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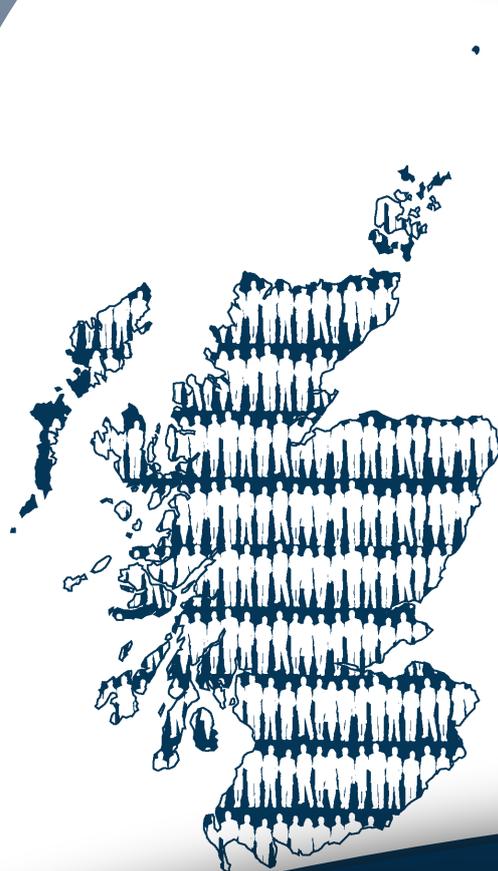
The Information Centre
An t-Ionad Fiosrachaidh

SPICe Briefing
Pàipear-ullachaidh SPICe

Labour market update: July 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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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 from the Office for National Statistics (ONS).

The unemployment rate in Scotland increased over the quarter and the year. The employment rate also increased over the year at a higher rate than the UK overall. The inactivity rate fell in Scotland over the quarter and the year at a higher rate than the UK.

While the youth unemployment rate remains low by historical standards it has seen a large increase to 10.3% and is now just higher than the UK rate overall.

Scottish headline labour market figures, Mar-May 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%	0.0	3.8%	+0.4
Employment	75.5%	+0.5	79.0%	+0.7	72.1%	+0.2
Economic Inactivity	21.1%	-0.6	17.0%	-0.8	25.0%	-0.5

[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 in formation on labour market statistics in the [SPICe Labour market statistics briefing](#).

Unemployment

The number of unemployed people in Scotland increased by 5,000 over the quarter and 16,000 over the year.

The unemployment rate for Scotland is 4.3% while for the UK as a whole it is 4.2%.

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

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

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	120	+5	+16	4.3%	+0.2	+0.5
UK	1,411	-12	-84	4.2%	-0.1	-0.3

[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 3.2%, while London has the highest at 5.1%.

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



[Regional labour market summary](#)

Unemployment by gender

Over the quarter the unemployment level increased by 5,000 in Scotland. While the number of unemployed women increased by 5,000 the number of unemployed men was unchanged over the quarter.

Over the the year the unemployment level increased by 16,000 in Scotland. While the number of unemployed women increased by 5,000 the number of unemployed men increased by 11,000, which is the biggest annual increase for men since 2010 (Jun-Aug 2009 to Jun-Aug 2010).

The rate for women in Scotland increased over both the quarter and the year while for men it was unchanged over the quarter and increased over the year.

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

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

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	69	0	+11	4.8%	0.0	+0.7
	Women	51	+5	+5	3.8%	+0.4	+0.3
UK	Men	757	+6	-74	4.2%	0.0	-0.4
	Women	654	-18	-10	4.1%	-0.1	-0.1

[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.

The youth unemployment rate (16-24) has increased by 2.3 percentage points over the year which is the highest annual increase since between 2008 and 2009 (5.3 percentage points)

Despite this increase the youth unemployment rate (16-24) is the second lowest since comparable records began in 2002. However the rate is now slightly higher than the UK.

The rate for 25 to 34 year olds (2.9%) is the lowest since comparable records began in 2002

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

Age group		Scotland	UK
16-24	Rate	10.8%	10.7%
	Year change (% pts)	+2.3	-0.5
25-34	Rate	2.9%	3.7%
	Year change (% pts)	-0.2	-0.4
35-49	Rate	2.6%	2.7%
	Year change (% pts)	+0.2	-0.3
50-64	Rate	3.8%	3.0%
	Year change (% pts)	+0.5	-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 increased by 2,000 over the quarter and increased by 27,000 over the year.

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

The current employment rate in Scotland is one of the highest on record since comparable records began in 1992.

