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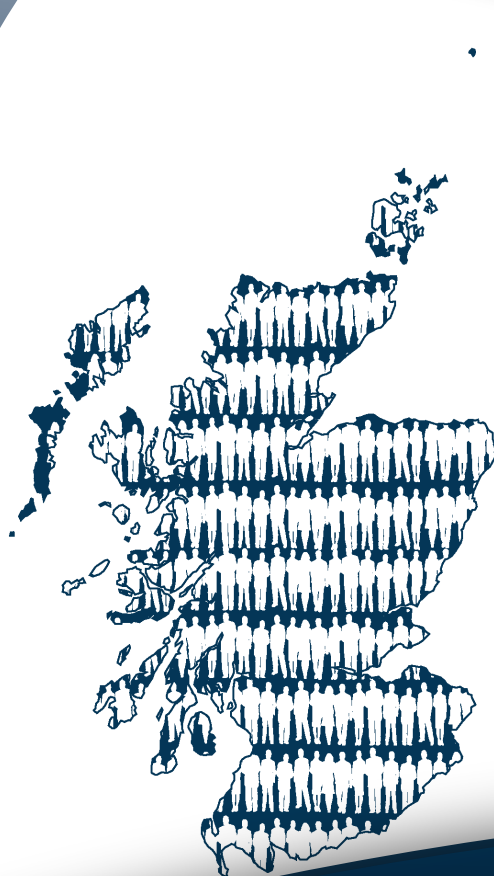
SPICe Briefing

Pàipear-ullachaidh SPICe

Labour Market update May 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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Contents

Executive Summary	3
What are the labour market measurements?	4
Unemployment	5
Unemployment by gender	5
Unemployment by age	6
Employment	7
Employment by gender	7
Employment by age	8
Economic inactivity	9
Economic inactivity by gender	9
Economic inactivity by age	10
Claimant Count	11
Constituency data: employment rate	12
Guest indicator: Self-employment	15
Bibliography	18

Executive Summary

This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics ¹ and UK labour market: May 2018 ² statistics from the Office for National Statistics (ONS).

The unemployment rate for the UK is 4.2% while in Scotland it sits at 4.3%. The rate for men in Scotland fell over the quarter while the rate for women increased slightly.

Employment increased over the year despite the fall in the employment rate for women.

Over the quarter, the economic inactivity rate in Scotland and the UK fell, by 0.1 percentage points and 0.3 respectively.

Scottish headline labour market figures, Jan-Mar 2018

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	4.3%	-0.2	4.8%	-0.5	3.7%	+0.1
Employment	74.7%	+0.3	78.4%	+0.9	71.1%	-0.2
Economic Inactivity	21.9%	-0.1	17.6%	-0.4	26.1%	+0.1

[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 fell by 6,000 over the quarter and by 2,000 over the year.

The unemployment rate for the UK is 4.2% while the rate in Scotland sits at 4.3%.

While the rate in Scotland saw a similar fall to the UK over the quarter the UK saw a larger decrease over the year than Scotland.

