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Labour market update: January 2019

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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 published by the Office for National Statistics (ONS). The majority of the data is for Sep-Nov 2018, unless otherwise stated.

The number of people unemployed in Scotland has fallen below 100,000 for the first time since comparable records began. ³ The Scottish unemployment rate of 3.6% is also the lowest since comparable records began in 1992, with the UK rate at 4.0%.

The employment rate in Scotland is 75.3% which is just below the UK rate of 75.8%. The number of people in employment fell by 21,000 over the year, with the majority coming from a reduction of 19,000 women in employment.

The inactivity rate in Scotland sits at 21.9% which is higher than the UK rate of 21.0%. The inactivity rate fell over the quarter but increased over the year. The number of inactive men fell by 8,000 the number of inactive women increase by 13,000.

Figure 1 shows the change in unemployment, employment and inactivity rates over the quarter by gender.

Figure 1: Change in unemployment, employment and inactivity rates over the quarter by gender (May-Jul 18 to Sep-Nov 18)



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

Table 1 shows the unemployment, employment and inactivity rates and the change on the previous quarter.

Scottish headline labour market figures, Sep-Nov 2018

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	3.6%	-0.2	4.2%	-0.2	3.0%	-0.3
Employment	75.3%	+0.3	79.2%	+0.4	71.5%	+0.3
Economic Inactivity	21.9%	-0.1	17.3%	-0.1	26.3%	-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/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 information on labour market statistics in the [SPICe Labour market statistics briefing](#).

Unemployment

The number of unemployed people in Scotland decreased by 7,000 over the quarter and by 13,000 over the year.

The number of people unemployed in Scotland has fallen below 100,000 for the first time since comparable records began.³

The unemployment rate for Scotland is 3.6%, whilst for the UK as a whole it is 4.0%. The UK rate has not been lower since December 1974² while the Scottish rate is the lowest since comparable records began in 1992.

The unemployment rate in Scotland fell over the quarter, while it was unchanged for the UK overall. The unemployment rate fell at a higher rate in Scotland than in the UK over the year.

Unemployment (16+) - seasonally adjusted, Sep-Nov 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	99	-7	-13	3.6%	-0.2	-0.4
UK	1,372	+8	-68	4.0%	0.0	-0.2

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

Looking at unemployment across the UK, the East of England has the lowest rate at 3.1%, whilst the North East has the highest at 5.5%. The rate in Scotland is the fifth lowest across the UK.

Figure 2: Unemployment rates across the UK (16+) - Sep-Nov 2018



[Regional labour market summary](#)

Unemployment by gender

Over the quarter the unemployment level decreased by 7,000 in Scotland (4,000 women and 3,000 men).

Over the year the unemployment level fell by 13,000 in Scotland (5,000 women and 8,000 men)

The unemployment rate for both men and women in Scotland fell over the quarter and the year. The unemployment rate for women is the lowest since comparable records began in 1992.

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

Unemployment by gender (16+) - seasonally adjusted, Sep-Nov 2018

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	60	-3	-8	4.2%	-0.2	-0.5
	Women	39	-4	-5	3.0%	-0.3	-0.3
UK	Men	738	+4	-31	4.1%	0.0	-0.2
	Women	634	+4	-37	4.0%	0.0	-0.3