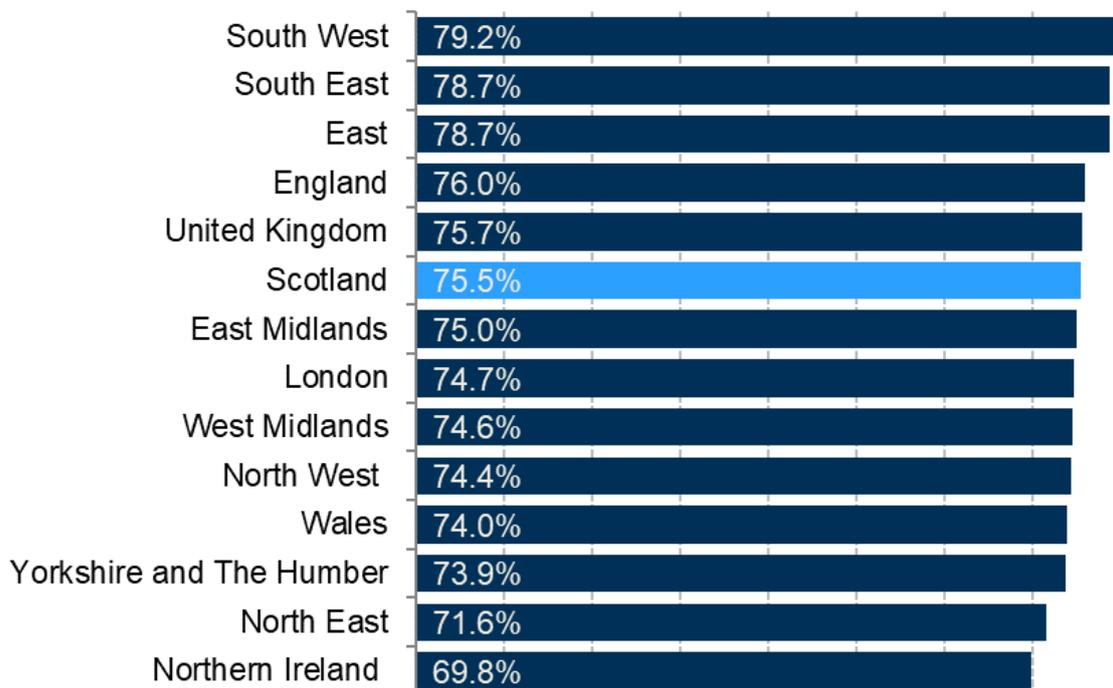
Employment (Level 16+, rate 16-64) - seasonally adjusted, Mar-May 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,646	+2	+27	75.5%	+0.5	+1.4
UK	32,399	+137	+388	75.7%	+0.3	+0.7

[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 69.8%.

Figure 2: Employment rates across the UK (16-64), Mar-May 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 increase in the employment level over the quarter is due to the increase in the number of men entering employment while the number of women in employment fell..

The rate for both men and women increased over both the quarter and year. The rate for men increased faster over the quarter than that for women. Women saw a larger increase over the year.

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

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,356	+2	+6	79.0%	+0.7	+1.2
	Women	1,291	-1	+21	72.1%	+0.2	+1.5
UK	Men	17,139	+43	+150	80.1%	+0.3	+0.5
	Women	15,259	+94	+238	71.3%	+0.3	+0.9

[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 increase over the year for 35-49 year old is the largest since comparable records began in 2002.

The youth employment rate (16-24) is the only age group where the rate deviates significantly from the UK in Scotland (youth employment in Scotland is 2.7 percentage points higher than in the UK).

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

Age group		Scotland	UK
16-24	Rate (%)	56.3%	53.6%
	Year change (% pts)	-1.4	-0.3
25-34	Rate (%)	83.4%	83.7%
	Year change (% pts)	+1.3	+0.7
35-49	Rate (%)	85.2%	85.2%
	Year change (% pts)	+3.5	+1.1
50-64	Rate (%)	71.1%	71.9%
	Year change (% pts)	+0.9	+0.8

[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 23,000 and 63,000 over the year.

Over both the quarter and the year the inactivity rate saw larger decreases in Scotland than across the UK as a whole.

The annual decrease in Scotland is the largest since comparable records began in 1992, for both the rate and the level.

