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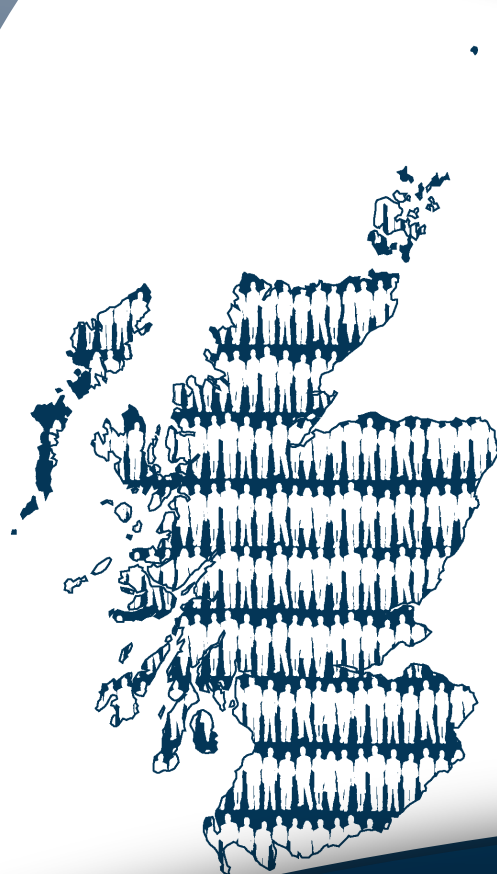
SPICe Briefing

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Labour Market update: April 2018

Andrew Aiton

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: April 2018 ² statistics from the Office for National Statistics (ONS).

The Scottish employment rate increased over the quarter and is now the same as the UK at 4.2%. Despite the rate increasing over the quarter in Scotland, it fell over the year and is still one of the lowest rates since comparable records began in 1992.

The employment rate in Scotland fell by 0.1 percentage points over the quarter, while the UK saw an increase of 0.1 percentage point. However, over the year the rate in Scotland increased at a higher rate than the UK, 1.6 compared to 0.8 percentage points.

The economic inactivity rate in Scotland was unchanged over the quarter. However, over the year the economic inactivity rate in Scotland fell by 1.3 percentage points while the UK fell by 0.4. This is the biggest annual fall in Scotland since 2003 (falling by 1.4 percentage points between Dec-Feb 2002 to Dec-Feb 2003).

Scottish headline labour market figures, Dec-Feb 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	4.8%	+0.1	3.4%	+0.2
Employment	75.0%	-0.1	78.2%	0.0	71.9%	-0.1
Economic Inactivity	21.7%	0.0	17.8%	0.0	25.5%	0.0

[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 3,000 over the quarter but fell by 8,000 over the year.

The unemployment rate for the UK is 4.2%. The rate in Scotland sits at 4.2%. Despite the rate increasing over the quarter in Scotland, it fell over the year and is still one of the lowest rates since comparable records began in 1992.

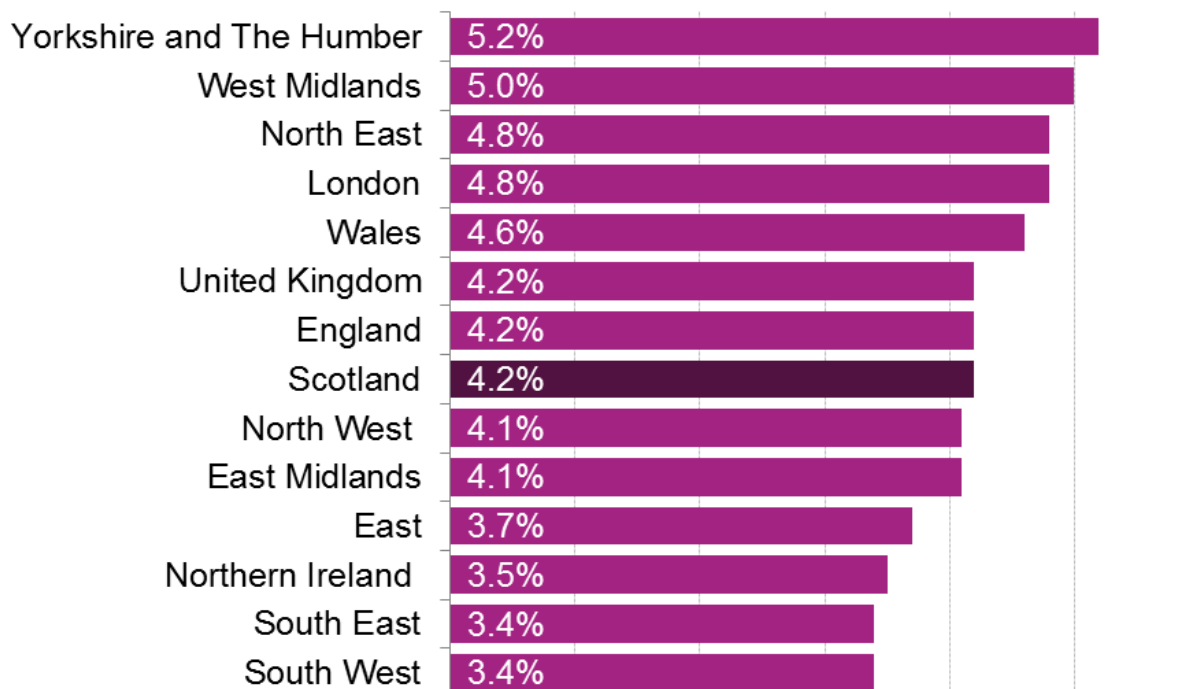
Unemployment (16+) - seasonally adjusted, Dec-Feb 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	115	+3	-8	4.2%	+0.1	-0.3
UK	1,423	-16	-136	4.2%	-0.1	-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 3.4%, while Yorkshire and The Humber has the highest at 5.2%.