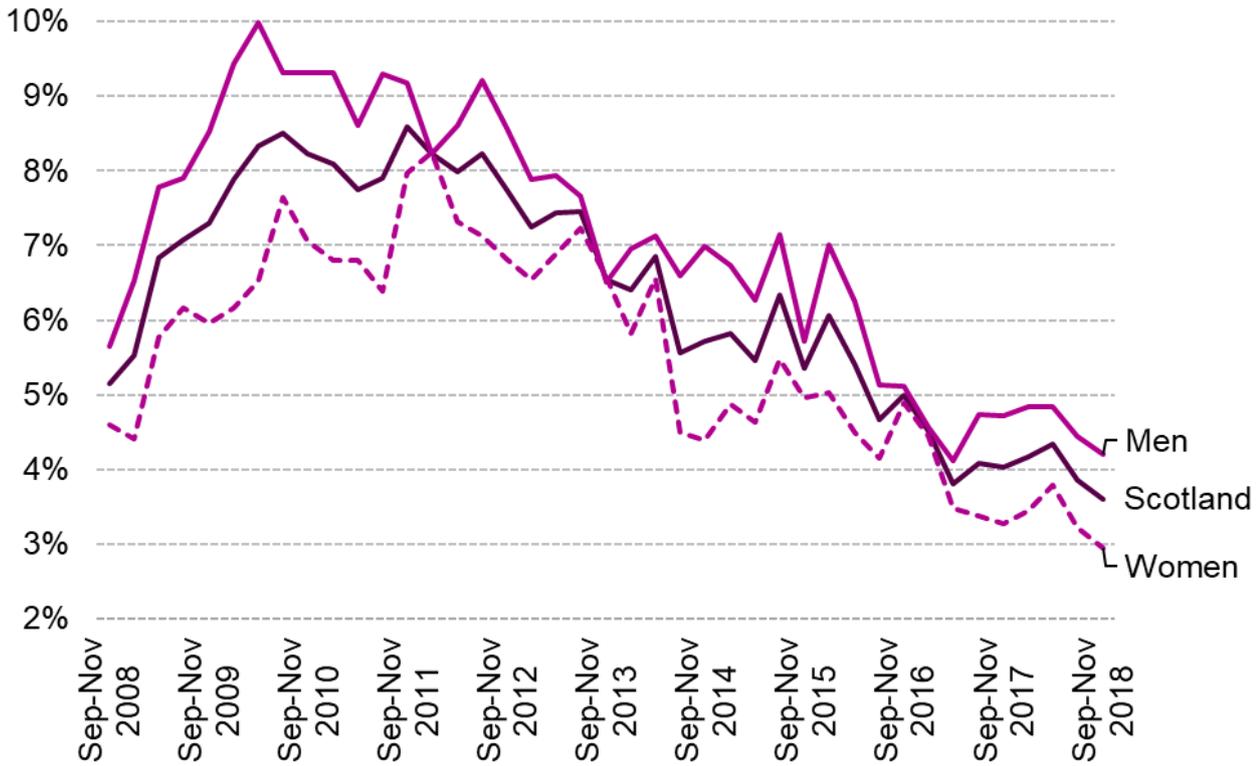
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 3 shows how unemployment rates by gender in Scotland have changed over the past 10 years.

The unemployment rate for men peaked at 10.0% in May-Mar 2010. Since then it has fallen by 5.8 percentage points and is at its second lowest rate in the past 10 years (4.1% May-Mar 2017)

The unemployment rate for women peaked at 8.2% in Dec-Feb 2012. Since then it has fallen by 5.3 percentage points to the current rate of 3.0%. This is the lowest rate since comparable records began.

Figure 3: Unemployment rate by gender (16+) - seasonally adjusted, Sep-Nov 2008 to Sep-Nov 2018



[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 unemployment rate for the 16 to 24(8.4%), 25 to 34 (2.7%) and 35 to 49 (2.5%) age groups are the lowest since comparable records began in 2001.

The only age group in Scotland that deviates significantly from the UK is 16-24 year olds, at 3.7 percentage points lower than the UK.

Unemployment by age - not seasonally adjusted, Sep-Nov 2018

Age group		Scotland	UK
16-24	Rate	8.4%	12.1%
	Year change (% pts)	-1.2	-0.5
25-34	Rate	2.7%	3.5%
	Year change (% pts)	-0.7	-0.4
35-49	Rate	2.5%	2.7%
	Year change (% pts)	-0.7	0.0
50-64	Rate	3.5%	2.9%
	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 increased by 6,000 over the quarter, but fell by 21,000 over the year

The rate in Scotland increased over both the quarter and the year.

