

SPICe

The Information Centre

Financial Scrutiny Unit Briefing

Labour Market update: August 2016

18 August 2016

16/67

Andrew Aiton

This is a briefing on the Office for National Statistics' August 2016 Regional Labour Market release for Scotland.



The Scottish Parliament
Pàrlamaid na h-Alba

CONTENTS

SCOTTISH LABOUR MARKET DASHBOARD: APR-JUN 2016	3
OVERVIEW OF THIS QUARTER'S STATISTICS: APR-JUN 2016	3
LABOUR FORCE SURVEY	4
UNEMPLOYMENT	4
EMPLOYMENT	5
ECONOMIC INACTIVITY	6
CLAIMANT COUNT	7
CONSTITUENCY DATA: EMPLOYMENT	8
GUEST INDICATOR: WHICH SECTORS DO EU NATIONALS TEND TO WORK IN?	13
SOURCES	15
RELATED BRIEFINGS	16

SCOTTISH LABOUR MARKET DASHBOARD: APR-JUN 2016

	Overall		Men		Women	
	Rate (%)	Change on prev Qtr (% points)	Rate (%)	Change on prev Qtr (% points)	Rate (%)	Change on prev Qtr (% points)
Unemployment	5.2%	-1.0	5.8%	-1.6	4.5%	-0.4
Employment	74.1%	+1.0	77.6%	+1.4	70.8%	+0.7
Economic Inactivity	21.7%	-0.3	17.5%	-0.1	25.7%	-0.5
Claimant Count	2.2%	0.0				

OVERVIEW OF THIS QUARTER'S STATISTICS: APR-JUN 2016

Over the quarter unemployment in Scotland fell by 26,000 which is the biggest quarterly decrease since 1992. This was mainly driven by there being 22,000 less men unemployed which is the biggest quarterly decrease since 1992.

Employment increased by 51,000 over the quarter which was the biggest increase on record. The majority of the increase was accounted for by men with 33,000 more men in employment in Scotland (Scottish Government).

LABOUR FORCE SURVEY

The Labour Force Survey (LFS) records the official unemployment rate along with a wide variety of other labour market statistics. It surveys a sample group of 60,000 households throughout the UK, including around 6,000 in Scotland. LFS figures for the whole population are estimates based on this sample.

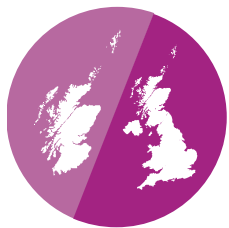
UNEMPLOYMENT



International Labour Organisation's definition

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.



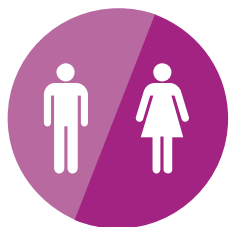
Scotland and UK comparison

- The number of unemployed people in Scotland fell by 26,000 which is the biggest quarterly decrease since 1992. The UK and Scotland saw decreases over both the quarter and the year.
- The unemployment rate in Scotland is still higher than the UK despite seeing a larger percentage point decrease over the quarter.

Table 1 Unemployment (16+)

	Level (thousands)	Quarter change (thousands)	Year change (thousands)	Seasonally Adjusted		
				Rate	Quarter change (% points)	Year change (% points)
Scotland	143	-26	-12	5.2%	-1.0	-0.4
UK	1,641	-52	-207	4.9%	-0.2	-0.7

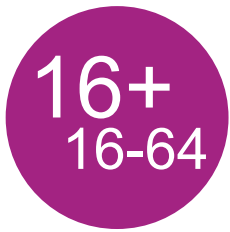
Unemployment by Gender



- Over the quarter in Scotland the fall in unemployment levels was mainly due to a decrease of 22,000 unemployed men which is the biggest quarterly reduction in male unemployment since 1992
- The unemployment rate for men decreased at a higher rate than women in Scotland while the quarterly change for the UK was equal for men and women.
- The unemployment rate for men in Scotland is higher than for men in the UK as a whole, while the rate for women is lower.