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



[Regional labour market summary](#)

Unemployment by gender

Over the quarter in Scotland, the increase in the unemployment level was mainly due to the number of unemployed women increasing by 2,000, while the number of men increased by 1,000.

The annual fall in unemployment in Scotland for women is the largest since 2013 (Dec-Feb 2012 to Dec-Feb 2013).

Over the year unemployment increased for men in Scotland by 0.3 percentage points while it fell by 0.6 percentage points across the UK.

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

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	69	+1	+5	4.8%	+0.1	+0.3
	Women	46	+2	-13	3.4%	+0.2	-1.0
UK	Men	751	-17	-104	4.2%	-0.1	-0.6
	Women	672	+1	-32	4.2%	+0.0	-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.

This is the first time since 2010 that the 25-34 year-old age group has seen an increase in unemployment, the last time being between Dec-Feb 2009 and Dec-Feb 2010. The same measure fell by 0.7 percentage points in the UK.

Unemployment by age - not seasonally adjusted, Dec-Feb 2018

Age group		Scotland	UK
16-24	Rate	9.8%	11.3%
	Year change (% pts)	+0.9	-0.4
25-34	Rate	3.7%	3.9%
	Year change (% pts)	+0.2	-0.7
35-49	Rate	3.2%	2.8%
	Year change (% pts)	-0.7	-0.4
50-64	Rate	3.5%	3.0%
	Year change (% pts)	-0.9	-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 decreased by 17,000 over the quarter, but increased by 50,000 over the year. This is the biggest quarterly fall in employment since 2016 (falling by 24,000 between Sep-Nov 2015 and Dec-Feb 2016).

The employment rate in Scotland fell by 0.1 percentage point over the quarter, while the UK saw an increase of 0.1 percentage point. However, over the year the rate in Scotland increased at twice the rate of the UK, 1.6 compared to 0.8 percentage points.

Despite a fall over the quarter, the rate in Scotland is one of the highest since comparable records began in 1992.

