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Labour market update: August 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 from the Office for National Statistics (ONS).

The unemployment rate for Scotland is 4.2% while for the UK as a whole it is 4.0%. While the rate fell over the quarter in Scotland, it increased over the year.

The employment rate in Scotland increased over the quarter, while it was unchanged for the UK. However, the Scottish rate of 75.2% is still slightly below the UK at 75.6%. The [Royal Bank of Scotland Report on Jobs for June 2018](#) ³ reported that the rate of permanent staff appointments in Scotland outstripped the UK. They also highlighted that there have been monthly increases in permanent staff appointments since February 2017.

However, they went on to highlight that while there have been substantial increases in permanent job openings, there has been a marked deterioration in permanent candidate availability, with the pace of contraction remaining much faster than the series historical trend.

The employment rates for men and women in Scotland increased at the same rate over the quarter, but the rate for men fell over the year.

Inactivity fell over the quarter in Scotland while it increased in the UK overall, but the rate in Scotland is still slightly above the UK.

Scottish headline labour market figures, Apr-Jun 2018

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	4.2%	-0.1	4.6%	-0.2	3.7%	-0.1
Employment	75.2%	+0.5	79.0%	+0.5	71.6%	+0.5
Economic Inactivity	21.5%	-0.5	17.1%	-0.5	25.6%	-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 in formation on labour market statistics in the [SPICe Labour market statistics briefing](#).

Unemployment

The number of unemployed people in Scotland decreased by 3,000 over the quarter but increased by 7,000 over the year.

The unemployment rate for Scotland is 4.2%, while for the UK as a whole it is 4.0%.

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

This is now the eighth consecutive quarter where the unemployment rate has been below 5.0%.

Unemployment (16+) - seasonally adjusted, Apr-Jun 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	115	-3	+7	4.2%	-0.1	+0.3
UK	1,360	-65	-124	4.0%	-0.2	-0.4

[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%, while London has the highest at 4.9%.

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



[Regional labour market summary](#)

Unemployment by gender

Over the quarter the unemployment level decreased by 3,000 in Scotland. While the number of unemployed women fell by 1,000, there were 2,000 fewer unemployed men.

Over the year the unemployment level increased by 7,000 in Scotland. While the number of unemployed women increased by 2,000, the number of unemployed men increased by 6,000, which is the biggest annual increase for men since 2016 (Jan-Mar 2015 to Jan-Mar 2016).

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

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

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

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	66	-2	+6	4.6%	-0.2	+0.4
	Women	49	-1	+2	3.7%	-0.1	+0.1
UK	Men	721	-35	-97	4.0%	-0.2	-0.6
	Women	639	-30	-27	4.0%	-0.2	-0.2

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

Figure 2 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 first quarter of 2010. Since then it has fallen by 4.5 percentage points. It has increased slightly since its low point of 4.2% in the second quarter of 2017.

The unemployment rate for women peaked at 8.2% in first quarter of 2012. Since then it has fallen by 5.2 percentage points. It has increased slightly since its low point of 4.2% in the second quarter of 2017.

Figure 2: Unemployment rate by gender (16+) - seasonally adjusted, Apr-Jun 2008 to Apr-Jun 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 youth unemployment rate (16-24) has increased by 1.4 percentage points over the year, which is the first annual increase since between 2009 and 2010 (5.6 percentage points)

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

The rate for 35 to 49 year olds (2.2%) is the lowest since comparable records began in 2002. The rate has seen an annual decrease every year since between 2011 and 2012, falling by 3.4 percentage points between 2012 and 2018.

Unemployment by age - not seasonally adjusted, Apr-Jun 2018

Age group		Scotland	UK
16-24	Rate	9.8%	10.9%
	Year change (% pts)	+1.4	-0.9
25-34	Rate	3.1%	3.8%
	Year change (% pts)	+0.2	-0.2
35-49	Rate	2.2%	2.7%
	Year change (% pts)	-0.8	-0.4
50-64	Rate	4.0%	2.8%
	Year change (% pts)	+1.0	-0.2

[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 increased by 12,000 over the quarter, but fell by 8,000 over the year.

The rate in Scotland increased over the quarter but was unchanged over the year. The rate for the UK was unchanged over the quarter, but increased over the year.

