
The LABOUR Market

The Scottish Labour Market

A summary of the recent changes in the Scottish labour market is given in Table 1. The data are for the period Apr-Jun 2000 and are taken from the Labour Force Survey (LFS) or from other ONS sources. Figure 1 plots the quarterly LFS employment data (with the estimated plus and minus sampling error) from the first quarter 1998 to the end of June 2000. Employment rose to 2,353,000 up 17,000 (0.7% over the quarter and an increase of 35,000 (up 1.5%) over the same period last year. Figure 1 also indicates the upper and lower bounds of the LFS employment estimates given the sampling variability implicit in the survey. This gives an employment rate (for all aged 16+) of 58.3% (up from 57.9% for Jan-Mar 2000 and 57.4% a year earlier). The employment rate (for all aged 16-59/64) for Apr-Jun is 72.7%, up from 72.1% in the previous quarter and 71.5% on an annual basis. For the 16-59/64 age group there are 2,297,000 in employment up by 20,000 (0.9%) on the previous quarter but there is no change on an annual basis.

The International Labour Office (ILO) unemployment stands at 181,000 in Scotland, down 9,000 (-4.8%) from the Jan-Mar 2000 period but slightly above the Apr-Jun 1999 figure. The ILO unemployment rate for Apr-Jun 2000 is 7.2% but was 7.5% in the previous quarter. Figure 2 plots ILO unemployment levels in Scotland from the first quarter of 1998 to the quarter ending June 2000.

Figure 3 plots the number of economically active persons in Scotland from the first quarter of 1998 to the quarter ending June 2000. There were 2,534,000 (aged 16 and over) who were economically active in Apr-Jun 2000 compared to 2,526,000 in Jan-Mar 2000, a rise of 8,000 or 0.3%. Over the year the change was 36,000 or 1.5%. There were 684,000 people (aged 16 to 59/64) who were economically inactive and this was down from

696,000 in the previous quarter, a change of -12,000 or -1.7%. This has fallen from 722,000 in the same period last year, a fall of -5.2%. Figure 4 reports the composition of the economically inactive in Scotland from the first quarter of 1998 to the quarter ending June 2000.

Claimant count unemployment was 113,500 for July 2000, a rate of 4.7%. This is down 14,000 on the same period last year, a change of -0.6%. The inflows in July were 26,000 compared to an outflow of 30,300. The June Claimant count figure was 116,300 (4.8%) thus the July figure is a -0.1% change on the previous month. It should be noted however that the unadjusted Claimant count rose from 117,300 (4.8%) in June to 121,900 (5.0%) in July. While this is an increase of 0.2% on the month there was nonetheless a fall of 0.7% over the year.

The number of vacancies notified for July 2000 was 23,800, a decline of 1% over the year. In the previous quarter the number of vacancies for April 2000 was 25,100 which showed no change on the level a year ago. There were 38,800 unfilled vacancies in July 2000 a 19% rise on the previous year. There was an outflow of vacancies of 23,100, down by 4.5% on the year. With an estimate of 116,400 total vacancies (notified and non-notified) and a Claimant count level of 113,500 there is now a narrowing of this gap suggesting that the Scottish labour market is tightening.

Male LFS employment has increased by 8,000 over the quarter (0.7%) and by 24,000 (2%) over the year. The comparable figures for women are 11,000 (1.1%) and 14,000 (1.3%) respectively. For the period Mar-May 2000 total employment was 2,331,000 of which there was 2,098,000 employees, 208,000 self employed and 18,000 Work Related Government Training Places. The change over the same period last year was 1.5%, 2.1%, -2.6% and -16.5% respectively. There were 1,740,000 full time workers, a rise of 23,000 (1.3%) over the year and 590,000 part time workers, an increase of 11,000 (2%). The number of temporary employees rose by 10,000 (6.2%) to 166,000 for Mar-May 2000. Male employees rose by 29,000 (2.8%) on the year for the Mar-May period whilst female employment rose by 14,000 (1.4%). The fall in female self-employment was larger than that for males (3,000 (-5.7%) compared to 2,000 (-1.5%)).

The number of civilian workforce jobs (not seasonally adjusted) was 2,267,000 in Mar 2000, a drop of 5,000 (-0.2%) over the year. There were 1,165,000 males compared to 1,102,000 females. On an annual basis male employment fell by 29,000

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(-2.4%) whilst female employment rose by 24,000 (2.2%).

