

Overview of the labour market

Inevitably current interest in the Scottish labour market continues to focus on the trends in both employment and unemployment figures, a theme developed in other sections of this edition. Public interest continues to focus on public sector employment trends and for a further issue we return to these themes and to a review of a recent ACAS discussion paper reviewing the emerging changes in public sector employment relations.

A new era of public sector employment

In a recent ACAS discussion paper (2011) Professor Bach argues, that just as there have been major change in the public sector over the past two decades the current Government's policies to modernise public services and to reduce the deficit are 'likely to have wide ranging and in some cases, profound implications for employment relations'. Bach argues that these changes imply a 'major shift in terms and conditions of employment and a further erosion of national bargaining'. Moreover the issues of maintaining morale and employee commitment will become more problematic and will 'have a bearing on behaviour and motivation long after the redundancy process has been completed'. The credibility of independent pay review bodies is likely to be under some strain given policies of pay restraint, and Bach notes some 'waning in official enthusiasm for independent pay review'. The further dismantling of national pay arrangements may well lead to new problems especially those relating to the provision of training and mobility of staff. Pay restraint in the public sector needs to consider the longer term issues of likely shortages of staff and the consequential pay and grade drift together with the introduction of supplements which have been a feature in periods following previous periods of public sector pay restraint. Later this year widespread public sector industrial action seems likely over the current proposals to change public sector pensions, and threats of action seem likely in a number of areas as the effects of reductions in public sector expenditure become more evident.

Recent trends and statistics

Comparable figures on the labour market between Scotland and the United Kingdom in the quarter June – August 2011 are summarised in Table 1. Labour Force Survey (LFS) data show that in the quarter to August the level of employment in Scotland fell by 24 thousand, to 2,474 thousand. Over the year to August 2011, employment in Scotland rose by 20 thousand. For the same period, UK employment fell by 47 thousand. The Scottish employment rate (16 – 64) – those in employment as a percentage of the working age population – was 71.2 per cent, up 0.3 per cent compared to

one year earlier. For the same period the UK employment rate was 70.4 per cent, down 0.3 per cent compared to one year earlier. Unemployment, in the quarter to August, rose by 7 thousand to 212 thousand, a fall of 17 thousand over the year.

In considering employment, activity and unemployment rates it is important to remember the bases and relationships of these figures. LFS data (estimated) is provided for: (1) all aged 16 and over and (2) for all aged 59/64. The first measure (all aged 16 and over) leads to higher numbers in employment, in the total economically active and economically inactive – but reduces the economic activity rates and unemployment rates, but at the same time increases the economically inactive rate. Conversely the second measure (all aged 16 to 59/64) leads to lower numbers economically active, in employment and economically inactive – but leads to a higher economically active, employment and unemployment rates but lower economically inactive rates. Figures derived from the Labour Force Survey differ slightly from those derived from the Annual Population Survey.

The relationships between employment, unemployment, totally economically active and inactive are important in appreciating changing levels of employment and unemployment, and changes in the employment rates should be seen in conjunction with changes in the activity rates. If people leave employment and become unemployed (but are still economically active) the unemployment rate increases, but the economically active rate remains unchanged. However, if people leave employment and do not seek employment, as seems to be a continuing pattern, they are categorised as economically inactive, as such the unemployment rate remains unchanged whilst the activity and inactivity rates change. Equally the changing pattern between full and part time employment is of interest. As the State of the Economy Annex to the July 2011 State of the Economy, produced by the office of the Chief Economic Adviser, notes between Jan – March 2008 and Jan – March 2011, part time employment in Scotland grew by 6.5% compared to a fall of 5.8% in full-time employment over the same period. Our understanding of the trends in total employment will differ if we examine total employment, or consider the trends in full time equivalents, we return to this issue later in this section. These relationships are clearly shown in tables 1 and 5. Over the year to August 2011, the numbers employed rose by 20 thousand, whilst unemployment fell by 17 thousand – and the numbers of those aged 16-59/64 who are economically inactive fell by 8 thousand and the numbers economically active rose by 14 thousand.

Table 1 shows that for Scotland the preferred ILO measure of unemployment rose to 212 thousand, between June - August 2011, and fell by 17 thousand over the year. The ILO unemployment rate rose in the three months to August 2011 and now stands at 7.9 per cent. This represents a 0.3 per cent rise over the last quarter.