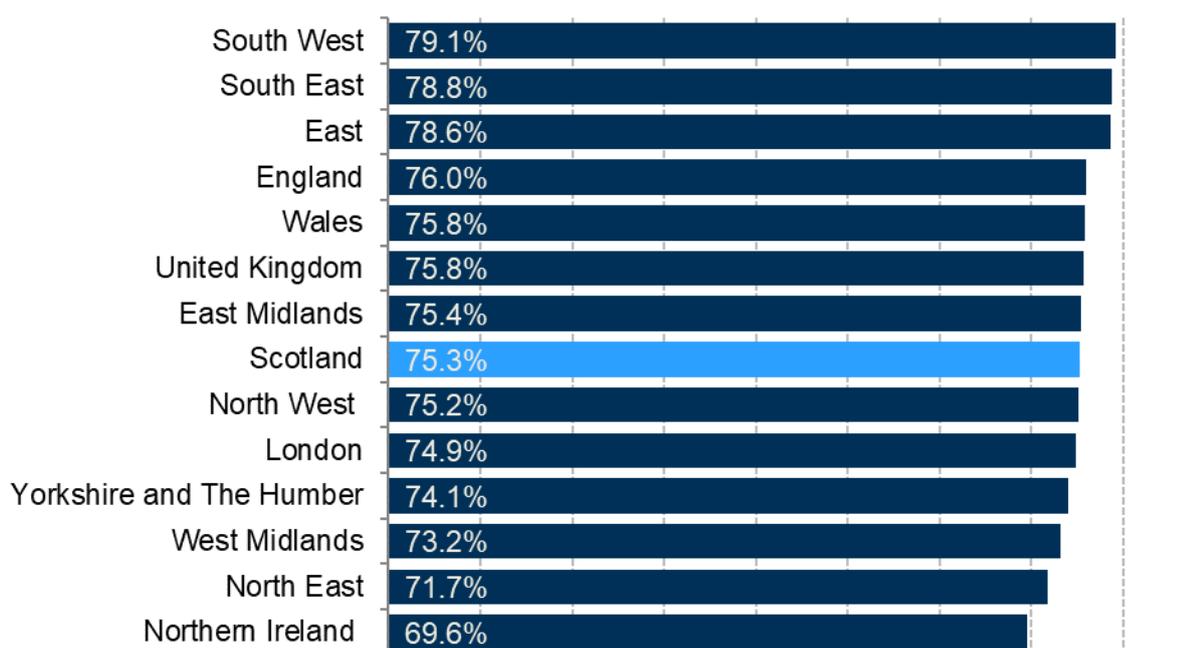
Employment (Level 16+, rate 16-64) - seasonally adjusted, Sep-Nov 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,641	+6	-21	75.3%	+0.3	+0.2
UK	32,535	+141	+328	75.8%	+0.2	+0.4

[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 79.1%, whilst Northern Ireland has the lowest at 69.6%.

Figure 4: Employment rates across the UK (16-64), Sep-Nov 2018



[Regional labour market summary](#)

Employment by gender

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

Over the quarter the number of men in employment increased by 8,000 while the number of women fell by 2,000.

This is the fourth consecutive quarter where the number of women in employment has decreased, falling by 19,000 since Sep-Nov 2017.

The rate for women increased over the quarter but fell over the year, while the rate for men increased over the quarter and year.

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

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Sep-Nov 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,366	+8	-1	79.2%	+0.4	+0.9
	Women	1,275	-2	-19	71.5%	+0.3	-0.5
UK	Men	17,276	+118	+187	80.3%	+0.2	+0.4
	Women	15,259	+23	+141	71.2%	+0.2	+0.4