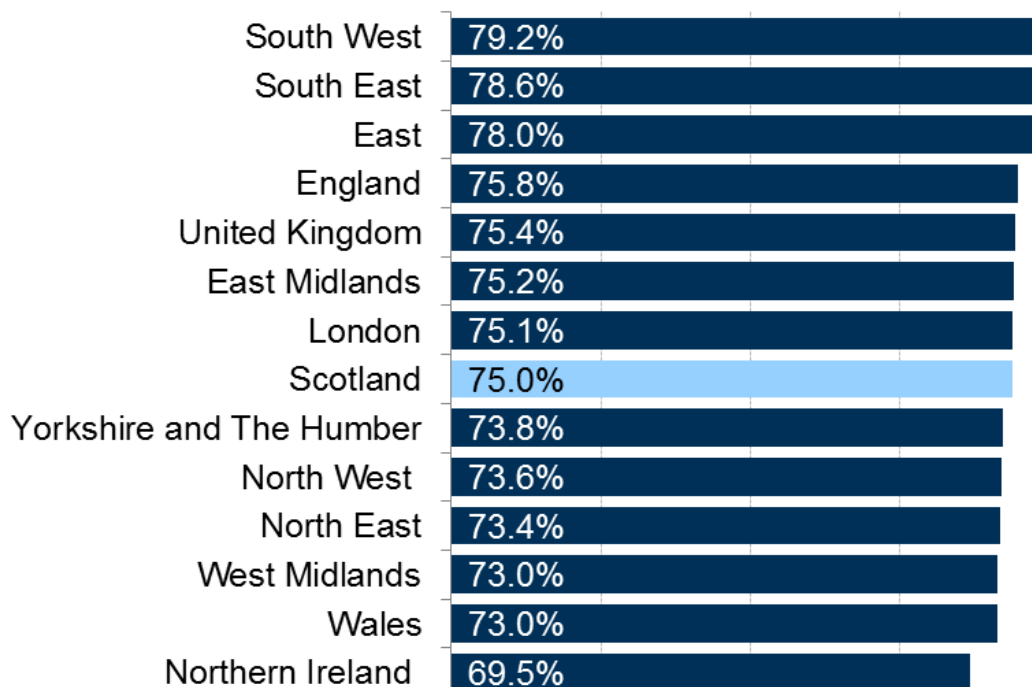
Employment (Level 16+, rate 16-64) - seasonally adjusted, Dec-Feb 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,645	-17	+50	75.0%	-0.1	+1.6
UK	32,262	+55	+427	75.4%	+0.1	+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 79.2%, while Northern Ireland has the lowest at 69.5%.

Figure 2: Employment rates across the UK (16-64), Dec-Feb 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 14,000 men leaving employment, while the number of women in employment fell by 3,000.

The fall over the quarter in the male employment level is the largest since 2011 - (when it fell by 17,000 between Mar-May 2011 and Jun-Aug 2011).

Despite falling over the quarter the rate for both men and women increased over the year.

The annual increase in the employment rate for men is the largest since 2012 (it increased by 2.0 percentage points between Dec-Feb 2011 and Dec-Feb 2012) while for women it is the largest since 2015 (it increased by 2.9 percentage points between Dec-Feb 2011 and Dec-Feb 2012).

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,353	-14	+19	78.2%	0.0	+1.4
	Women	1,291	-3	+31	71.9%	-0.1	+1.7
UK	Men	17,097	+8	+176	79.8%	-0.1	+0.5
	Women	15,165	+47	+251	71.0%	+0.2	+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 13.6 percentage points since 2002.

The employment rate for 25 - 34 year-olds is the highest since comparable records began in 2002.

Looking across the age groups, the youth employment rate (3.4 percentage points higher) and that for 35 to 49 year olds (3.0 percentage points lower) are the only age groups where Scotland significantly deviates from the UK.

Employment by age - not seasonally adjusted, Dec-Feb 2018

Age group		Scotland	UK
16-24	Rate (%)	57.3%	53.9%
	Year change (% pts)	+0.9	-0.5
25-34	Rate (%)	82.9%	83.4%
	Year change (% pts)	+2.1	+1.3
35-49	Rate (%)	82.1%	85.1%
	Year Change (% pts)	-0.3	+1.2
50-64	Rate (%)	71.2%	71.5%
	Year Change (% pts)	+2.6	+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 was unchanged over the quarter, but fell by 45,000 over the year.

Over the quarter, the economic inactivity rate in Scotland and the UK was unchanged.

Over the year the rate in Scotland fell by 1.3 percentage points while the UK fell by 0.4. This is the biggest annual fall in Scotland since 2003 (falling by 1.4 percentage points Dec-Feb 2002 to Dec-Feb 2003).