Table 1: Headline indicators of Scottish and UK labour market, June - August 2011

June - August 2011		Scotland	Change on quarter	Change on year	United Kingdom	Change on quarter	Change on year
Employment*	Level (000s)	2,474	-24	20	29,101	-178	-47
	Rate (%)	71.2	-0.5	0.8	70.4	-0.3	-0.3
Unemployment**	Level (000s)	212	7	-17	2,566	114	113
	Rate (%)	7.9	0.3	-0.7	8.1	0.4	0.3
Activity*	Level (000s)	2,686	-17	3	31,668	-63	66
	Rate (%)	77.4	-0.3	0.3	76.7	0.0	-0.1
Inactivity***	Level (000s)	770	10	-8	9,354	26	75
	Rate (%)	22.6	0.3	-0.7	23.3	0.0	0.1

Source: Labour Market Statistics (First Release), Scotland and UK, October 2011

* Levels are for those aged 16+, while rates are for those of working age (16-59/64)

** Levels and rates are for those aged 16+, rates are proportion of economically active.

*** Levels and rates for those of working age (16-59/64)

The economically active workforce includes those individuals actively seeking employment and those currently in employment (i.e. self-employed, government employed, unpaid family workers and those on training programmes). Table 1 shows that the rate of the economically active fell 17 thousand between June - August 2011. There were 2,686 thousand economically active people in Scotland during June - August 2011. This comprised 2,474 thousand in employment and 212 thousand ILO unemployed. The level for those of working age but economically inactive rose by 10 thousand in the latest quarter, but over the year the total fell by 10 thousand to 770 thousand people; this indicates a fall of 0.8 per cent in the number of people of working age economically inactive over the last year.

Data on employment by age, derived from the Annual Population Survey, is available up to March 2011. In the year to March 2011 employment rates fell for those aged 18 – 24 and those aged over 35, with the employment rate for those aged 16 – 64 falling by 0.1 percentage points and with the largest percentage point falls being recorded for those aged 18 - 24 (down 1.6%) and 50 - 64 (down 0.6%).

Employment rates for men again fell more than those for women, except for those aged 50 – 64. Table 2 illustrates the changing employment rates by age group for the four years April - March 2008 – 2011 and illustrates consistent declines across all age groups, except 16 – 17 year olds.

In the year to August 2011 (the latest available data) inactivity amongst 16 – 64 fell by 8 thousand, a 0.8% decrease over the year and the inactivity rate (16 – 64) stood at 22.6%. Inactivity for men aged 16 – 64 rose by 10 thousand (3.3%) over the last quarter but fell by 9 thousand (3.9% over the year. Inactivity for women was unchanged over the past quarter but rose by 1 thousand (0.3%) over the year.

In the year to August 2011 inactivity fell by 2 thousand to 779 thousand. The main increases reported for the reasons for inactivity over the year were: retired up 9 thousand and long term sick up 11 thousand. The numbers looking after family and home rose by 1 thousand and those temporarily sick fell by 3 thousand.(See Table 11, First Release Data).

Table 2: Employment rates thousands (%) people by age for the four years April – March 2008 - 2011

	All 16+	16 - 64	16 - 17	18 - 24	25 - 34	35 - 49	50 - 64	65+
Apr 2007 - Mar 2008	60.6	74.0	38.0	68.1	81.6	83.9	64.9	5.6
Apr 2008 - Mar 2009	60.1	73.3	39.2	66.8	81.1	82.8	65.0	6.1
Apr 2009 - Mar 2010	58.4	71.2	32.2	62.6	78.1	81.1	64.9	6.5
Apr 2010 - Mar 2011	58.1	71.0	33.2	61.7	78.9	81.6	63.3	6.7

Source: Labour Market Statistics (First Release), Scotland and UK, October 2011

Table 3: Employment, unemployment and inactivity rates by local authority area 2007, 2008 and Apr 2010 – March 2011 (%)

