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# Labour Market Update: July 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 current unemployment rate in Scotland, of 3.8%, is lowest since comparable records began in 1992. The same can be said of the youth unemployment rate which is now the lowest since comparable records began in 2002 at 8.4%.

The employment rate increased by 0.7% over the quarter in Scotland to 74.1% which is the first time since Sep-Nov 2015 the rate has increased.

Over the year the economic inactivity rate saw the largest increase since 2010.

## Scottish headline labour market figures, Feb-Apr 2017

	Overall		Men		Women	
	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)
Unemployment	3.8%	-0.7	4.1%	-0.4	3.5%	-1.0
Employment	74.1%	+0.7	77.7%	+0.9	70.6%	+0.4
Economic Inactivity	22.9%	-0.1	18.8%	-0.6	26.8%	+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 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

# Unemployment

The number of unemployed people in Scotland fell by 19,000 over the quarter and 46,000 over the year.

The unemployment rate for the UK is 4.5% and has not been lower since 1975. The rate in Scotland sits at 3.8%. This is the lowest unemployment rate since comparable records began in 1992.

Over the year Scotland has seen one of the largest decreases in the unemployment rate since 2001. While the number of people unemployed saw the largest decrease since comparable records began in 1992.

## Unemployment (16+) - seasonally adjusted, Mar-May 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	104	-19	-46	3.8%	-0.7	-1.6
UK	1,495	-64	-152	4.5%	-0.2	-0.5

[Regional labour market: Headline indicators for Scotland](#) and [UK labour market: July 2017](#)

## Unemployment by gender

Over the year in Scotland, the fall in the unemployment level was primarily due to the decrease in the number of unemployed men, a fall of 32,000.

Over the year the unemployment rate for men in Scotland saw a decrease of 2.1 percentage points compared to 0.3 for the UK.

In Scotland this is the largest fall since comparable records began in 1993.

The unemployment rates for both men and women have not been this low since comparable records began (in 1992).

## Unemployment by gender (16+) - seasonally adjusted, Mar-May 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	58	-6	-32	4.1%	-0.4	-2.1
	Women	46	-13	-15	3.5%	-1.0	-1.0
UK	Men	831	-24	-71	4.7%	-0.1	-0.4
	Women	664	-40	-81	4.2%	-0.3	-0.6

[Regional labour market: Headline indicators for Scotland](#) and [UK labour market: July 2017](#)

## Unemployment by age

The youth unemployment rate in Scotland is now the lowest rates seen since comparable records began in 2002.

The unemployment rate for 25-34 year-olds is also at its lowest since comparable records began.

### Unemployment by age - not seasonally adjusted, Mar-May 2017

Age group		Scotland	UK
16-24	Rate	8.4%	11.3%
	Year change (% pts)	-4.5	-1.0
25-34	Rate	3.1%	4.0%
	Year change (% pts)	-1.0	-0.5
35-49	Rate	2.5%	3.0%
	Year change (% pts)	-0.9	-0.2
50-64	Rate	3.3%	3.1%
	Year change (% pts)	-1.8	-0.4

[Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\), Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\) and Regional labour market: Estimates of unemployment by age](#)

# Employment

The number of people aged 16 and over in employment in Scotland increased by 25,000 over the quarter and 44,000 over the year.

The employment rate increased by 0.7% over the quarter in Scotland which is the first time since Sep-Nov 2015 the rate has increased.

The employment rate in Scotland increased by 0.1 percentage points over the year while the UK saw an increase of 0.6 percentage points.

The UK employment rate is the highest since comparable records began in 1971. <sup>1</sup>

## Employment (Level 16+, rate 16-64) - seasonally adjusted, Mar-May 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	2,619	+25	-6	74.1%	+0.7	+0.1
UK	32,010	+175	+324	74.9%	+0.3	+0.6

[Regional labour market: Headline indicators for Scotland](#) and [UK labour market: July 2017](#)

## Employment by gender

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

The increase in employment levels over the quarter was mainly due to an extra 15,000 men finding employment.

The employment level in Scotland decreased by 6,000 over the year, as 13,000 women left employment.

The UK saw an overall increase in employment of 324,000 over the year, mainly due to 200,000 women finding work.

## Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Mar-May 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,349	+15	+7	77.7%	+0.9	+0.9
	Women	1,270	+9	-13	70.6%	+0.4	-0.6
UK	Men	16,989	+68	+124	79.5%	+0.2	+0.3
	Women	15,021	+107	+200	70.4%	+0.4	+0.8

[Regional labour market: Headline indicators for Scotland](#) and [UK labour market: July 2017](#)

## Employment by age

The employment rate for 16-24 year-olds in Scotland has increased by 1.2 percentage points over the year.

