



The Scottish Parliament
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SPICe Briefing
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Labour market update: May 2019

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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).



15 May 2019
SB 19-30

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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 majority of the data is for Jan-Mar 2019, unless otherwise stated.

Unemployment in Scotland (3.2%) is at its lowest since comparable records began in 1992. However, employment fell over the quarter with 3,000 less people in employment. This was despite the number of women in employment in Scotland increasing over the quarter by 5,000. Economic inactivity increased over the quarter due to the number of inactive men increasing by 16,000. The number of inactive women fell by 6,000.

The latest [data from the ONS shows](#) that the labour market continues to tighten in the UK ³, as the gap between the number of vacancies and the unemployment level has more than halved between the first quarter of 2016 and the first quarter of 2019. The [Royal Bank of Scotland Report on Jobs for April 2019](#) highlights the trend is similar in Scotland with labour supply deteriorating while seeing continued growth in staff demand ⁴

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 (Oct-Dec 2018 to Jan-Mar 2019) (percentage points)



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

The following table shows the unemployment, employment and inactivity rates and the change on the previous quarter.

Scottish headline labour market figures, Jan-Mar 2019

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	3.2%	-0.2	3.6%	-0.5	2.9%	+0.1
Employment	75.4%	-0.1	79.0%	-0.5	72.0%	+0.3
Economic Inactivity	22.0%	+0.3	18.0%	+1.0	25.8%	-0.3

[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 7,000 over the quarter and by 29,000 over the year.

The fall in the unemployment level over the year is the largest since 2017, when it fell by 36,000 between Apr-Jun 2016 and Apr-Jun 2017.

The unemployment rate for Scotland is 3.2%, whilst for the UK as a whole it is 3.8%. The Scottish rate is the lowest since comparable records began in 1992, while the the UK level has not been lower since October to December 1974.²

The unemployment rate in Scotland fell over the year at a faster rate than the UK.

Unemployment (16+) - seasonally adjusted, Jan-Mar 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	89	-7	-29	3.2%	-0.2	-1.0
UK	1,298	-65	-119	3.8%	-0.2	-0.4

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

Looking at unemployment across the UK, the South West of England has the lowest rate at 2.4%, whilst the North East of England has the highest at 5.4%. The rate in Scotland is joint fourth lowest across the UK, along with the South East of England.

The [data also shows](#) that over the year Scotland saw the second largest fall in the unemployment rate of the nations and regions of the UK.

Figure 2: Unemployment rates across the UK (16+) - Jan-Mar 2019



[Regional labour market summary](#)

Unemployment by gender

Over the quarter, the unemployment level decreased by 7,000 in Scotland. The number of unemployed men fell by 8,000 while the number of unemployed women increased by 1,000.

Over the year, the unemployment level fell by 29,000 in Scotland (18,000 men and 11,000 women).

The unemployment rate for women in Scotland increased over the quarter for the first time since the first quarter of 2018, whilst the rate for men fell for the fifth consecutive quarter.

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

The unemployment rate for both men and women is lower in Scotland than the UK.

Unemployment by gender (16+) - seasonally adjusted, Jan-Mar 2019

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	51	-8	-18	3.6%	-0.5	-1.2
	Women	38	+1	-11	2.9%	+0.1	-0.8
UK	Men	701	-45	-50	3.9%	-0.2	-0.3
	Women	597	-20	-69	3.7%	-0.1	-0.5

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

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

The unemployment rate for men peaked at 9.8% in the first quarter of 2010. Since then it has fallen by 6.2 percentage points, and is the lowest since comparable records began in 1992.

The unemployment rate for women peaked at 8.1% in Oct-Dec 2011. Since then it has fallen by 5.3 percentage points to the current rate of 2.9%.

Figure 3: Unemployment rate by gender (16+) - seasonally adjusted, Jan-Mar 2009 to Jan-Mar 2019



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

Unemployment by age

The unemployment by age data is not seasonally adjusted and is compared with the same quarter in previous years.

The unemployment rates for the 16 to 24 (6.6%), 25 to 34 (3.3%) and 35 to 49 (2.7%) age groups are the lowest since comparable records began in 2002.

The only age group in Scotland that deviates significantly from the UK is 16-24 year olds, at 3.7 percentage points lower than the UK.