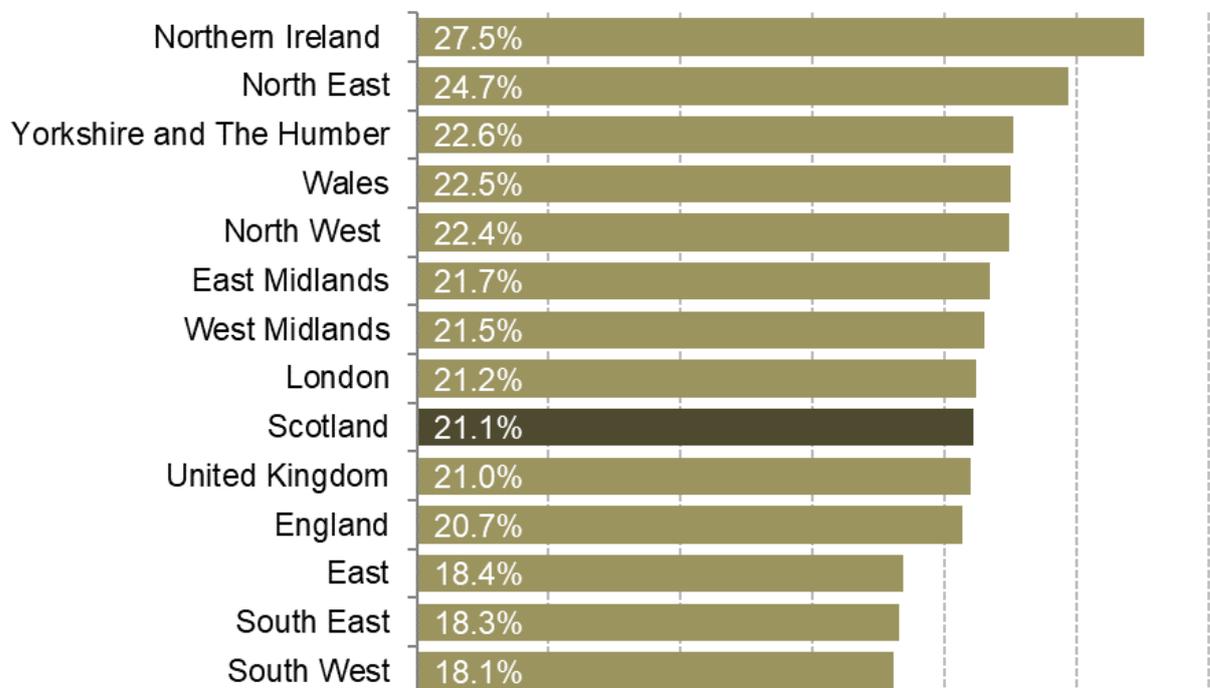
Economic Inactivity (16-64) - seasonally adjusted, Mar-May 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	718	-23	-63	21.1%	-0.6	-1.8
UK	8,645	-86	-184	21.0%	-0.2	-0.5

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

Looking at economic inactivity across the UK, the Scottish rate is slightly higher than the UK average. Northern Ireland has the highest rate at 27.5%, while the South West has the lowest at 18.1%.

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



[Regional labour market summary](#)

Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

The fall in inactivity over the quarter in Scotland was mainly due to 13,000 men no longer being inactive while the number of inactive women fell by 10,000.

The fall in the inactivity rate for men over the year was the highest since comparable records began in 1992.

The fall in the inactivity rate for women over the year was the highest since 2015, (-2.3 percentage points between Dec-Feb 2014 and Dec-Feb 2015).

The inactivity rate for men is higher in Scotland the UK while the rate for women is lower than that for the UK overall.

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

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	283	-13	-30	17.0%	-0.8	-1.8
	Women	435	-10	-33	25.0%	-0.5	-1.9
UK	Men	3,337	-57	-21	16.3%	-0.3	-0.2
	Women	5,307	-29	-163	25.6%	-0.2	-0.8

[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 has increased 9.7 percentage points since 2002.

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.

The fall in the inactivity rate for 35-49 year olds is the largest since comparable records began in 2002.

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

Age Group		Scotland	UK
16-24	Rate (%)	36.9%	39.9%
	Year change (% pts)	-0.1	+0.7
25-34	Rate (%)	14.1%	13.1%
	Year change (% pts)	-1.2	-0.4
35-49	Rate (%)	12.4%	12.4%
	Year change (% pts)	-3.7	-0.9
50-64	Rate (%)	26.1%	25.9%
	Year change (% pts)	-1.3	-0.8

[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 June in Scotland was unchanged over the month but increased over the year at the same rate as the UK.

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

Claimant Count - Seasonally adjusted, June 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	90,900	+1,200	+10,400	2.6%	0.0	+0.3
UK	898,700	+7,800	+97,400	2.2%	+0.1	+0.3

[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 Apr 2017-Mar 2018.

