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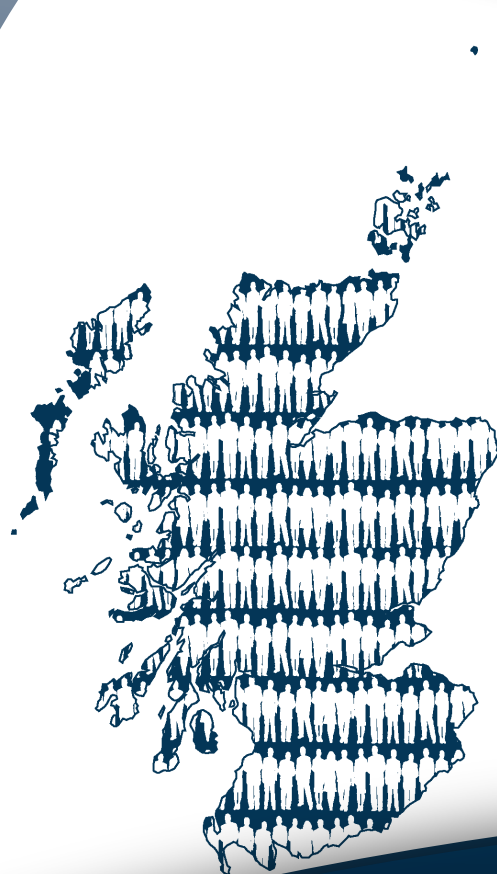
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# Labour Market update: June 2018

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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).



13 June 2018  
SB 18-40

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

The unemployment rate for Scotland is 4.3% while for the UK as a whole it is 4.2%. Over the quarter the unemployment level was unchanged but increased by 9,000 over the years in Scotland. While the number of unemployed women fell by 5,000 the number of unemployed men increased by 13,000 over the year.

The employment rate in Scotland is currently 75.2%. The rate in both Scotland and the UK increased over the quarter and the year, however the increase was slightly higher in Scotland. The rate for men increased over both the quarter and years while it fell over the quarter but increased over the year for women.

The inactivity rate is currently 21.4%. Over both the quarter and the year the inactivity rate saw larger decreases in Scotland than across the UK as a whole. The annual decrease in Scotland is the largest since between Aug-Oct 2012 and Aug-Oct 2013

## Scottish headline labour market figures, Feb-Apr 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%	0.0	4.8%	+0.1	3.7%	-0.1
Employment	75.2%	+0.4	79.1%	+1.0	71.4%	-0.1
Economic Inactivity	21.4%	-0.5	16.8%	-1.1	25.8%	+0.2

[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 was unchanged over the quarter but increased by 9,000 over the year.

The unemployment rate for Scotland is 4.3% while for the UK as a whole it is 4.2%

The rate in Scotland increased over the year while the rate in the UK fell by 0.4 percentage points.

## Unemployment (16+) - seasonally adjusted, Feb-Apr 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	118	0	+9	4.3%	0.0	+0.3
UK	1,416	-38	-115	4.2%	-0.1	-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 3.3%, while London has the highest at 5.2%.

**Figure 1: Unemployment rates across the UK (16+) - Feb-Apr 2018**



[Regional labour market summary](#)

## Unemployment by gender

Over the quarter the unemployment level was unchanged but increased by 9,000 over the year in Scotland. While the number of unemployed women fell by 5,000 the number of unemployed men increased by 13,000 over the year.

The increase in the number of unemployed men over the year is the largest since between Aug-Oct 2009 and Aug-Oct 2010, which was an increase of 23,000.

The rate for women in Scotland fell over the quarter and the year while the rate for men increased over both the quarter and the year.

The unemployment rate for men is higher in Scotland than the UK while the rate is lower for women in Scotland than across the UK.

### Unemployment by gender (16+) - seasonally adjusted, Feb-Apr 2018

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	69	+1	+13	4.8%	+0.1	+0.9
	Women	49	-1	-5	3.7%	-0.1	-0.4
UK	Men	767	+10	-73	4.3%	0.0	-0.4
	Women	649	-47	-41	4.1%	-0.3	-0.3

[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.

Despite the increase over the year the youth unemployment rate (16-24) is the second lowest since comparable records began in 2002.

