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Labour market update: June 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

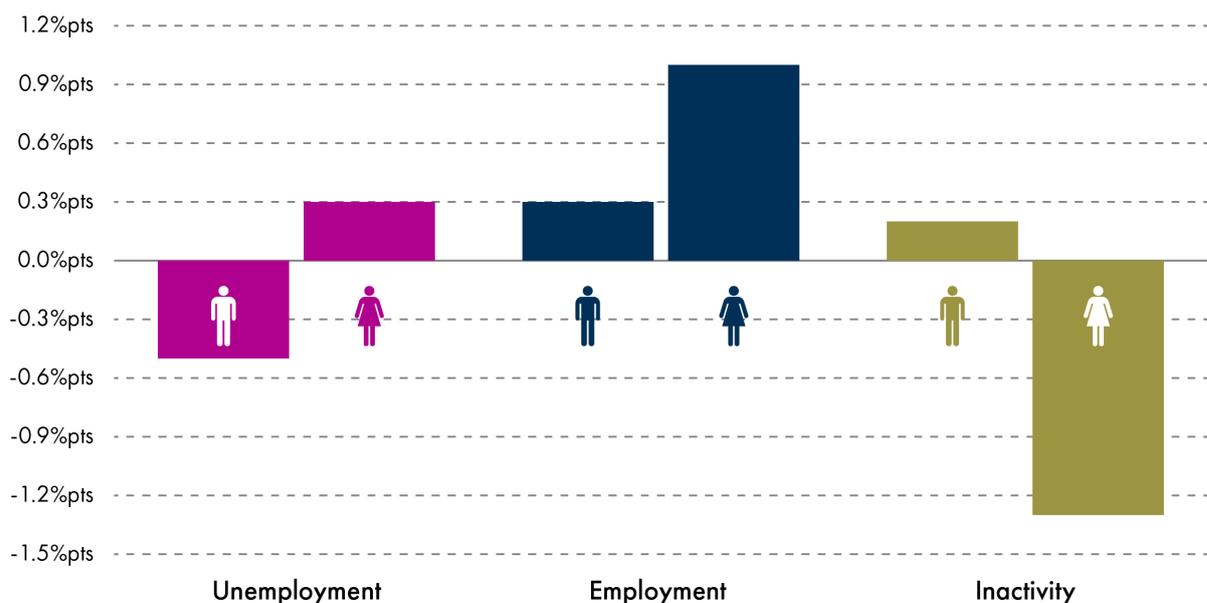
This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics ¹ and UK labour market statistics ² published by the Office for National Statistics (ONS). The majority of the data are for Feb-Apr 2019, unless otherwise stated.

- Unemployment in Scotland (3.3%) is the second lowest since comparable records began in 1992, despite the number of unemployed women increasing over the quarter.
- Employment increased over the quarter to 75.9%, with 26,000 more people in employment. The majority of this increase came from an extra 22,000 women in employment.
- The inactivity rate in Scotland fell by 0.5 percentage point to 21.5%. While still above the UK figure, the rate put Scotland seventh highest when compared to the nations and regions of the UK, a fall from fourth in the previous quarter.

The [Royal Bank of Scotland Report on Jobs for May 2019](#) highlights that there was an increase in permanent jobs during May compared to fall for the UK as a whole. However, there was also a decline in labour supply making recruitment more challenging. ³

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 (Nov-Jan 2019 to Feb-Apr 2019) (percentage points)



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

The following table shows the unemployment, employment and inactivity rates and the change on the previous quarter.

Scottish headline labour market figures, Feb-Apr 2019

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	3.3%	-0.1	3.6%	-0.5	2.9%	+0.3
Employment	75.9%	+0.6	79.3%	+0.3	72.7%	+1.0
Economic Inactivity	21.5%	-0.5	17.7%	+0.2	25.0%	-1.3

[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/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 3,000 over the quarter and by 27,000 over the year.

The unemployment rate for Scotland is 3.3%, whilst for the UK as a whole it is 3.8%. The the UK level has not been lower since October to December 1974,² the Scottish rate is the second lowest since comparable record began in 1992 (3.2% in Jan-Mar 2019).

The unemployment rate in Scotland fell over the year at a faster rate than the UK.

