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# Overview of the labour market

Table 1 provides a summary of the most recent Scottish labour market statistics. The Labour Force Survey (LFS) estimate of the level of employment in the period June to August 2000 was 2,391 thousand, which was 65 thousand up on the same period in 1999. This shows an increase of 2.8 per cent in employment compared with the same quarter in the previous year. Figure 1 plots the quarterly LFS employment data (with the estimated plus and minus sampling error) from June-August 1998 to June-August 2000. Note that the LFS employment estimates for Scotland for this period reveal an increase of around 60,000 from the previous 3-month period. This is in keeping with the underlying trend of growth in employment though the increase in this period is the largest within the last 2 years. Figure 1 also indicates the upper and lower bounds of the LFS employment estimates given the sampling variability implicit in the survey. This implies that we can be 97 per cent confident that the most recent estimate of LFS employment in Scotland lies within the band illustrated in Figure 1. The employment rate (for all aged 16-59/64) is 73.9 per cent up from 71.9, which was the rate for the previous quarter and the same quarter a year ago.

The International Labour Organisation (ILO) definition of unemployment for the period June to August 2000 stands at 173,000 in Scotland. This is a fall of 19,000 from the previous quarter and is down 12,000 from the same quarter last year. The ILO unemployment rate for this period is 6.7 per cent down from 7.6 per cent in the previous quarter. Figure 2 plots the ILO unemployment levels in Scotland from June-August 1998 to June-August 2000.

Figure 3 plots the number of economically active persons in Scotland from June-August 1998 to June-August 2000. In the last quarter the number of economically active persons (aged 16 and over) stands at 2,564,000 up 42 thousand on the previous quarter and up 52 thousand from the same period last year. The economic activity rate rose to 79.3 per cent up from 77.9 per cent in the previous quarter. There were 655,000 economically inactive people (aged 16 to 59/64) in June-August 2000. This was down 43 thousand on the previous quarter and down 50 thousand on the

same period in the previous year. Figure 4 plots the composition of the economically inactive in Scotland from Jun-August 1998 to June-August 2000.

Claimant count unemployment was 111,700 for November, a rate of 4.6 per cent. This had fallen slightly since last month was down 13,400 on the same period last year. The unadjusted claimant count showed a small fall on the previous month of 100 though the rate remained the same at 4.4 per cent.

The most recent notified vacancies count stood at 26,100 for the month of October in 2000. The number of vacancies had risen sharply by 2,300 over the previous 3 months but was only 100 vacancies higher than November of the previous year. There were 42,700 unfilled vacancies in October 2000 a 20.6 per cent rise on the same period in the previous year. The increase in unfilled vacancies continues to suggest that the labour market is further tightening.

Male LFS employment increased by 32,000 over the quarter Jun-Aug 2000 a rise of 3.2 per cent over the year. Female LFS employment rose by 29,000 a rise of 2.6 per cent over the year. Over this period total employment stood at 2,391,000 of which there were 2,148 employees and 217,000 self employed. Also since the last quarter male part-time employment fell marginally whilst female part-time nudged upwards by 2,000 jobs. Overall part-time employment remained the same as the previous quarter. Thus the increase in employment over the quarter was due to full-time employment.

The most recent employee jobs by industrial activity are reported in Table 3. Total employee jobs for Jun-Aug 2000 stood at 2,039,000. This had fallen by a thousand on the previous quarter but was 17,000 higher on the same period a year ago. Manufacturing fell slightly over the quarter losing 3,000 employees, the sector was also down 12,000 employees on the same period in the previous year. The service industry rose by 7,000 employees on the previous quarter but was up by just 1,000 employees on the same period in the previous year. The other industries sector includes activities such as education, public administration and health. This sector gained 4,000 employees over the quarter Jun-Aug 2000. The sector was up 23,000 on the same period in the previous year.

## Outlook

The most recent labour market data indicates continued employment growth. The number of unfilled vacancies appears to be rising apace indicating that as the

number of unemployed continues to fall, employers are finding it increasingly difficult to recruit staff. The rise in the level of those economically active (and a corresponding fall in economic inactivity) is reassuring. This suggests that both government policy and opportunity has spurred people into the labour market who otherwise might not have taken part. Rising wage levels and further vacancy information will indicate whether

this injection into the labour market is sufficient to prevent any labour shortages, thus enabling the current run of growth to continue.