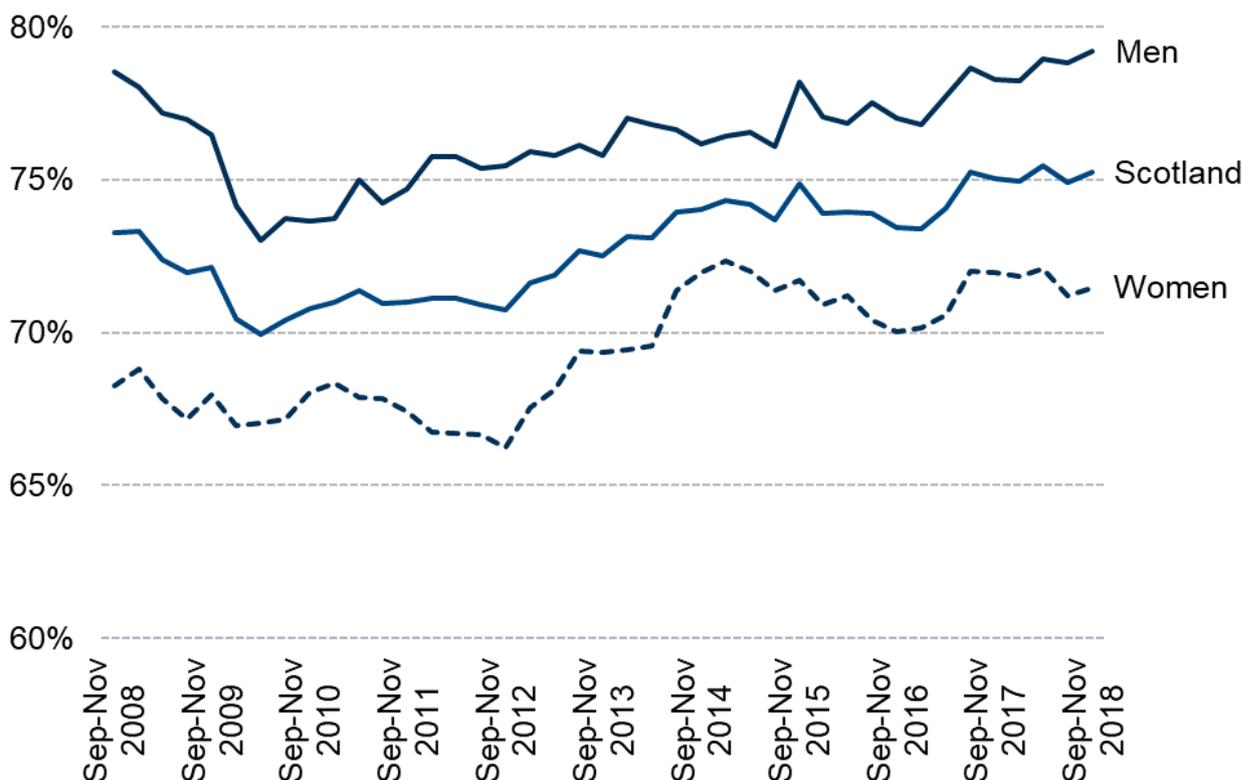
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 5 shows how employment rates by gender in Scotland have changed over the past 10 years.

The employment rate for women has increased by 5.2 percentage points since Sep-Nov 2012, when it was its lowest in the last 10 years, at 66.2%. It is, however, slightly below its peak of 72.3% in Dec-Feb 2015.

The men's employment rate has increased by 6.2 percentage points since Mar-May 2010, when it was its lowest in the last 10 years, at 73.0%. The rate is currently the highest it has been for the last 10 years.

Figure 5: Employment rate by gender (16-64) - seasonally adjusted, Sep-Nov 2008 to Sep-Nov 2018



[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.

Despite a slight decrease, the employment rate for 50-64 year olds has increased by 11.1 percentage points since 2001.

The youth employment rate (16-24) is the only age group where Scotland deviates from the UK, with the rate in Scotland 4.7% higher.

Employment by age - not seasonally adjusted, Sep-Nov 2018

Age group		Scotland	UK
16-24	Rate (%)	60.7%	56.0%
	Year change (% pts)	+1.7	+0.9
25-34	Rate (%)	83.9%	83.7%
	Year change (% pts)	+1.0	+0.2
35-49	Rate (%)	84.3%	85.2%
	Year change (% pts)	+2.2	+0.3
50-64	Rate (%)	69.1%	71.9%
	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 fell over the quarter by 3,000, but increased by 4,000 over the year.

Over both the quarter and the year the inactivity rate increased in Scotland, whilst it fell over both the quarter and the year in the UK overall.