Table 2 Unemployment by Gender (16+)

		Level (thousands)	Quarter change (thousands)	Year change (thousands)	Seasonally Adjusted		
					Rate	Quarter change (% points)	Year change (% points)
Scotland	Men	83	-22	-6	5.8%	-1.6	-0.5
	Women	60	-5	-6	4.5%	-0.4	-0.4
UK	Men	890	-27	-108	5.0%	-0.2	-0.8
	Women	750	-25	-84	4.8%	-0.2	-0.6



Unemployment by Age

- The unemployment rate for 16-24 year-olds in Scotland has decreased by 1.3 percentage points over the year which is the lowest level since records began in 2002.
- The current unemployment rate for 25-34 year olds is the lowest since records began in 2002.

Table 3 Unemployment rates by age

Not Seasonally Adjusted

	16- 24		25 - 34		35 - 49		50 - 64	
	Rate	Year change (% points)	Rate	Year change (% points)	Rate	Year change (% points)	Rate	Year change (% points)
Scotland¹	12.7%	-1.3	3.9%	-1.0	3.1%	-0.9	4.7%	+1.1
UK	13.2%	-2.2	4.5%	-0.7	3.3%	-0.4	3.4%	-0.1

EMPLOYMENT



International Labour Organisation's definition:

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

Scotland and UK comparison

- The number of people aged 16 and over in employment in Scotland increased by 51,000 which is the highest since record began (Scottish Government).
- The employment rate in Scotland increased by 1.0 percentage point from the previous quarter but is unchanged over the year.
- The UK employment rate is the highest since comparable records began in 1971 (ONS 2015a).

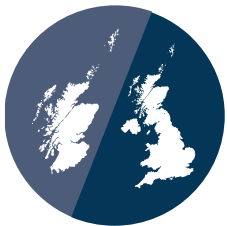
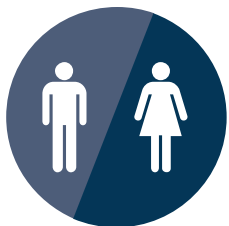


Table 4 Employment (Level 16+, rate 16-64)

Seasonally Adjusted

	Level (thousands)	Quarter change (thousands)	Year change (thousands)	Seasonally Adjusted		
				Rate	Quarter change (% points)	Year change (% points)
Scotland	2,629	+51	+14	74.1%	+1.0	0.0
UK	31,750	+172	+606	74.5%	+0.3	+1.0



Employment by Gender

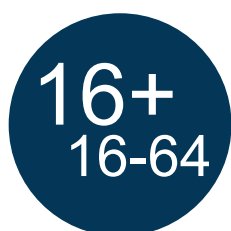
- Employment levels and rates are higher for men than for women at both Scottish and UK levels.
- In Scotland the increase in the level of employment over the year was driven by 33,000 men entering employment, compared to 17,000 women.

¹ The statistics on unemployment by age in Scotland are not of sufficient quality to be published by the ONS as National Statistics and are published as experimental statistics

- However for the UK as a whole women account for the majority of people entering employment.
- Scotland has the highest employment for women of the four nations of the UK.

Table 5 Employment by Gender (Level 16+, rate 16-64)

					Seasonally Adjusted		
		Level (thousands)	Quarter change (thousands)	Year change (thousands)	Rate	Quarter change (% points)	Year change (% points)
Scotland	Men	1,354	+33	+28	77.6%	+1.4	+1.1
	Women	1,275	+17	-14	70.8%	+0.7	-1.2
UK	Men	16,915	+56	+362	79.4%	+0.1	+1.2
	Women	14,835	+116	+244	69.6%	+0.5	+0.9



Employment by Age

- The employment rate for 16-24 year-olds in Scotland has fallen by 2.2 percentage points over the year and is the lowest since 2009. (Apr - Jun 2014 55.5 %).
- Employment rates for 50-64 year olds is the highest it has been since records began in 2002 in Scotland.