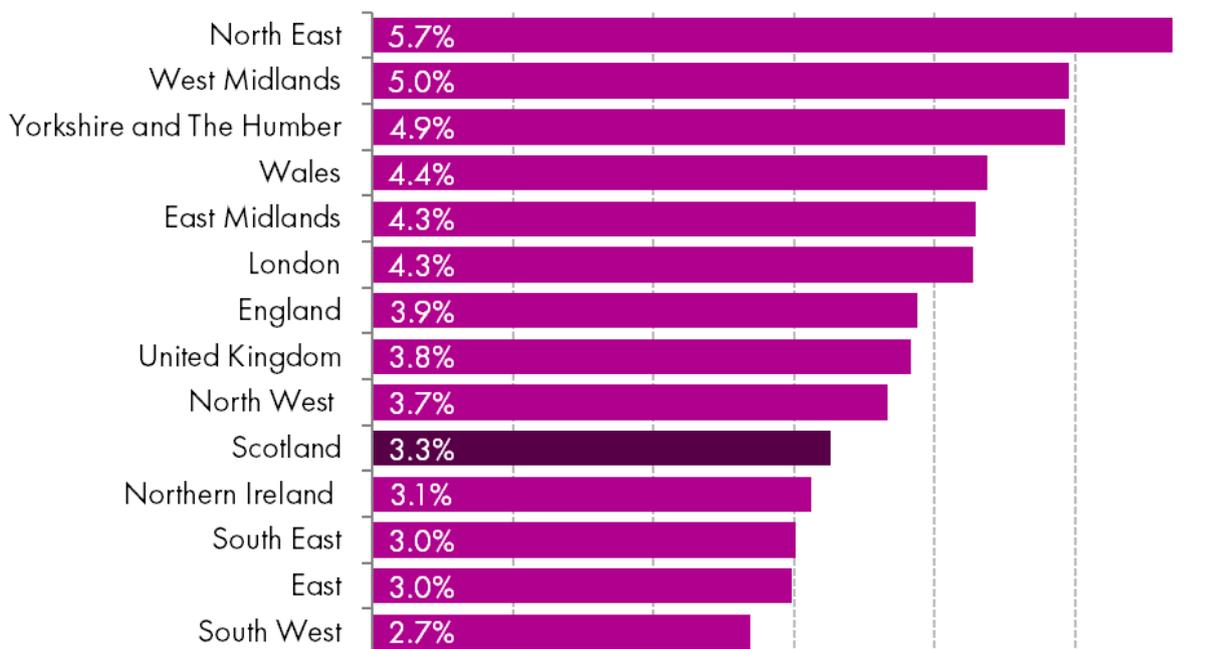
Unemployment (16+) - seasonally adjusted, Feb-Apr 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	91	-3	-27	3.3%	-0.1	-1.0
UK	1,304	-34	-112	3.8%	-0.1	-0.4

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

Looking at unemployment across the UK, the South West of England has the lowest rate at 2.7%, whilst the North East of England has the highest at 5.7%. The rate in Scotland is fifth lowest across the UK.

Figure 2: Unemployment rates across the UK (16+) - Feb-Apr 2019



[Regional labour market summary](#)

Unemployment by gender

Over the quarter, the unemployment level decreased by 3,000 in Scotland. The number of unemployed men fell by 8,000 while the number of unemployed women increased by 5,000.

Over the year, the unemployment level fell by 27,000 in Scotland (19,000 men and 8,000 women).

The unemployment rate for women in Scotland increased over the quarter for the first time since the Nov-Jan 2018, whilst the rate for men fell for the fourth consecutive quarter.

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

The unemployment rate for both men and women is lower in Scotland than the UK.

The unemployment rate for women in the UK fell to a joint-record low of 3.7% in the three months to April 2019.²

Unemployment by gender (16+) - seasonally adjusted, Feb-Apr 2019

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	51	-8	-19	3.6%	-0.5	-1.3
	Women	40	+5	-8	2.9%	+0.3	-0.6
UK	Men	719	-9	-48	4.0%	0.0	-0.3
	Women	586	-25	-63	3.7%	-0.2	-0.4