### Unemployment by age - not seasonally adjusted, Feb-Apr 2018

Age group		Scotland	UK
16-24	Rate	8.9%	10.8%
	Year change (% pts)	+0.1	-0.7
25-34	Rate	3.8%	3.7%
	Year change (% pts)	+1.2	-0.6
35-49	Rate	2.9%	2.8%
	Year change (% pts)	0.0	-0.3
50-64	Rate	3.9%	3.2%
	Year change (% pts)	+0.1	-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 2,000 over the quarter, the third quarter in a row where the employment level has fallen. However, over the year the employment level has increased by 18,000.

The rate in both Scotland and the UK increased over the quarter and the year, however the increase was slightly higher in Scotland.

The current employment rate in Scotland is the 2nd highest on record since comparable records began in 1992.

While the number of people in employment fell the rate increased. This would suggest that the majority of the decrease came from those aged 65 and over.

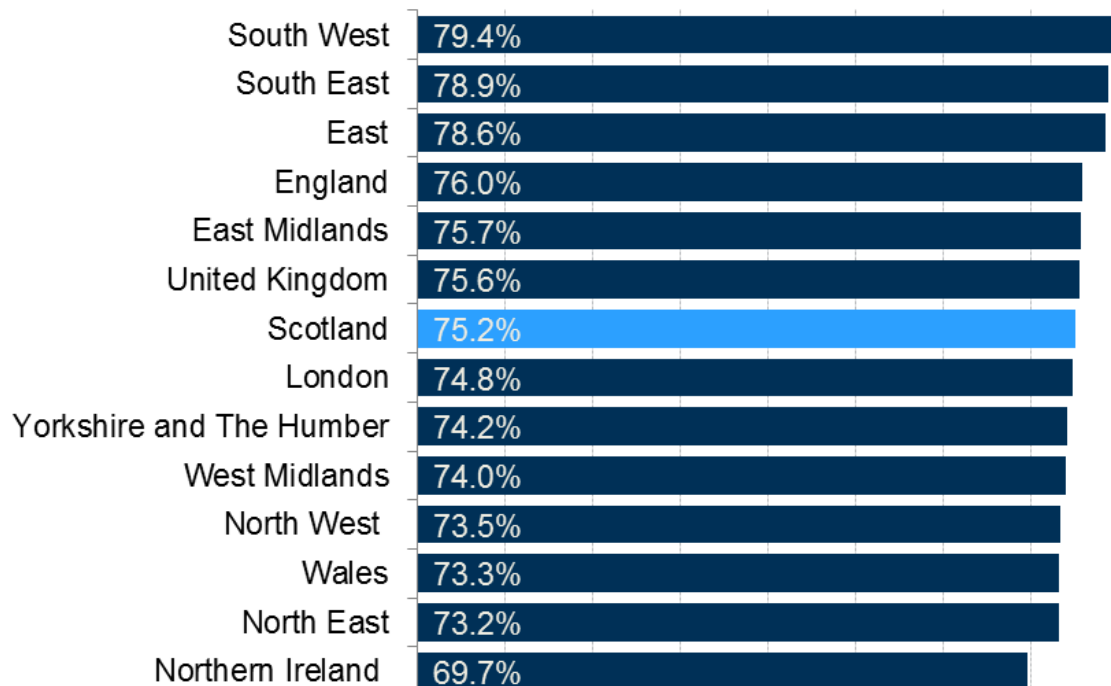
## Employment (Level 16+, rate 16-64) - seasonally adjusted, Feb-Apr 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,642	-2	+18	75.2%	+0.4	+1.1
UK	32,394	+146	+440	75.6%	+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 79.4%, while Northern Ireland has the lowest at 69.7%.

**Figure 2: Employment rates across the UK (16-64), Feb-Apr 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 mainly down to 4,000 women leaving employment, while the number of men in employment increased by 1,000.

The rate for men increased over both the quarter and year while it fell over the quarter but increased over the year for women.

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

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,361	+1	+8	79.1%	+1.0	+1.4
	Women	1,281	-4	+10	71.4%	-0.1	+0.8
UK	Men	17,135	+34	+165	80.0%	+0.2	+0.5
	Women	15,259	+112	+275	71.3%	+0.4	+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 13.3 percentage points since 2002.

The increase over the years for 35-49 year old is the largest since comparable records began in 2002.

The youth employment rate (16-24) is the only age group where the rate deviates significantly from the UK in Scotland, 2.3 percentage points higher than the UK.