Table 6 Employment rates by age

		Not Seasonally Adjusted							
		16- 24		25 – 34		35 - 49		50 - 64	
		Rate	Year change (% points)	Rate	Year change (% points)	Rate	Year change (% points)	Rate	Year change (% points)
Scotland ²		57.3%	-2.2	81.5%	-0.4	83.7%	+0.5	69.2%	+1.1
UK		53.7%	+1.2	82.2%	+1.6	83.7%	+0.3	70.6%	+1.3

ECONOMIC INACTIVITY



International Labour Organisation's definition:

Level: Any individual aged 16 to 64 who is not in employment and 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

Scotland and UK comparison

- The economic inactivity rate for Scotland increased over both the quarter and the year.
- The level and rate increased in Scotland over the year while it decreased over the quarter and UK for the UK as a whole.

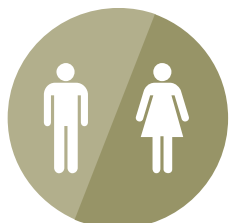


² The statistics on employment by in Scotland age are not of sufficient quality to be published by the ONS as National Statistics and are published as experimental statistics

Table 7 Inactivity (16-64)

Seasonally Adjusted

	Level (thousands)	Quarter change (thousands)	Year change (thousands)	Rate	Quarter change (% points)	Year change (% points)
Scotland	742	-10	+12	21.7%	-0.3	+0.4
UK	8,844	-58	-179	21.6%	-0.2	-0.5

**Economic Inactivity by Gender**

- Economic inactivity rates are higher for women than for men.
- Over the quarter 9,000 women became economically inactive compared to 2,000 men.
- The Scottish economic inactivity rate for men is higher than the UK while the rate for women in Scotland is lower than the UK.

Table 8 Economic Inactivity by Gender (16-64)

Seasonally Adjusted

		Level (thousands)	Quarter change (thousands)	Year change (thousands)	Rate	Quarter change (% points)	Year change (% points)
Scotland	Men	292	-2	-13	17.5%	-0.1	-0.8
	Women	450	-9	+26	25.7%	-0.5	+1.5
UK	Men	3,318	+9	-97	16.3%	0.0	-0.6
	Women	5,526	-68	-83	26.8%	-0.3	-0.5

CLAIMANT COUNT

Claimant Count

The Claimant Count figures presented here are the experimental statistics from the ONS for Jobseekers Allowance plus Universal Credit claimants who are out of work.

This is not an official measure of unemployment but does provide accurate information on the labour market at a local level.

**Scotland and UK comparison – (including out of work Universal Credit claimants)**

- The seasonally adjusted claimant count rate for July in Scotland and the UK was unchanged from June.
- The Scottish claimant count rate is higher than the UK rate.

Table 9 Claimant Count, July 2016 (including out of work Universal Credit claimants) (16-64)

					Seasonally Adjusted	
	Level	Month change	Year change	Rate	Month change (% points)	Year change (% points)
Scotland	75,700	-400	-1,700	2.2%	0.0	0.0
UK	763,600	-8,600	-27,100	1.9%	0.0	0.0

*Data rounded to nearest 100

CONSTITUENCY DATA: EMPLOYMENT

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.

The latest APS data covers Apr 2015-Mar 2016.

This month focuses on employment by constituency.

The Shetland Islands have the highest employment rate at 89.1% while Glasgow Maryhill and Springburn has the lowest at 54.1%. The area with the largest increase across the year was Glasgow Provan while Glasgow Shettleston saw the biggest decreases.