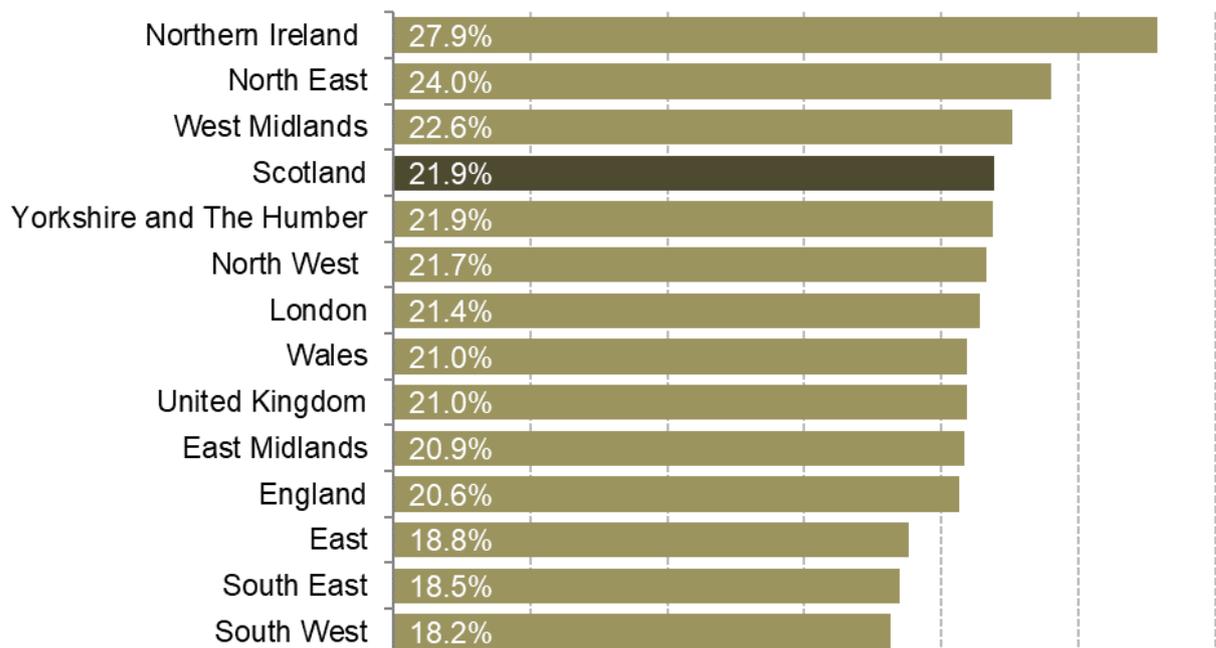
Economic inactivity (16-64) - seasonally adjusted, Sep-Nov 2018

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	746	-3	+4	21.9%	-0.1	+0.2
UK	8,648	-100	-86	21.0%	-0.3	-0.3

[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%, whilst the South West has the lowest at 18.2%.

Figure 6: Economic inactivity rates across the UK (16-64)-Sep-Nov 2018



[Regional labour market summary](#)

Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

Over the quarter the number of inactive men fell by 2,000, whilst the number of inactive women fell by 1,000.

Over the year the increase in the inactivity level came from an extra 13,000 inactive women, whilst the number of inactive men fell by 8,000.

The inactivity rates for men and women are higher in Scotland than in the UK overall.

Economic Inactivity by gender (16-64) - seasonally adjusted, Sep-Nov 2018

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	288	-2	-8	17.3%	-0.1	-0.5
	Women	458	-1	+13	26.3%	-0.1	+0.8
UK	Men	3,314	-56	-43	16.1%	-0.3	-0.3
	Women	5,324	-44	-42	25.7%	-0.2	-0.2

