



8 May 2013

Local Area Labour Markets in Scotland

Statistics from the Annual Population Survey 2012

About this publication

The Annual Population Survey (APS) combines results from the Labour Force Survey (LFS) and the English, Welsh and Scottish Labour Force Survey boosts. The boosts increase the sample size which means the APS can provide more robust labour market estimates for local areas compared to the main LFS. The Scottish Government funds the boost to the LFS sample in Scotland, taking the sample size from approximately 5,800 households each year to 20,000 households. The APS is the primary source for information on local labour markets providing headline estimates of employment, unemployment and economic activity.

This is the tenth publication of the series. It aims to provide reliable and up-to-date headline information for local area labour markets and covers employment, underemployment, inactivity and youth participation in the labour market within Scotland and its local authorities. Results are provided for the calendar years (January to December) 2004 to 2012, based on the data released by the Office for National Statistics (ONS) on 21 March 2013.

The publication is split into two main chapters.

The first chapter examines changes at national and local authority area level for:

- employment across various sub-groups of the population
- different types of work people are employed in and which sub-groups may be driving changes in these
- different industry sectors as well as public/private and the third sectors
- different occupations and occupational skill distributions

The second chapter examines changes at national and local authority area level for those who are not in employment, looking at:

- changes in unemployment across various sub-groups
- changes in economic inactivity across various sub-groups
- reasons for inactivity and willingness to work
- those who have never worked

Estimates for **age, gender and disability** equalities groups are included in the main publication. Disaggregations for other equalities groups (ethnicity and religion) tend to be unreliable at local authority area level due to the small sample sizes of many of the sub-groups, and are therefore only included in the accompanying web-tables at national or regional level.

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Summary

People in work

- **Scotland Performs Cohesion Target** - Between 2011 and 2012, the gap in employment rates between the three local authorities with the highest employment rates and the three local authorities with the lowest employment rates **increased by 2.8 percentage points from 16.3 to 19.1 percentage points**.
- There is considerable variation in employment rates across Scotland's local authorities. In 2012, **employment rates varied from 59.7% in Glasgow City to 81.3% in the Orkney Islands**. This compares to an employment rate of 70.6% in Scotland based on Jan-Dec 2012 APS data.
- **Just over half of local authorities (17 in total) saw an increase in their employment rates over the year**, while **all but two local authorities saw reductions between 2008 (start of the recession) and 2012**, reflecting the continuing challenging economic circumstances.
- **Glasgow saw the largest decrease in employment rate** across Scotland's local authorities, **down 4.1 percentage points to 59.7%**, while its employment level decreased by 15,500. This was driven by reductions in the levels of both public and private sector employment in Glasgow which decreased by 8,900 and 9,800 respectively. Over the year, **Glasgow has seen a large shift out of employment into inactivity (with the level of inactive students aged 16-24 up around 11,000 over this period)**.
- Between 2011 and 2012 **the male employment rate decreased from 75.1% to 74.6%**, with decreases in the rate being seen in 15 local authority areas, with the remaining 17 local authorities seeing increases. Over the same period, **the female employment rate increased slightly from 66.5% to 66.8%**, with increases in the rate being seen in 20 local authority areas, with 11 of the remaining local authorities seeing decreases and one seeing no change.
- **The youth employment rate (16-24 year olds) in Scotland decreased by 1.4 percentage point over the year, from 54.6% in 2011 to 53.2% in 2012**. A total of 16 local authorities (including Edinburgh and Glasgow) saw a decrease in their youth employment rate, whilst over the same period the remaining 16 saw increases.
- In 2012 **73.2% of people in employment were working full time, compared to 73.6% in 2011 and 76.2% in 2008**. Over the year the percentage of people in full time work has decreased in 17 local authority areas and since 2008 has decreased in 28 local authorities.
- In 2012 there were **243,300 workers who were underemployed** (i.e. willing to work more hours), an increase of 2,600 over the year and 68,900 since the start of the recession in 2008. **The underemployment rate (those underemployed as a proportion of all aged 16+ in employment) in 2012 was 10.0%, up 0.1 percentage point over the year and 3.0 percentage points since 2008**. Underemployment levels are highest amongst part-time female and full-time male workers.

People not in work

- **There were 213,100 people aged 16 or over who were unemployed in Scotland**, a decrease 3,100 over the year, but an increase of 82,700 since the start of the recession in 2008.

- **The youth unemployment rate (16-24) in Scotland was 20.7%, 0.2 percentage points lower than the rate in the UK.** The rate in Scotland has increased by 7.1 percentage points since 2008, higher than the increase of 5.9 percentage points in the UK over the same period.
- Over the year, **the unemployment rate (model based) decreased in 19 local authority areas in Scotland, with 12 of the remaining authorities seeing increases in their unemployment rate, and one seeing no change.**
- **In 2012 33,000 (13.3%) of 16-19 year olds were not in education, employment or training.** The level of NEET had increased by 1,000 (0.9 percentage point) since 2011.
- Between 2011 and 2012, the **economic inactivity rate decreased in half (16) of Scotland's local authorities, while the remaining 16 authorities saw increases in their rate.** The largest decreases were seen in Eilean Siar, Renfrewshire and South Ayrshire while largest increases were seen in Glasgow City, Dundee City and Highland.
- In 2012, there were **104,500 people in Scotland over the age of 16 (and not in full-time education) who had never worked**, down 8.9% on the level in 2011 (114,700), down 2.5% on 2008 level (107,200), and up 1.7% on the level in 2004 (102,800).