Table 10: Unemployment by Parliamentary Constituency

	Apr 2015-Mar 2016			Annual Change	
	Level	Rate (%)	Rank (1=highest Rate)	Level	Rate (% points)
Aberdeen Central	55,900	79.0	11	8,000	3.2
Aberdeen Donside	34,200	80.6	6	-10,200	1.8
Aberdeen South and North Kincardine	44,500	78.1	14	8,400	-0.4
Aberdeenshire East	45,100	82.4	4	100	2.2
Aberdeenshire West	41,000	79.1	10	-3,800	-4.1
Airdrie and Shotts	33,400	75.1	26	2,400	6.3
Almond Valley	37,900	73.2	42	-2,900	-0.9
Angus North and Mearns	40,900	79.5	9	7,700	5.0
Angus South	29,900	72.4	48	-1,900	-0.5
Argyll and Bute	23,500	74.7	30	-2,000	-3.8

	Apr 2015-Mar 2016			Annual Change	
	Level	Rate (%)	Rank (1=highest Rate)	Level	Rate (% points)
Ayr	32,200	74.5	33	-300	3.0
Banffshire and Buchan Coast	25,100	72.9	45	-3,200	-5.0
Caithness, Sutherland and Ross	28,800	74.6	31	1,300	1.1
Carrick, Cumnock and Doon Valley	32,100	66.9	64	-2,000	-3.6
Clackmannanshire and Dunblane	28,500	69.4	57	1,000	0.0
Clydebank and Milngavie	31,300	74.6	31	-700	6.5
Clydesdale	41,600	77.7	16	3,800	1.4
Coatbridge and Chryston	33,500	71.3	50	200	-0.6
Cowdenbeath	37,500	81.8	5	-3,600	4.6
Cumbernauld and Kilsyth	31,100	71.0	52	2,900	-0.2
Cunninghame North	26,800	67.6	61	-200	0.9
Cunninghame South	27,000	62.0	69	-3,600	-7.8
Dumbarton	39,500	75.6	22	5,700	5.9
Dumfriesshire	36,300	77.4	18	2,200	3.0
Dundee City East	31,500	66.1	65	1,200	-2.9
Dundee City West	30,000	61.0	70	-2,500	-0.9
Dunfermline	38,700	77.3	19	3,700	0.5
East Kilbride	31,900	76.0	21	-3,300	1.3
East Lothian	35,100	73.5	38	-800	-3.4
Eastwood	33,000	77.0	20	700	1.3
Edinburgh Central	38,200	70.8	53	-3,900	3.9
Edinburgh Eastern	40,800	68.4	60	3,800	-8.1
Edinburgh Northern and Leith	48,600	80.4	7	2,400	4.9
Edinburgh Pentlands	31,200	74.3	35	-2,300	4.7
Edinburgh Southern	40,500	64.6	66	-6,000	-9.2
Edinburgh Western	43,700	74.9	27	3,900	-3.3

	Apr 2015-Mar 2016			Annual Change	
	Level	Rate (%)	Rank (1=highest Rate)	Level	Rate (% points)
Ettrick, Roxburgh and Berwickshire	31,300	74.5	33	-2,400	-3.8
Falkirk East	39,900	75.3	24	1,500	2.4
Falkirk West	35,300	75.2	25	400	3.2
Galloway and West Dumfries	31,800	74.8	28	1,000	3.9
Glasgow Anniesland	24,700	56.3	72	-11,000	-9.8
Glasgow Cathcart	58,700	71.9	49	15,800	-2.1
Glasgow Kelvin	30,700	63.0	68	-9,000	-6.7
Glasgow Maryhill and Springburn	23,900	54.1	73	2,900	-7.6
Glasgow Pollok	37,800	67.0	63	-8,200	1.8
Glasgow Provan	35,200	73.7	37	11,000	15.0
Glasgow Shettleston	21,500	58.4	71	-4,000	-10.3
Glasgow Southside	34,400	68.5	59	2,900	10.6
Greenock and Inverclyde	31,200	67.3	62	-1,500	-1.7
Hamilton, Larkhall and Stonehouse	34,800	73.1	43	-3,700	-2.6
Inverness and Nairn	53,000	79.8	8	-600	-0.9
Kilmarnock and Irvine Valley	36,500	69.7	56	1,600	0.3
Kirkcaldy	29,100	72.8	46	-4,200	4.0
Linlithgow	46,600	73.4	40	100	-5.3
Mid Fife and Glenrothes	29,100	64.1	67	2,200	-2.4
Midlothian North and Musselburgh	37,500	73.9	36	400	0.9
Midlothian South, Tweeddale and Lauderdale	33,600	78.0	15	200	3.0
Moray	36,500	73.0	44	-2,000	-2.6
Motherwell and Wishaw	30,200	70.6	55	-3,100	-2.1
Na h-Eileanan an Iar	12,400	77.6	17	500	3.0
North East Fife	32,200	69.0	58	2,300	-4.6