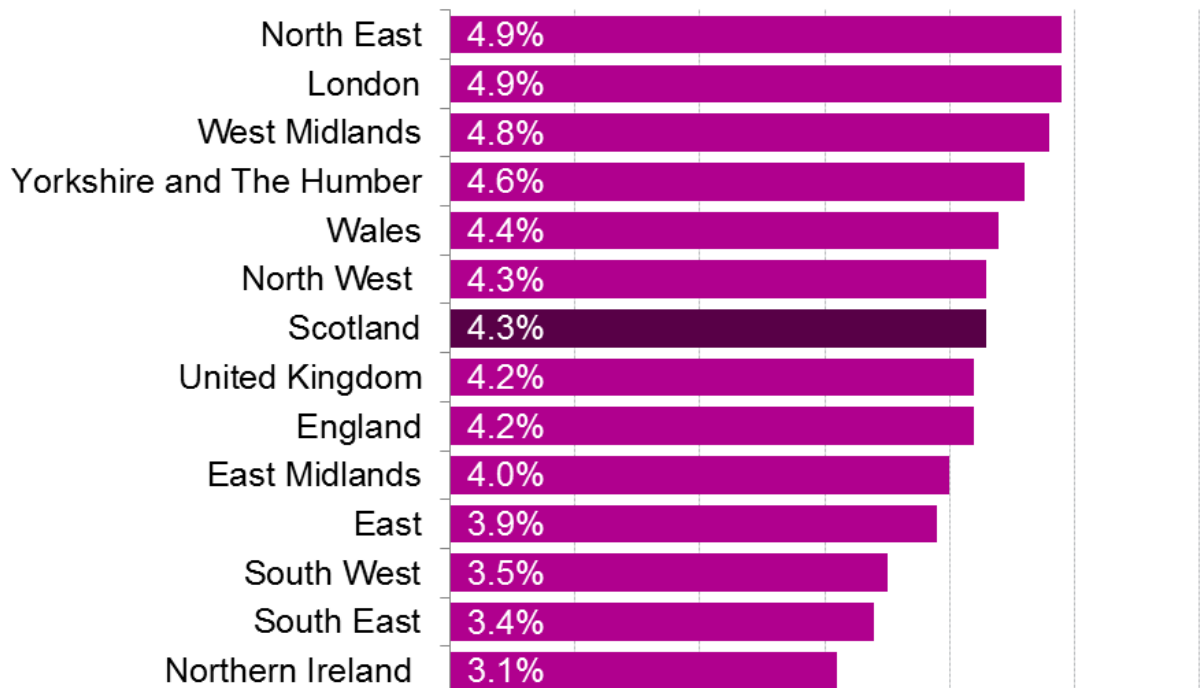
Unemployment (16+) - seasonally adjusted, Jan-Mar 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	118	-6	-2	4.3%	-0.2	-0.1
UK	1,425	-46	-116	4.2%	-0.2	-0.4

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

Looking at unemployment across the UK, Northern Ireland has the lowest rate at 3.1%, while the North East and London have the highest at 4.9%.

Figure 1: Unemployment rates across the UK (16+) - Jan-Mar 2018



[Regional labour market summary](#)

Unemployment by gender

Over the quarter the fall in the unemployment level in Scotland was mainly due to the number of unemployed men decreasing by 7,000, while the number of women increased by 1,000.

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

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

In Scotland, unemployment rates are higher for men than women while they are the same across the UK.

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

Unemployment by gender (16+) - seasonally adjusted, Jan-Mar 2018

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	68	-7	+4	4.8%	-0.5	+0.3
	Women	50	+1	-6	3.7%	+0.1	-0.5
UK	Men	756	-26	-96	4.2%	-0.2	-0.6
	Women	669	-20	-20	4.2%	-0.2	-0.2

[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.

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

The unemployment rate for 35-49 year old is the lowest since 2008. (3.0% in Jan-Mar 2008)

Unemployment by age - not seasonally adjusted, Jan-Mar 2018

Age group		Scotland	UK
16-24	Rate	10.5%	11.5%
	Year change (% pts)	+1.1	-0.5
25-34	Rate	3.6%	3.7%
	Year change (% pts)	+0.4	-0.8
35-49	Rate	3.1%	2.7%
	Year change (% pts)	-0.4	-0.4
50-64	Rate	3.8%	3.3%
	Year change (% pts)	-0.2	+0.1

[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 2,000 over the quarter, but increased by 10,000 over the year.

The rate in both Scotland and the UK increased over the quarter and the year, however the increase was slightly lower in Scotland.

While the number of people in employment fell the rate increased. This would suggest that the majority of the decrease came from those aged 65 and over.