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

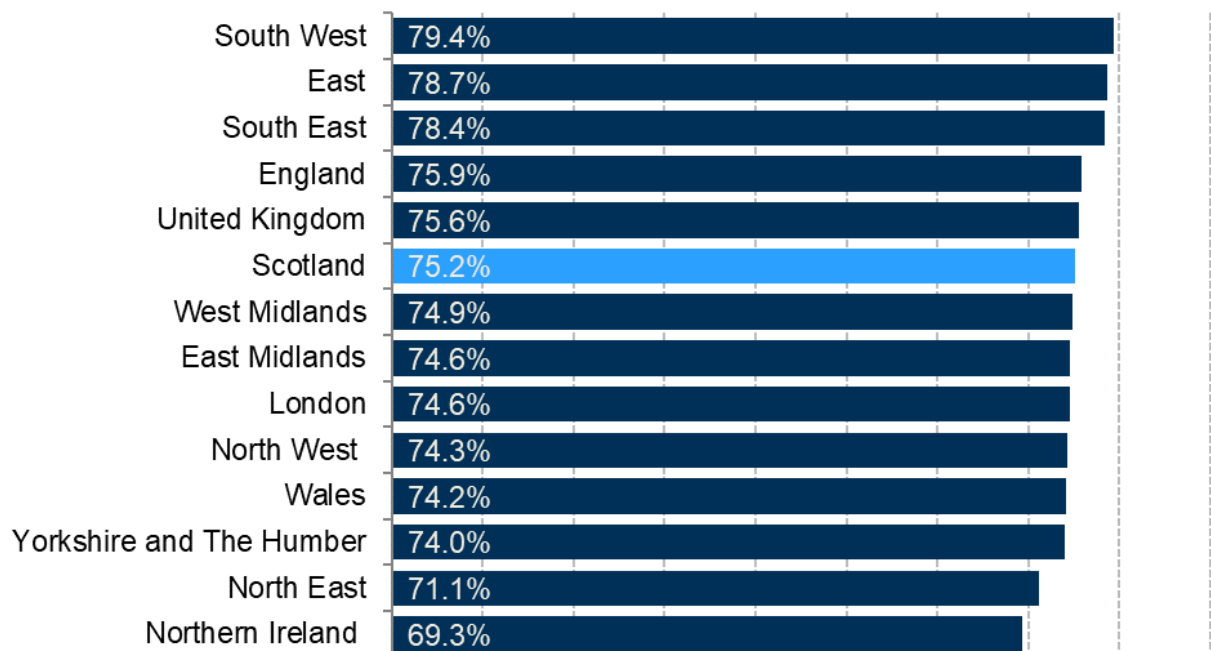
Employment (Level 16+, rate 16-64) - seasonally adjusted, Apr-Jun 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,642	+12	-8	75.2%	+0.5	0.0
UK	32,386	+42	+313	75.6%	0.0	+0.4

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

Looking at employment across the UK, the Scottish rate is slightly lower than the UK average. The South West has the highest rate at 79.4%, while Northern Ireland has the lowest at 69.3%.

Figure 3: Employment rates across the UK (16-64), Apr-Jun 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 increase in the employment level mainly came from an extra 8,000 women in employment, while the number of men increased by 5,000.

The rate for both men and women increased over the quarter at the same rate, 0.5 percentage points. However, over the year the rate for women increase while the men's rate decreased.