Unemployment by age - not seasonally adjusted, Jan-Mar 2019

Age group		Scotland	UK
16-24	Rate	6.6%	10.3%
	Year change (% pts)	-3.9	-1.2
25-34	Rate	3.1%	3.3%
	Year change (% pts)	-0.5	-0.4
35-49	Rate	2.3%	2.7%
	Year change (% pts)	-0.8	0.0
50-64	Rate	3.4%	2.9%
	Year change (% pts)	-0.5	-0.3

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 3,000 over the quarter but increased by 23,000 over the year.

The rate in Scotland fell over the quarter but increased over the year.

The current UK employment rate, of 76.1%, is the joint-highest since comparable records began in 1971. ²

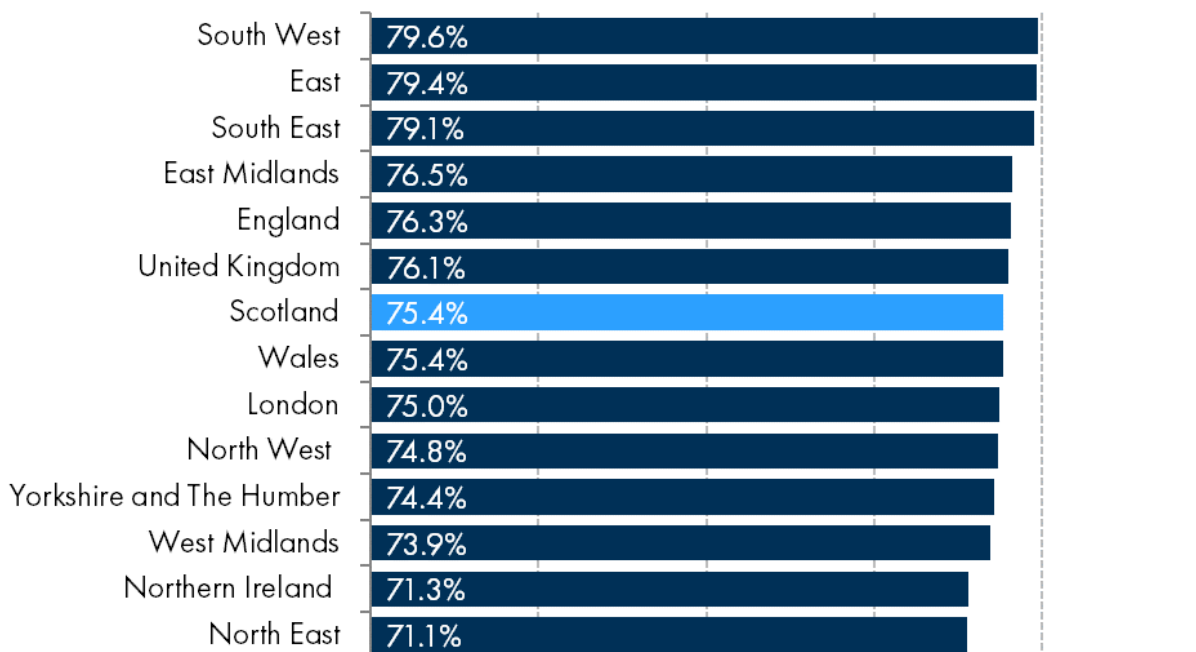
Employment (Level 16+, rate 16-64) - seasonally adjusted, Jan-Mar 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,682	-3	+23	75.4%	-0.1	+0.6
UK	32,697	+99	+354	76.1%	+0.2	+0.5

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

Looking at employment across the UK, the Scottish rate is just below the UK. The South West has the highest rate at 79.6%, whilst North East has the lowest at 71.1%.

Figure 4: Employment rates across the UK (16-64), Jan-Mar 2019



[Regional labour market summary](#)

Employment by gender

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

Over the quarter the employment level fell by 3,000 in Scotland (8,000 less men and 5,000 more women). This is the first time the number of men in employment has fallen over the quarter since 2017 (-11,000 between the third and fourth quarter of 2017.)

The number of women in employment in Scotland is the highest since comparable records began in 1992.