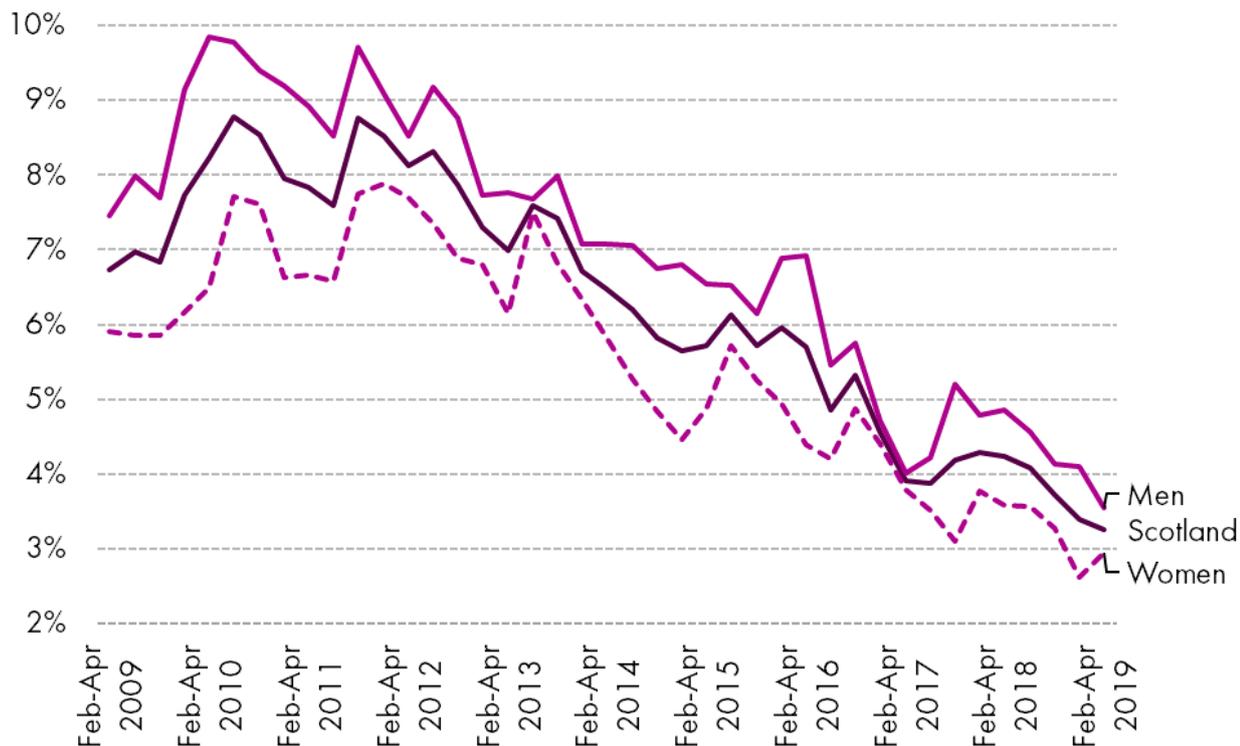
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

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

The unemployment rate for men peaked at 9.8% in the Feb-Apr 2010. Since then it has fallen by 6.3 percentage points, and is the lowest since comparable records began in 1992

The unemployment rate for women peaked at 7.9% in Nov-Jan 2012. Since then it has fallen by 4.9 percentage points to the current rate of 2.9%.

Figure 3: Unemployment rate by gender (16+) - seasonally adjusted, Feb-Apr 2009 to Feb-Apr 2019



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

Unemployment by age

The unemployment by age data is not seasonally adjusted and is compared with the same quarter in previous years.

The unemployment rates for the 16 to 24 year olds (6.1%) is the lowest since comparable records began in 2002.

The only age group in Scotland that deviates significantly from the UK is 16-24 year olds, at 4.0 percentage points lower than the UK.

Unemployment by age - not seasonally adjusted, Feb-Apr 2019

Age group		Scotland	UK
16-24	Rate	6.1%	10.1%
	Year change (% pts)	-2.8	-0.7
25-34	Rate	2.9%	3.2%
	Year change (% pts)	-0.9	-0.5
35-49	Rate	2.2%	2.7%
	Year change (% pts)	-0.6	-0.1
50-64	Rate	3.1%	2.8%
	Year change (% pts)	-0.8	-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 unemployment by age](#)

Employment

The number of people aged 16 and over in employment in Scotland increase by 26,000 over and by 34,000 over the year.

