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SPICe Briefing

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Labour Market update: December 2017

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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

The unemployment rate in Scotland increased over the quarter by 0.3 percentage points. Despite this Scotland has the 5th lowest unemployment rate of the nations and regions of the UK.

The number of unemployed women decreased over the quarter, with the unemployment rate the lowest since comparable records began in 1992, at 2.9%.

Despite the fall in the employment rate over the quarter in Scotland over the year the rate increased by 1.7 percentage points while the UK increased by 0.7 percentage point.

The increase in economic inactivity over the quarter was mainly driven by men, with 16,000 becoming inactive.

Scottish headline labour market figures, Aug-Oct 2017

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	4.1%	+0.3	5.2%	+1.1	2.9%	-0.5
Employment	74.9%	-0.9	77.7%	-1.9	72.3%	0.0
Economic Inactivity	21.8%	+0.7	18.0%	+1.0	25.5%	+0.4

[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 8,000 over the quarter but fell by 32,000 over the year.

The unemployment rate for the UK is 4.3% and has is the joint lowest since 1975. The rate in Scotland sits at 4.1%. Despite the increase over the quarter in Scotland, it is still one of the lowest rates on record.

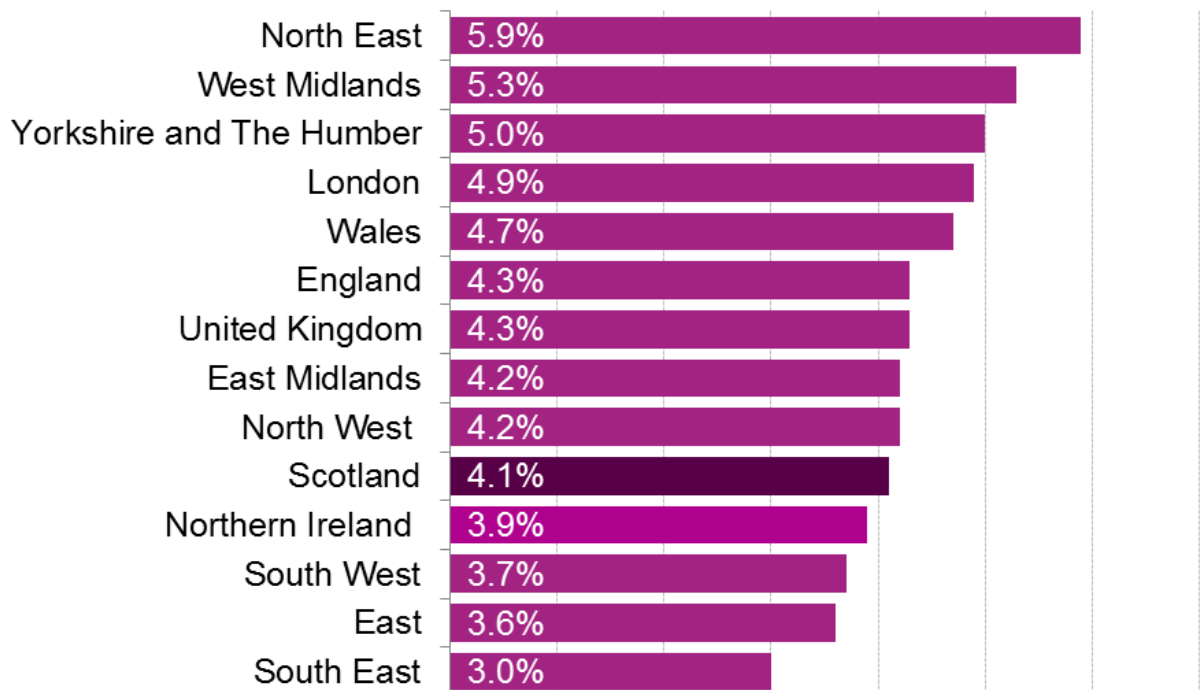
Unemployment (16+) - seasonally adjusted, Aug-Oct 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	114	+8	-32	4.1%	+0.3	-1.2
UK	1,429	-26	-182	4.3%	-0.1	-0.6

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

Looking at unemployment across the UK, Scotland has the 5th lowest unemployment rate of the nations and regions of the UK. The South East has the lowest rate at 3.0%, while the North East at 5.9%.