**Employment by age - not seasonally adjusted, Feb-Apr 2018**

Age group		Scotland	UK
16-24	Rate (%)	56.3%	54.0%
	Year change (% pts)	-0.8	-0.2
25-34	Rate (%)	82.0%	83.6%
	Year change (% pts)	-0.9	+0.9
35-49	Rate (%)	84.8%	85.2%
	Year Change (% pts)	+2.4	+1.2
50-64	Rate (%)	70.7%	71.8%
	Year Change (% pts)	+1.2	+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 fell over the quarter by 16,000 and 47,000 over the year.

Over both the quarter and the year the inactivity rate saw larger decreases in Scotland than across the UK as a whole.

The annual decrease in Scotland is the largest since between Aug-Oct 2012 and Aug-Oct 2013

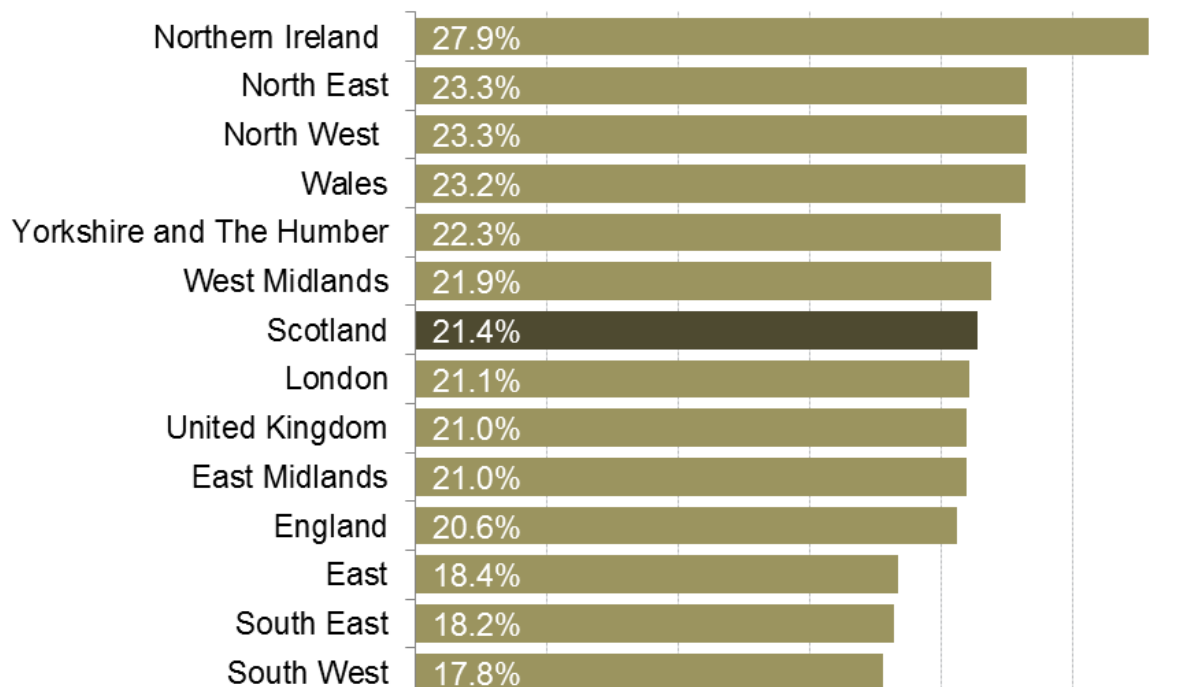
## Economic Inactivity (16-64) - seasonally adjusted, Feb-Apr 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	729	-16	-47	21.4%	-0.5	-1.3
UK	8,651	-72	-200	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 27.9%, while the South West has the lowest at 17.8%.

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



[Regional labour market summary](#)

## Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

The fall in inactivity in Scotland was due to 19,000 men no longer being inactive while there was a increase of 3,000 more women.

The fall in the inactivity rate for men over the year was the highest since comparable records began in 1992.

The inactivity rate for men and women is higher in Scotland than for the UK.

### Economic Inactivity by gender (16-64) - seasonally adjusted, Feb-Apr 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	280	-19	-37	16.8%	-1.1	-2.2
	Women	449	+3	-10	25.8%	+0.2	-0.5
UK	Men	3,346	-50	-23	16.3%	-0.3	-0.2
	Women	5,305	-22	-176	25.6%	-0.1	-0.9

[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 youth inactivity rate is the highest since comparable records began , having increased 10.5 percentage points since 2002.