Richard Marsh  
16 January 2001

**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*	Mar-May 1999	2,297	70.8	-12	+57	-0.6	1.45
	Jun-Aug 1999	2,326	71.9	0	+58	0.0	1.5
	Sep-Nov 1999	2,331	71.9	-2	+58	-0.2	1.5
	Dec-Feb 2000	2,327	71.8	23	+58	0.6	1.5
	Mar-May 2000	2,331	71.9	34	+58	1.1	1.5
	Jun-Aug 2000	2,391	73.9	65	+60	2.0	1.5
ILO Unemployment**	Mar-May 1999	184	7.4	-1	+23	0.0	1.0
	Jun-Aug 1999	185	7.4	-10	+23	-0.3	0.9
	Sep-Nov 1999	177	7.0	-17	+22	-0.7	0.9
	Dec-Feb 2000	188	7.5	7	+23	0.2	0.9
	Mar-May 2000	192	7.6	8	+24	0.2	0.9
	Jun-Aug 2000	173	6.7	-12	+23	-0.7	0.9
Economically active*	Mar-May 1999	2,480	76.6	-15	+55	-0.6	1.4
	Jun-Aug 1999	2,512	77.7	-9	+57	-0.3	1.4
	Sep-Nov 1999	2,508	77.4	-19	+57	-0.8	1.4
	Dec-Feb 2000	2,514	77.6	29	+57	0.7	1.4
	Mar-May 2000	2,522	77.9	42	+57	1.3	1.4
	Jun-Aug 2000	2,564	79.3	52	+58	1.6	1.4
Economically inactive*** Of which:	Mar-May 1999	739	23.4	19	+55	0.6	1.4
	Jun-Aug 1999	705	22.3	11	+55	0.3	1.4
	Sep-Nov 1999	716	22.6	28	+56	0.8	1.4
	Dec-Feb 2000	708	22.4	-23	+56	-0.7	1.4
	Mar-May 2000	698	22.1	-41	+56	-1.3	1.4
	Jun-Aug 2000	655	20.7	-50	+56	-1.6	1.4
Vacancies notified (seasonally adjusted)	May 2000	23.2		-2.4			
	Jun 2000	23.5		-1.1			
	Jul 2000	23.8		-1.0			
	Aug 2000	24.7		-0.1			
	Sep 2000	26.3		0.3			
	Oct 2000	26.2		0.2			
	Nov 2000	26.7		0.4			

Source: National Statistics

Notes: \* 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: Part-time and full-time employment by gender**

	Male				Female				Total		
	Full-time	Part-time	Employees	Self employed	Full-time	Part-time	Employees	Self employed	Male	Female	All
<b>1998</b>											
Jun-Aug	1,151	106	1,078	161	626	444	1,001	58	1,257	1,070	2,326
<b>1999</b>											
Jun-Aug	1,131	115	1,076	153	613	468	1,013	59	1,246	1,081	2,326
Sep-Nov	1,152	101	1,080	155	621	457	1,016	54	1,253	1,078	2,331
Dec-Feb	1,133	118	1,079	155	610	466	1,009	58	1,251	1,076	2,327
<b>2000</b>											
Mar-May	1,142	111	1,083	156	598	479	1,015	52	1,253	1,077	2,331
Jun-Aug	1,176	109	1,109	164	624	481	1,039	52	1,285	1,105	2,391

SOURCE: ONS Labour Market Statistics First Release, November 2000

**Table 3: Employee jobs by industry**

SIC92	All jobs (seasonally adjusted)	All jobs	Agriculture Forestry & Fishing	Mining Energy & Water Supplies	Manufacturing Industries	Construction	Service Industries	Other Industries
	1	A-Q 2	A, B 3	C, E 4	D 5	F 6	G-K 7	L-Q 8
<b>1998</b>								
Jun	1,993	1,992	32	44	316	118	853	629
<b>1999</b>								
Jun	2,022	2,022	39	44	301	111	865	661
Sep	2,022	2,032	39	42	300	112	874	665
Dec	2,032	2,036	36	42	297	116	878	668
<b>2000</b>								
Mar	2,040	2,028	39	42	292	117	859	680
Jun	2,039	2,040	41	42	289	118	866	684

