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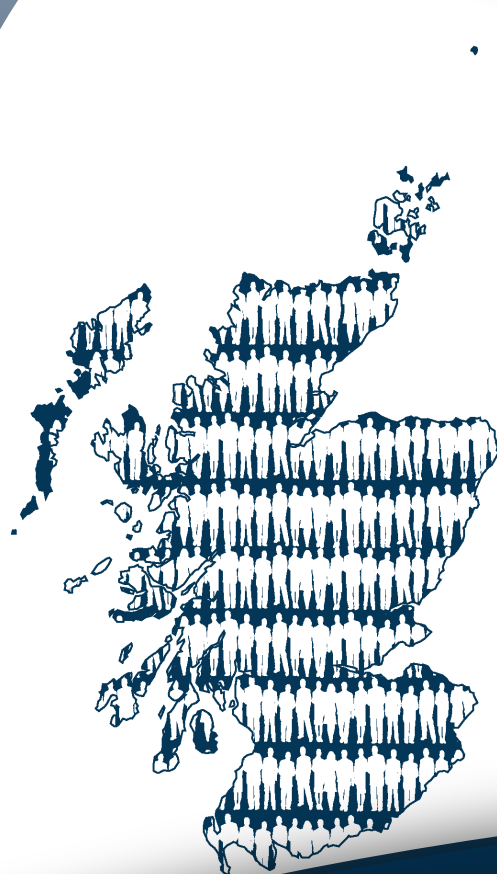
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# Labour Market Update: March 2018

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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).



26 March 2018  
SB 18-23

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# 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: March 2018 statistics <sup>2</sup> from the Office for National Statistics (ONS).

The unemployment rate in Scotland increased over the quarter, and is now the same as the UK overall at 4.3%. The increase in unemployment was due to the number of unemployed women increasing by 11,000, while the number of men fell by 6,000.

The employment rate fell over the quarter in Scotland, despite the number of men entering work increasing.

The economic inactivity rate was unchanged over the quarter, and is still higher than the UK overall.

## Scottish headline labour market figures, Nov-Jan 2018

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	4.3%	+0.2	4.8%	-0.4	3.8%	+0.8
Employment	74.8%	-0.2	78.2%	+0.4	71.5%	-0.8
Economic Inactivity	21.9%	0.0	18.0%	0.0	25.6%	+0.1

[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 statistics briefing](#).

# Unemployment

The number of unemployed people in Scotland increased by 5,000 over the quarter but fell by 9,000 over the year.

The unemployment rate for the UK is 4.3%. The rate in Scotland sits at 4.3%. Despite the rate increasing over the quarter in Scotland, it fell over the year and is still one of the lowest rates since comparable records began in 1992.

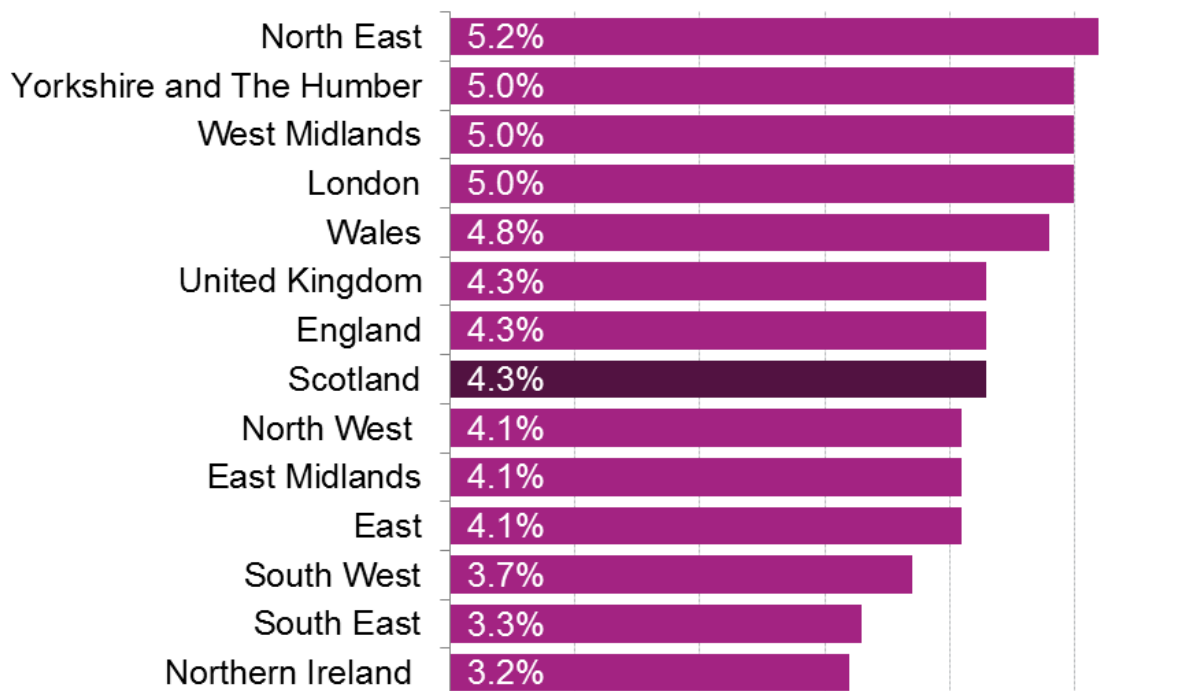
## Unemployment (16+) - seasonally adjusted, Nov-Jan 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	118	+5	-9	4.3%	+0.2	-0.4
UK	1,453	+24	-127	4.3%	0.0	-0.4