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

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

The employment rate for women in the UK was 71.8%, the joint-highest since comparable records began in 1971. ²

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Jan-Mar 2019

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,379	-8	+12	79.0%	-0.5	+0.5
	Women	1,303	+5	+11	72.0%	+0.3	+0.8
UK	Men	17,275	-15	+148	80.3%	0.0	+0.3
	Women	15,422	+114	+206	71.8%	+0.4	+0.7

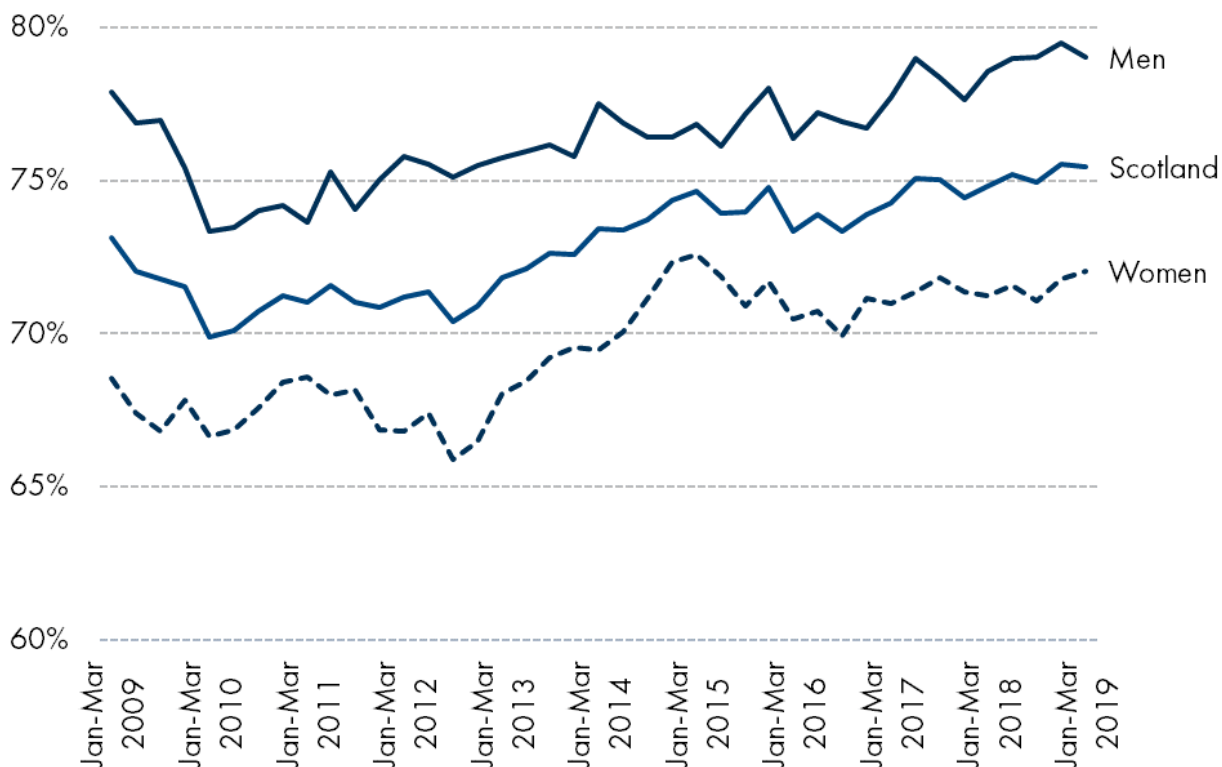
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 5 shows how employment rates by gender in Scotland have changed over the past 10 years.

The employment rate for women has increased by 6.2 percentage points since the third quarter of 2012, when it was its lowest in the last 10 years, at 65.9%. It is, however, slightly below its peak of 72.6% in Jan-Mar 2015.

The men's employment rate has increased by 5.7 percentage points since Jan-Mar 2010, when it was at its lowest in the last 10 years, at 73.3%. However the rate is below the peak of 79.5% in the previous quarter (fourth quarter 2018).

Figure 5: Employment rate by gender (16-64) - seasonally adjusted, Jan-Mar 2009 to Jan-Mar 2019



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

Employment by age

The employment by age data is not seasonally adjusted and is compared with the same quarter in previous years.

Despite a slight decrease over the year, the employment rate for 50-64 year olds has increased by 10.6 percentage points since 2002.

The employment rate for the 25 to 34 year old age group is the highest since comparable records began in 2002.

The youth employment rate (16-24) and the 50-65 year old age groups deviate from the UK, 4.7 percentage points higher and 4.2 percentage points lower respectively.

Employment by age - not seasonally adjusted, Jan-Mar 2019

Age group		Scotland	UK
16-24	Rate (%)	59.3%	54.6%
	Year change (% pts)	+3.7	+0.6
25-34	Rate (%)	84.4%	84.3%
	Year change (% pts)	+2.2	+0.9
35-49	Rate (%)	84.5%	85.3%
	Year change (% pts)	+0.7	-0.1
50-64	Rate (%)	68.2%	72.4%
	Year change (% pts)	-2.3	+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 11,000, and by 6,000 over the year.