The economic inactivity rate for 50-64 year olds is the lowest since comparable records began and has fallen by 9.2 percentage points since 2002.

The fall in the inactivity rate for 35-49 year olds is the largest since comparable records began in 2002.

### Economic Inactivity by Age - not seasonally adjusted, Feb-Apr 2018

Age Group		Scotland	UK
16-24	Rate (%)	38.2%	39.5%
	Year change (% pts)	+0.8	+0.7
25-34	Rate (%)	14.8%	13.2%
	Year change (% pts)	-0.1	-0.5
35-49	Rate (%)	12.7%	12.4%
	Year change (% pts)	-2.5	-0.9
50-64	Rate (%)	26.4%	25.9%
	Year change (% pts)	-1.4	-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 May in Scotland fell over the month but increased over the year at the same rate as the UK.

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

### Claimant Count - Seasonally adjusted, May 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	88,900	-700	+8,400	2.5%	-0.1	+0.2
UK	886,200	-7,700	+90,100	2.1%	-0.1	+0.2

[Claimant Count via nomis](#)

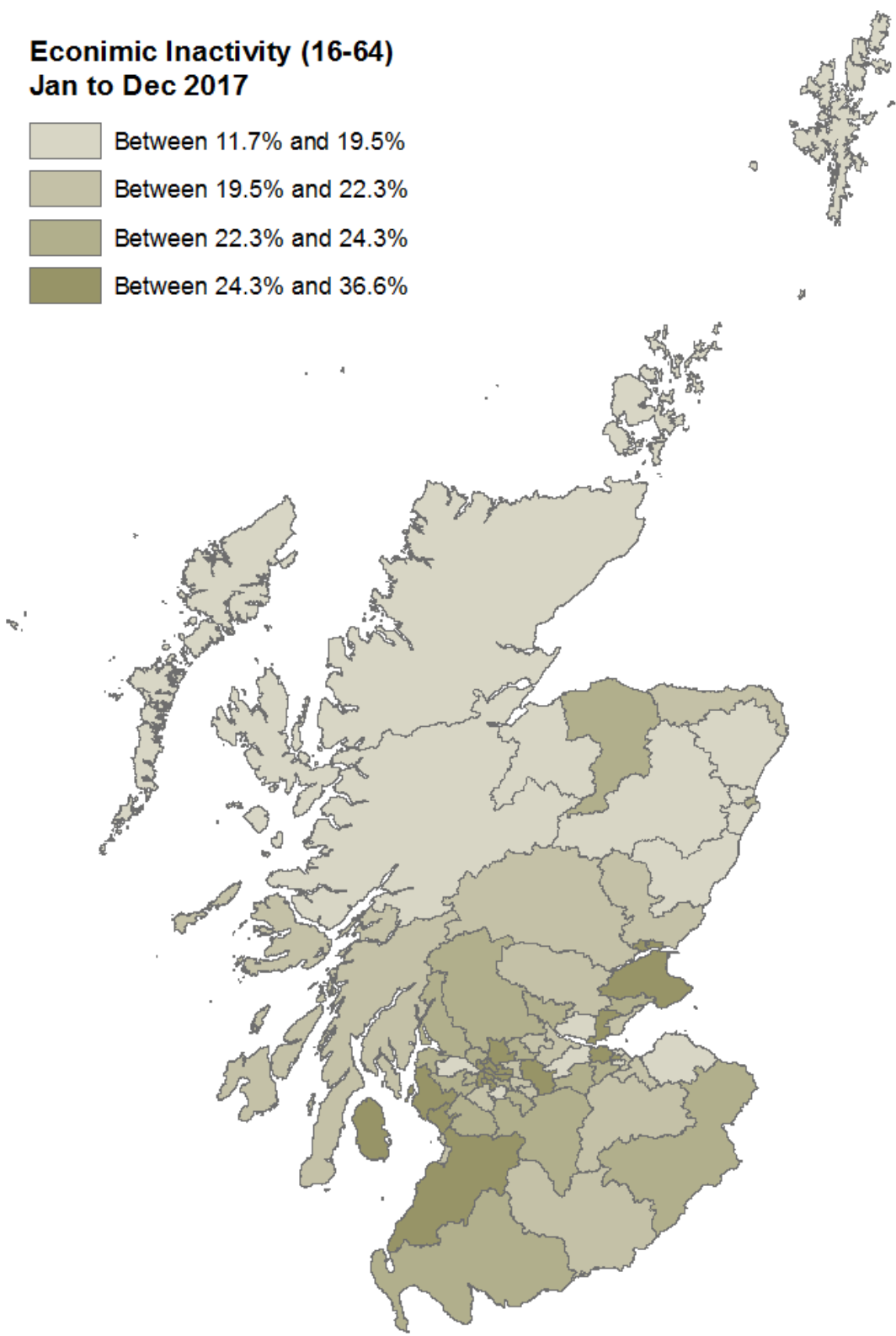
# Constituency data: economic inactivity rate

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 Jan 2016-Dec 2017.