The most recent employee jobs data are for Mar 2000 and these are reported in Tables 2 and 3. These figures indicate that total employee jobs (seasonally adjusted) was estimated at 2,038 thousand. The change on Dec 1999 is 11,000 (0.5%) and over the year is 10,000 (0.5%). For all jobs (not seasonally adjusted) the total is 2,025,000. Full-time male employees in employment fell by 10,000 (-1%) over the quarter and by 19,000 (-1.9%) over the year. For women the total for Mar 2000 is 1,041,000 a rise of 21,000 (2.1%) while over the year the change is 29,000 or 2.9%.

Over the year to Mar 1999 the largest sectoral employment gain was in the Public and Other Services (L-Q), up 20,000 (3%) while the largest fall came in Manufacturing, down 13,000 (-4.2%). Construction also had reasonable job gains, up 5,000 (4.2%). Mining, Energy and Water Supplies lost 3,000 jobs, a change of -76.4%. Service sector (G-K) employment growth was only estimated to be 2,000 jobs over the year (0.2%). This is an area of considerable concern. When we examine the sub-sectors, for the period Mar 200 against Dec 1999 we find the following (quarterly) and [annual] changes; Wholesale and Retail (G) (-10,000) [1,000]; Hotels and Restaurants (H) (0) [3,000]; Transport, Storage and Communication (I) (-4,000) [1,000]; Financial Intermediation (J) (-3,000) [-2,000], Real Estate & Renting (K) (-6,000) [-4,000]; Public admin (L) (10,000) [12,000]; Education (M) (-1,000) [-1,000] and Health and Social Work (N) (2,000) [6,000].

Outlook

It is reassuring that ILO employment estimates and the employee jobs series show an almost constant rising employment trend from the period Apr 1998 to Jun 2000. Following the relatively poor performance of the Scottish economy in the last quarter of 1999 and the first quarter of 2000 the labour market continues to show signs of low unemployment and rising employment. We expect this trend to continue in this and the next quarter of the year 2000.

TABLE 1 RECENT DEVELOPMENTS IN THE SCOTTISH LABOUR MARKET							
	1999/2000	Level (000s)	Rate (%)	Change on Year (level)	Sampling variability(000s)	Change on year (rate)	Sampling variability (%)
Employment*	Jan-Mar	2,313	71.0	-14	±57	-0.4	±1.5
	Apr-Jun	2,318	71.5	0	±57	-0.1	±1.5
	Jul-Sep	2,335	72.2	36	±58	1.2	±1.5
	Oct-Dec	2,333	71.9	16	±58	0.4	±1.5
	Jan-Mar	2,336	72.0	23	±58	0.6	±1.5
	Apr-Jun	2,353	72.7	17	±58	1.2	±1.5
ILO unemployment**	Jan-Mar	187	7.6	-6	±24	-0.2	±0.9
	Apr-Jun	178	7.2	-7	±23	-0.3	±0.9
	Jul-Sep	175	7.0	-13	±23	-0.6	±0.9
	Oct-Dec	177	7.1	-15	±22	-0.6	±0.9
	Jan-Mar	189	7.5	5	±23	0.1	±0.9
	Apr-Jun	181	7.2	2	±24	0.0	±0.9
Economically active*	Jan-Mar	2,475	76.9	-21	±55	-0.6	±1.4
	Apr-Jun	2,482	77.1	-7	±55	-0.9	±1.4
	Jul-Sep	2,495	77.7	23	±57	0.8	±1.4
	Oct-Dec	2,493	77.5	1	±57	0	±1.4
	Jan-Mar	2,522	77.8	29	±57	0.7	±1.4
	Apr-Jun	2,534	78.3	36	±57	1.2	±1.4
Economically inactive* of which:	Jan-Mar	724	23.1	17	±55	0.6	±1.4
	Apr-Jun	717	22.9	7	±55	-0.3	±1.4
	Jul-Sep	699	22.3	-26	±55	-0.8	±1.4
	Oct-Dec	706	22.5	0	±56	0	±1.4
	Jan-Mar	700	22.2	-22	±56	-0.7	±1.4
	Apr-Jun	684	21.7	-38	±56	-1.2	±1.4
Not wanting a job†	Jan-Mar	499		49	±47		
	Apr-Jun	492		37	±47		
	Jul-Sep	484		-6	±48		
	Oct-Dec	485		0	±49		
	Jan-Mar	497		-1	±49		
	Apr-Jun	460		-38	±48		
Wanting a job†	Jan-Mar	225		-32	±35		
	Apr-Jun	223		-28	±35		
	Jul-Sep	215		-22	±34		
	Oct-Dec	221		0	±34		
	Jan-Mar	203		-21	±33		
	Apr-Jun	225		1	±35		
Vacancies notified (seasonally adjusted)	Jan 99	26.4		3.0			
	Apr 99	26.6		3.5			
	Jul 99	24.5		0.3			
	Oct 99	25.9		1.1			
	Jan 00	25.8		-0.7			
	Apr 00	25.1		0.1			
	Jul 00	23.8		0.0			