Geography (Residence Based)	Employment rates			Unemployment rates 16+*			Economic inactivity rates		
	2007	2008	Apr 2010/ Mar 2011	2007	2008	Apr 2010/ Mar 2011	2007	2008	Apr 2010/ Mar 2011
Scotland	76.0	75.6	71.0	4.7	4.9	7.8	20.1	20.3	22.9
Local Authority Area									
Aberdeen City	79.1	79.4	76.5	3.7	3.6	5.3	17.3	17.6	18.2
Aberdeenshire	82.6	82.2	80.9	2.5	2.6	3.7	15.6	15.5	16.0
Angus	79.1	80.0	73.2	4.5	4.6	7.0	16.2	15.6	20.5
Argyll & Bute	80.0	77.6	72.5	4.0	4.3	6.3	16.3	18.4	22.7
Clackmannanshire	69.4	70.9	74.2	5.5	5.4	8.3	25.3	25.4	21.6
Dumfries * Galloway	77.4	76.2	70.1	4.2	4.5	6.6	19.1	19.5	24.4
Dundee City	72.1	71.5	70.5	6.6	6.3	8.8	22.4	23.9	23.1
East Ayrshire	73.1	74.6	70.2	6.3	6.1	9.3	21.5	20.4	23.5
East Dunbartonshire	78.9	77.6	72.6	3.1	3.9	6.2	19.0	18.7	21.5
East Lothian	79.2	77.9	72.2	3.5	3.5	7.0	18.0	19.4	21.9
East Renfrewshire	77.2	76.5	72.5	3.4	3.6	5.5	19.1	20.5	22.5
Edinburgh, City of	77.4	76.6	71.5	4.3	4.5	6.5	19.5	19.8	23.5
Eilean Siar	79.4	78.7	65.3	4.2	4.6	7.0	17.7	16.3	31.4
Falkirk	78.1	78.9	72.6	4.6	4.4	8.0	18.5	18.3	21.4
Fife	75.9	76.5	70.8	5.6	5.8	9.2	18.8	17.7	21.3
Glasgow City	66.9	66.6	62.3	6.8	6.9	11.2	28.2	28.8	29.4
Highland	82.0	81.7	77.8	3.2	3.5	5.1	16.0	16.3	18.9
Inverclyde	68.4	72.5	70.4	7.1	6.4	8.7	24.8	23.0	23.4
Midlothian	80.7	79.9	72.7	4.2	4.2	7.9	15.1	16.2	20.3
Moray	80.4	81.8	78.3	3.5	3.8	5.0	17.2	15.0	18.9
North Ayrshire	71.5	71.8	61.4	6.4	7.4	12.1	23.5	22.0	29.8
North Lanarkshire	73.2	71.0	70.4	5.4	5.9	9.9	22.6	23.8	21.9
Orkney Islands	86.4	83.9	77.5	2.7	2.9	3.9	11.2	14.2	19.3
Perth and Kinross	78.1	78.7	75.0	3.5	3.7	5.3	18.8	17.9	20.5
Renfrewshire	75.0	76.0	67.2	5.1	5.5	9.6	20.9	18.9	24.9
Scottish Borders	81.4	80.6	72.2	3.1	3.6	6.0	16.2	15.8	23.1
Shetland Islands	88.1	88.0	83.8	2.6	2.8	3.6	10.4	10.8	14.6
South Ayrshire	77.2	75.4	67.9	5.0	5.4	9.0	18.9	20.5	24.3
South Lanarkshire	78.9	76.7	71.6	4.2	4.4	7.8	18.5	20.6	23.7
Stirling	76.8	75.2	69.5	3.9	4.5	7.0	19.2	20.2	24.3
West Dunbartonshire	73.9	71.2	68.0	6.3	6.9	10.8	20.8	23.3	23.6
West Lothian	77.8	79.1	73.0	4.8	4.6	7.7	17.7	17.4	21.6

Source: 2007 and 2008 data from Annual Population Survey (Jan to Dec)

Oct 2009/September 2010 data from Labour Market Statistics (First Release), Scotland and UK, October 2011 (Source Annual Population survey, Job Centre Plus administrative system and Annual Business Inquiry)

Notes: See sources for definitions and original sources

Statistics from the Annual Population Survey provide some indications of the impact of the recession at local area levels, by occupation and by sector (the APS combines results from the Labour Force Survey and the Scottish Labour Force Survey. Thus these figures differ slightly from those produced from the Labour Force Survey and the Annual Business Inquiry and from those published in Labour Market Statistics (First Release), Scotland and UK, October 2011). Table 3 indicates the continuing significant differences in employment, unemployment and inactivity rates before the onset of the recession, however, between 2008 and 2009 the gap between the areas with the highest

and lowest employment rates widened by 5.8 percentage points. In the year April 2010 – March 2011 employment rates varied from over 80% in Aberdeenshire and Shetland to under 70% in seven local authority areas. Likewise unemployment rates were again lowest in Aberdeenshire, Orkney and Shetland and highest, over 12%, in North Ayrshire and over 11% in Glasgow, and inactivity rates were highest in Eilean Star, North Ayrshire and Glasgow City.