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

The current UK employment rate, of 76.1%, is the joint-highest since comparable records began in 1971. ²

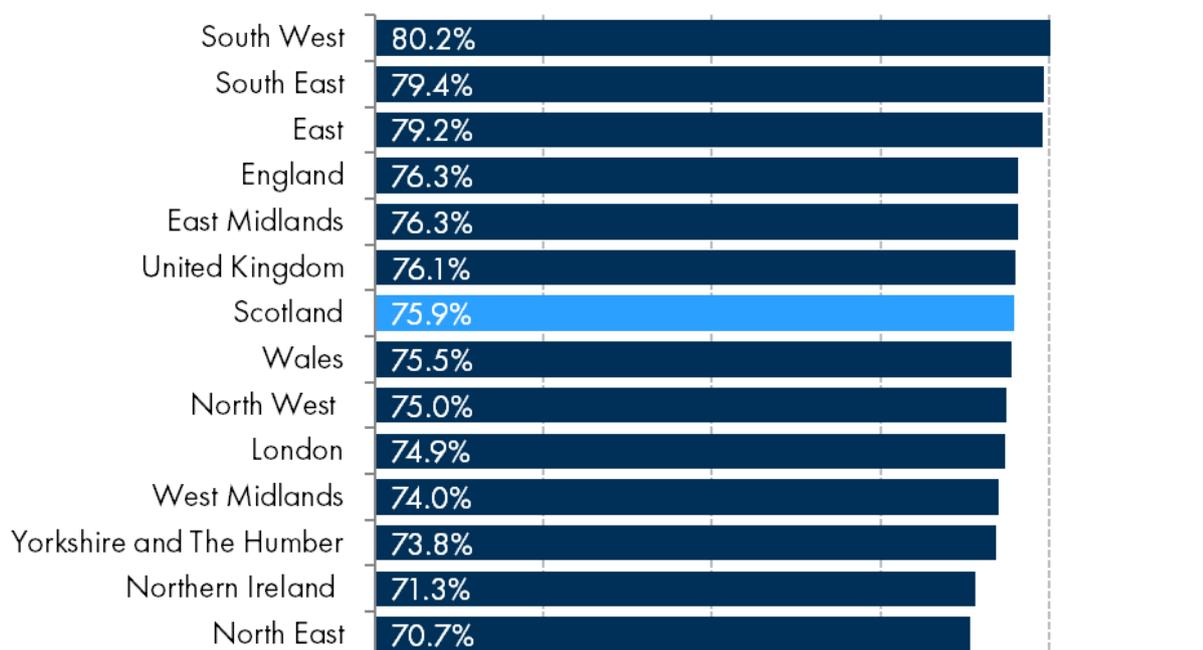
Employment (Level 16+, rate 16-64) - seasonally adjusted, Feb-Apr 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,702	+26	+34	75.9%	+0.6	+0.8
UK	32,746	+32	+357	76.1%	0.0	+0.5

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

Looking at employment across the UK, the Scottish rate is just below the UK. The South West has the highest rate at 80.2%, whilst North East has the lowest at 70.7%.

Figure 4: Employment rates across the UK (16-64), Feb-Apr 2019



[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 employment level increased by 26,000 in Scotland (4,000 more men and 22,000 more women).

The number of women in employment in Scotland is the highest since comparable records began in 1992.

The rate for women increased at a higher rate than for men across both the quarter and the year in Scotland.

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

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Feb-Apr 2019

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,386	+4	+13	79.3%	+0.3	+0.3
	Women	1,316	+22	+21	72.7%	+1.0	+1.2
UK	Men	17,290	-27	+162	80.3%	-0.2	+0.3
	Women	15,456	+60	+195	72.0%	+0.2	+0.7