	Apr 2015-Mar 2016			Annual Change	
	Level	Rate (%)	Rank (1=highest Rate)	Level	Rate (% points)
Orkney Islands	11,100	85.5	2	-500	-3.7
Paisley	32,200	71.3	50	-2,400	-0.6
Perthshire North	34,500	79.0	11	-300	2.6
Perthshire South and Kinrossshire	36,000	78.4	13	1,700	0.8
Renfrewshire North and West	32,200	75.5	23	100	1.6
Renfrewshire South	30,500	74.8	28	1,900	0.2
Rutherglen	34,900	73.5	38	2,200	0.9
Shetland Islands	12,800	89.1	1	1,400	9.6
Skye, Lochaber and Badenoch	30,400	82.8	3	100	3.3
Stirling	34,000	70.8	53	-3,200	-4.4
Strathkelvin and Bearsden	35,000	72.8	46	1,600	0.5
Uddingston and Bellshill	38,200	73.4	40	100	2.1
Scotland	2,490,700	72.9		2,300	0.0

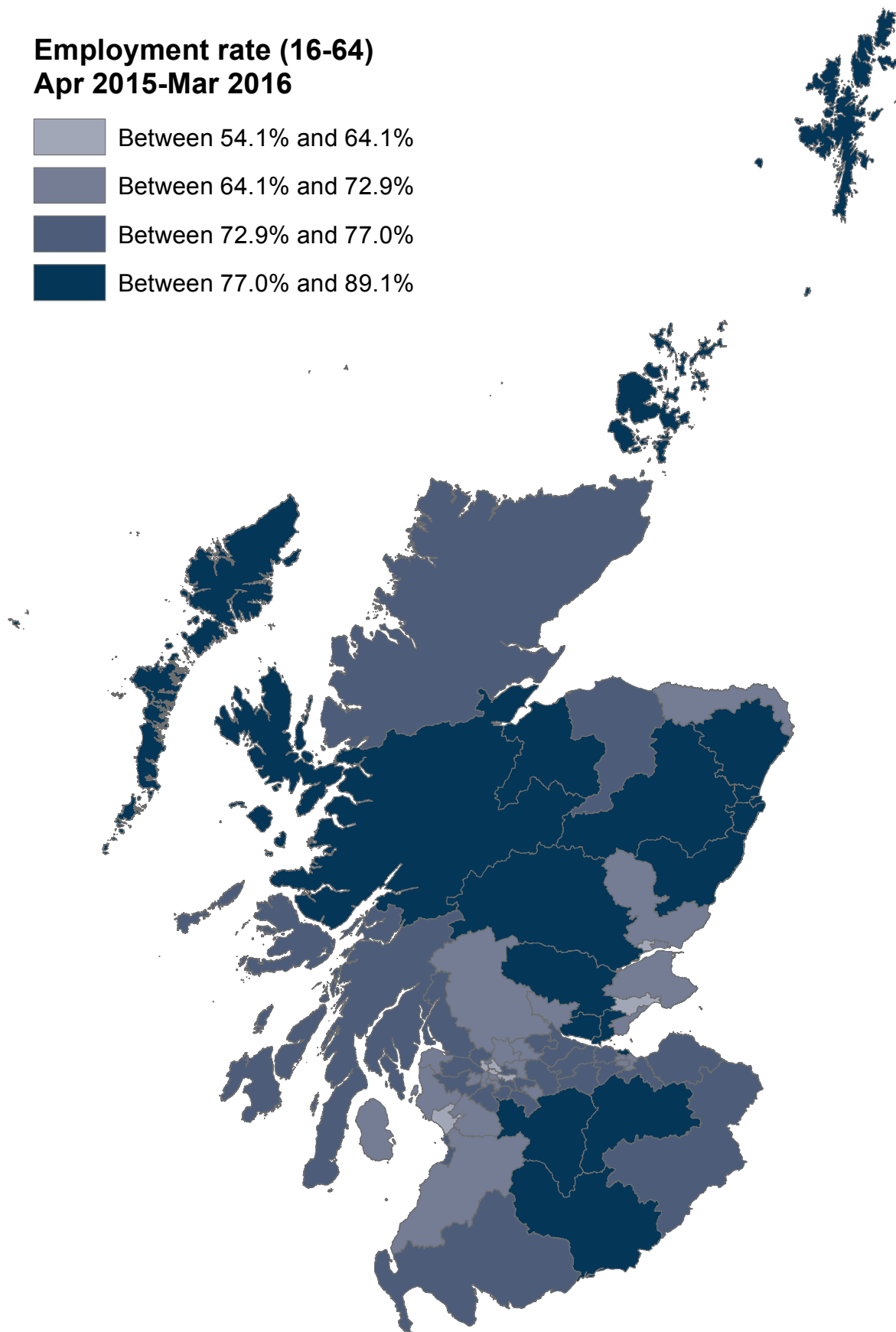
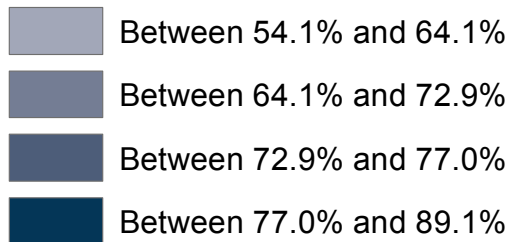
Source: nomis

Please note

- Some data is unavailable as the area samples size is too small to provide reliable estimates.
- These estimates have quite large sampling variability which is more likely to affect level rather than rates.
- Change in the estimates can be as a result of changes in the estimated population within an area.