Figure 1: Unemployment rates across the UK (16+)-Aug-Oct 2017



[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 men increasing by 15,000, while the number of unemployed women fell by 7,000.

This is the largest quarterly increases in male unemployment, for both the level and the rate, since 2011 (Aug-Oct 2011)

The unemployment rate for women is the lowest since comparable records began in 1992.

Unemployment by gender (16+) - seasonally adjusted, Aug-Oct 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	74	+15	-9	5.2%	+1.1	-0.7
	Women	39	-7	-23	2.9%	-0.5	-1.8
UK	Men	783	-5	-103	4.4%	0.0	-0.6
	Women	647	-21	-80	4.1%	-0.1	-0.5

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

Unemployment by age

As this data is not seasonally adjusted it is compared with the same quarter in previous years.

- The youth unemployment rate in Scotland is now at the lowest rate seen since comparable records began in 2001, when comparing the same quarter.
- The unemployment rate for 25-34 year olds is the lowest since comparable records began in 2001, when comparing the same quarter.
- Looking across the age groups, the youth unemployment rate is the only age group where Scotland significantly deviates from the UK (3.3 percentage points lower).

Unemployment by age - not seasonally adjusted, Aug-Oct 2017

Age group		Scotland	UK
16-24	Rate	9.7%	13.0%
	Year change (% pts)	-2.7	-1.0
25-34	Rate	3.3%	4.0%
	Year change (% pts)	-1.4	-0.5
35-49	Rate	3.3%	2.8%
	Year change (% pts)	-0.5	-0.6
50-64	Rate	3.5%	3.0%
	Year change (% pts)	-0.9	-0.4

[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 21,000 over the quarter but increased by 59,000 over the year.

The employment rate in Scotland fell by 0.9 percentage points over the quarter while the UK saw a decrease of 0.2 percentage points. However, over the year the rate in Scotland increased by 1.7 percentage points while the UK increased by 0.7 percentage points

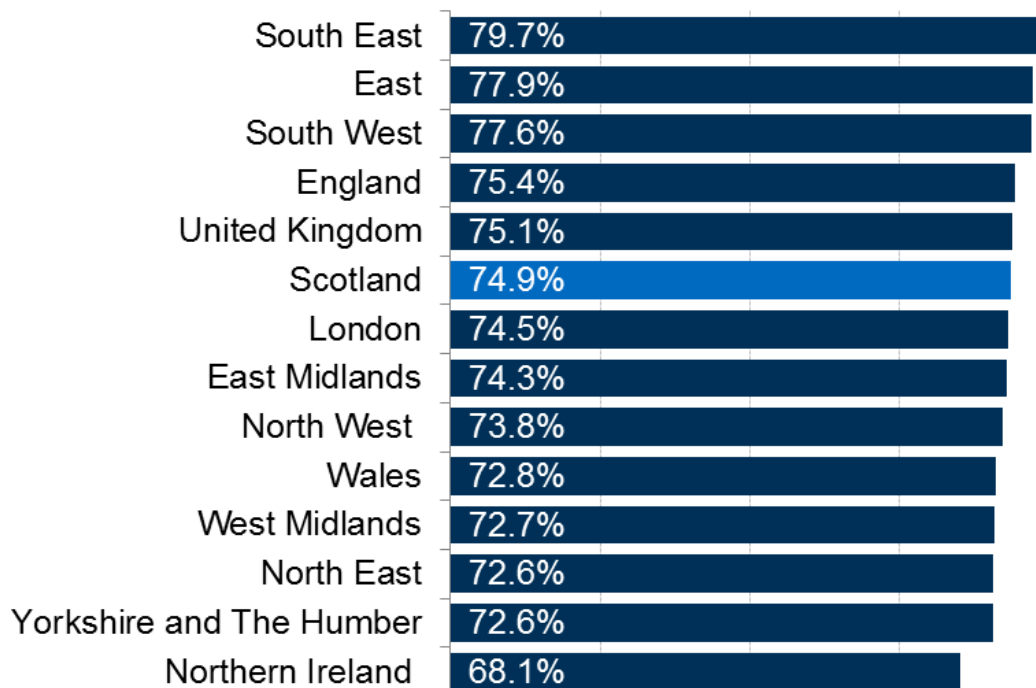
Employment (Level 16+, rate 16-64) - seasonally adjusted, Aug-Oct 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,653	-21	+59	74.9%	-0.9	+1.7
UK	32,080	-56	+325	75.1%	-0.2	+0.7