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, Apr-Jun 2018

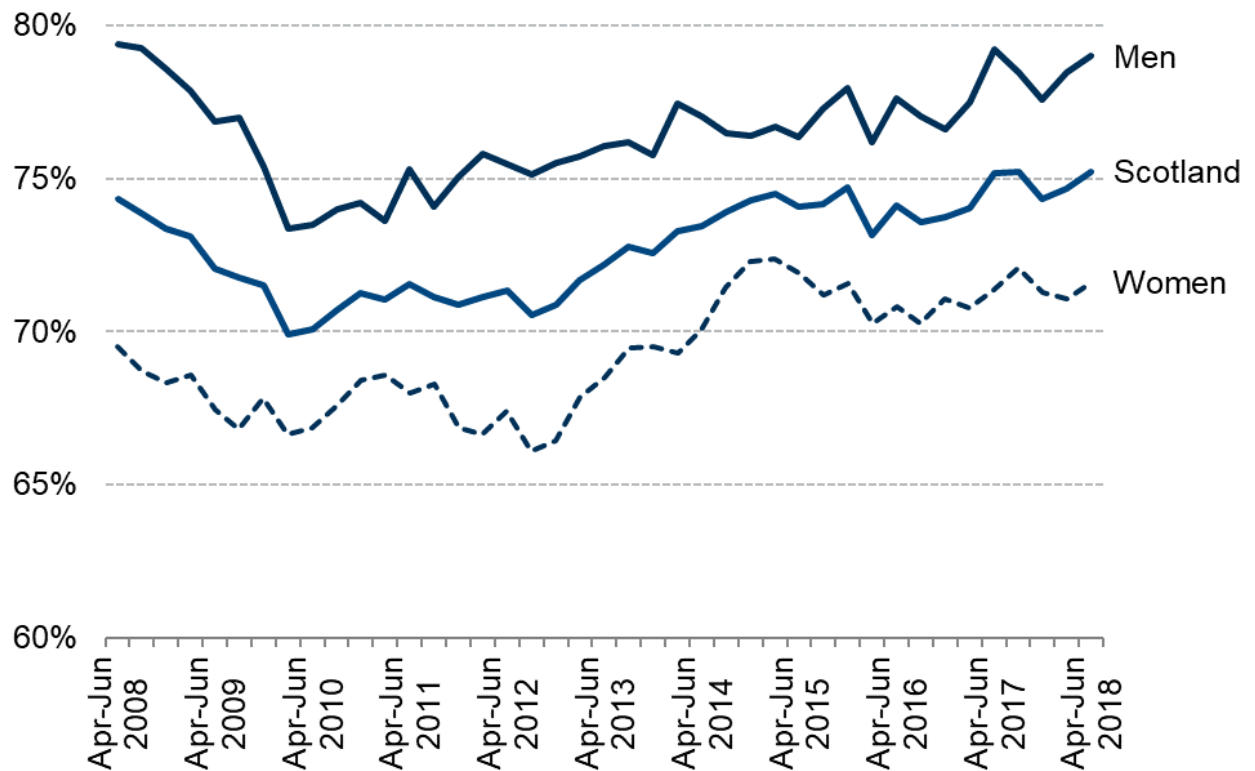
		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,358	+5	-11	79.0%	+0.5	-0.2
	Women	1,285	+8	+4	71.6%	+0.5	+0.3
UK	Men	17,162	+34	+141	80.1%	+0.1	+0.3
	Women	15,223	+8	+172	71.0%	-0.2	+0.5

[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 5.5 percentage points since the third quarter of 2012, when it was its lowest in the last 10 years. But it is slightly below its peak of 72.4% in the first quarter of 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. However, the rate is still slightly below the rate in the first half of 2008, when it was above 79%.

Figure 4: Employment rate by gender (16-64) - seasonally adjusted, Apr-Jun 2008 to Apr-Jun 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.

The employment rate for the 35-49 year old age group is the highest since comparable records began in 2002.

Despite a slight decrease, the employment rate for 50-64 year olds has increased by 13.3 percentage points since 2002.

The increase over the year for the 35-49 year old age group 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 (youth employment in Scotland is 2.4 percentage points higher than in the UK).

Employment by age - not seasonally adjusted, Apr-Jun 2018

Age group		Scotland	UK
16-24	Rate (%)	56.2%	53.8%
	Year change (% pts)	-3.1	-0.3
25-34	Rate (%)	82.8%	83.4%
	Year change (% pts)	-0.6	+0.0
35-49	Rate (%)	85.7%	85.2%
	Year change (% pts)	+2.9	+0.8
50-64	Rate (%)	71.1%	71.8%
	Year change (% pts)	-0.4	+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 employment by age](#)

Economic inactivity

The number of people economically inactive in Scotland fell over the quarter by 17,000 and 12,000 over the year.

Over both the quarter and the year the inactivity rate fell in Scotland, while it increased across the UK as a whole during the quarter but fell over the year.