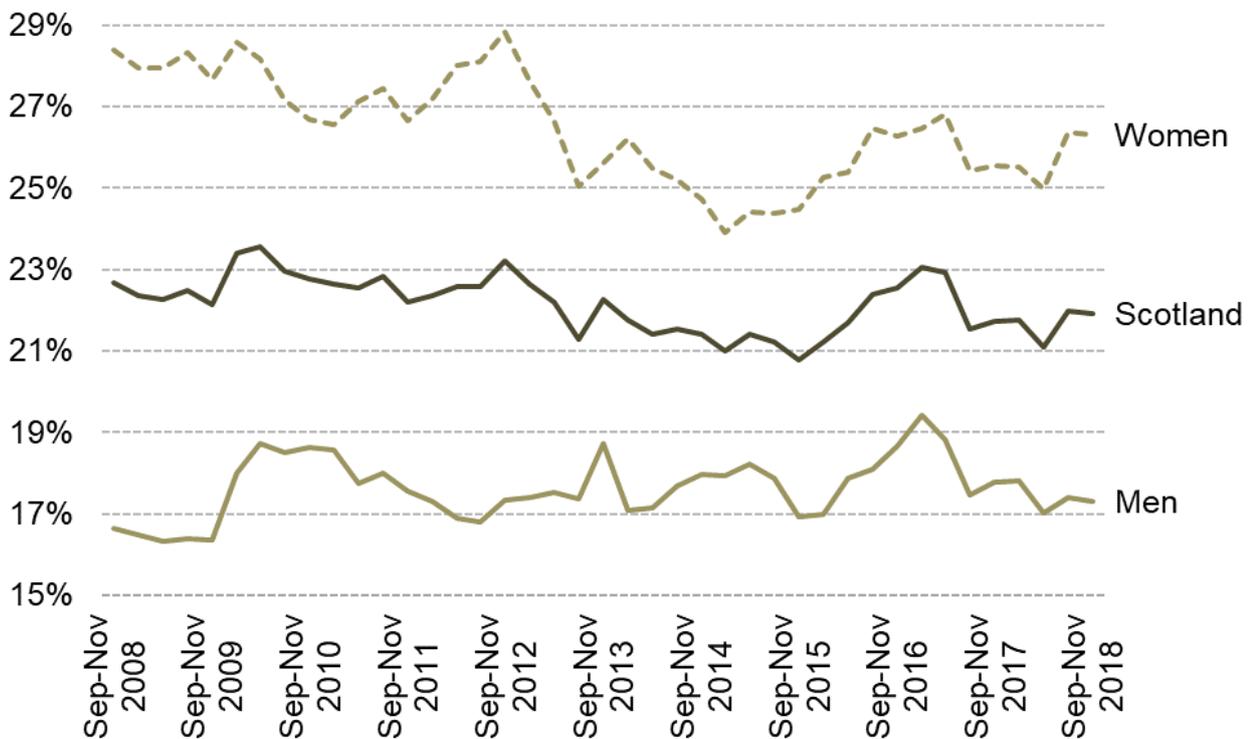
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 7 shows how inactivity rates by gender in Scotland have changed over the past 10 years.

The inactivity rate for men peaked in Dec-Feb 2017, at 19.4%. Since then it has fallen by 2.1 percentage points. The lowest rate for men was in Mar-May 2009, at 16.3%.

The inactivity rate for women peaked at 28.8% in Sep-Nov 2012, it then fell to 24.4% by Mar-May 2015 and now sits 1.9 percentage points higher, at 26.3%.

Figure 7: Inactivity rate by gender (16-64) - seasonally adjusted, Sep-Nov 2008 to Sep-Nov 2018



[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.

Despite a rise over the year, the inactivity rate for the 50-64 year old age group has fallen by 10.9 percentage points since 2002.

Economic Inactivity by Age - not seasonally adjusted, Sep-Nov 2018

Age Group		Scotland	UK
16-24	Rate (%)	33.7%	36.3%
	Year change (% pts)	-1.0	-0.7
25-34	Rate (%)	13.8%	13.4%
	Year change (% pts)	-0.4	+0.2
35-49	Rate (%)	13.5%	12.4%
	Year change (% pts)	-1.6	-0.3
50-64	Rate (%)	28.4%	25.9%
	Year change (% pts)	+2.8	-0.3

[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 December in Scotland and the UK was unchanged from November.

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

Claimant Count - Seasonally adjusted, December 2018

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	101,600	+1,500	+17,300	2.9%	0.0	+0.5
UK	1,016,300	+20,800	+180,600	2.4%	0.0	+0.4

[Claimant Count via nomis](#)

Constituency data: unemployment

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 Apr 2017-Mar 2018.

Na h-Eileanan an Iar has the lowest unemployment rate at 0.8%, whilst Glasgow Pollock has the highest at 11.5%. Glasgow Pollock saw the biggest increase over the year, whilst Edinburgh Eastern saw the largest decrease.