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

Looking at employment across the UK, Scotland has the 5th highest employment rate of the nations and regions of the UK. The South East has the highest rate at 79.7%, while Northern Ireland has the lowest at 68.1%.

Figure 2: Employment rates across the UK (16-64)-Aug-Oct 2017



[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 employment level in Scotland fell by 21,000 over the quarter as 23,000 men left employment while 3,000 women entered employment.

The male employment rate, at 77.7%, is one of the highest on record but is below the UK male employment rate of 79.4%.

The female employment rate is higher in Scotland than in the UK.

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Aug-Oct 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,354	-23	+23	77.7%	-1.9	+1.2
	Women	1,299	+3	+36	72.3%	0.0	+2.1
UK	Men	16,970	-50	+107	79.4%	-0.4	+0.4
	Women	15,110	-6	+218	70.8%	-0.1	+1.0

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

Employment by age

As this data is not seasonally adjusted it is compared with the same quarter in previous years.

- The employment rate for 25-34 year olds is the highest since comparable records began in 2001, when comparing the same quarter.
- The employment rate for 50-64 year olds is the highest since comparable records began in 2001, when comparing the same quarter, having increased by 13.5 percentage points since 2001.
- Looking across the age groups, the youth employment rate is the only age group where Scotland significantly deviates from the UK (4.7 percentage points higher).

Employment by age - not seasonally adjusted, Aug-Oct 2017

Age group		Scotland	UK
16-24	Rate (%)	59.8%	55.1%
	Year change (% pts)	+1.9	-0.4
25-34	Rate (%)	83.3%	83.1%
	Year change (% pts)	+3.0	+1.0
35-49	Rate (%)	81.5%	84.6%
	Year Change (% pts)	-1.0	+1.1
50-64	Rate (%)	71.4%	71.2%
	Year Change (% pts)	+2.9	+0.4

[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 23,000 over the quarter but fell by 24,000 over the year, which is one of the biggest annual decreases since comparable records began in 1992.

Over the quarter the economic inactivity rate in Scotland increased by 0.7 percentage point whilst the UK's increased by 0.3 percentage points.

Over the year the rate in Scotland fell by 0.7 percentage points while it fell by 0.2 percentage points for the UK as a whole.

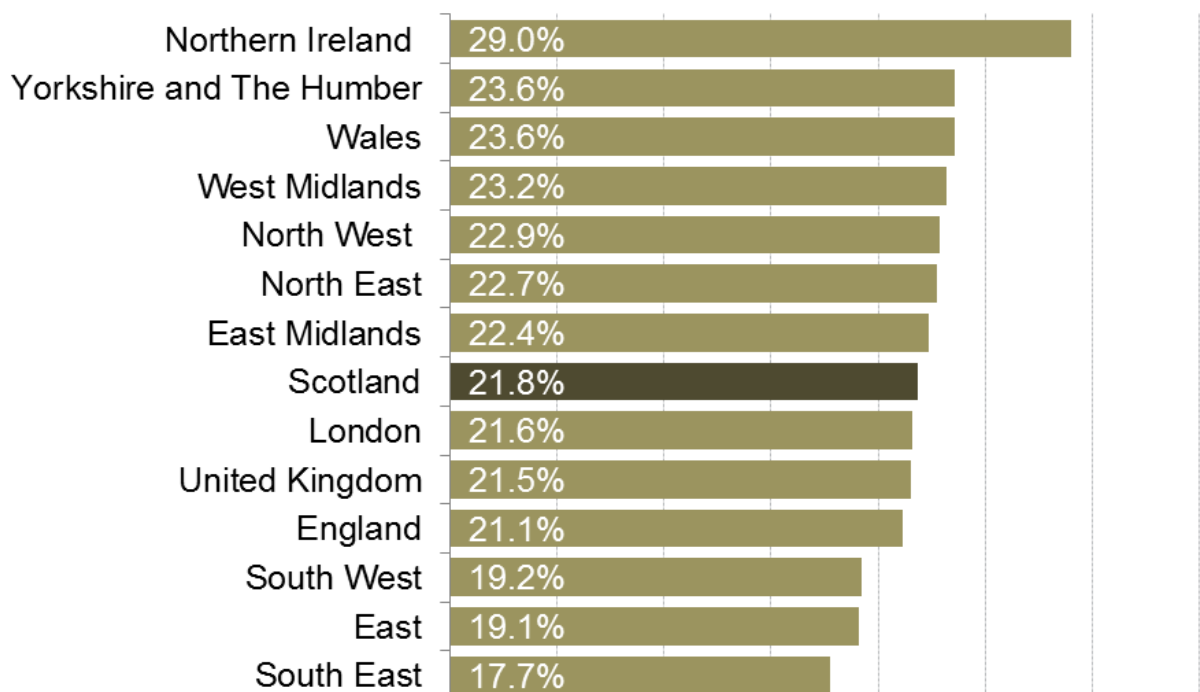
Economic Inactivity (16-64) - seasonally adjusted, Aug-Oct 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	745	23	-24	21.8%	+0.7	-0.7
UK	8,858	+115	-56	21.5%	+0.3	-0.2