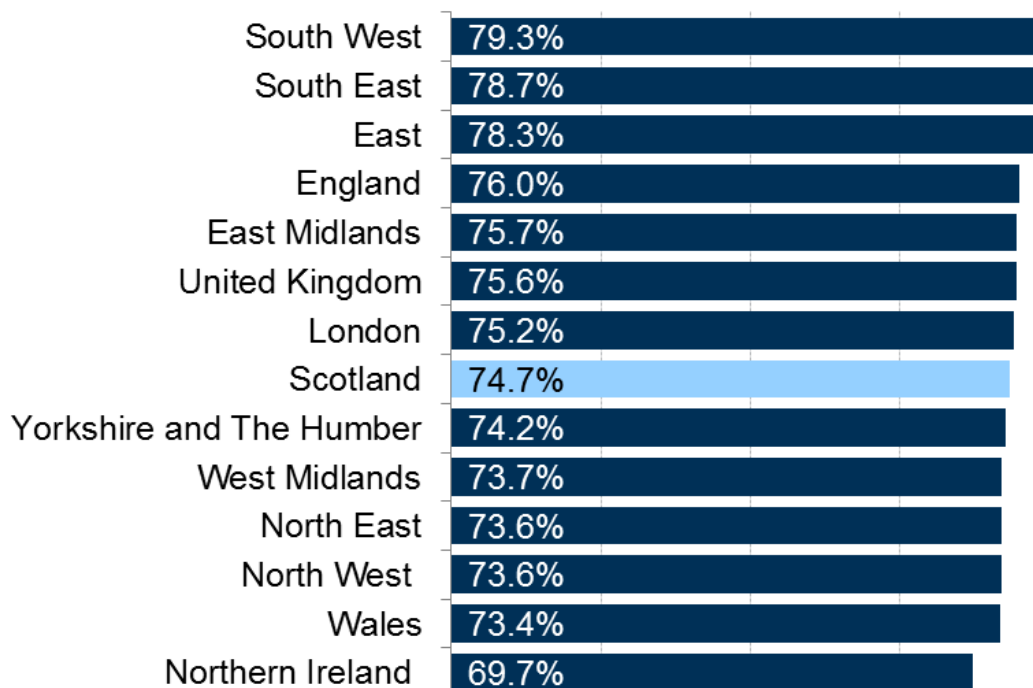
Employment (Level 16+, rate 16-64) - seasonally adjusted, Jan-Mar 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,630	-2	+10	74.7%	+0.3	+0.6
UK	32,344	+197	+396	75.6%	+0.4	+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 79.3%, while Northern Ireland has the lowest at 69.7%.

Figure 2: Employment rates across the UK (16-64), Jan-Mar 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 7,000 women leaving employment, while the number of men in employment increased by 5,000.

While the rate for women fell over the quarter and increased for men, the rate for both men and women in Scotland increased over the year.

The rates for both men and women in Scotland are lower than the UK with the gap larger for men than women, 1.6 percentage points compared to 0.1.

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Jan-Mar 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,353	+5	+8	78.4%	+0.9	+1.0
	Women	1,277	-7	+2	71.1%	-0.2	+0.3
UK	Men	17,128	+90	+163	80.0%	+0.4	+0.5
	Women	15,215	+108	+234	71.2%	+0.4	+1.0

[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 12.9 percentage points since 2002.

Employment by age - not seasonally adjusted, Jan-Mar 2018

Age group		Scotland	UK
16-24	Rate (%)	55.6%	54.1%
	Year change (% pts)	-3.1	-0.2
25-34	Rate (%)	82.3%	83.5%
	Year change (% pts)	+0.2	+1.0
35-49	Rate (%)	83.9%	85.3%
	Year Change (% pts)	+1.9	+1.4
50-64	Rate (%)	70.5%	71.6%
	Year Change (% pts)	+1.2	+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 employment by age](#)

Economic inactivity

The number of people economically inactive in Scotland fell over the quarter by 5,000 and 19,000 over the year.

Over the quarter, the economic inactivity rate in Scotland and the UK fell by 0.1 percentage points and 0.3 respectively, but fell at the same rate over the year (0.5 percentage points).