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

Looking at unemployment across the UK, Northern Ireland has the lowest rate at 3.2%, while the North East has the highest at 5.2%.

**Figure 1: Unemployment rates across the UK (16+) - Nov-Jan 2018**



[Regional labour market summary](#)

## Unemployment by gender

Over the quarter in Scotland, the increase in the unemployment level was due to the number of unemployed women increasing by 11,000, while the number of men fell by 6,000.

The quarterly increase in the number of women and their unemployment rate is the largest since 2013 ( Feb-Apr 2013 to May-Jul 2013). It is also the first increase in five quarters.

### Unemployment by gender (16+) - seasonally adjusted, Nov-Jan 2018

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	68	-6	+1	4.8%	-0.4	0.0
	Women	50	+11	-10	3.8%	+0.8	-0.8
UK	Men	757	-25	-109	4.2%	-0.2	-0.6
	Women	696	+49	-18	4.4%	+0.3	-0.2

[UK labour market](#) and [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 25-34 year olds (3.5%) is the lowest since comparable records began in 2002.

Looking across the age groups, youth unemployment is the only group where Scotland deviates significantly from the UK, with the Scottish rate 2.5 percentage points lower.

### Unemployment by age - not seasonally adjusted, Nov-Jan 2018

Age group		Scotland	UK
16-24	Rate	9.2%	11.7%
	Year change (% pts)	+0.7	-0.1
25-34	Rate	3.5%	3.7%
	Year change (% pts)	-0.7	-0.9
35-49	Rate	3.8%	2.8%
	Year change (% pts)	-0.2	-0.4
50-64	Rate	3.4%	3.1%
	Year change (% pts)	-0.9	-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 decreased by 8,000 over the quarter, but increased by 35,000 over the year. This is the second quarter in a row where the employment level has fallen.

The employment rate in Scotland fell by 0.2 percentage points over the quarter, while the UK saw an increase of 0.3 percentage points. However, over the year the rate in Scotland increased at a slightly higher rate than the UK, 1.0 compared to 0.8 percentage points.

Despite a fall over the quarter, the rate in Scotland is one of the highest since comparable records began in 1992.