The most recent figures for the number of workforce jobs by industrial activity are detailed in Table 4. Total workforce job figures are a measure of jobs rather than people. Total

Table 4: Total workforce jobs* by industry, Scotland, June 2005–2011 (thousands)

Industry	June 2005	June 2006	June 2007	June 2008	June 2009	June 2010	June 2011
A : Agriculture, forestry and fishing	51	54	60	60	59	62	55
B : Mining and quarrying	25	28	30	30	29	27	29
C : Manufacturing	233	226	228	212	201	181	177
D : Electricity, gas, steam and air conditioning supply	10	10	13	16	19	19	20
E : Water supply; sewerage, waste management etc	16	18	17	16	14	14	15
F : Construction	181	194	203	199	185	188	172
G : Wholesale & retail trade; repair of motor vehicles etc	382	384	380	396	398	363	389
H : Transportation and storage	125	118	123	123	111	140	112
I : Accommodation and food service activities	189	190	188	191	186	197	193
J : Information and communication	72	73	79	69	68	75	65
K : Financial and insurance activities	114	107	91	98	100	95	95
L : Real estate activities	25	29	30	32	32	23	29
M : Professional, scientific and technical activities	145	154	161	176	174	157	173
N : Administrative and support service activities	174	180	192	200	185	176	172
O : Public administration & defence; social security	180	177	181	177	146	145	138
P : Education	199	200	192	208	208	197	211
Q : Human health and social work activities	384	399	383	398	401	375	431
R : Arts, entertainment and recreation	75	81	75	84	71	72	70
S : Other service activities	63	65	63	58	59	67	60
Column Total	2,644	2,685	2,690	2,740	2,651	2,571	2608

Source: Labour Market Statistics (First Release), Scotland, October 2011

* Workforce jobs are a measure of jobs rather than people

Note: There have been considerable revisions to the June 2009 and June 2010 from previous figures and as of September 2011 ONS are highlighting figures with a coefficient of variation greater than 25%

Table 5: Trends in total, full, part-time, temporary and part-time who could not find a full-time job

Scotland	All in employment							
	Total ¹	Employees ¹	Self employed ¹	Full-time workers ²	Part-time workers ²	Workers with second jobs	Temporary employees	Could not find full-time job
Jan 2007 - Dec 2007	2,525	2,244	263	1,892	631	93	128	60
Apr 2007 - Mar 2008	2,533	2,248	267	1,900	630	96	126	60
Jul 2007 - Jun 2008	2,544	2,254	271	1,912	629	98	125	61
Oct 2007 - Sep 2008	2,550	2,262	269	1,916	631	98	119	61
Jan 2008 - Dec 2008	2,529	2,243	268	1,900	626	99	116	64
Apr 2008 - Mar 2009	2,527	2,245	267	1,899	624	101	117	65
Jul 2008 - Jun 2009	2,515	2,235	264	1,880	632	103	123	73
Oct 2008 - Sep 2009	2,503	2,220	265	1,856	644	102	127	81
Jan 2009 - Dec 2009	2,492	2,211	265	1,844	645	102	133	84
Apr 2009 - Mar 2010	2,470	2,185	267	1,815	652	101	132	90
Jul 2009 - Jun 2010	2,462	2,179	265	1,802	656	99	126	96
Oct 2009 - Sep 2010	2,466	2,183	264	1,798	663	98	127	99
Jan 2010 - Dec 2010	2,469	2,181	268	1,793	671	97	124	106
Apr 2010 - Mar 2011	2,471	2,182	270	1,796	670	97	125	110

Source: Labour Market Statistics (First Release), Scotland, October 2011

Note: ¹ Includes people who did not state whether they worked part time or full time

²The split between full time and part time employment is based on respondents' self classification

seasonally adjusted employee jobs for the quarter ending June 2011 (the latest available figures) stood at 2,608 thousand, although it is necessary to note significant revisions to the 2009 and 2010 figures since the last report. Table 4 provides some indication of both the impact of the recession and the recovery on sectors, although the trends need to be considered with some caution.