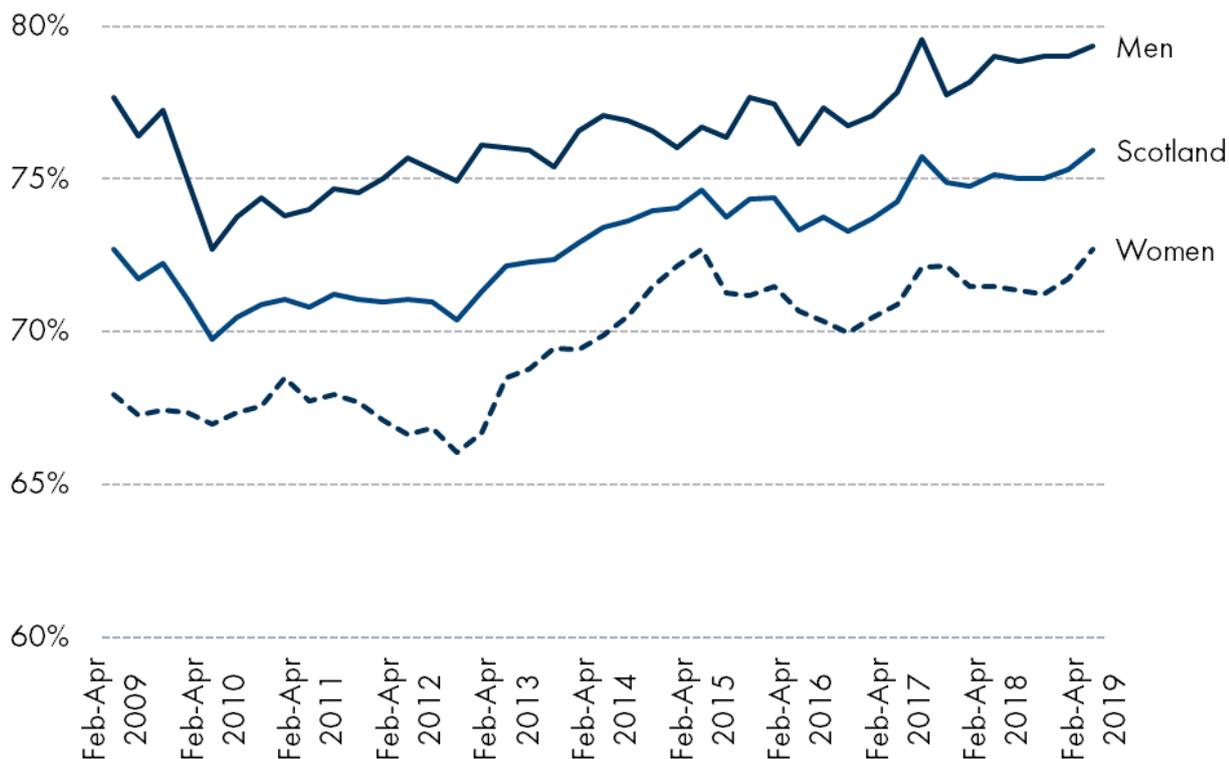
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

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 6.6 percentage points since Aug-Oct 2012, when it was its lowest in the last 10 years, at 66.1%. It is now the highest rate since comparable records began on 1992.

The men's employment rate has increased by 6.7 percentage points since Feb-Apr 2010, when it was at its lowest in the last 10 years, at 72.7%. However the rate is below the peak of 79.6% in May-Jul 2017.

Figure 5: Employment rate by gender (16-64) - seasonally adjusted, Feb-Apr 2009 to Feb-Apr 2019



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

Employment by age

The employment by age data is not seasonally adjusted and is compared with the same quarter in previous years.

Despite a slight decrease over the year, the employment rate for 50-64 year olds has increased by 12.1 percentage points since 2002.

The employment rate for the 25 to 34 year old age group is the highest since comparable records began in 2002.

The youth employment rate (16-24) and the 50-65 year old age groups deviate from the UK, 5.4 percentage points higher and 3.1 percentage points lower respectively.

Employment by age - not seasonally adjusted, Feb-Apr 2019

Age group		Scotland	UK
16-24	Rate (%)	59.4%	54.0%
	Year change (% pts)	+3.1	+0.1
25-34	Rate (%)	84.8%	84.5%
	Year change (% pts)	+2.8	+1.0
35-49	Rate (%)	85.1%	85.4%
	Year change (% pts)	+0.3	+0.2
50-64	Rate (%)	69.5%	72.6%
	Year change (% pts)	-1.2	+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 economically inactive people in Scotland fell over the quarter by 19,000, but was unchanged over the year.

The inactivity rate in Scotland fell over the quarter and was unchanged over the year, whilst for the UK it increased slightly over the quarter and fell over the year.