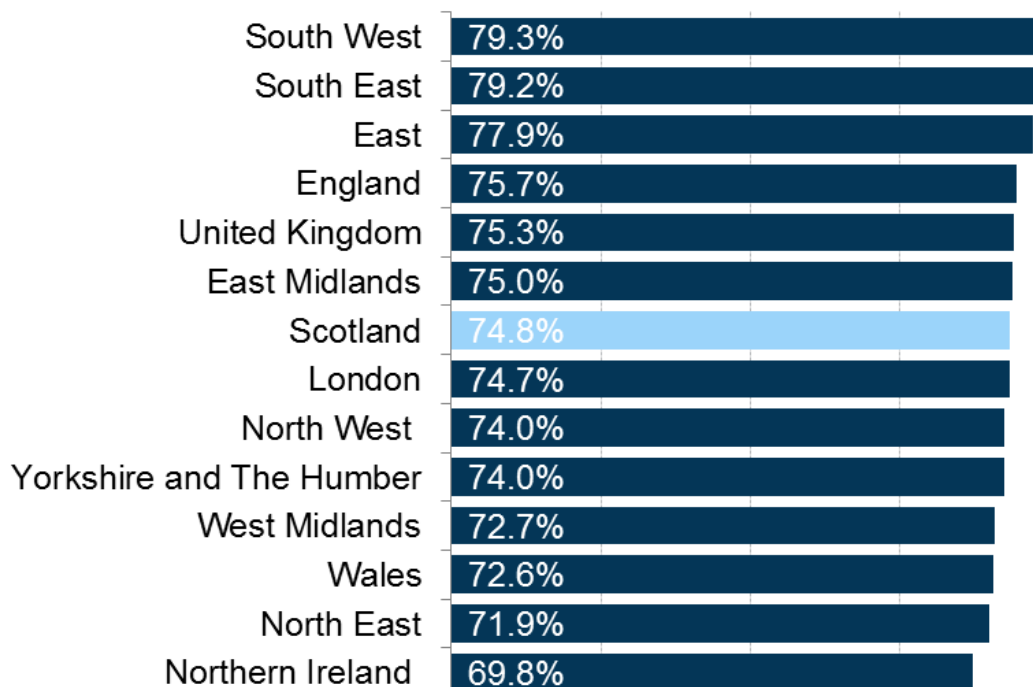
## Employment (Level 16+, rate 16-64) - seasonally adjusted, Nov-Jan 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,644	-8	+35	74.8%	-0.2	+1.0
UK	32,248	+168	+402	75.3%	+0.3	+0.8

[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 79.3%, while Northern Ireland has the lowest at 69.8%.

**Figure 2: Employment rates across the UK (16-64)-Nov-Jan 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.

The fall in the employment level over the quarter is down to 14,000 women leaving employment, while the number of men in employment increased by 6,000.

This is the first fall in female employment since 2016 (May-Jul 2016 to Aug-Oct 2016)

Despite falling over the quarter the rate for both men and women increased over the year.

The female employment rate is higher in Scotland than in the UK (71.5% in Scotland versus 70.9% in the UK).

### Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Nov-Jan 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,360	+6	+21	78.2%	+0.4	+1.1
	Women	1,285	-14	+14	71.5%	-0.8	+1.0
UK	Men	17,101	+131	+168	79.8%	+0.4	+0.4
	Women	15,147	+38	+234	70.9%	+0.2	+1.1

[UK labour market](#) and [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.

The employment rate for 50-64 year olds is the highest since comparable records began in 2002, having increased by 13.9 percentage points since 2001.

Looking across the age groups, the employment rate the youth employment rate (4.3 percentage points higher) and that for 35 to 49 year olds (3.3 percentage points lower) are the only age groups where Scotland significantly deviates from the UK.

### Employment by age - not seasonally adjusted, Nov-Jan 2018

Age group		Scotland	UK
16-24	Rate (%)	58.8%	54.5%
	Year change (% pts)	+1.0	-0.6
25-34	Rate (%)	82.1%	83.7%
	Year change (% pts)	+1.4	+1.8
35-49	Rate (%)	81.7%	85.0%
	Year Change (% pts)	-0.2	+1.0
50-64	Rate (%)	71.7%	71.4%
	Year Change (% pts)	+1.9	+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 increased by 1,000 over the quarter, but fell by 25,000 over the year.

Over the quarter, the economic inactivity rate in Scotland was unchanged, whilst the UK's fell by 0.3 percentage points.

Over the year the rate in Scotland fell by 0.7 percentage points while the UK fell by 0.3. This is the biggest annual fall in Scotland since 2014 (Nov-Jan 2013 to Nov-Jan 2014).