Table 5 outlines the changing patterns of full time and part time employment, and highlights the growth in the numbers of part-time workers in Scotland, the latest data (April 2010 – March 2011), indicates that since the peak in employment (October 2007 – September 2008) total employment (employees, self employed, unpaid family workers and those on government supported training and employment programmes) has fallen by 79 thousand. The numbers of full time workers in Scotland since the peak in employment has declined by 120 thousand whilst part time employment numbers recovered very quickly and are now 40 thousand higher. The number of self employed is now above that reported in October 2007 – September 2008, suggesting some substitution of self employment for employment. The number of those working part time because they could not find a full time job has almost doubled, suggesting that

increasing numbers of workers were taking part time employment in the absence of full time work (the same argument applies to temporary work). Interestingly, a comparison of tables 3 in the first release for Scotland and for the UK figures suggests that, in relative terms, the decline in full time employment has been greater in Scotland than in the UK, but in contrast the growth in part time employment, in relative terms, has been greater suggesting that the relative 'better' performance in employment in Scotland in recent quarters has been fuelled by a growth in part time employment, as a comparison of FTEs would suggest. The relative growth in the numbers of self employed has been greater in the UK than in Scotland.

Table 6, drawing on the Annual Population Survey, attempts to explore how the pattern of jobs has changed since the onset of the recession, it suggests a growth in the numbers employed in personal service, sales and customer service and elementary occupations, and some decline in managerial, professional, and process, plant and machine operatives. This pattern would resonate with the trends in increasing numbers of part time employees, but raises some concerns as to the potential availability of sufficient skills to sustain a recovery.

Table 6: Trends in employment by standard occupational classification

	Apr 06 Mar07	Apr 07 Mar08	Apr08 Mar09	Apr09 Mar10	Apr10 Mar11
Managers and senior officials	566,500	578,700	586,500	577,900	575,300
Professional occupations	596,900	617,000	625,600	599,400	616,900
Associate Prof & Tech Occupations	646,900	687,100	697,500	695,000	688,900
Administrative and Secretarial Occupations	560,400	531,500	521,800	513,300	496,900
Skilled Trades Occupations	366,300	380,000	392,700	372,400	376,800
Personal Service Occupations	444,400	454,700	441,600	457,700	469,700
Sales and Customer Service Occupations	396,100	403,900	385,600	394,800	417,000
Process, Plant and Machine Operatives	276,900	271,700	268,800	259,700	251,600
Elementary occupations	558,400	532,900	517,500	535,600	526,400

Table 7: Total claimant count and computerised claims by age and duration (Numbers and percentage change over year to September 2011)

	All computerised claims	All computerised claims Up to 6 months	All computerised claims Over 6 and up to 12 months	All computerised claims All over 12 months
All 16+ numbers	140,000	84,500	31,300	23,600
All 16+ % change over year	7.7%	6.6	2.6	1.4
All 18 – 24	41,600	30,600	8,700	2,300
All 25- 49	75,900	41,900	17,900	16,000
All 50 and above	21,000	11,200	4,600	5,300

Table 8: Local Government employment by local authority (headcount) Q2 207 – Q2 2011 (not seasonally adjusted)

Year Quarter	2007 Q2	2008 Q2	2009 Q2	2010 Q2	2011 Q2	Annual change headcount
Local Authority / Joint Board						
Aberdeen City	11,700	11,600	9,500	9,400	8,900	-400
Aberdeenshire	14,000	14,000	14,700	14,900	14,400	-500
Angus	5,600	5,700	5,700	5,600	5,600	0
Argyll & Bute	5,600	5,400	5,500	5,200	5,100	-100
Clackmannanshire	2,800	2,900	2,900	2,800	2,600	-200
Dumfries & Galloway	8,300	7,700	8,000	8,300	7,900	-400
Dundee City	8,400	8,400	8,200	8,100	7,800	-300
East Ayrshire	6,800	6,800	6,800	6,600	6,500	-100
East Dunbartonshire	4,800	4,900	5,000	5,000	4,400	-500
East Lothian	5,000	4,900	4,900	4,800	4,700	-100
East Renfrewshire	4,600	4,700	4,800	4,500	4,500	-100
Edinburgh, City of	20,800	20,200	19,300	18,800	18,100	-700
Eilean Siar	2,500	2,600	2,500	2,500	2,500	0
Falkirk	7,900	8,000	8,200	7,800	7,900	100
Fife	23,900	23,000	23,300	23,100	21,900	-1,200
Glasgow City	32,700	32,200	23,800	23,100	21,700	-1,400
Highland	12,800	12,700	13,000	13,000	12,400	-600
Inverclyde	5,200	4,900	4,900	4,700	4,500	-100
Midlothian	4,500	4,800	4,700	4,800	4,600	-200
Moray	5,100	5,100	5,300	5,100	5,000	-100
North Ayrshire	7,400	7,400	7,300	7,200	6,700	-500
North Lanarkshire	18,300	18,000	17,900	17,500	16,700	-800
Orkney Islands	2,200	2,100	2,400	2,400	2,400	-100
Perth & Kinross	6,000	6,100	6,300	6,100	5,900	-200
Renfrewshire	9,200	8,900	8,900	8,400	7,600	-800
Scottish Borders	5,800	5,800	5,800	5,700	5,700	0
Shetland Islands	3,700	3,800	4,000	4,100	4,100	100
South Ayrshire	5,900	5,800	5,600	5,600	5,700	200
South Lanarkshire	16,500	15,700	15,900	15,800	14,700	-1,100
Stirling	4,600	4,400	4,400	4,400	4,000	-400
West Dunbartonshire	6,000	6,300	6,500	6,300	6,200	-100
West Lothian	8,300	8,400	8,500	8,500	7,900	-600
Total Fire Joint Boards	5,800	5,800	5,800	5,700	5,600	-200
Total Police Joint Boards	24,100	23,300	24,700	24,800	24,000	-800
Total Valuation Joint Boards	700	700	700	600	600	0
Total Regional Transport Partnerships (SPT)	700	700	700	700	600	0
SCOTLAND	318,100	313,700	306,300	301,800	289,400	-12,400