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

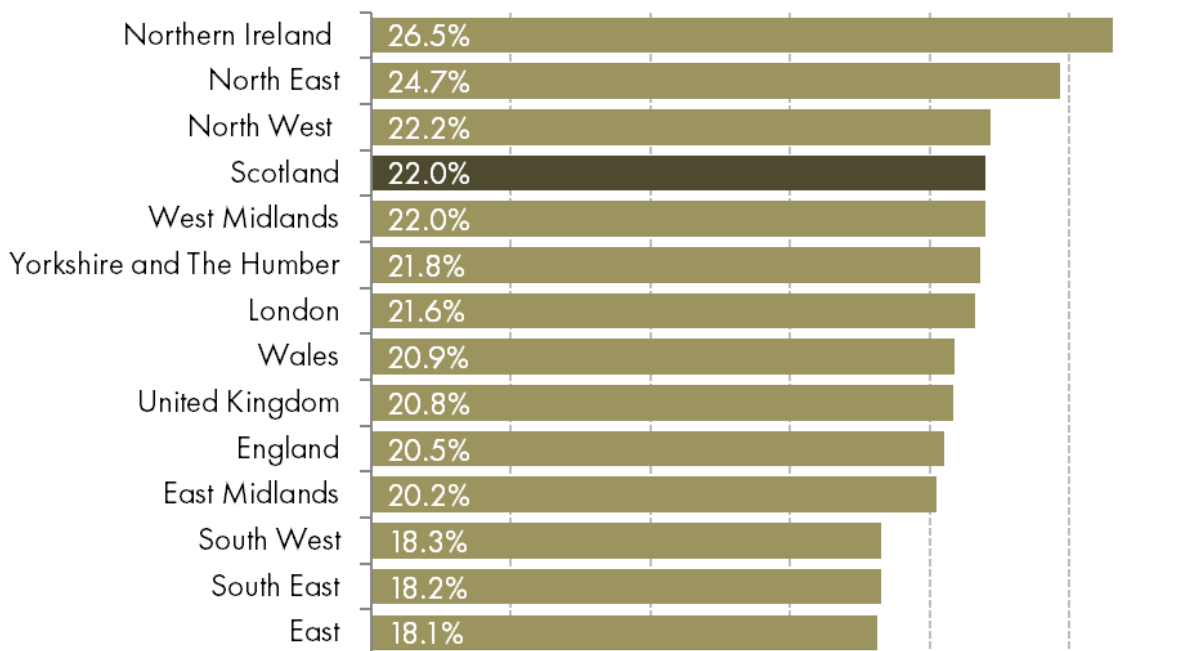
Economic inactivity (16-64) - seasonally adjusted, Jan-Mar 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	757	+11	+6	22.0%	+0.3	+0.2
UK	8,609	-23	-69	20.8%	-0.1	-0.2

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

Looking at economic inactivity across the UK, the Scottish rate is fourth highest of the nations and regions of the UK. Northern Ireland has the highest rate at 26.5%, whilst the South West has the lowest at 18.1%.

Figure 6: Economic inactivity rates across the UK (16-64)-Jan-Mar 2019



[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 16,000, whilst the number of inactive women fell by 6,000.

Over the the year, the number of inactive men increased by 9,000 while the number of inactive women fell by 2,000. The increase for men is the largest over the quarter since 2016 (+18,000 between Oct-Dec 2015 and Jan-Mar 2016).

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

Economic Inactivity by gender (16-64) - seasonally adjusted, Jan-Mar 2019

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	303	+16	+9	18.0%	+1.0	+0.5
	Women	454	-6	-2	25.8%	-0.3	-0.1
UK	Men	3,354	+47	-6	16.3%	+0.2	-0.1
	Women	5,255	-70	-63	25.3%	-0.3	-0.3