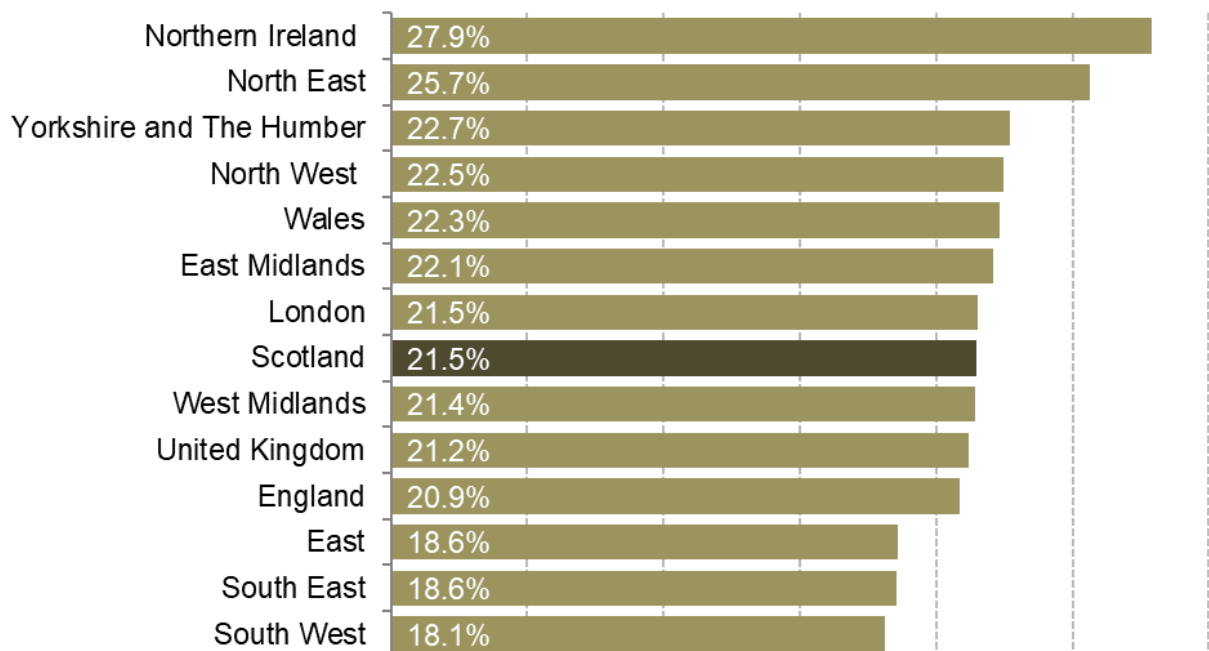
Economic Inactivity (16-64) - seasonally adjusted, Apr-Jun 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	731	-17	-12	21.5%	-0.5	-0.3
UK	8,735	+77	-31	21.2%	+0.2	-0.1

[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 27.9%, while the South West has the lowest at 18.1%.

Figure 5: Economic inactivity rates across the UK (16-64)-Apr-Jun 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 fell by 9,000, while there were 8,000 fewer inactive women.

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

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	285	-9	-4	17.1%	-0.5	-0.2
	Women	446	-8	-7	25.6%	-0.5	-0.4
UK	Men	3,364	+10	+38	16.4%	0.0	+0.1
	Women	5,371	+66	-69	25.9%	+0.3	-0.4