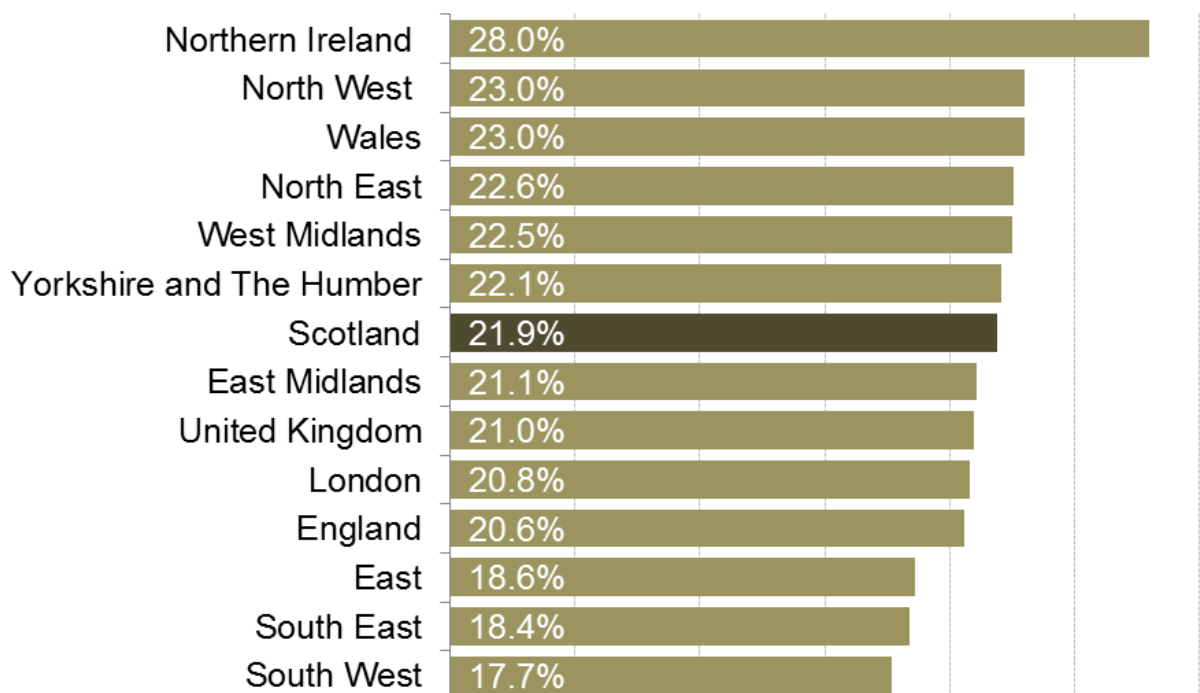
Economic Inactivity (16-64) - seasonally adjusted, Jan-Mar 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	748	-5	-19	21.9%	-0.1	-0.5
UK	8,658	-115	-171	21.0%	-0.3	-0.5

[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 28.0%, while the South West has the lowest at 17.7%.

Figure 3: Economic inactivity rates across the UK (16-64)-Jan-Mar 2018



[Regional labour market summary](#)

Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

The fall in inactivity in Scotland was due to 7,000 men no longer being inactive while there was an increase of 1,000 more women.

The fall in the inactivity rate for men over the year was the highest since 2012 (-1.7 percentage points between Jan-Mar 2011 and Jan-Mar 2012)

The inactivity rate for men and women is higher in Scotland than for the UK.

Economic Inactivity by gender (16-64) - seasonally adjusted, Jan-Mar 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	294	-7	-19	17.6%	-0.4	-1.1
	Women	454	+1	0	26.1%	+0.1	0.0
UK	Men	3,353	-48	+6	16.4%	-0.2	0.0
	Women	5,305	-68	-177	25.6%	-0.3	-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 youth inactivity rate is the highest since comparable records began in 2002, having increased 9.3 percentage points.

The economic inactivity rate for 50-64 year olds is the lowest since comparable records began and has fallen by 12.9 percentage points since 2002.

Economic Inactivity by Age - not seasonally adjusted, Jan-Mar 2018

Age Group		Scotland	UK
16-24	Rate (%)	37.9%	38.9%
	Year change (% pts)	+2.7	+0.6
25-34	Rate (%)	14.7%	13.3%
	Year change (% pts)	-0.6	-0.3
35-49	Rate (%)	13.4%	12.3%
	Year change (% pts)	-1.5	-1.0
50-64	Rate (%)	26.7%	25.9%
	Year change (% pts)	-1.1	-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 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 April in Scotland increased over the month and year at the same rate as the UK.