Section 1: People in Work

Country level analysis

Improving participation in Scotland's labour market is a key driver in meeting the Scottish Government's overarching Purpose of increasing sustainable economic growth.

The latest trends in Scotland's labour market are monitored monthly using the rolling quarterly Labour Force Survey (LFS) and data can be accessed on the Office for National Statistics (ONS) website¹.

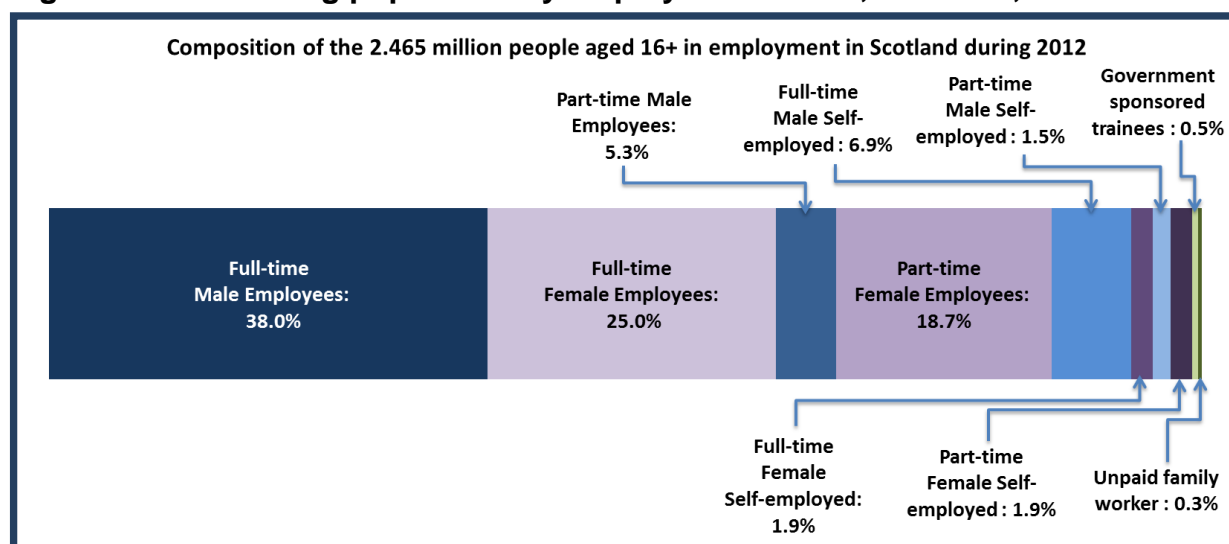
Scotland entered recession in Quarter 3 of 2008, two quarters later than the UK economy. Scotland subsequently returned to growth in Quarter 4 of 2009, one quarter later than the UK. However, growth has remained slow since, with the employment rate continuing to deteriorate through Q1 of 2010, before starting a gradual recovery through to the second quarter of 2011. However, the recovery has been weak, with interspersed periods of contraction, which continue to impact the labour market.

Analysis of the latest headline trends, updated monthly based on the LFS, is available from:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/AnalyticalPapers>

The APS remains the best source for local area labour market trends, as the sample size on quarterly LFS is too small to be used to monitor trends within small sub-groups and within the local authority areas of Scotland.