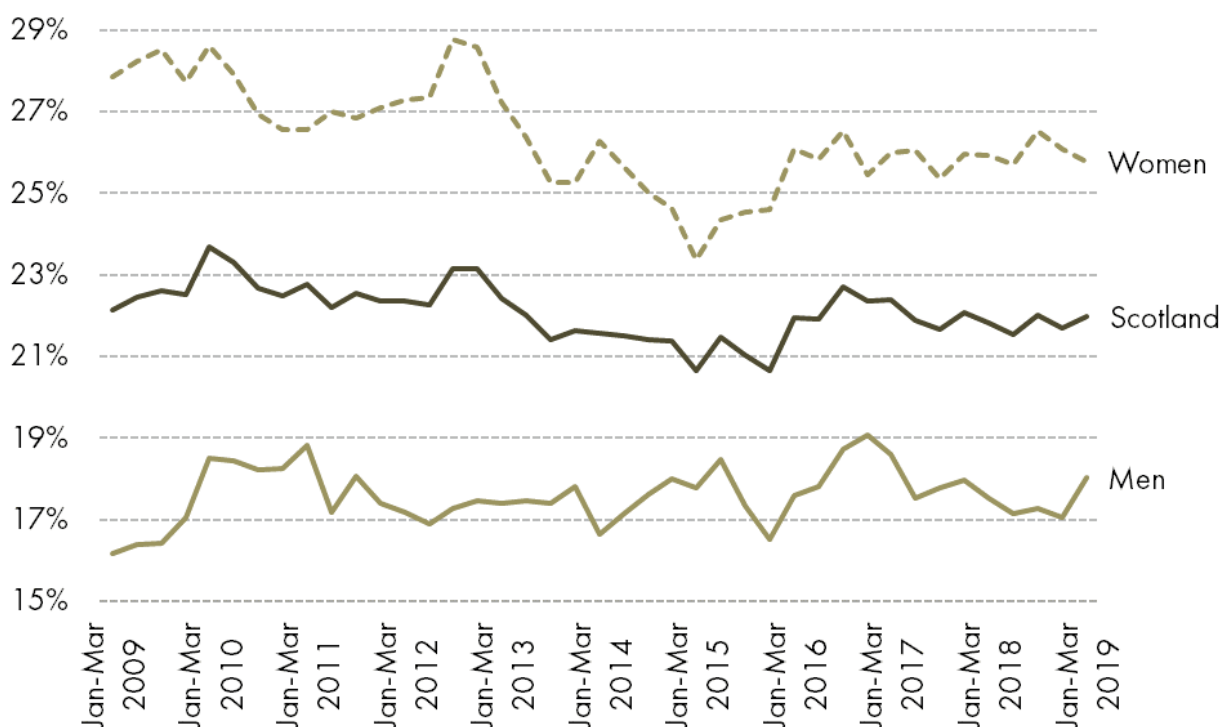
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

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

The inactivity rate for men peaked in Oct-Dec 2016, at 19.1%. Since then it has fallen by 1.1 percentage points. The lowest rate for men in the last 10 years was in Jan-Mar 2009, at 16.2%.

The inactivity rate for women peaked at 28.8% in Jul-Sep 2012. It then fell to 23.4% by Jan-Mar 2015, and now sits 2.4 percentage points higher, at 25.8%.

Figure 7: Inactivity rate by gender (16-64) - seasonally adjusted, Jan-Mar 2009 to Jan-Mar 2019



[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 rise of 2.7 percentage points over the year in the inactivity rate for the 50-64 year old age group is the largest since comparable records began in 2002. Despite this, overall it has fallen by 10.2 percentage points since 2002.

The inactivity rate for 50-64 year olds is the only age group which deviate from the UK, 4.0 percentage points higher.

Economic Inactivity by Age - not seasonally adjusted, Jan-Mar 2019

Age Group		Scotland	UK
16-24	Rate (%)	36.5%	39.2%
	Year change (% pts)	-1.3	+0.1
25-34	Rate (%)	12.9%	12.8%
	Year change (% pts)	-1.8	-0.5
35-49	Rate (%)	13.5%	12.4%
	Year change (% pts)	+0.1	+0.1
50-64	Rate (%)	29.4%	25.4%
	Year change (% pts)	+2.7	-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 (JSA), plus Universal Credit claimants who are required to look for work.

Universal Credit combines both in work and out of work benefits. As a result, people may be more likely to be on Universal Credit for very short periods of unemployment compared to JSA. As Universal Credit rolls out, 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 April was unchanged from March but increased by 0.5 percentage points over the year for both Scotland and the UK.

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

Claimant Count - Seasonally adjusted, April 2019

	Level ('000)	Month Change ('000)	Year Change ('000)	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	106	+2	+20	3.0%	0.0	+0.5
UK	1,085	+25	+223	2.6%	0.0	+0.5

[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 2018-Dec 2018.