SOURCE: NS Labour Market Statistics First Release, November 2000

**Table 4: Job Centre vacancies**

	Vacancies notified		Vacancies unfilled		Vacancy outflow		Of which: Vacancies filled by Job Centres	
	Level	Change on month	Level	Change on month	Level	Change on month	Level	Change on month
	1	2	3	4	5	6	7	8
1999								
October	26.0	0.0	35.4	1.9	24.3	-0.6	16.1	-0.2
November	26.3	0.3	36.4	1.0	25.4	1.1	16.6	0.5
December	27.2	0.9	37.4	1.0	26.1	0.7	16.6	0.0
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	15.5	-1.2
March	25.5	-0.1	37.9	0.0	25.1	-0.4	15.3	-0.2
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	38.7	0.9	23.0	-0.5	13.9	-0.1
August	24.7	0.9	39.1	0.4	24.3	1.3	14.7	0.8
September	26.3	1.6	41.8	2.7	24.1	-0.2	14.5	-0.2
October (p)	26.1	-0.2	42.7	0.9	24.2	0.1	14.6	0.1
Change on year	0.1		7.3		-0.1		-1.5	
Change on year %	0.4		20.6		-0.4		-9.3	

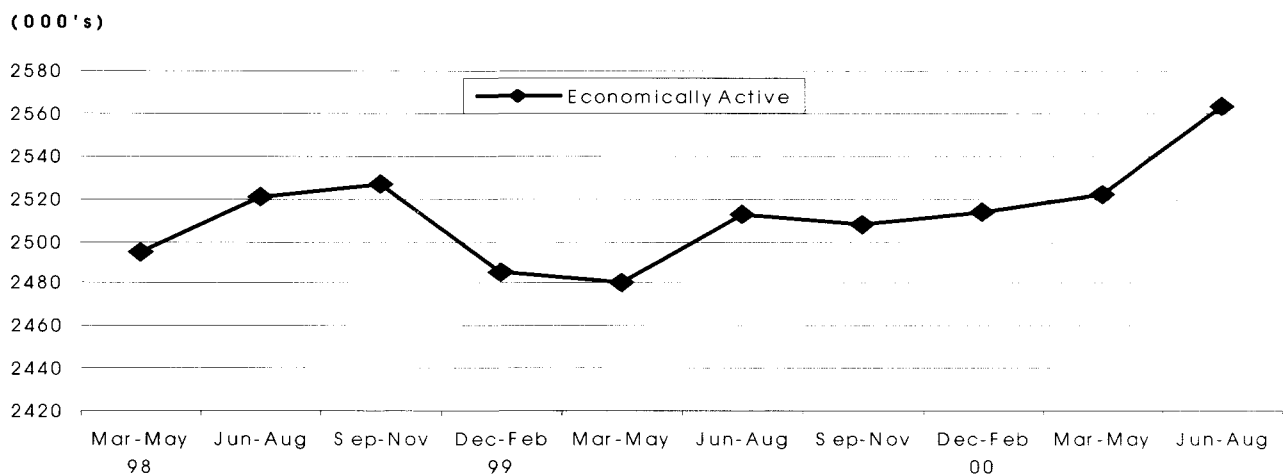
SOURCE: Employment service

Table 5: Claimant count\*

		Claimant count (seasonally adjusted)		Inflows (seasonally adjusted)	Outflows (seasonally adjusted)	Claimant count (unadjusted)	
		Level	Rate (%)	Level	Level	Level	Rate (%)
		1	2	3	4	5	6
1998	January	142.0	5.9	30.6	27.9	152.2	6.3
	February	140.3	5.8	29.5	30.8	149.5	6.2
	March	139.0	5.8	28.7	30.0	144.5	6.0
	April	138.7	5.7	29.0	28.9	143.4	5.9
	May	138.1	5.7	27.9	28.3	139.7	5.8