Source: ONS Notes:
of economically active †

* Levels are for those aged 16 and over, rates are for those of working age (16-59/64) ** Levels and rates are for those aged 16 and over. Rate is as a proportion of economically active † Levels and rates are for those of working age

TABLE 2 EMPLOYEE JOBS BY INDUSTRY

(SIC 1980) SIC 1992	MALE		FEMALE		TOTAL	Prod/Const	Production	Manuf.	Services
	(All) Full-time	P/T	(All) Full-time	P/T		(1-5) C-F	(1-4) C-E	(2-4) D	(6-9) G-Q
1998 Dec	901	117	569	446	2,032	477	359	314	1,519
1999 Mar	895	113	558	446	2,012	462	349	304	1,514
Jun	889	115	568	448	2,020	457	345	301	1,525
Sep	893	119	572	252	2,037	458	342	300	1,539
Dec	887	123	562	460	2,032	454	339	297	1,542
2000 Mar	871	117	571	465	2,025	451	334	292	1,535

Source: ONS Labour Market Trends, August 2000, Table B.16, Page S28

TABLE 3 EMPLOYEE JOBS IN SCOTLAND BY INDUSTRY

SIC 1992	Agric. hunting forestry fishing	Mining & Quarrying	Manuf- turing	Elect, gas & water supply	Construct ion	Wh'salerc tail trade & repairs	Hotels & rest.	Tr'port storage & comm.	Financial inter- mediation	Real Estate renting & bus. activities	Public admin. & defence: comp. Soc. Sec.	Educa- tion	Health & Social Work	Other comm, social & pers. activities
	A,B	C	D	E	F	G	H	I	J	K	L	M	N	O-Q
1998 Dec	36	27	314	18	118	322	124	107	80	231	148	149	258	100
1999 Mar	37	27	304	18	112	314	123	110	81	228	148	155	258	97
Jun	39	26	301	18	111	313	128	113	82	230	149	153	259	98
Sep	39	25	300	18	116	316	128	113	83	233	150	153	263	99
Dec	36	24	297	18	116	325	126	115	82	230	150	153	262	99
2000 Mar	39	24	292	18	117	315	126	111	79	224	160	154	264	99

