

# 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 Scottish employment in the period December 2000 to February 2001 was 2,382,000, which is 55,000 higher than for the same period in 1999/2000. There was a clear jump in Scottish employment in the summer of last year with a further smaller increase in the autumn but total employment has slipped back over the winter. These data are shown in Figure 1. The employment rate for the quarter to February (for all aged 16-59/64) is 73.6 per cent. Again, this is lower than for the previous 2 quarters but up 1.6 percentage points on the figure for the same period 12 months previously.

The International Labour Organisation (ILO) definition of unemployment for the period December 2000 to February 2001 stands at 149,000 in Scotland. This is a fall of 10,000 from the previous quarter and is down 39,000 from the same quarter last year. The ILO unemployment rate for this period is 5.9 per cent, lower both than the figure for the previous quarter (6.2 per cent) and the figure for a year earlier (7.5 per cent). The most recent unemployment figures for Scotland are the best for the last three years.

Summing the employment and unemployment figures gives the total economically active individuals in the economy, that is the number either in work or actively seeking work. This figure peaked in Scotland in the summer of 2000 at a level of 2,564,000. The most up-to-date figure is again for the quarter ending in February 2001 where the economically active are given as 34,000 lower than this peak, at 2,530,000. The economically active as a proportion of the whole potential workforce was 79.3 per cent in the quarter ending in August 2000 but had fallen to 78.3 per cent in the quarter ending in February 2001.

Scottish claimant count unemployment was 107,000 for March, a rate of 4.3 per cent. The claimant count figure has fallen continuously over the last year and is 15,300 lower than March 2000. The unemployment rate for males is significantly higher, at 6.1 per cent, than for females, at 2.1

per cent. The most recent figure for unfilled vacancies, which is for March, stands at 45,700. This represents an increase of 8,200 over the previous year. The number of notified vacancies has therefore risen by just less than 22 per cent in this period. If the number of vacancies are multiplied by three to take into account under-reporting to job centres, we can see from Figure 2 that unfilled vacancies are now significantly greater than the claimant count unemployment level suggesting an increased tightening of the labour market.

Gender divisions are identifiable in the Scottish labour market figures. Total Scottish employee jobs for July-September 2000 stood at 2,039,000, and had increased by 16,000 over the previous year. However, male Labour Force Survey employee jobs, seasonally adjusted, fell by 10,000 over the year to September 2000, a reduction of 1 per cent, whilst female LFS employment rose by 25,000, 2.4 per cent, in the same period. The sectoral disaggregation of the employment figures identifies service sector industries as the dominant employers in the Scottish labour market and employment in services is rising whereas in agriculture and production industries, employment is either static or falling. Within the service sector, for the year to September 2000, public administration experienced the largest increase in employment, from 149,000 to 161,000, an increase of 7.5 per cent.

## Outlook

The most recent labour market data show aggregate Scottish employment and number of economically active jumping in the summer and autumn of 2000. Since then, both of these numbers have fallen back although the unemployment rate continues to fall. A comparison of the unemployment rate and vacancies for mid 2000 indicates a continuing tightening of the labour market. As suggested in the last commentary, people might have been spurred into the labour market as a result of government policies and increased job opportunities. However, some of this gain appears to only have been temporary, although the fall in employment in the latest quarter has not yet been registered in any rise in unemployment.

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**Table 1: Recent developments in the Scottish labour market**

		<i>Level (000s)</i>	<i>Rate (%)</i>
Employment*	Sep-Nov 1999	2,331	71.9
	Dec 1999-Feb 2000	2,327	71.8
	Mar-May 2000	2,331	71.9
	Jun-Aug 2000	2,391	73.9
	Sep-Nov 2000	2,402	74.1
	Dec 2000-Feb 2001	2,382	73.6
ILO Unemployment**	Sep-Nov 1999	177	7
	Dec 1999-Feb 2000	188	7.5
	Mar-May 2000	192	7.6
	Jun-Aug 2000	173	6.7
	Sep-Nov 2000	159	6.2
	Dec 2000-Feb 2001	149	5.9
Economically active*	Sep-Nov 1999	2,508	77.4
	Dec 1999-Feb 2000	2,514	77.6
	Mar-May 2000	2,522	77.9
	Jun-Aug 2000	2,564	79.3
	Sep-Nov 2000	2,561	79.1
	Dec 2000-Feb 2001	2,530	78.3
Economically inactive***	Sep-Nov 1999	716	22.6
	Dec 1999-Feb 2000	708	22.4
	Mar-May 2000	698	22.1
	Jun-Aug 2000	655	20.7
	Sep-Nov 2000	662	20.9
	Dec 2000-Feb 2001	687	21.7
Vacancies notified (seasonally adjusted)	Sep-Nov 1999	26.2	
	Dec 1999-Feb 2000	26.6	
	Mar-May 2000	26.1	
	Jun-Aug 2000	27.0	
	Sep-Nov 2000	28.7	
	Dec 2000-Feb 2001	27.0	

Source: National Statistics

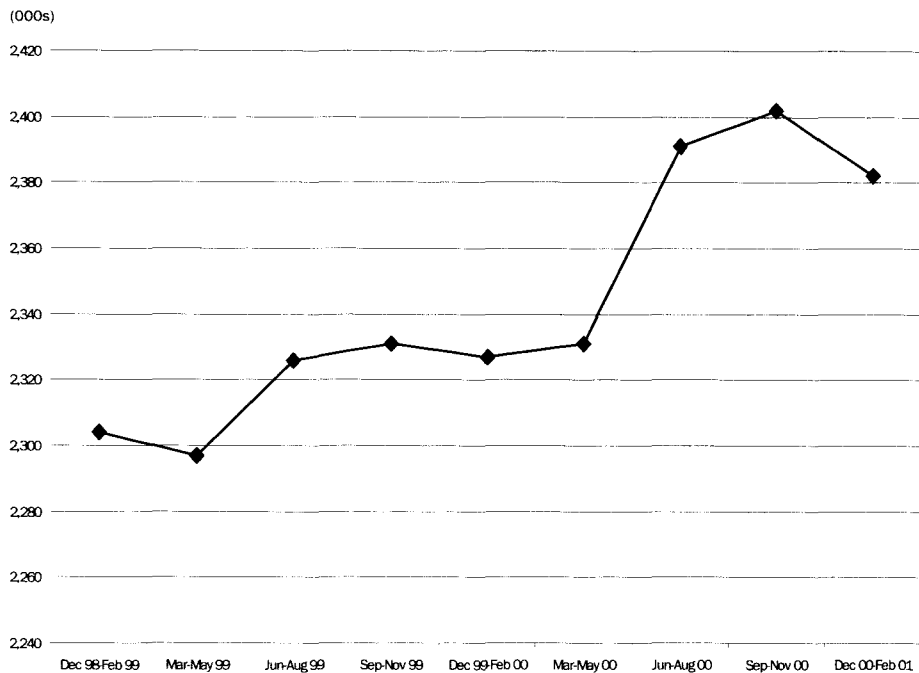
Notes:

\* Levels are for those aged 16 and over, rates are for those working age (16-59/64)

\*\* Levels and rates are for those aged 16 and over. Rate is a proportion of economically active

\*\*\* Levels and rates are for those of working age

**Figure 1: LFS employment in Scotland**



**Figure 2: Comparisons of Scottish unemployment (claimant count) against the level of Scottish vacancies**