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

Looking at economic inactivity across the UK, the Scottish rate is around the UK average. Northern Ireland has the highest rate at 29.0%, while the South East has the lowest at 17.7%.

Figure 3: Economic inactivity rates across the UK (16-64)-Aug-Oct 2017



[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 increased over the quarter, mainly due to 16,000 men becoming economically inactive, the number of inactive women increased by 6,000.

The female inactivity rate has increased by 1.8 percentage points since Feb-Apr 2015, when female inactivity was at it lowest (23.7%).

Economic Inactivity by gender (16-64) - seasonally adjusted, Aug-Oct 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	300	+16	-9	18.0%	+1.0	-0.5
	Women	445	+6	-15	25.5%	+0.4	-0.8
UK	Men	3,443	+79	+51	16.8%	+0.4	+0.2
	Women	5,415	+36	-106	26.2%	+0.2	-0.6

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

Economic inactivity by age

As this data is not seasonally adjusted it 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 in 2001, when comparing the same quarter, fall by 13.2 percentage points since 2001.
- Looking across the age groups, the youth inactivity rate is the only age group where Scotland significantly deviates from the UK (3.8 percentage points lower).

Economic Inactivity by Age - not seasonally adjusted, Aug-Oct 2017

Age Group		Scotland	UK
16-24	Rate (%)	33.8%	36.7%
	Year change (% pts)	0.0	+1.2
25-34	Rate (%)	13.9%	13.4%
	Year change (% pts)	-1.9	-0.6
35-49	Rate (%)	15.8%	12.9%
	Year change (% pts)	+1.5	-0.5
50-64	Rate (%)	26.0%	26.6%
	Year change (% pts)	-2.4	-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 economic inactivity by age](#)

Claimant Count

The Claimant Count figures presented here are the 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 was unchanged over the quarter and year.

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

Claimant Count - Seasonally adjusted, November 2017

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	81,300	+500	+1,000	2.3%	0.0	0.0
UK	817,500	+6,000	+29,000	2.0%	0.0	+0.1

[Claimant Count via nomis](#)