The 1.7 percentage point decrease for 35-49 year-olds is the biggest since 2012 (Jan-Mar 2011 to Jan-Mar 2012: -2.2 percentage points).

It is the fourth consecutive year where there has been an increase in the employment rate for 50 - 64 year-olds with the rate now the highest since comparable records began in 2002.

### Employment by age - not seasonally adjusted, Mar-May 2017

Age group		Scotland	UK
16-24	Rate	57.7%	53.9%
	Year change (% pts)	+1.2	+0.2
25-34	Rate	82.0%	83.0%
	Year change (% pts)	-0.6	+0.9
35-49	Rate	81.8%	84.1%
	Year Change (% pts)	-1.7	+0.5
50-64	Rate	70.2%	71.0%
	Year Change (% pts)	+1.4	+0.5

[Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\), Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\) and Regional labour market: Estimates of employment by age](#)



# Economic inactivity

The number of people economically inactive in Scotland decreased by 4,000 over the quarter but increased by 40,000 over the year which is the biggest annual increase since 2010 ( Mar-May 2009 to Mar-May 2010: +48,000)

Over the quarter the economic inactivity rate in Scotland increased by 0.2 percentage points whilst the UK's fell by 0.1.

This is the first time since 2015 there has been a decrease in the economic inactivity rate in Scotland over the quarter ( Jun-Aug 2015 to Sep-Nov 2015: -0.4 percentage points).

Over the year the economic inactivity increased by 1.2 percentage points which is the largest increase since 2010 ( Mar-May 2009 to Mar-May 2010: +1.3 percentage points)

## Economic Inactivity (16-64) - seasonally adjusted, Mar-May 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	782	-4	+40	22.9%	-0.1	+1.2
UK	8,829	-57	-55	21.5%	-0.2	-0.2

[Regional labour market: Headline indicators for Scotland](#) and [UK labour market: July 2017](#)

## Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

The number of economically inactive people in Scotland decreased over the quarter, despite the increase in economically inactive women.

The increase in the number of economically inactive women over the year is the second highest since comparable record began in 1992.

Despite the fall over the quarter the economic in activity rate for men is the second highest since comparable record began in 1992.

Since 2015 when female inactivity in Scotland was at its lowest (Dec-Feb 2015: 23.9%) the rate has increased by 2.9 percentage points.

## Economic Inactivity by gender (16-64) - seasonally adjusted, Mar-May 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	313	-10	+16	18.8%	-0.6	+1.0
	Women	468	+6	+25	26.8%	+0.3	+1.4
UK	Men	3,358	-7	+16	16.4%	-0.1	0.0
	Women	5,471	-49	-71	26.4%	-0.3	-0.4

[Regional labour market: Headline indicators for Scotland](#) and [UK labour market: July 2017](#)

## Economic inactivity by age

The youth economic inactivity rate is the highest it has been since comparable record began in 2002.

The economic inactivity rate for 50-64 year olds is the lowest it has been since comparable records began in 2002.

### Economic Inactivity by Age - not seasonally adjusted, Mar-May 2017

Age Group		Scotland	UK
16-24	Rate	37.0%	39.2%
	Year change (% pts)	+1.9	+0.4
25-34	Rate	15.3%	13.5%
	Year change (% pts)	+1.5	-0.5
35-49	Rate	16.2%	13.2%
	Year change (% pts)	+2.6	-0.3
50-64	Rate	27.4%	26.7%
	Year change (% pts)	-0.1	-0.2

[Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\)](#), [Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\)](#) 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 May in Scotland increased by 0.1 percentage point over the year.

There was no change over the quarter or year in the claimant count rate in the UK.

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

## Claimant Count - Seasonally adjusted, June 2017

	Level	Month Change	Year Change	Rate	Month Change (% pts)	Year Change (% pts)
Scotland	81,500	-100	+3,500	2.3%	0.0	+0.1
UK	814,500	+5,900	+35,700	2.0%	0.0	+0.1

[Claimant Count via nomis](#)