Source: ONS Labour Market Trends, August 2000, Table B.16, Page S29

TABLE 4 JOB CENTRE VACANCIES

	Vacancies notified			Vacancies unfilled			Vacancy outflow			Of which: Vacancies filled by Jobcentres		
	Level	Change on month	Level	Change on month	Level	Change on month	Level	Change on month	Level	Change on month	Level	Change on month
	1	2	3	4	5	6	7	8				
1998 January	23.4	-0.9	31.2	-1.3	24.9	-1.3	15.7	0.2				
February	24.6	1.2	31.5	0.3	24.6	-0.3	14.9	-0.8				
March	25.1	0.5	32.4	0.9	24.2	-0.4	15.3	0.4				
April	23.1	-2.0	31.9	-0.5	23.6	-0.6	14.5	-0.8				
May	22.9	-0.2	31.4	-0.5	23.4	-0.2	14.3	-0.1				
June	24.2	1.3	30.8	-0.6	24.9	1.5	14.6	0.3				
July	24.2	0.0	30.2	-0.6	24.9	0.0	14.7	0.1				
August	24.0	-0.2	30.3	0.1	24.0	-0.9	14.3	-0.4				
September	24.6	0.6	30.2	-0.1	24.4	0.4	15.1	0.8				
October	24.8	0.2	30.6	0.4	24.9	0.5	15.9	0.8				
November	24.2	-0.6	30.4	-0.2	24.1	-0.8	14.9	-1.0				
December	25.0	0.8	31.0	0.6	24.7	0.6	15.6	0.7				
1999 January	26.5	1.5	31.5	0.5	25.5	0.8	16.1	0.5				
February	26.8	0.3	31.6	0.1	26.7	1.2	16.4	0.3				
March	25.7	-1.1	31.3	-0.3	25.7	-1.0	15.4	-1.0				
April	26.6	0.8	31.0	-0.3	26.8	1.1	17.0	1.6				
May	24.0	-2.5	31.0	0.0	23.4	-3.4	14.6	-2.4				
June	24.4	0.4	31.3	0.3	24.4	1.0	14.9	0.3				
July	24.8	0.1	32.6	0.5	24.2	-0.3	15.1	0.2				
August	24.8	0.1	32.7	0.3	24.6	0.6	15.5	0.4				
September	26.0	1.4	33.5	1.0	24.9	0.1	16.2	0.7				
October	26.0	-0.1	35.4	2.5	24.3	-0.8	16.0	-0.2				
November	26.3	0.4	36.4	1	25.4	1.1	16.7	0.7				
December	27.2	0.7	37.4	0.7	26.1	1.0	16.7	0				
2000												
January	25.8	-1.4	37.6	0.2	25.6	-0.5	16.7	0.1				
February	25.6	-0.2	37.9	0.3	25.5	-0.1	15.6	-1.1				
March	25.5	-0.1	37.9	0.0	25.1	-0.4	15.3	-0.3				
April	24.9	-0.6	38.0	0.1	24.7	-0.4	15.2	-0.1				
May	23.2	-1.7	37.6	-0.4	24.3	-0.4	14.7	-0.5				
June	23.5	0.3	37.8	0.2	23.5	-0.8	14.0	-0.7				
July	23.8	0.3	38.8	1.0	23.1	-0.4	13.9	-0.1				
Change on year	1.0		6.2		-1.1		0.2					
Change on year(%)	-4.0		19.0		-4.5		1.2					

Source: Employment Service

TABLE 5 CLAIMANT COUNT*							
		Claimant Count (seasonally adjusted)		Inflows (standardised)	Outflows (standardised)	Claimant Count (unadjusted)	
		Level	Rate (%)	Level	Level	Level	Rate (%)
		1	2	3	4	5	6
People	1997 October	147.1	6.0	28.8	30.7	142.1	5.8
	November	143.4	5.8	28.9	31.3	138.7	5.6
	December	139.3	5.7	29.9	32.9	139.0	5.7
	1998 January	141.0	5.7	29.8	28.4	152.2	6.2
	February	140.2	5.7	30.1	30.7	149.5	6.1
	March	139.5	5.7	29.4	30.0	144.5	5.9
	April	139.4	5.7	28.1	29.3	143.4	5.8
	May	139.9	5.7	29.1	28.0	139.7	5.7
	June	139.7	5.7	28.7	28.9	138.0	5.6
	July	137.5	5.6	26.6	29.0	148.7	6.0
	August	136.4	5.5	28.6	29.6	149.0	6.1
	September	135.9	5.5	27.7	29.7	135.4	5.5
	October	136.8	5.6	28.4	27.0	132.1	5.4
	November	136.3	5.5	29.1	28.6	132.1	5.4
	December	134.7	5.5	28.8	30.7	132.3	5.4
	1999 January	135.3	5.5	28.0	29.0	133.0	5.4
	February	136.5	5.6	28.9	28.6	145.4	6.0
	March	137.3	5.6	30.2	28.9	142.8	5.9
	April	134.7	5.5	28.2	30.9	139.0	5.7
	May	134.5	5.5	30.2	30.2	134.7	5.5
	June	133.6	5.5	29.4	30.0	133.7	5.5
	July	127.9	5.3	27.3	34.4	138.7	5.7
	August	126.4	5.2	30	31.9	137.3	5.6
	September	126.9	5.2	29	28.3	126.4	5.2
	October	125.8	5.2	28.2	28.4	121.1	5.0
	November	124.7	5.1	28.6	29.4	120.0	4.9
	December	123.3	5.1	28.2	29.7	119.8	4.9
	2000 January	123.8	5.1	28.0	26.7	134.0	5.5
	February	123.9	5.1	29.2	29.0	133.5	5.5
	March	122.5	5.0	28.7	29.0	130.6	5.4
	April	119.7	4.9	26.4	30.0	123.6	5.1
	May	118.6	4.9	28.9	29.4	120.6	5.0
	June	116.3	4.8	26.8	29.7	117.3	4.8
	July	113.5	4.7	26.0	30.3	121.9	5.0
August							
	Change on month	-2.8	-0.1	-0.8	0.6	4.7	0.2
	Change %	-2.4		-3.0	2.0	4.0	
	Change on year	-14.0	-0.6	-2.6	-3.5	-16.8	-0.7
	Change %	-11.0		-9.1	-10.4	-12.1	