Constituency data: Economic Inactivity rate

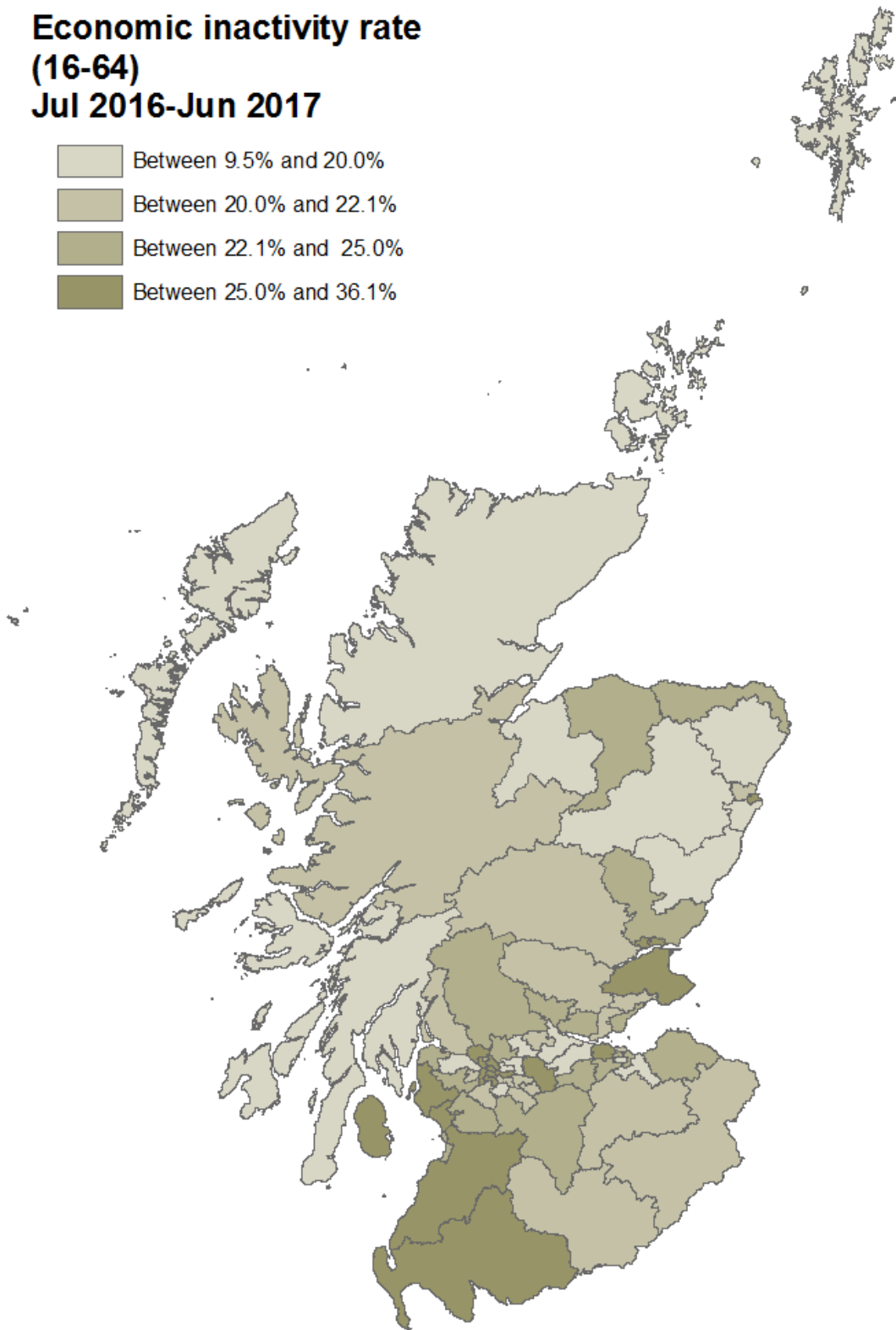
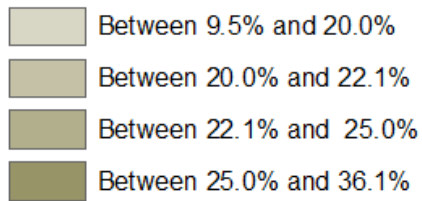
The constituency data for Scotland comes from the Annual Population Survey (APS). The APS datasets are produced quarterly, with each dataset containing 12 months of data.

The latest APS data is for Jul 2016-Jun 2017.

Glasgow Kelvin have the highest inactivity rate at 36.1% while the Shetland Islands have the lowest at 9.5%. Airdrie and Shotts saw the biggest increase over the year, while Edinburgh Southern saw the largest decrease.

Figure 4: Economic Inactivity by Constituency (16-64) - Jul 2016 to Jun 2017

**Economic inactivity rate
(16-64)
Jul 2016-Jun 2017**



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

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