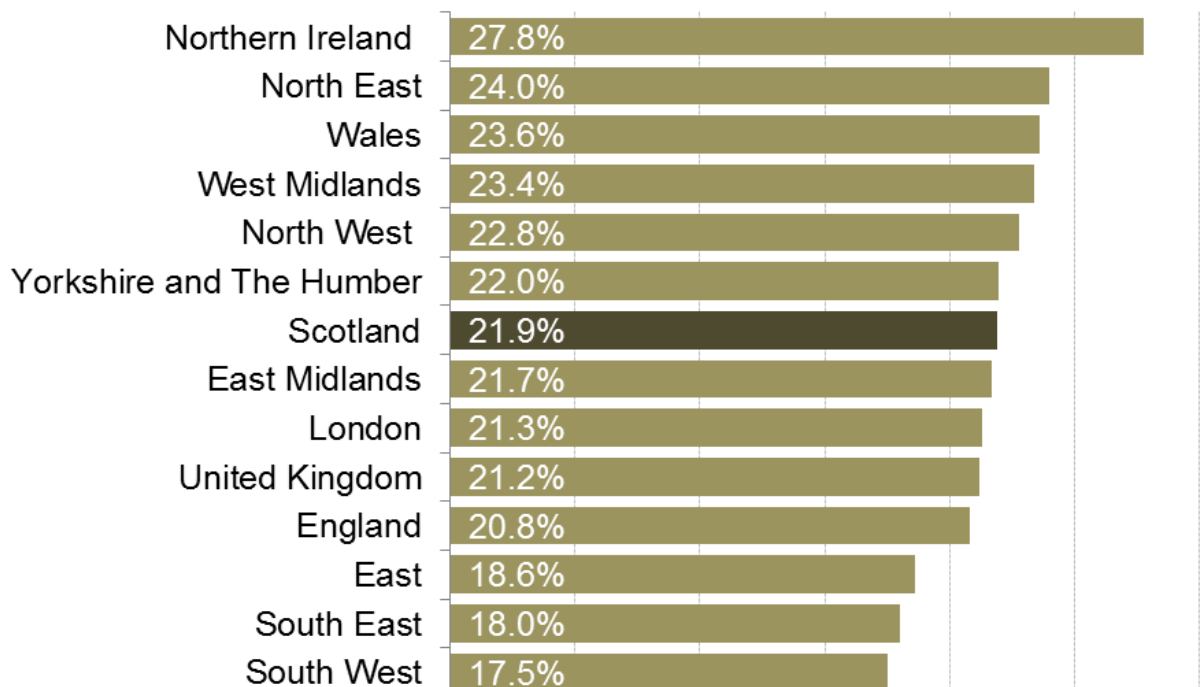
## Economic Inactivity (16-64) - seasonally adjusted, Nov-Jan 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	745	+1	-25	21.9%	0.0	-0.7
UK	8,723	-136	-158	21.2%	-0.3	-0.4

[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 27.8%, while the South West has the lowest at 17.5%.

**Figure 3: Economic inactivity rates across the UK (16-64)-Nov-Jan 2018**



[Regional labour market summary](#)

## Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

The number of economically inactive people in Scotland was unchanged over the quarter. However 1,000 women became economically inactive, while 1,000 less men were economically inactive.

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

### Economic Inactivity by gender (16-64) - seasonally adjusted, Nov-Jan 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	299	-1	-17	18.0%	0.0	-1.0
	Women	446	+1	-8	25.6%	+0.1	-0.4
UK	Men	3,396	-47	+41	16.6%	-0.2	+0.1
	Women	5,327	-88	-200	25.7%	-0.4	-1.0

[UK labour market](#) and [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 economic inactivity rate for 50-64 year olds is the lowest since comparable records began and has fallen by 13.3 percentage points since 2001.

Looking across the age groups, the rate for 50-64 year olds is the only age group where Scotland doesn't deviate significantly from the UK.

### Economic Inactivity by Age - not seasonally adjusted, Nov-Jan 2018

Age Group		Scotland	UK
16-24	Rate (%)	35.2%	38.3%
	Year change (% pts)	-1.6	+1.0
25-34	Rate (%)	15.0%	13.0%
	Year change (% pts)	-0.8	-1.0
35-49	Rate (%)	15.1%	12.6%
	Year change (% pts)	+0.4	-0.7
50-64	Rate (%)	25.8%	26.4%
	Year change (% pts)	-1.3	-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 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 February in Scotland was unchanged over the month, and increased over the year.