Figure 1: Constituency data map

**Employment rate (16-64)
Apr 2015-Mar 2016**



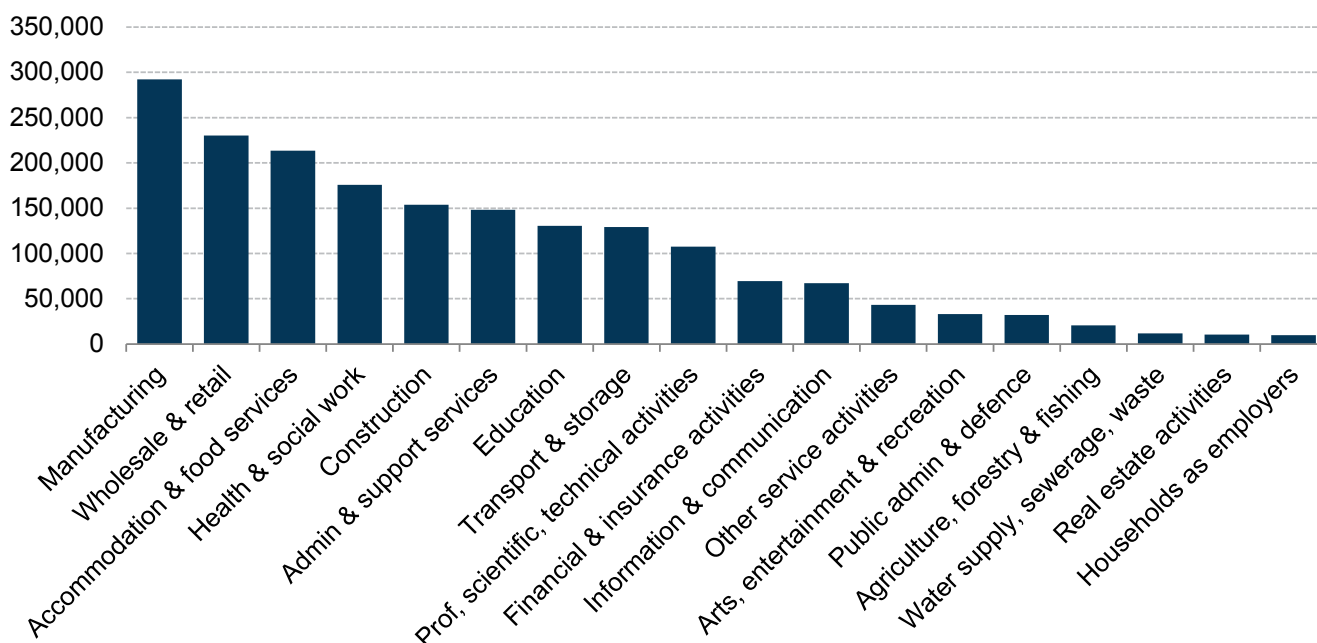
Based on OS material with the permission of OS. SPCB 10039291

GUEST INDICATOR: WHICH SECTORS DO EU NATIONALS TEND TO WORK IN?

This month's guest indicator looks at the employment of non-UK EU nationals to the UK by sector. In this section non-UK EU nationals are referred to as EU27 nationals.