The Orkney Islands have the lowest economic inactivity rate at 11.7%, while Dundee City East has the highest at 36.6%. Glasgow Provan saw the biggest increase over the year, while Inverness and Nairn saw the largest decrease.

**Figure 4: Economic inactivity by constituency (16-64) - Jan 2016-Dec 2017**



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

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

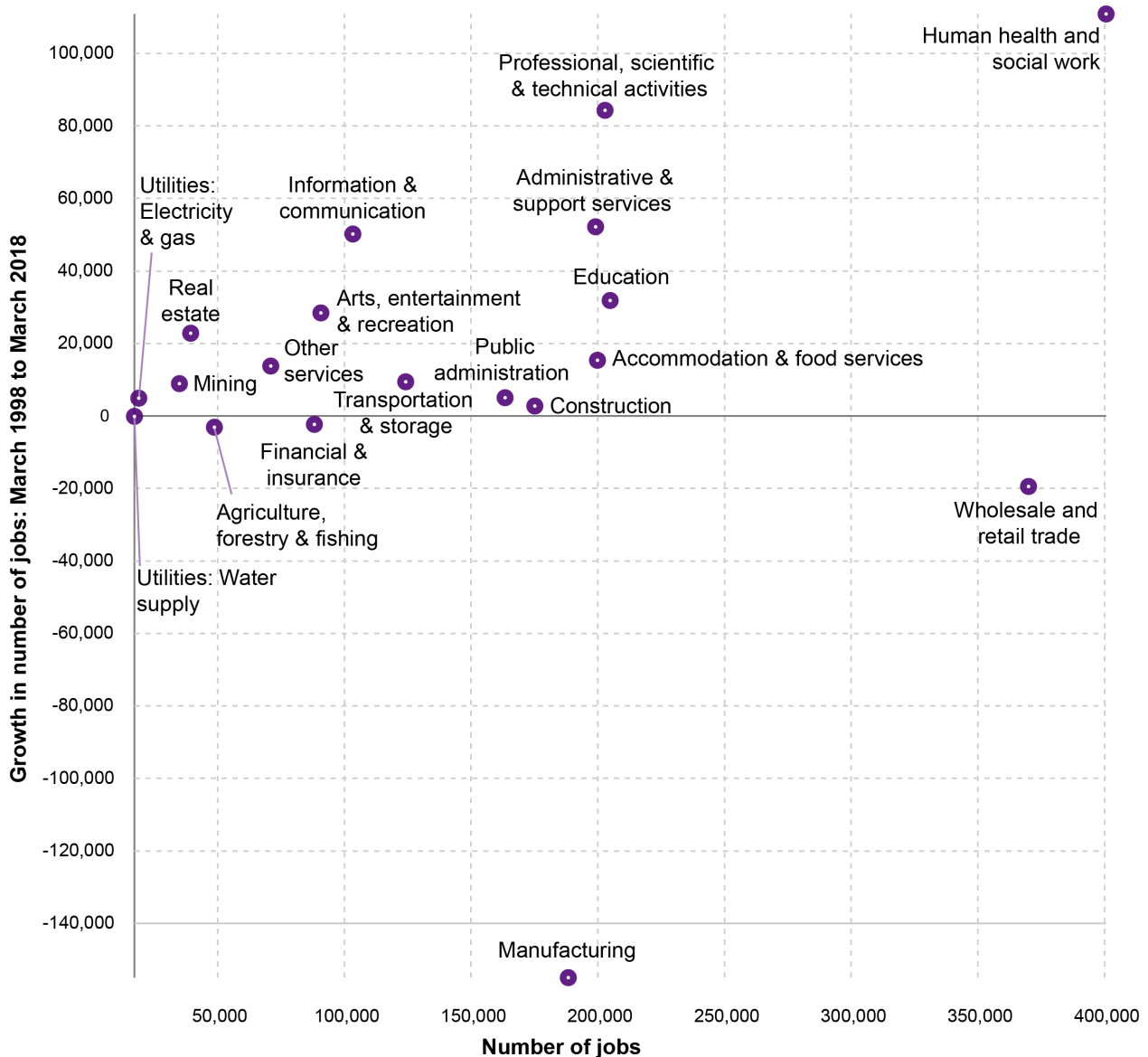
# Guest indicator: workplace jobs by sector