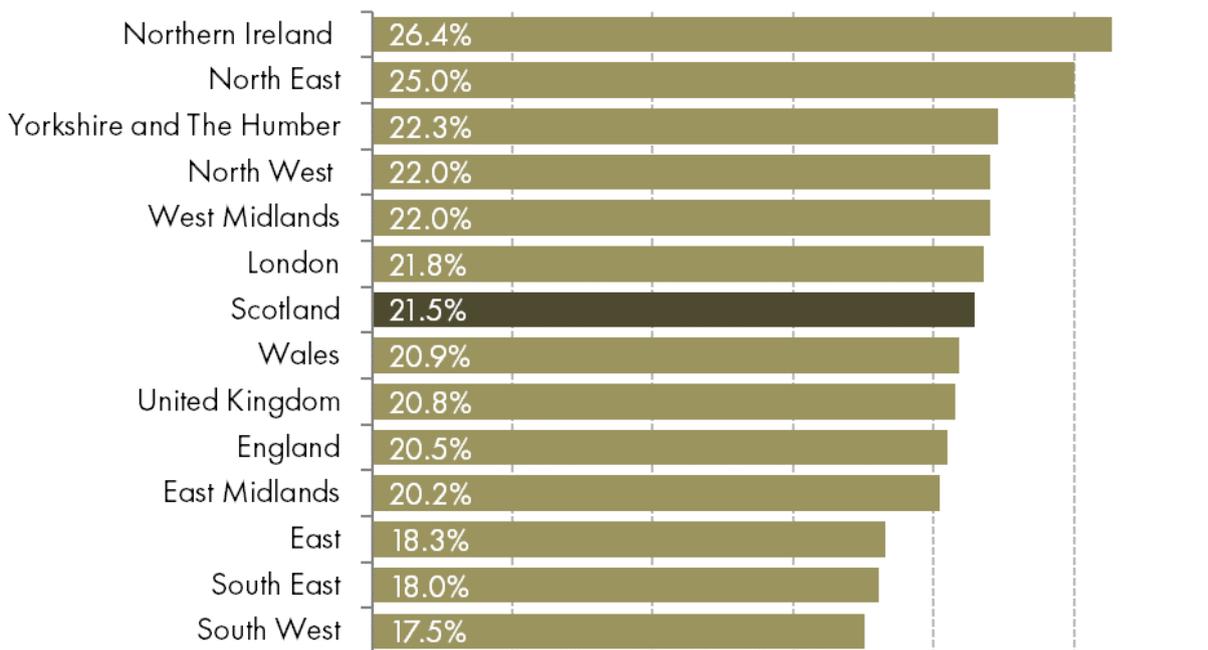
Economic inactivity (16-64) - seasonally adjusted, Feb-Apr 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	739	-19	0	21.5%	-0.5	0.0
UK	8,581	+32	-87	20.8%	+0.1	-0.3

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

Looking at economic inactivity across the UK, the Scottish rate is above the UK average. Northern Ireland has the highest rate at 26.4%, whilst the South West has the lowest at 17.5%.

Figure 6: Economic inactivity rates across the UK (16-64)-Feb-Apr 2019



[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 increased by 4,000, whilst the number of inactive women fell by 22,000.

Over the the year, the number of inactive men increased by 14,000, while the number of inactive women fell by 14,000.

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

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

The number of economically active women in the UK as at a record low.² However in Scotland, the number is above the all time low of 409,000 in Jan-Mar 2015.

Economic Inactivity by gender (16-64) - seasonally adjusted, Feb-Apr 2019

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	298	+4	+14	17.7%	+0.2	+0.8
	Women	441	-22	-14	25.0%	-1.3	-0.8
UK	Men	3,341	+51	-14	16.3%	+0.2	-0.1
	Women	5,240	-19	-73	25.2%	-0.1	-0.4