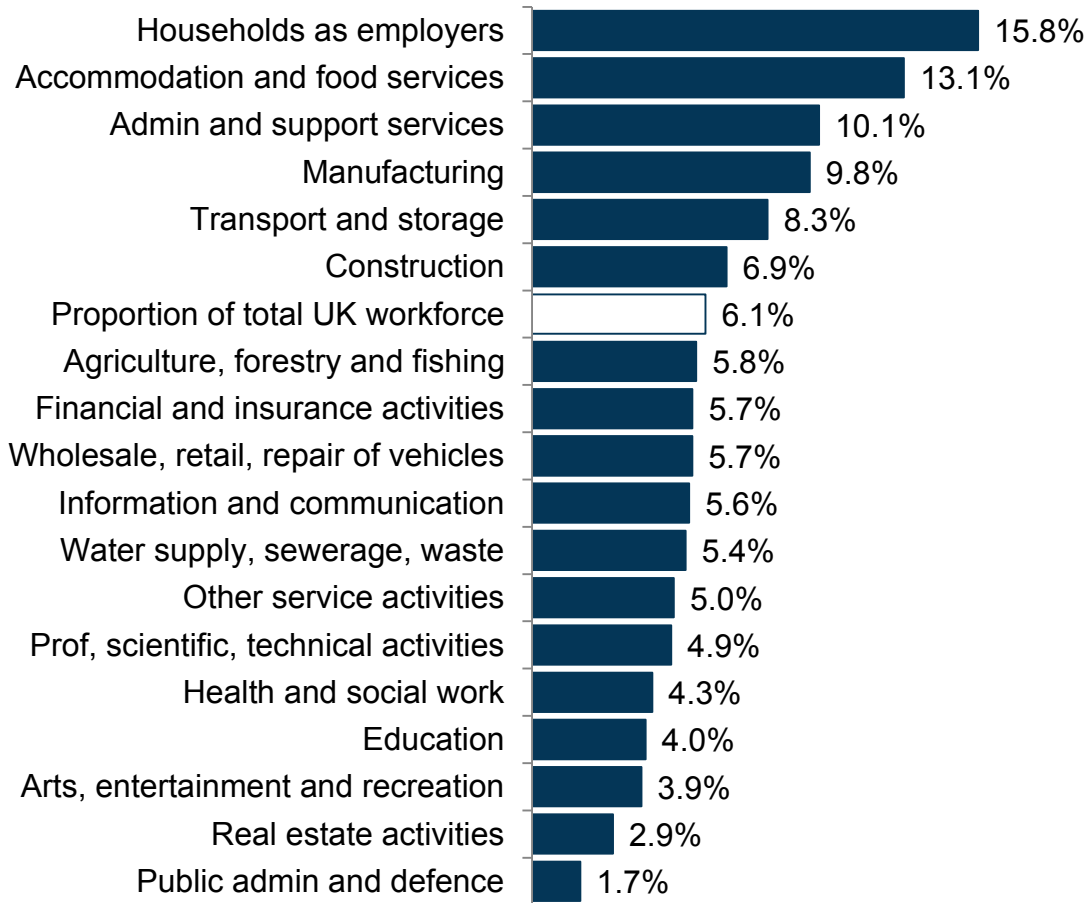
Figures from the ONS (ONS 2015) show that in 2015 there were 1.9m EU27 nationals working in the UK. Figure 2 shows the number of EU27 nationals in employment broken down by sector across the UK in 2015. The majority (56%) of EU27 nationals work in 5 sectors: Manufacturing, Wholesale & retail, Accommodation & food services, Health & social work and Construction.