The ONS publish data on total workforce jobs, via nomis. While the employment statistics earlier in the briefing looks at the number of people in employment this data provides information on the number of jobs. The number of jobs is generally higher as there are a number of people who have second jobs.

The latest figures shows that there were 2.75 million workforce jobs in Scotland in March 2018 this has increased from 2.5 million in March 1998 but has fallen slightly from 2.77 million in 2008.

In 2018 "Human health and social work" is the sector with the highest number of workforce jobs in Scotland. This sector has also seen the largest growth in the number of jobs since 1998. Manufacturing has seen by far the biggest decrease in the number of workplace jobs in Scotland between 1998 and 2018.

**Figure 5: Number of jobs by sector and growth between 1998 and 2018**



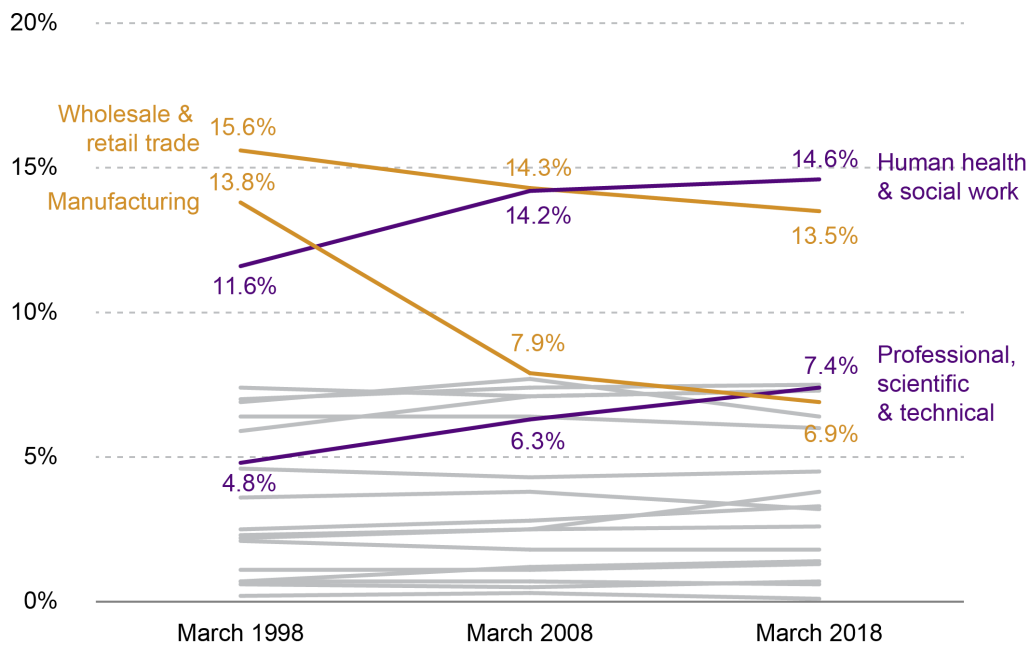
[Workplace jobs via nomis](#)



In 1998 manufacturing accounted for 13.8% of all jobs in Scotland, now it accounts for 6.9%. In 1998 "Human health and social work" jobs accounted for 11.6% of all jobs in Scotland. It is now the sector which accounts for the highest proportion of jobs in Scotland at 14.6%. Despite falling from 15.6% to 13.5% "wholesale and retail trade" is the sector which accounts for the second highest proportion of jobs in Scotland.

**In 1998, manufacturing made up the largest proportion of jobs in Scotland, it is now human health and social work**

Figure 6: Proportion of jobs by sector 1998, 2008 and 2018



Workplace jobs via nomis

# Bibliography

- 1 Office for National Statistics. (2018, June 12). Regional labour market statistics in the UK: June 2018. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/june2018> [accessed 12 June 12]
- 2 Office for National Statistics. (2018, June 12). UK labour market statistics: June 2018. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsjune2018> [accessed 12 June 2018]

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