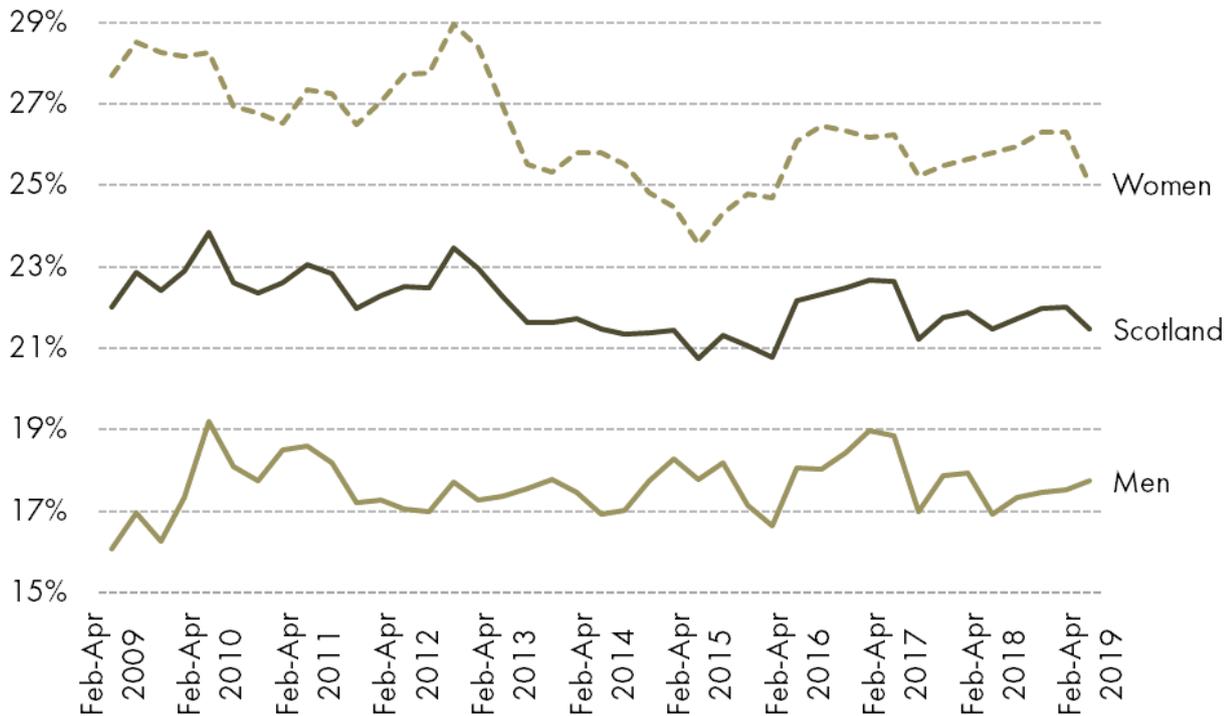
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

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

The inactivity rate for men peaked in Feb-Apr 2010, at 19.2%. Since then it has fallen by 1.5 percentage points. The lowest rate for men in the last 10 years was in Feb-Apr 2009, at 16.1%.

The inactivity rate for women peaked at 29.0% in Aug-Oct 2012. It then fell to 23.5% by Feb-Apr 2015, and now sits 1.5 percentage points higher, at 25.0%.

Figure 7: Inactivity rate by gender (16-64) - seasonally adjusted, Feb-Apr 2009 to Feb-Apr 2019



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 an increase of 1.9 percentage points over the year, the inactivity rate for the 50-64 year olds has fallen by 11.7 percentage points since 2002.

Economic Inactivity by Age - not seasonally adjusted, Feb-Apr 2019

Age Group		Scotland	UK
16-24	Rate (%)	36.8%	39.9%
	Year change (% pts)	-1.4	+0.4
25-34	Rate (%)	12.7%	12.7%
	Year change (% pts)	-2.1	-0.6
35-49	Rate (%)	12.9%	12.3%
	Year change (% pts)	+0.2	-0.1
50-64	Rate (%)	28.2%	25.3%
	Year change (% pts)	+1.9	-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 economic inactivity by age](#)

Claimant Count

The Claimant Count figures presented here are experimental statistics from the ONS for Jobseekers Allowance (JSA), plus Universal Credit claimants who are required to look for work.

Universal Credit combines both in work and out of work benefits. As a result, people may be more likely to be on Universal Credit for very short periods of unemployment compared to JSA. As Universal Credit rolls out, 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 was unchanged from April but increased by 0.5 percentage points over the year in Scotland.

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

Claimant Count - Seasonally adjusted, May 2019

	Level ('000)	Month Change ('000)	Year Change ('000)	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	107	+2	+19	3.0%	0.0	+0.5
UK	1,101	+23	+225	2.7%	+0.1	+0.6

[Claimant Count via nomis](#)

Constituency data: inactivity

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 2018-Dec 2018.

The Orkney Islands have the lowest inactivity rate at 12.5%, whilst Glasgow Kelvin has the highest at 44.2%. Edinburgh Western saw the biggest decrease over the year, whilst Glasgow Kelvin saw the largest increase.