This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

Figure 8: Unemployment rate by constituency (16+) - Oct 2017 to Sep 2018

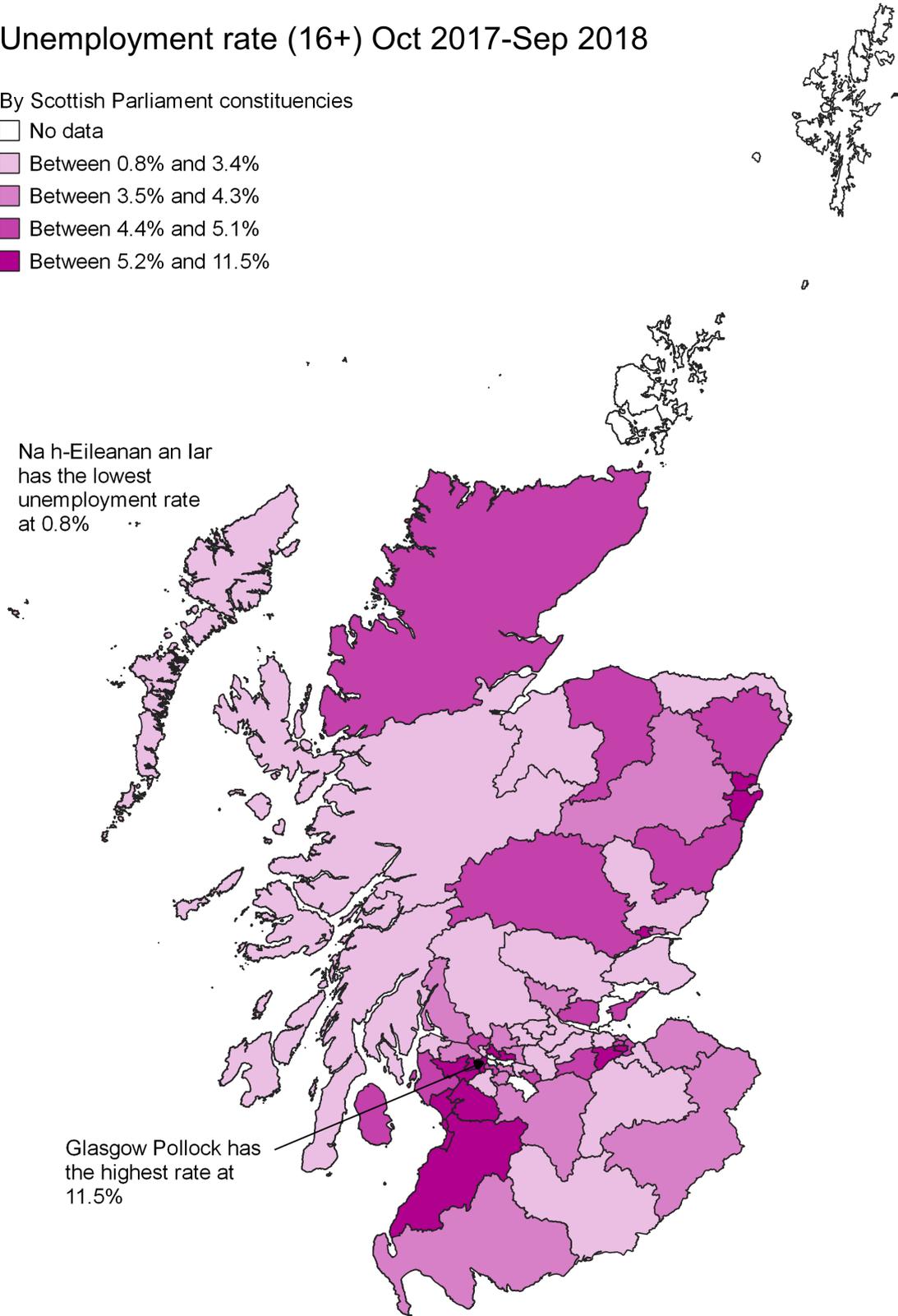
Unemployment rate (16+) Oct 2017-Sep 2018

By Scottish Parliament constituencies

- No data
- Between 0.8% and 3.4%
- Between 3.5% and 4.3%
- Between 4.4% and 5.1%
- Between 5.2% and 11.5%

Na h-Eileanan Siar has the lowest unemployment rate at 0.8%

Glasgow Pollock has the highest rate at 11.5%



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

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- 1 Office for National Statistics. (2019, January 22). Regional labour market statistics in the UK: January 2019. Retrieved from <https://www.ons.gov.uk/releases/regionallabourmarketstatisticsintheukjanuary2019> [accessed 22 January 2019]
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