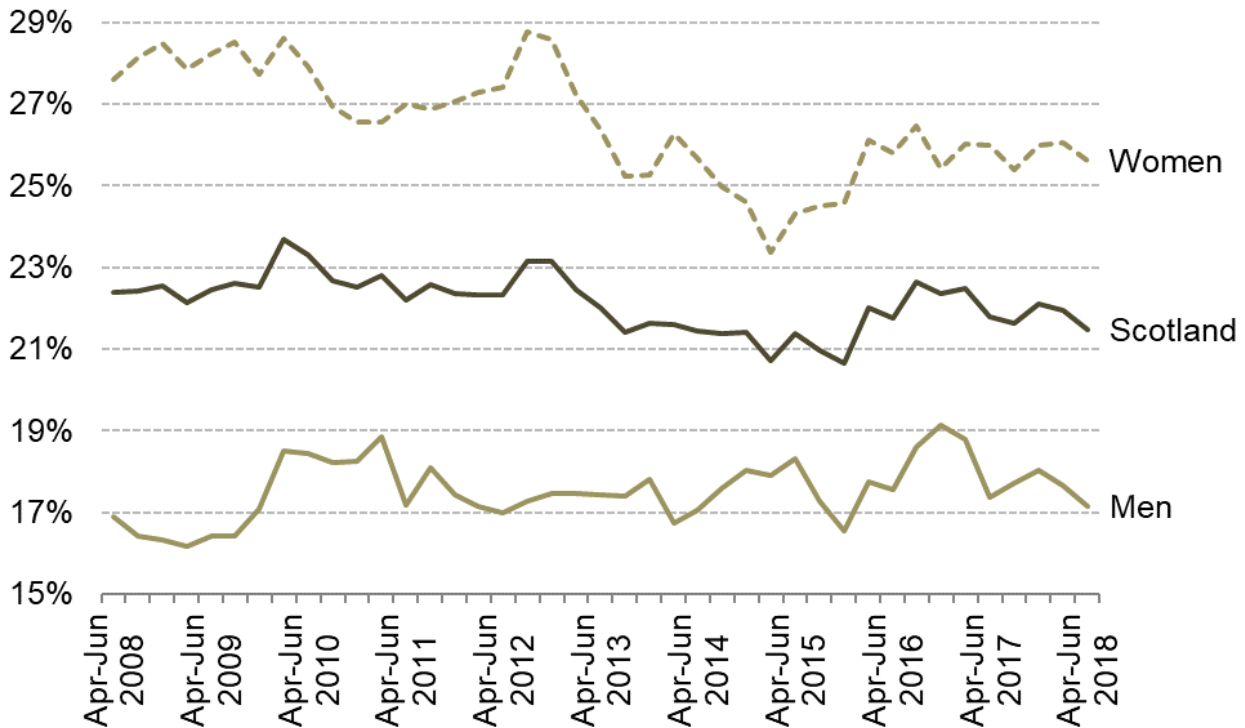
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 6 shows how the 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 2 percentage points to 17.1%. Over the same period there has been little change in the rate for women.

The rate for women has fallen by 3.2 percentage points since the third quarter 2012, when it has at its highest in the last 10 years.

Figure 6: Inactivity rate by gender (16-64) - seasonally adjusted, Apr-Jun 2008 to Apr-Jun 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 10.3 percentage points since 2002.

The economic inactivity rate for the 50-64 year old age group is the lowest since comparable records began and has fallen by 13.5 percentage points since 2002.

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

Economic Inactivity by Age - not seasonally adjusted, Apr-Jun 2018

Age Group		Scotland	UK
16-24	Rate (%)	37.7%	39.7%
	Year change (% pts)	+2.5	+0.9
25-34	Rate (%)	14.5%	13.3%
	Year change (% pts)	+0.4	+0.1
35-49	Rate (%)	12.4%	12.4%
	Year change (% pts)	-2.4	-0.5
50-64	Rate (%)	25.9%	26.1%
	Year change (% pts)	-0.4	-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 July in Scotland was unchanged 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, July 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	91,800	+700	+11,800	2.6%	0.0	+0.3
UK	906,100	+6,200	+107,900	2.2%	0.0	+0.3

[Claimant Count via nomis](#)

Constituency data: employment 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 Apr 2017-Mar 2018.

Glasgow Maryhill and Springburn has the lowest employment rate at 55.2%, while the Orkney Islands has the highest at 90.3%. Glasgow Cathcart saw the biggest increase over the year, while Glasgow Provan saw the largest decrease.