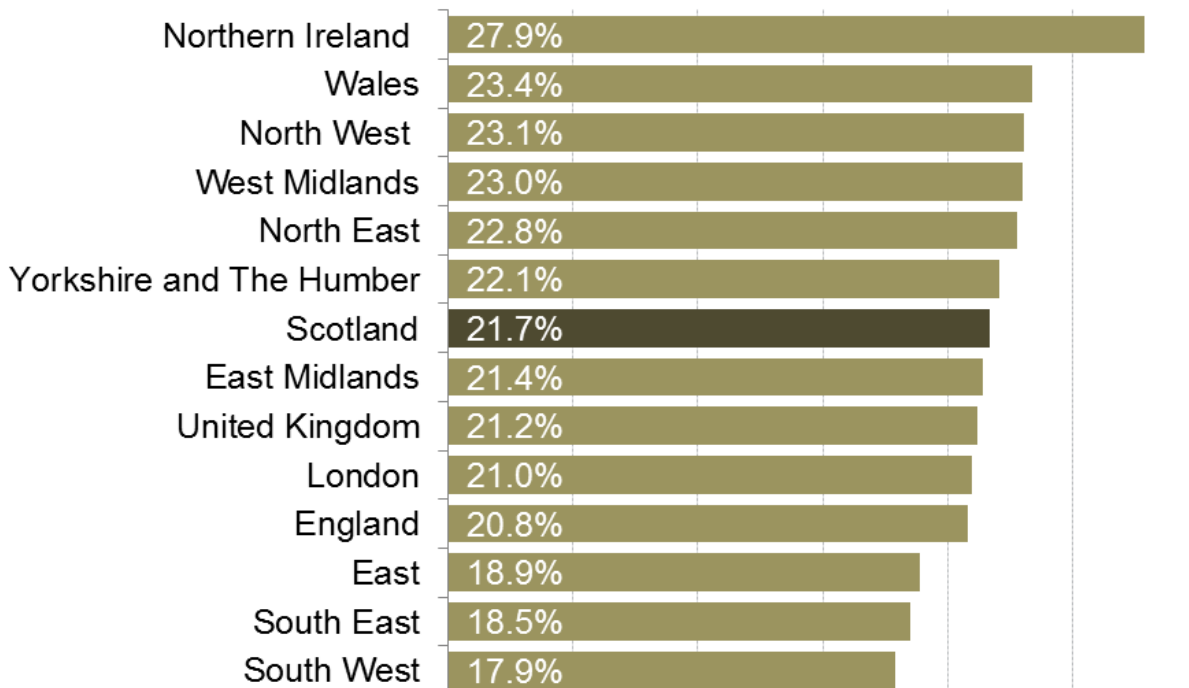
Economic Inactivity (16-64) - seasonally adjusted, Dec-Feb 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	741	0	-45	21.7%	0.0	-1.3
UK	8,731	-2	-154	21.2%	0.0	-0.4

[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 17.9%.

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



[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 was unchanged over the quarter. Over the year men accounted for the majority of the fall in the number of economically active people.

The rates for men and women were unchanged over the quarter. The rate fell for both men and women over the year. With the annual fall for men the largest since comparable records began in 1992.

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	296	0	-28	17.8%	0.0	-1.6
	Women	445	-1	-18	25.5%	0.0	-1.0
UK	Men	3,395	+38	+29	16.6%	+0.2	+0.1
	Women	5,336	-40	-184	25.8%	-0.2	-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 economic inactivity rate for 50-64 year olds is the lowest since comparable records began and has fallen by 13.4 percentage points since 2002.

Looking across the age groups the youth (2.8 percentage points lower) and 35-34 (2.8 percentage points higher) year old age groups deviate significantly from the UK.

Economic Inactivity by Age - not seasonally adjusted, Dec-Feb 2018

Age Group		Scotland	UK
16-24	Rate (%)	36.5%	39.3%
	Year change (% pts)	-1.6	+0.9
25-34	Rate (%)	14.0%	13.2%
	Year change (% pts)	-2.4	-0.8
35-49	Rate (%)	15.2%	12.5%
	Year change (% pts)	+0.9	-0.8
50-64	Rate (%)	26.3%	26.3%
	Year change (% pts)	-2.1	-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 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 March in Scotland was unchanged over the month, and increased over the year.

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

Claimant Count - Seasonally adjusted, March 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	85,500	+1,000	+6,100	2.4%	0.0	+0.1
UK	855,300	+11,600	+73,900	2.1%	+0.1	+0.2

[Claimant Count via nomis](#)