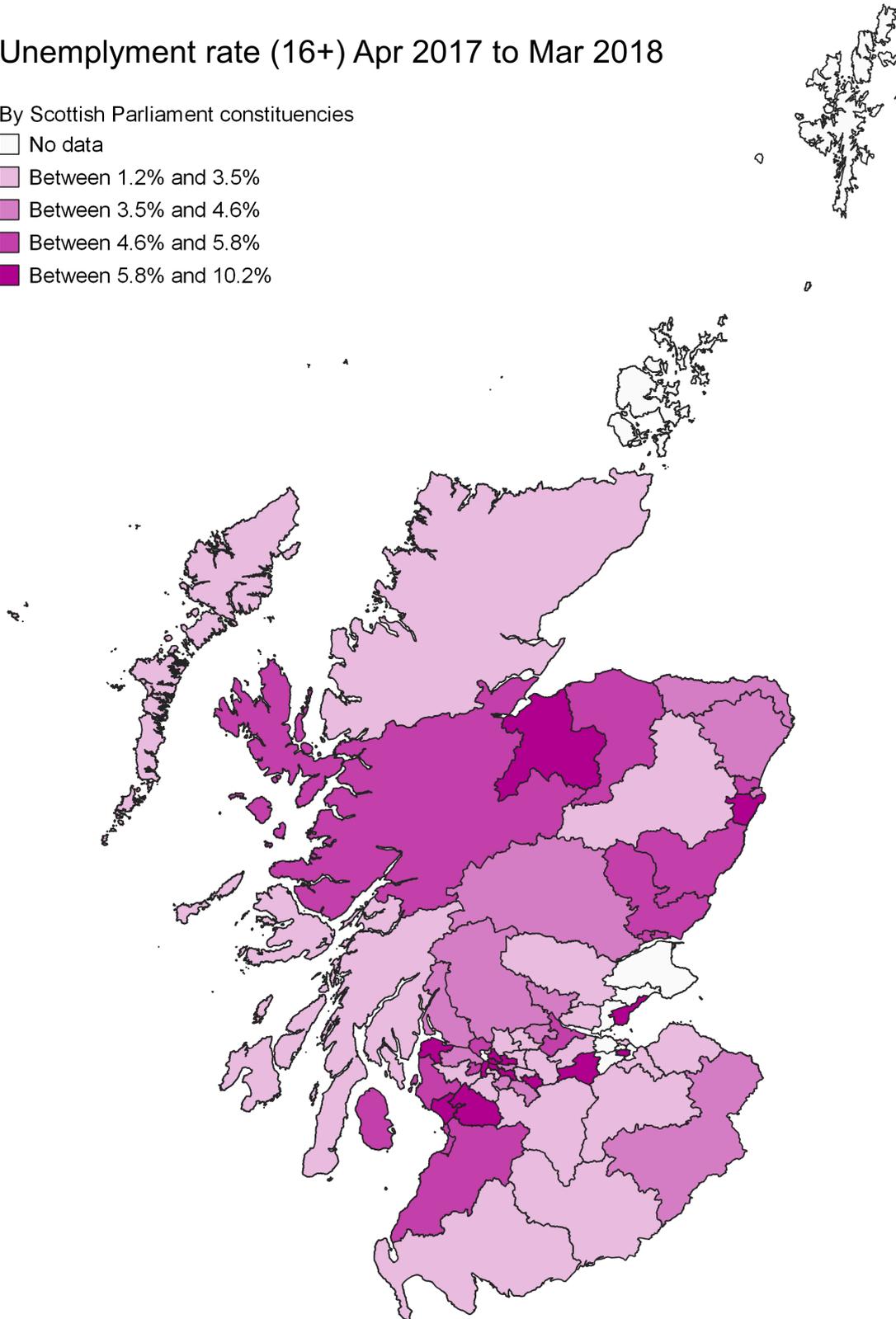
Argyll and Bute has the lowest unemployment rate at 1.2%, while Glasgow Kelvin has the highest at 10.2%. Motherwell and Wishaw saw the biggest increase over the year, while Cunninghame North saw the largest decrease.

Figure 4: Unemployment by constituency (16+) - Apr 2017 to Mar 2018

Unemployment rate (16+) Apr 2017 to Mar 2018

By Scottish Parliament constituencies

- No data
- Between 1.2% and 3.5%
- Between 3.5% and 4.6%
- Between 4.6% and 5.8%
- Between 5.8% and 10.2%



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

Bibliography

- 1 Office for National Statistics. (2018, July 17). Regional labour market statistics in the UK: July 2018. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/july2018> [accessed 17 July 2018]
- 2 Office for National Statistics. (2018, July 17). UK labour market statistics: July 2018. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsjuly2018> [accessed 17 July 2018]

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