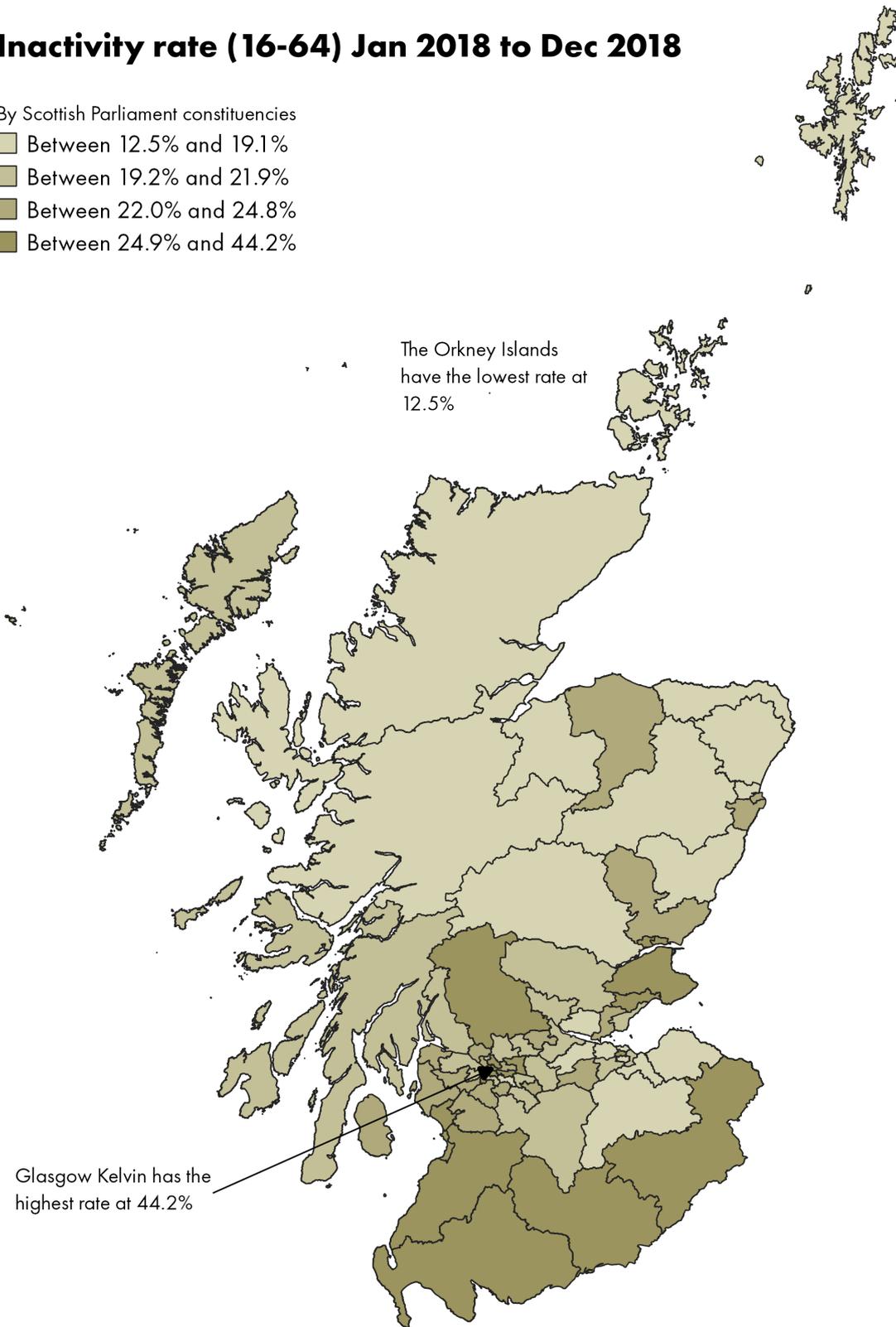
This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

Figure 8: Inactivity rate by constituency (16-64) - 2018

Inactivity rate (16-64) Jan 2018 to Dec 2018

By Scottish Parliament constituencies

- Between 12.5% and 19.1%
- Between 19.2% and 21.9%
- Between 22.0% and 24.8%
- Between 24.9% and 44.2%



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

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- 1 Office for National Statistics. (2019, June 11). Regional labour market statistics in the UK: June 2019. Retrieved from <https://www.ons.gov.uk/releases/regionallabourmarketstatisticsintheukjune2019> [accessed 11 June 2019]
- 2 Office for National Statistics. (2019, June 11). UK labour market: June 2019. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsjune2019> [accessed 11 June 2019]
- 3 Royal Bank of Scotland. (2019, June 7). Royal Bank of Scotland Report on Jobs. Retrieved from <https://www.markiteconomics.com/Public/Home/PressRelease/23fbc4bf6d0d4c46a9abd1ccec237019> [accessed 11 June 2019]

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