Constituency data: unemployment rate

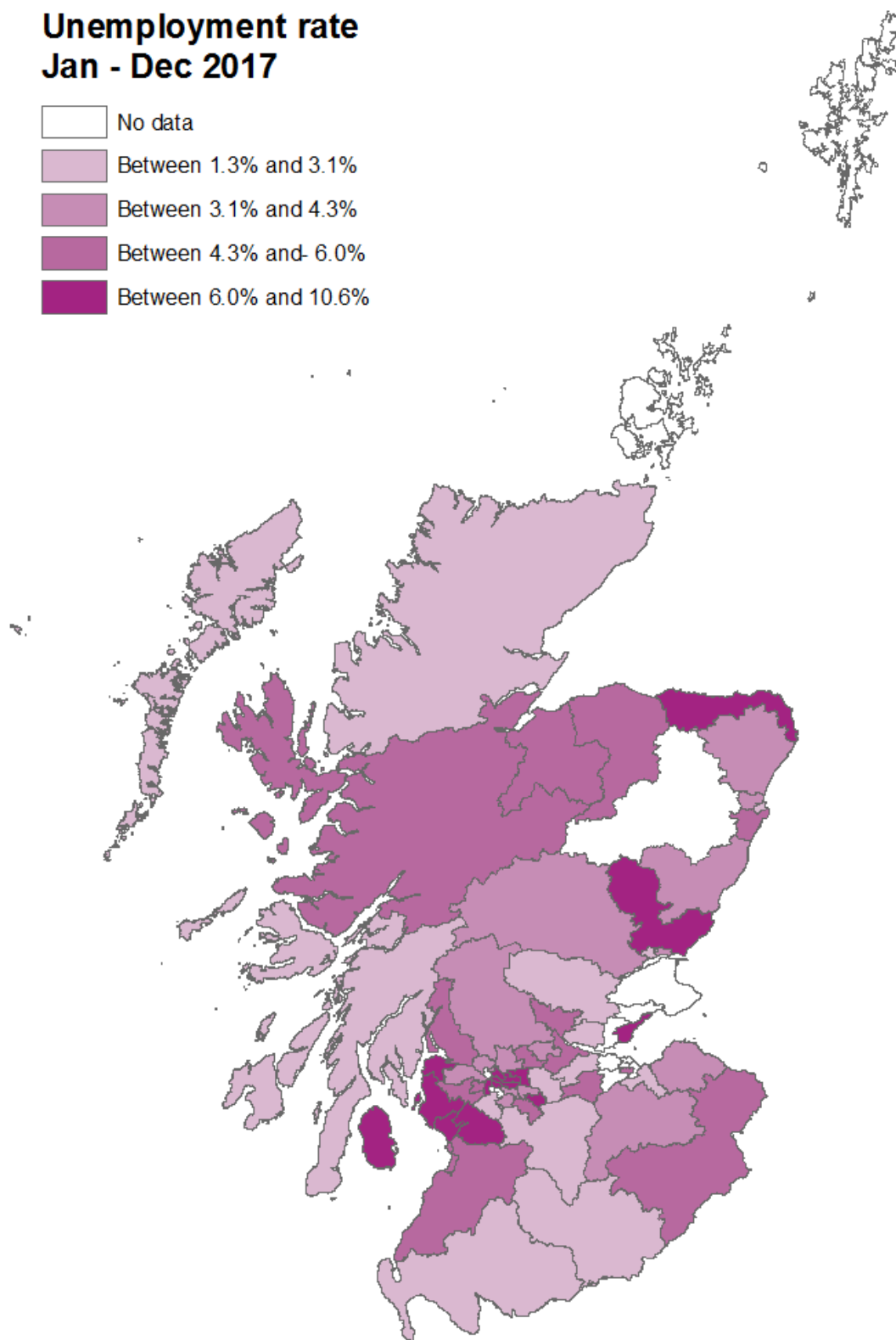
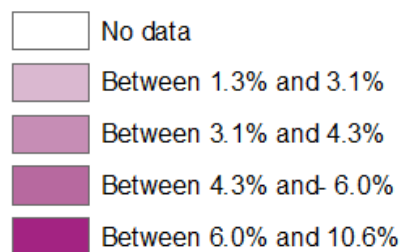
The constituency data for Scotland comes from the Annual Population Survey (APS). The APS datasets are produced quarterly, with each dataset containing 12 months of data. This data is based on residence analysis of the APS.

The latest APS data is for Jan 2016-Dec 2017.

Argyll and Bute has the lowest unemployment rate at 1.3%, while Glasgow Kelvin has the highest at 10.6%. Kirkcaldy saw the biggest increase over the year, while Caithness, Sutherland and Ross saw the largest decrease.

Figure 4: Economic Inactivity by Constituency (16-64) - Oct 2016-Sep 2017

Unemployment rate Jan - Dec 2017



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

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

Bibliography

- 1 Office for National Statistics. (2018, April 17). Regional labour market statistics in the UK: April 2018. Retrieved from <https://www.ons.gov.uk/releases/regionallabourmarketstatisticsintheukapr2018> [accessed 17 April 2018]
- 2 Office for National Statistics. (2018, April 17). UK labour market statistics: April 2018. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsapr2018> [accessed 17 April 2018]

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