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

Claimant Count - Seasonally adjusted, April 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	89,600	+3,100	+9,400	2.6%	+0.1	+0.3
UK	897,000	+31,300	+105,400	2.2%	+0.1	+0.3

[Claimant Count via nomis](#)

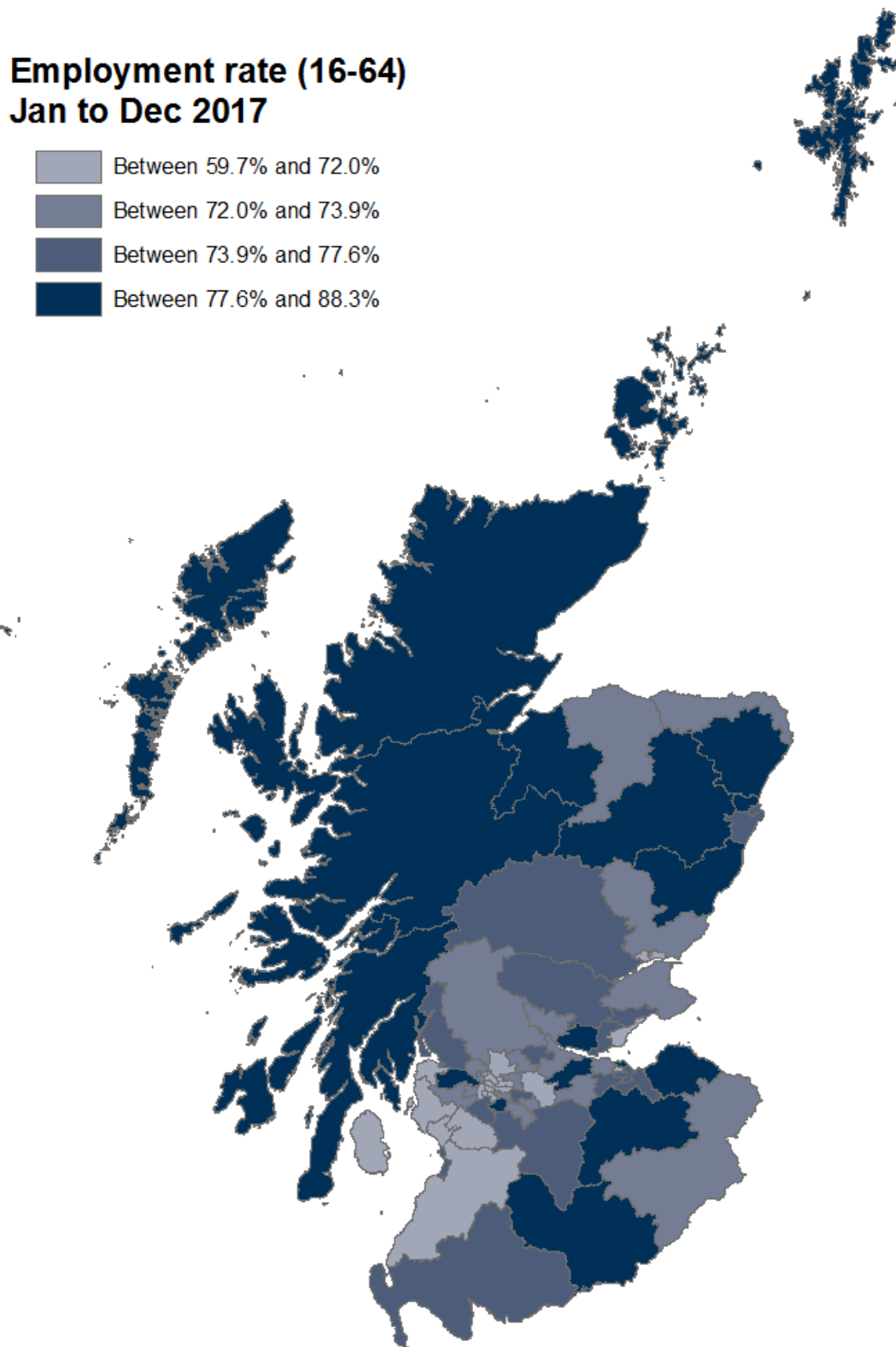
Constituency data: employment rate

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 2016-Dec 2017.