Source: Joint Staffing Watch Survey, Scottish Government

- Notes:**
1. Figures are rounded to nearest hundred.
 2. Totals may not add to the sum of the parts due to rounding.
 3. Figures for Fire Service staff exclude volunteer and retained fire-fighters.
 4. Police and Fire Service staffs in Dumfries and Galloway and Fife, who are not covered by Joint Boards, are included within the figures for Joint Boards for consistency.

Tables 7 and 8 of the Labour Market statistics (first release) provide information of the trends in the claimant count. The figure for September indicates a total of 145.2 thousand claimants, up 10.3 thousand for the year. Of interest are the differing trends in the claimant count for men and women. The claimant count for men, 100.9 thousand was up 2.9 thousand over the year, whereas the comparable figure for women, 44.3 thousand, was 7.4 thousand higher than a year ago.

Table 7 provides some limited indications of the experience of unemployment in terms of claimant count by age and duration. The latest figures suggest that 23.6 thousand have been claiming benefit for more than a year, up 2,600 over the year and 5.8 thousand have been claiming for more than 2 years, up 1.4 thousand over the year.

Public sector employment in Scotland

The pace of reform of the public sector is accelerating with the announcement of proposals for a single Scottish police force and similar national organisations for the emergency services. Within the university sector rationalisation of courses continues and the first mention of merger has been voiced. Elsewhere, cuts, reduction in services, possible contracting out of services have been announced and/or are under discussion, although proposals for shared services by local authorities seem to have faded.

Table 8 indicates the changes in headcount by local authority and indicates both a decline in Local Authority employment of 12,400 over the year, and some evidence of acceleration in the rate of reduction in employment. The latest data for public sector employment (q2 2011) suggests a reduction of 22,700 (excluding public sector financial institutions) over the year with declines in all areas, including a decline in headcount employment of 4,800 in the NHS, 1,100 in FE colleges, 9,400 in total central Government, and again some acceleration in the rate of decline.

Outlook

The short term trends in employment indicate a decrease in employment and a rise in unemployment. Total employment is still some 79 thousand below the peak before the recession; the number of full time employees has declined by 120 thousand whilst the numbers of part time employees has risen by 40 thousand, growth in employment seems to be more concentrated in personal services and sales occupations, but as household incomes continue to be under pressure is uncertain how much longer this trend in employment can be sustained. Reductions in public sector expenditure have yet to impact on the public sector employment landscape. Yet, if the rate of decline in public sector employment continues, then the private sector will need to generate over 25,000 jobs in the next year to sustain current employment figures.

Any recovery in employment is likely to be slow and limited. Reducing unemployment/increasing activity rates for areas with a history of higher levels of unemployment will be particularly difficult and harder than in the past given the changing landscape of local and central government services.

Reference

Bach, S. (2011). A new Era of public service employment relations? The challenges ahead. ACAS Future of Workplace Relations discussion paper series. August 2011.

Cliff Lockyer
October 2011