## Constituency data: Unemployment rate

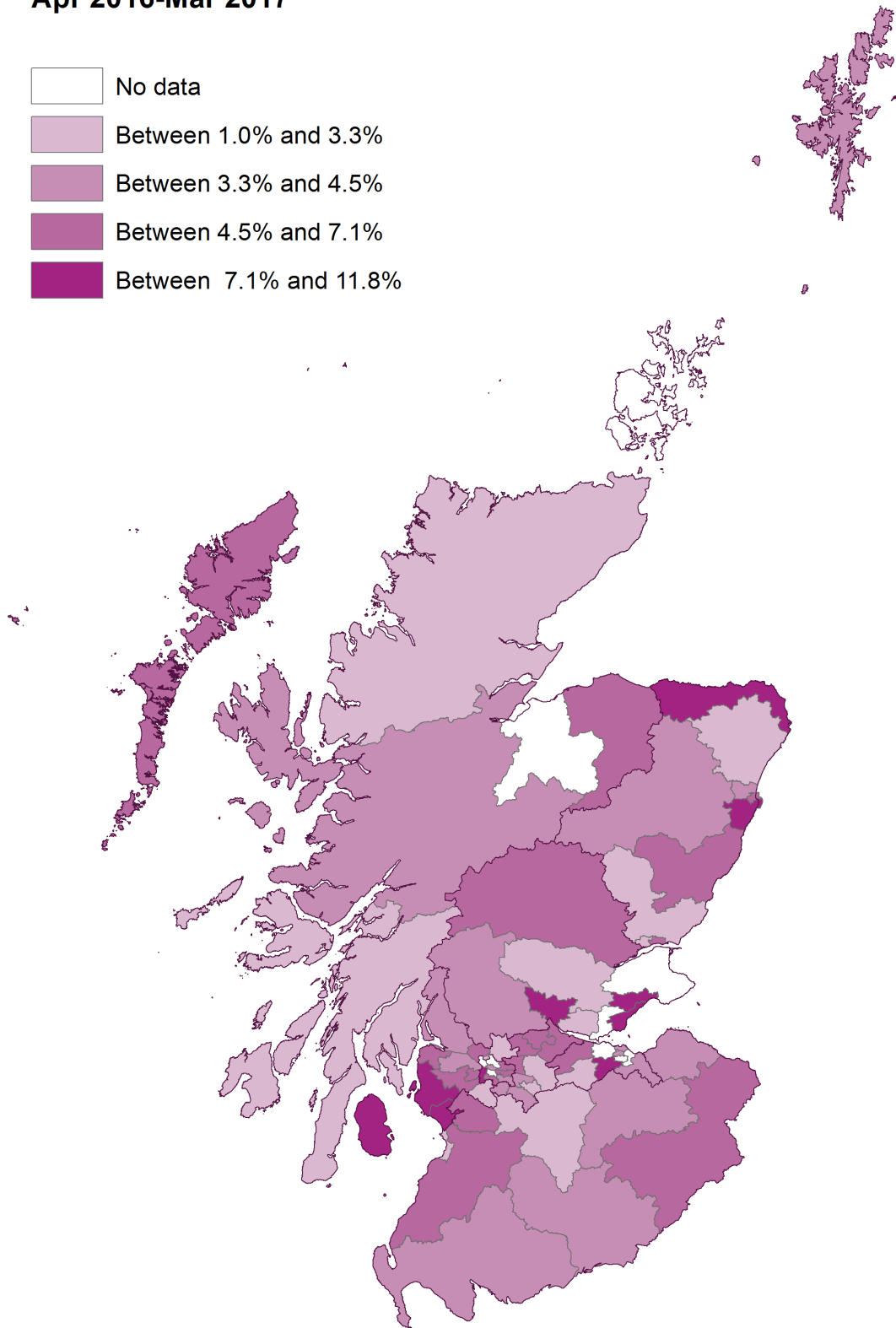
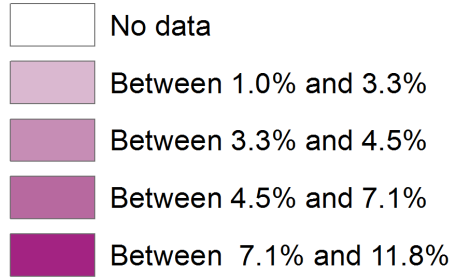
The constituency data for Scotland comes from the Annual Population Survey (APS). The APS datasets are produced quarterly, with each dataset containing 12 months of data.

The latest APS data is for Apr 2016 - Mar 2017.

Inverness and Nairn have the lowest unemployment rate at 1.0% while Cunninghame North has the highest at 11.8%. Aberdeen South and North Kincardine saw the biggest increase over the year, while Dundee City West saw the largest decrease.

Figure 1: Unemployment rate by Constituency (16-64) - Apr 2016 - Mar 2017

**Unemployment rate (16+)**  
**Apr 2016-Mar 2017**



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

# Bibliography

- 1 Office for National Statistics. (2017, July 12). UK labour market: July 2017. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/july2017>

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