The Orkney Islands have the highest employment rate at 88.3%, while Glasgow Kelvin has the lowest at 59.7%. Caithness, Sutherland and Ross saw the biggest increase over the year, while Glasgow Provan saw the largest decrease.

Figure 4: Employment by Constituency (16-64) - Jan 2016-Dec 2017



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

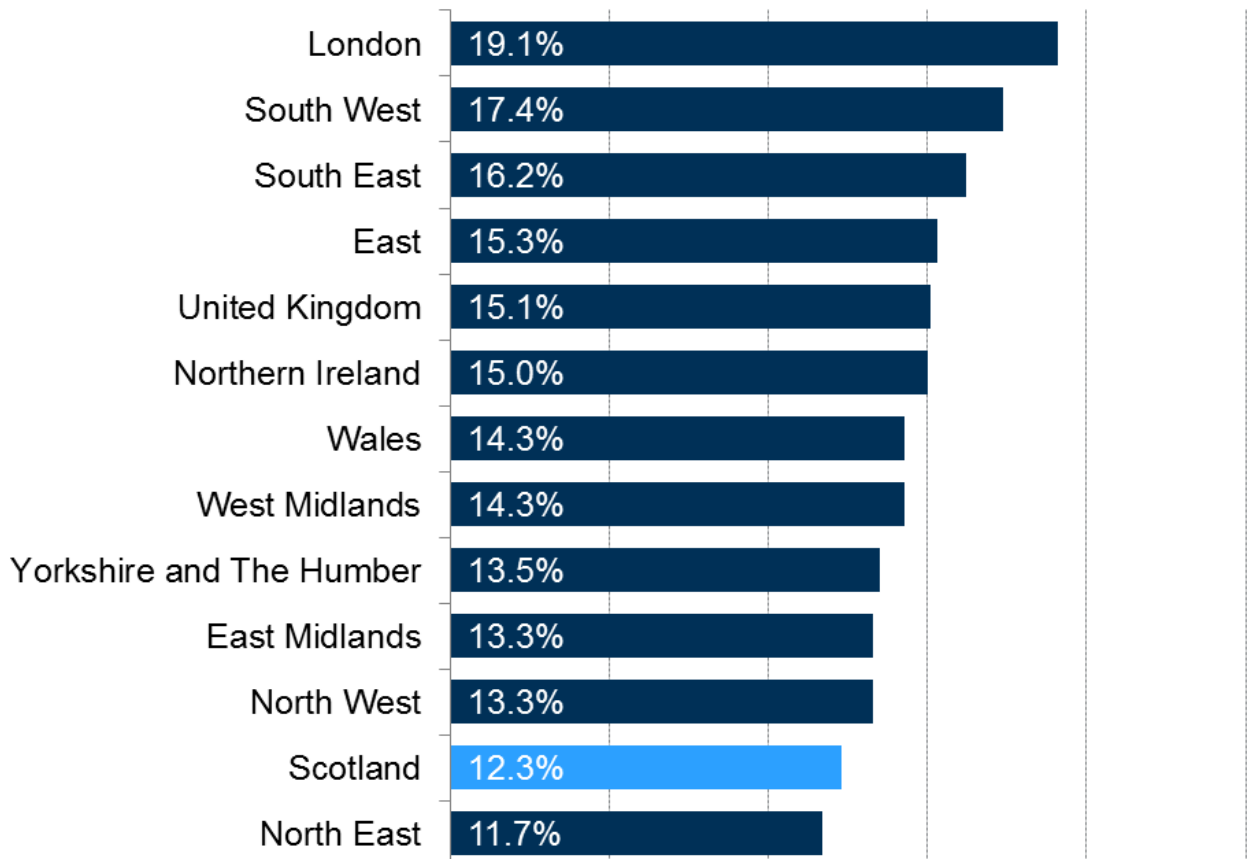
Guest indicator: Self-employment

The Annual Population Survey (APS) from the Office for National Statistics provides information on self-employment. The ONS define self-employment as those people who regard themselves as self-employed, that is, who in their main employment work on their own account, whether or not they have employees³.