	June	137.7	5.7	28.1	29.0	138.0	5.7
	July	137.5	5.7	28.1	28.0	148.7	6.2
	August	138.3	5.7	28.1	28.6	149.0	6.2
	September	136.6	5.7	27.9	30.1	135.4	5.6
	October	136.7	5.7	28.8	28.3	132.1	5.5
	November	137.2	5.7	29.2	28.6	132.3	5.5
	December	136.5	5.7	28.9	30.8	133.0	5.5
1999	January	136.0	5.6	28.9	29.3	146.5	6.0
	February	135.7	5.6	28.4	28.9	145.4	6.0
	March	136.7	5.6	29.9	29.0	142.8	5.9
	April	133.9	5.5	28.5	30.9	139.0	5.7
	May	132.7	5.5	29.5	30.5	134.7	5.5
	June	133.0	5.5	29.3	29.7	133.7	5.5
	July	127.5	5.2	28.6	33.8	138.7	5.7
	August	126.8	5.2	29.4	31.6	137.3	5.7
	September	127.5	5.2	29.0	29.2	126.4	5.2
	October	125.9	5.2	28.2	28.7	121.1	5.0
	November	125.1	5.1	28.4	29.2	120.0	4.9
	December	123.9	5.1	28.4	31.0	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	113.6	4.7	26.1	30.2	121.9	5.0
	August	112.1	4.6	27.2	29.3	120.8	5.0
	September	111.8	4.6	27.1	26.8	109.7	4.5
	October	112.1	4.6	27.2	27.5	106.5	4.4
	November	111.7	4.6	26.9	27.3	106.4	4.4
		Change on month	-0.4	0	-0.3	-0.2	-0.1
	Change %	-0.4%	0.0%	-1.1%	-0.7%	-0.1%	0.0%
	Change on year	-13.4	-0.5	-1.5	-1.9	-13.6	-0.5
	Change %	-10.7%	-9.8%	-5.3%	-6.5%	-11.3%	-10.2%

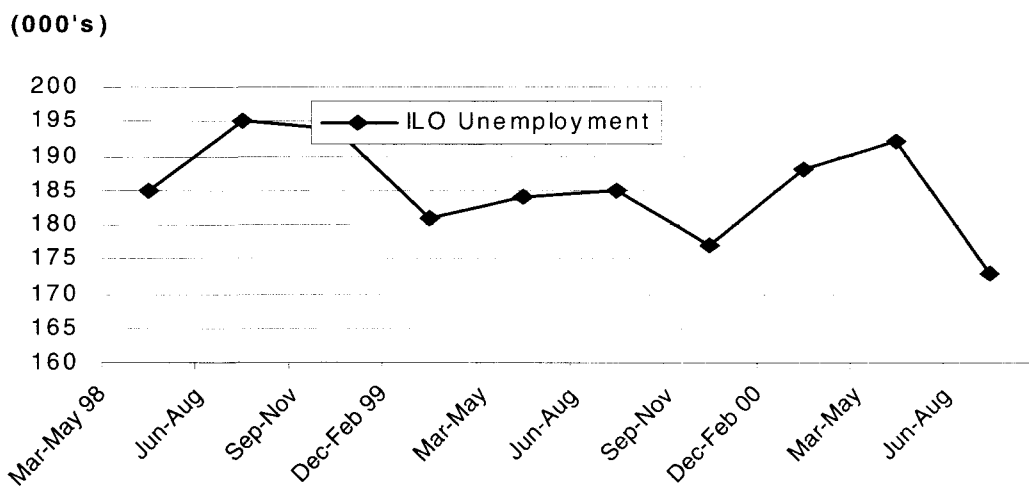
Source: Benefits Agency administrative system

**Figure 1: LFS employment plus and minus sampling variability in Scotland for those aged 16 and over. Mar-May 1998 to Jun-Aug 2000**