Glasgow Maryhill and Springburn has the lowest employment rate at 53.4%, whilst the Orkney Islands have the highest at 87.5%. Glasgow Shettleston saw the biggest decrease over the year, whilst the Shetland Islands saw the largest increase.

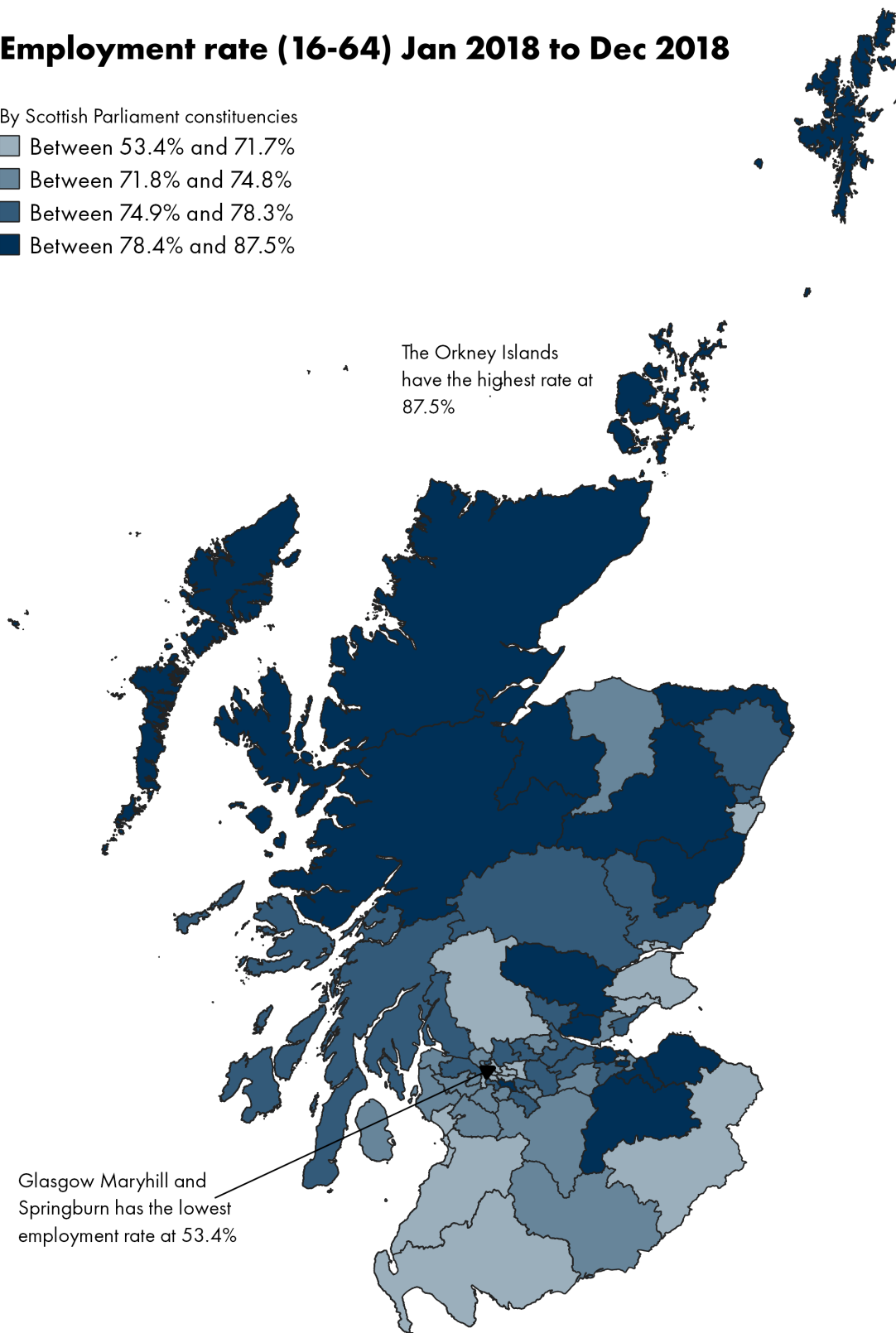
This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

Figure 8: Employment rate by constituency (16-64) - 2018

Employment rate (16-64) Jan 2018 to Dec 2018

By Scottish Parliament constituencies

- Between 53.4% and 71.7%
- Between 71.8% and 74.8%
- Between 74.9% and 78.3%
- Between 78.4% and 87.5%



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

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