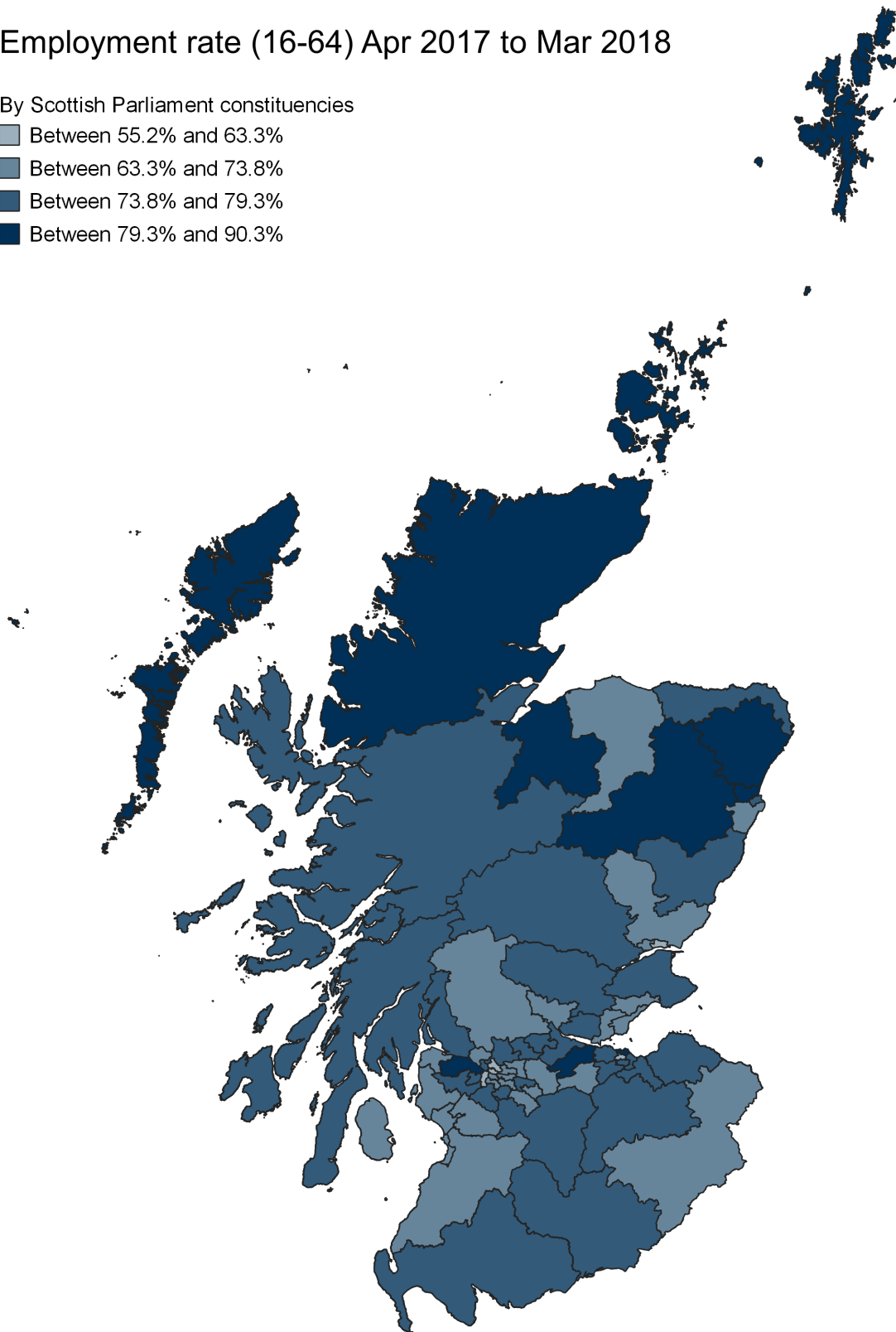
This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

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

Employment rate (16-64) Apr 2017 to Mar 2018

By Scottish Parliament constituencies

- Between 55.2% and 63.3%
- Between 63.3% and 73.8%
- Between 73.8% and 79.3%
- Between 79.3% and 90.3%



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

Bibliography

- 1 Office for National Statistics. (2018, August 14). Regional labour market statistics in the UK: August 2018. Retrieved from <https://www.ons.gov.uk/releases/regionallabourmarketstatisticsintheukaugust2018> [accessed 14 August 2018]
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- 3 Royal Bank of Scotland. (2018, July 6). Royal Bank of Scotland Report on Jobs. Retrieved from <https://www.markiteconomics.com/Public/Home/PressRelease/f5355c1dbf0c44ffa3963dd5b02c433c> [accessed 15 August 2018]

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