Source: Benefits Agency administrative system

Note: * Count of claimants of unemployment-related benefit
 Denominator = employee jobs + self-employment jobs + Government-supported trainees + HM Forces + claimants of unemployment-related benefits

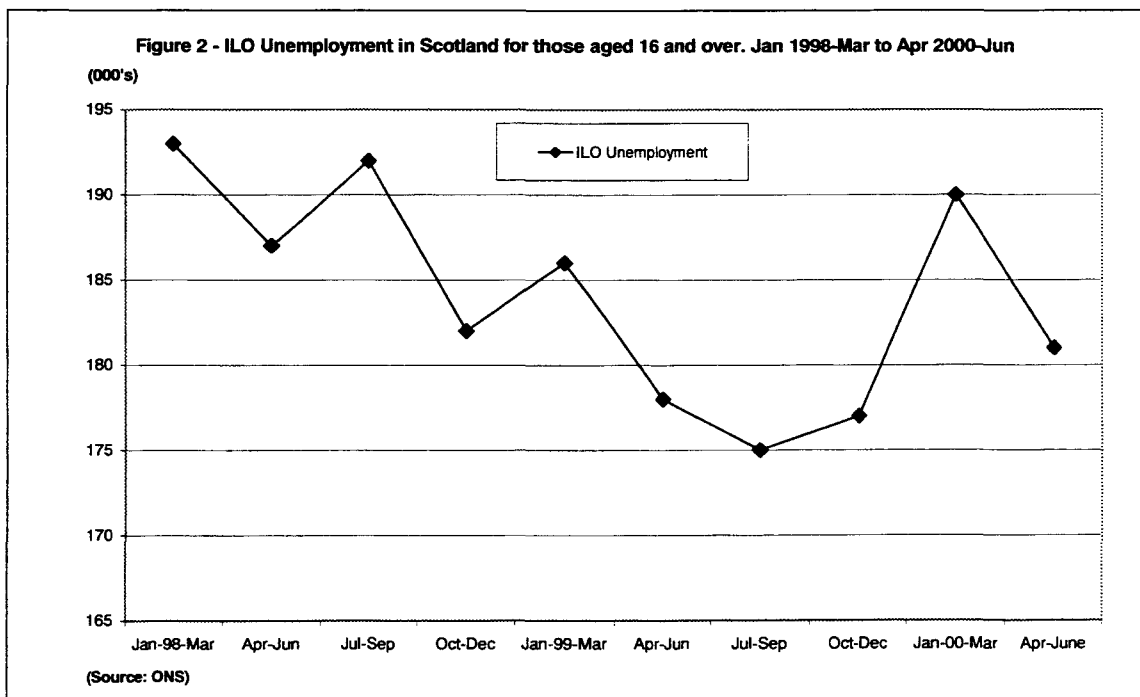
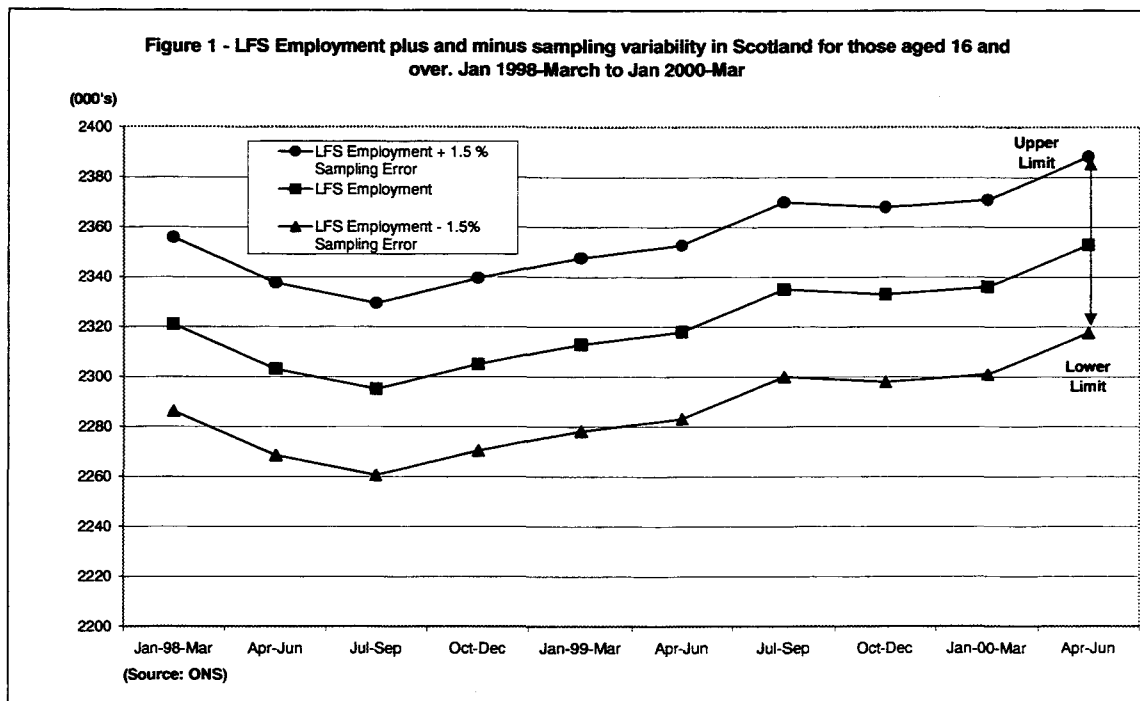