In 2017 there were 323,000 people in who were self-employed, this is 12.3% of people in employment in Scotland. This is the second lowest of the nations and regions of the UK and lower than the UK wide figure of 15.1%. London has the highest proportion with almost 1 in 5 of those in London self employed.

Scotland has the second lowest proportion of workers who are self employed by nation and region of the UK in 2017

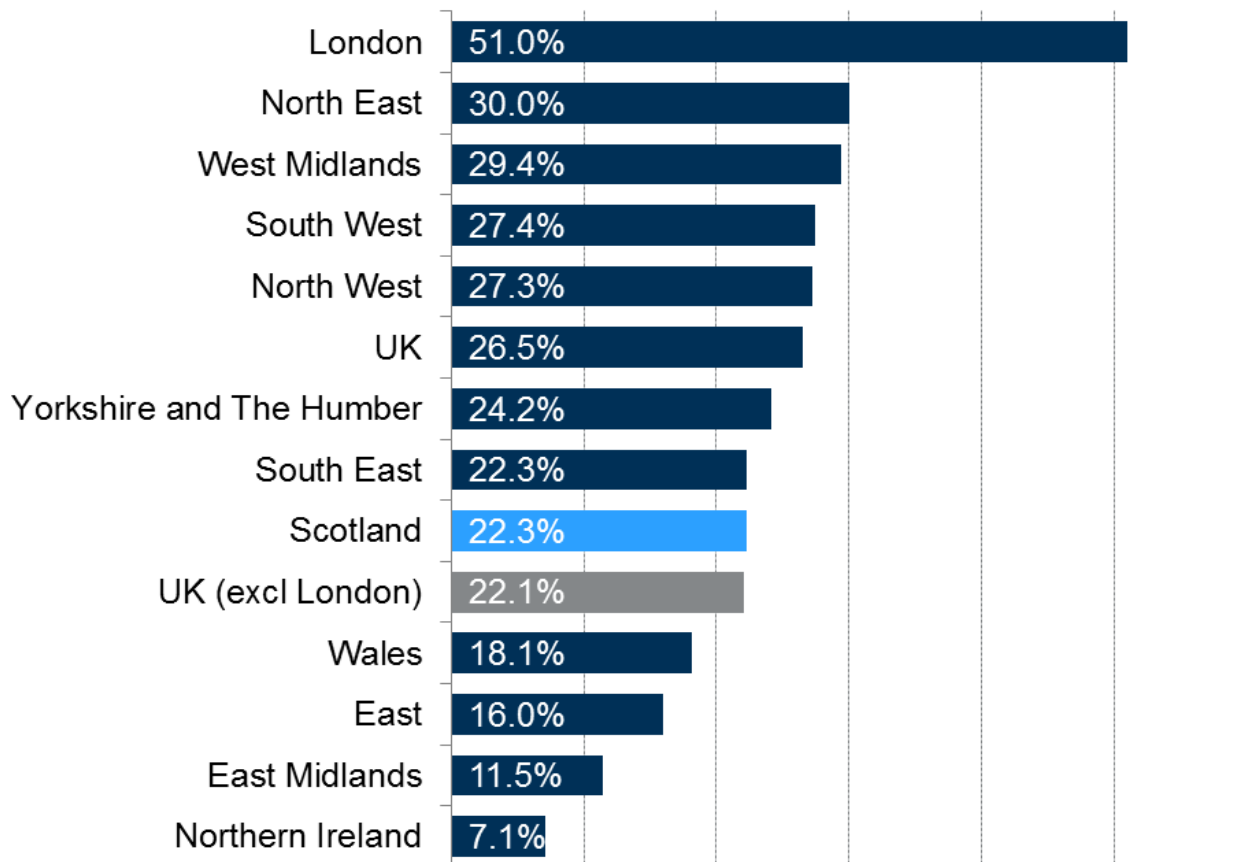
Figure 5: Proportion those in employment who are self employed by nation and region of the UK - 2017 (16+)



Over the last 10 years, 2007 to 2017, the number of people who are self employed in Scotland has increased by 22.3%. Again this is below the UK wide figure of 26.5%. However when London is removed from the calculation growth in Scotland is around the UK (excl. London) figure of 22.1%.