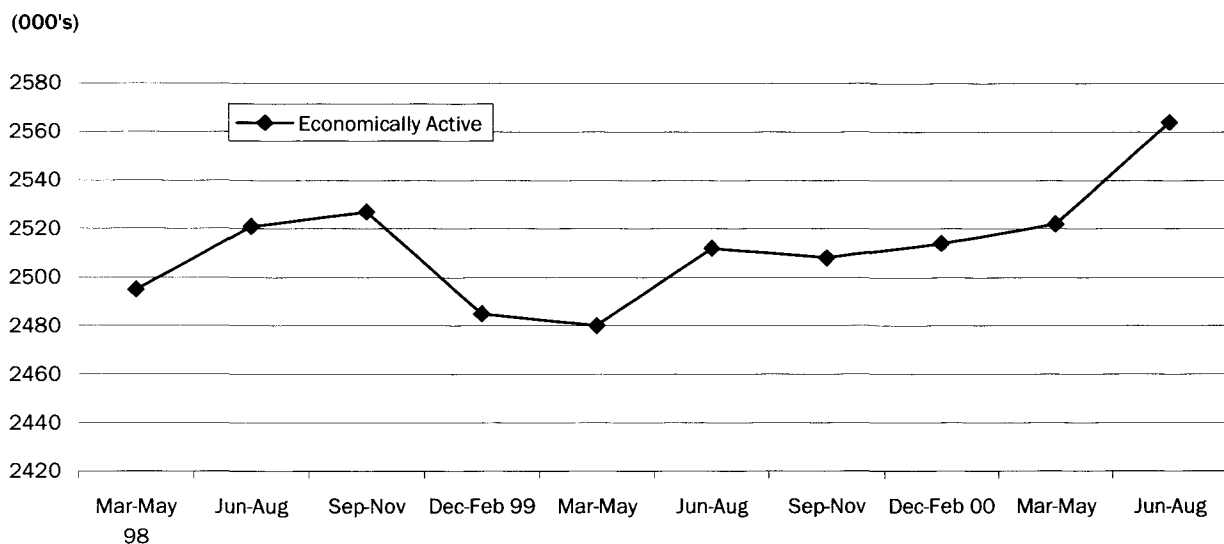
Source: ONS

**Figure 2: ILO unemployment in Scotland for those aged 16 and over. Mar-May 1998 to Jun-Aug 2000**

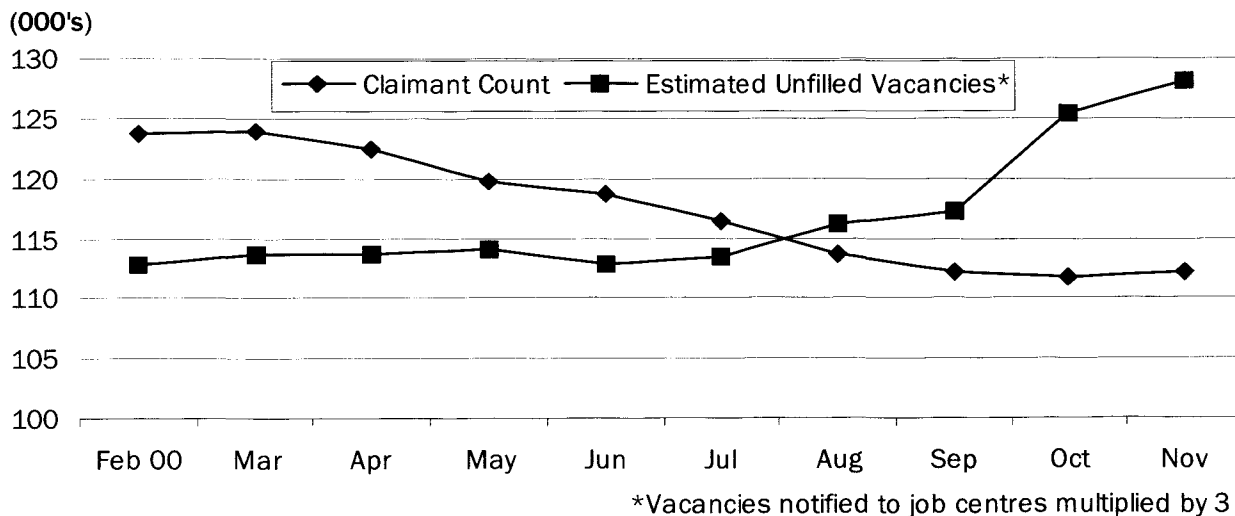


Source: ONS

**Figure 3: Economically active in Scotland (includes those in employment or actively seeking employment). Mar-May 1998 to Jun-Aug 2000**



**Figure 4: Comparisons of Scottish unemployment (Claimant count) against the level of Scottish vacancies\*. Feb to Oct 2000**



Source: Employment Service and ONS