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

## Claimant Count - Seasonally adjusted, February 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	83,800	+200	+5,500	2.4%	0.0	+0.2
UK	837,800	+9,200	+76,100	2.0%	0.0	+0.2

[Claimant Count via nomis](#)

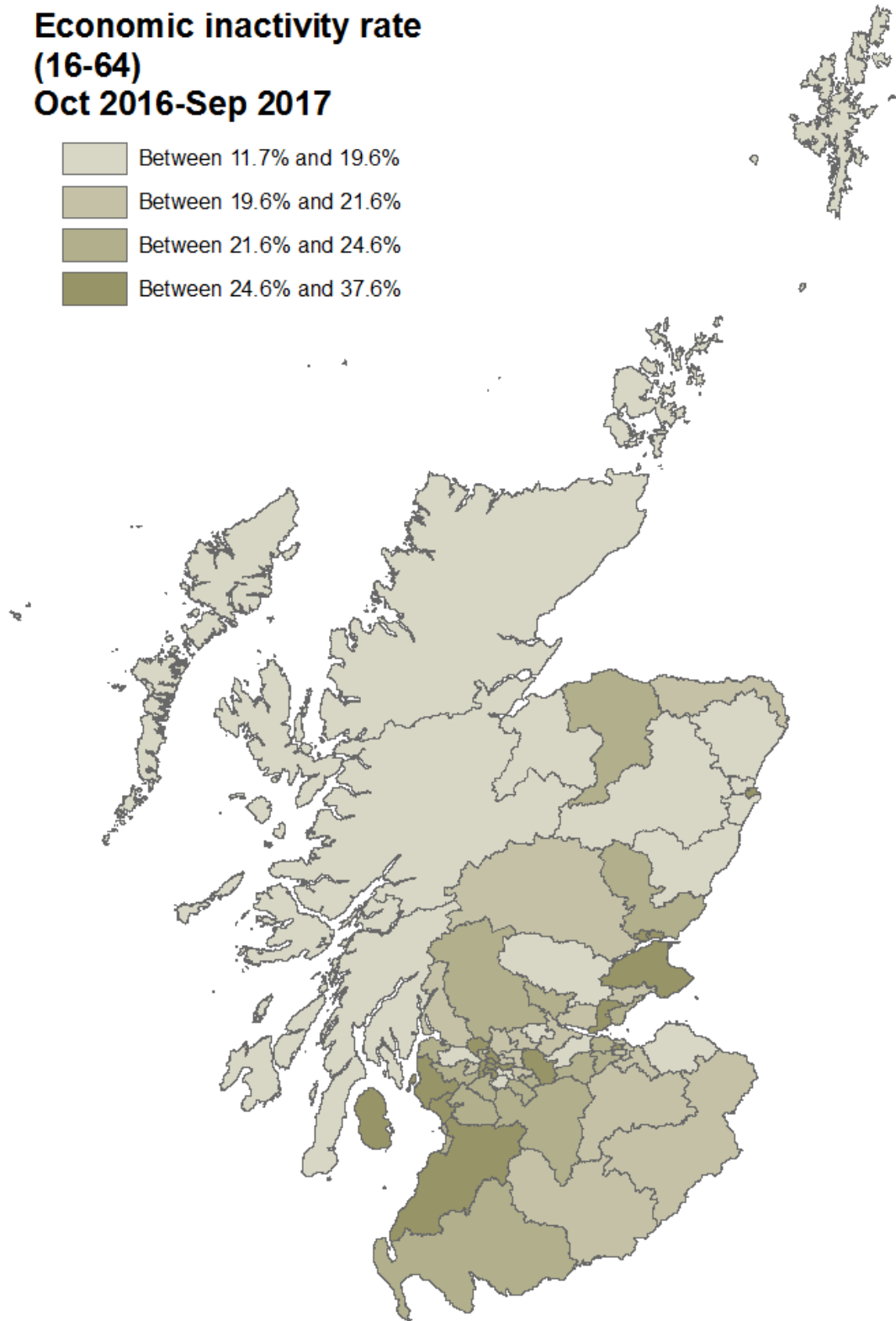
# Constituency data: economic inactivity rate

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

The latest APS data is for Oct 2016-Sep 2017.

The Shetland Islands have the lowest economic inactivity rate at 11.7%, while Glasgow Kelvin has the highest at 37.6%. Glasgow Cathcart saw the biggest increase over the year, while Glasgow Anniesland saw the largest decrease.

Figure 4: Economic Inactivity by Constituency (16-64) - Oct 2016-Sep 2017



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

# Bibliography

- 1 Office for National Statistics. (2018, March 21). Regional labour market statistics in the UK: March 2018. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/march2018> [accessed 21 March 2018]
- 2 UK labour market: March 2018. (2018, March 21). Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/march2018> [accessed 21 March 2018]

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