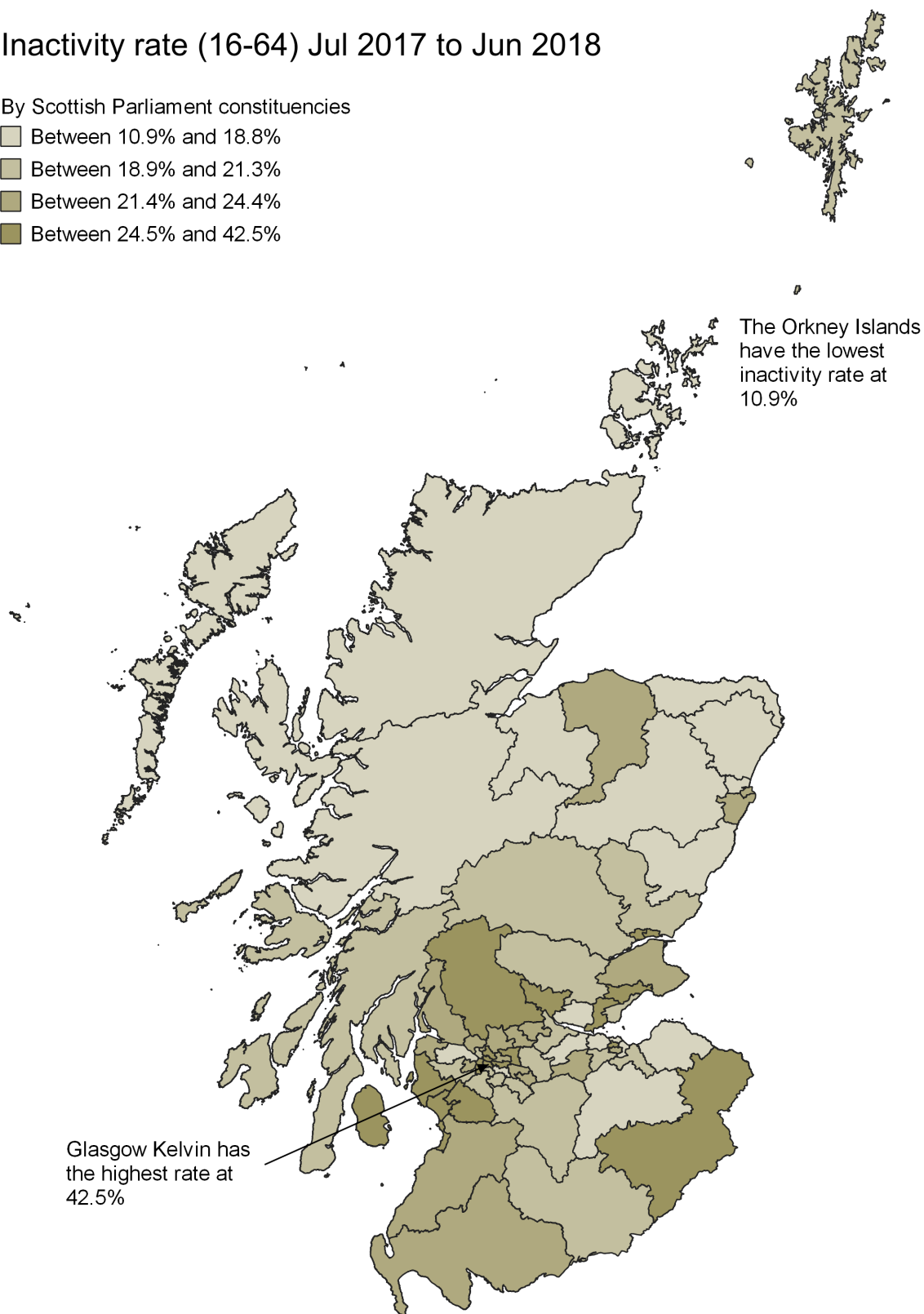
This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

**Figure 8: Economic inactivity rate by constituency (16-64) - Apr 2017 to Mar 2018**

### Inactivity rate (16-64) Jul 2017 to Jun 2018

By Scottish Parliament constituencies

-  Between 10.9% and 18.8%
-  Between 18.9% and 21.3%
-  Between 21.4% and 24.4%
-  Between 24.5% and 42.5%



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

# Bibliography

- 1 Office for National Statistics. (2018, December 11). Regional labour market statistics in the UK: December 2018. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/december2018> [accessed 11 December 2018]
- 2 Office for National Statistics. (2018, December 11). UK labour market: December 2018. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2018> [accessed 11 December 2018]

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