Figure 3 - Economically Active in Scotland (includes those in employment or actively seeking employment). Jan 1998-Mar to Apr-Jun 2000.

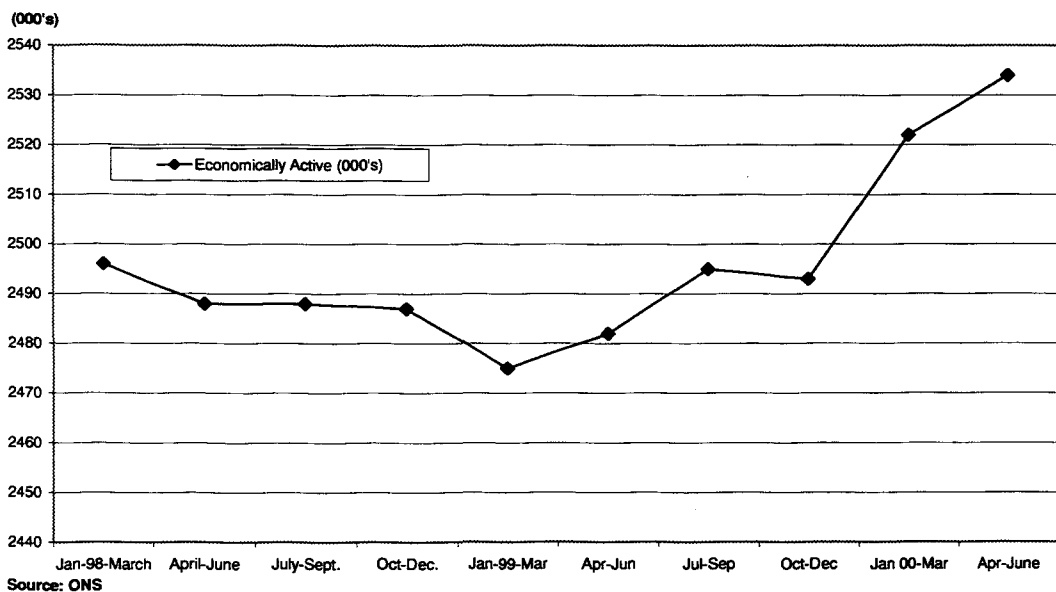


Figure 4 - Composition of the Economically Inactive in Scotland over the period Jan 1998 to Jun 2000.