London has seen the largest increase in the number of self employed workers between 2007 and 2017

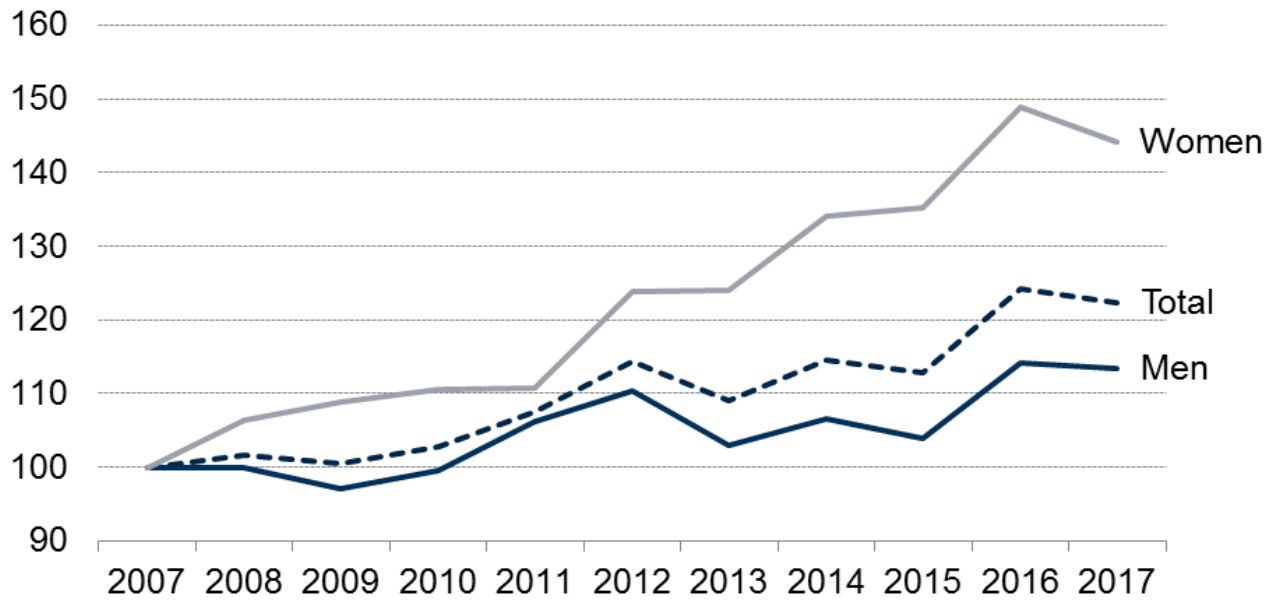
Figure 6: Growth in the number of self-employed workers by nation and region of the UK between 2007 and 2017 (16+)



Men make up the majority of those who are self employed in Scotland, accounting for 66%. However, this is a fall from 71% in 2007. Between 2007 and 2017 the number of women who are self employed in Scotland has increased by 44% compared with the number of men increasing by 13%. Women accounted for 57% of the increase in the number of those who are self employed in Scotland between 2007 and 2017.

The number of women who are self employed has increased by 44% between 2007 and 2017

Figure 7: Growth in the number of self-employed workers in by gender in Scotland between 2007 and 2017 (16+)



Bibliography

- 1 Office for National Statistics. (2018, May 15). Regional labour market statistics in the UK: May 2018. Retrieved from <https://www.ons.gov.uk/releases/regionallabourmarketstatisticsintheukmay2018> [accessed 15 May 2018]
- 2 Office for National Statistics. (2018, May 15). UK labour market statistics: May 2018. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsmay2018> [accessed 15 May 2018]
- 3 Office for National Statistics. (2018, January 2). A guide to labour market statistics. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics#employment> [accessed 15 May 2018]

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