Figure 2: Number of EU27 nationals in employment broken down by sector across the UK - 2015



The data shows that in 2015 EU27 nationals made up 6.1% of the total workforce of the UK. Figure 3 shows the proportion of EU27 national which make up the total employment by sector. 'Households as employers' is the sector which has the highest proportion of workers who are EU27 nationals, this includes nannies and private nurses. The sectors which have the highest proportion of EU27 nationals tend to have lower paid manual jobs, such as bar and restaurant staff or sales assistants.

Figure 3: EU 27 national as a proportion of employment by sector in the UK- 2015



SOURCES

Nomis, Claimant count, [Online]. Available at: <https://www.nomisweb.co.uk/articles/894.aspx> [Accessed 17 August 2016]

Office for National Statistics. (2016a) *UK Labour Market: July2016*, [Online]. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/july2016> [Accessed 17 August 2016]

Office for National Statistics. (2016b) *Regional labour market statistics in the UK: July2016* [Online]. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/july2016> [Accessed 17 August 2016]

Office for National Statistics (2016c). *The nationality of workers in employment in the UK by industry sector, 2015* [Online], <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/005736thenationalityofworkersinemploymentintheukbyindustrysector2015> [Accessed 17 August 2016]

Scottish Government, Increase in employment levels, 2016 <http://news.scotland.gov.uk/News/increase-in-employment-levels-28d3.aspx> [Accessed 17 August 2016]

RELATED BRIEFINGS

[SB 16-64 Labour Market Update: July 2016](#)

[SB 13-80 Labour Market Statistics](#)

Scottish Parliament Information Centre (SPICe) Briefings are compiled for the benefit of the Members of the Parliament and their personal staff. Authors are available to discuss the contents of these papers with MSPs and their staff who should contact Andrew Aiton on extension 85188 or email andrew.aiton@parliament.scot. Members of the public or external organisations may comment on this briefing by emailing us at spice@parliament.scot. However, researchers are unable to enter into personal discussion in relation to SPICe Briefing Papers. If you have any general questions about the work of the Parliament you can email the Parliament's Public Information Service at sp.info@parliament.scot.

Every effort is made to ensure that the information contained in SPICe briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

Published by the Scottish Parliament Information Centre (SPICe), an office of the Scottish Parliamentary Corporate Body, The Scottish Parliament, Edinburgh, EH 99 1SP

<http://www.parliament.scot>