Figure 1: 16+ working population by employment status, Scotland, 2012



Source: Annual Population Survey, Jan-Dec, ONS

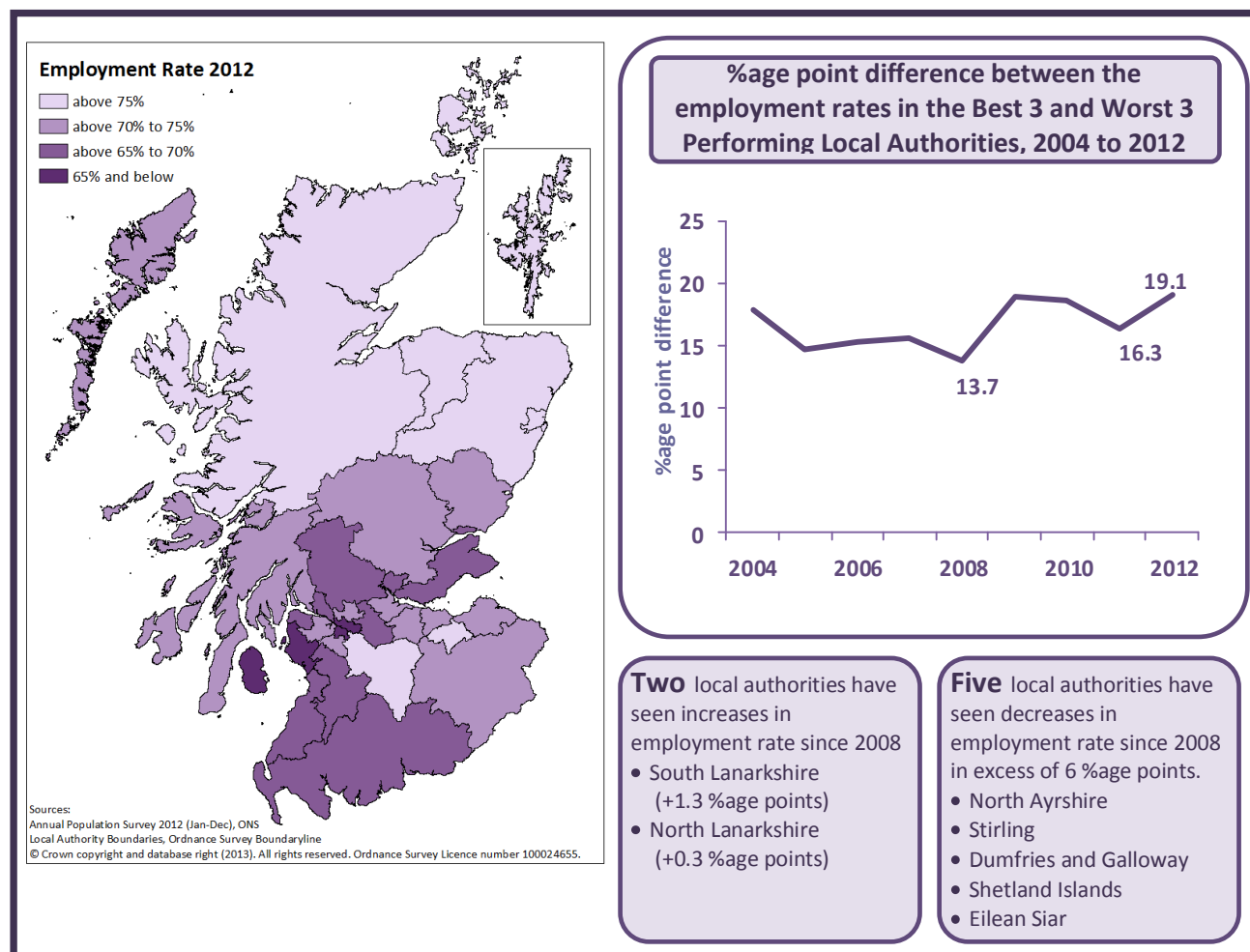
Figure 1 gives an overview of the composition of those aged 16 and over who were resident in Scotland and in employment during January to December 2012.

¹ <http://www.ons.gov.uk/ons/publications/all-releases.html?definition=tcm:77-21859>

Local area and sub-group analysis

Employment Rate

Figure 2: Employment rates across Local Authority areas, Scotland 2004-2012



Source: Annual Population Survey, Jan-Dec, ONS

Based on the APS, the employment rate (based on those aged 16-64 years old) in Scotland decreased by 0.1 percentage point to 70.6% over the year, while the rate in the UK increased by 0.6 percentage points. Since 2008, the rate in Scotland has decreased by 2.9 percentage points, a larger decrease than the 1.5 percentage points seen in the UK.

Across the local authority areas of Scotland in 2012:

- The highest employment rates were seen in Orkney Islands, Aberdeenshire and Shetland Islands (81.3%, 79.9% and 79.7% respectively)
- The lowest rates were seen in Glasgow City, North Ayrshire and Dundee City (59.7%, 61.7% and 65.2% respectively)
- There are some signs of a geographic trend, with local authority areas in the north generally fairing best, and those in western central belt and south west of Scotland generally fairing worst.

Over the year:

- Employment rates increased in 17 out of 32 local authority areas in Scotland.
 - The largest increases were in Eilean Siar², Renfrewshire and South Ayrshire (up 7.7, 4.7 and 3.9 percentage points respectively)
 - The largest decreases were in Glasgow City, Stirling and Dundee City (down 4.1, 3.8 and 3.2 percentage points respectively)

Since 2008:

- Employment rates have decreased in all but 2 local authority areas in Scotland.
 - Increases were only seen in South Lanarkshire and North Lanarkshire (up 1.3 and 0.3 percentage points respectively). These two areas both saw decreases in excess of 4,000 people between 2007 and 2008 indicating that they may have seen the impacts of the recession earlier than most other areas of Scotland.
 - The largest decreases were in North Ayrshire, Stirling, Dumfries and Galloway and Shetland Islands (down 7.2, 6.6, 6.3 and 6.3 percentage points respectively)

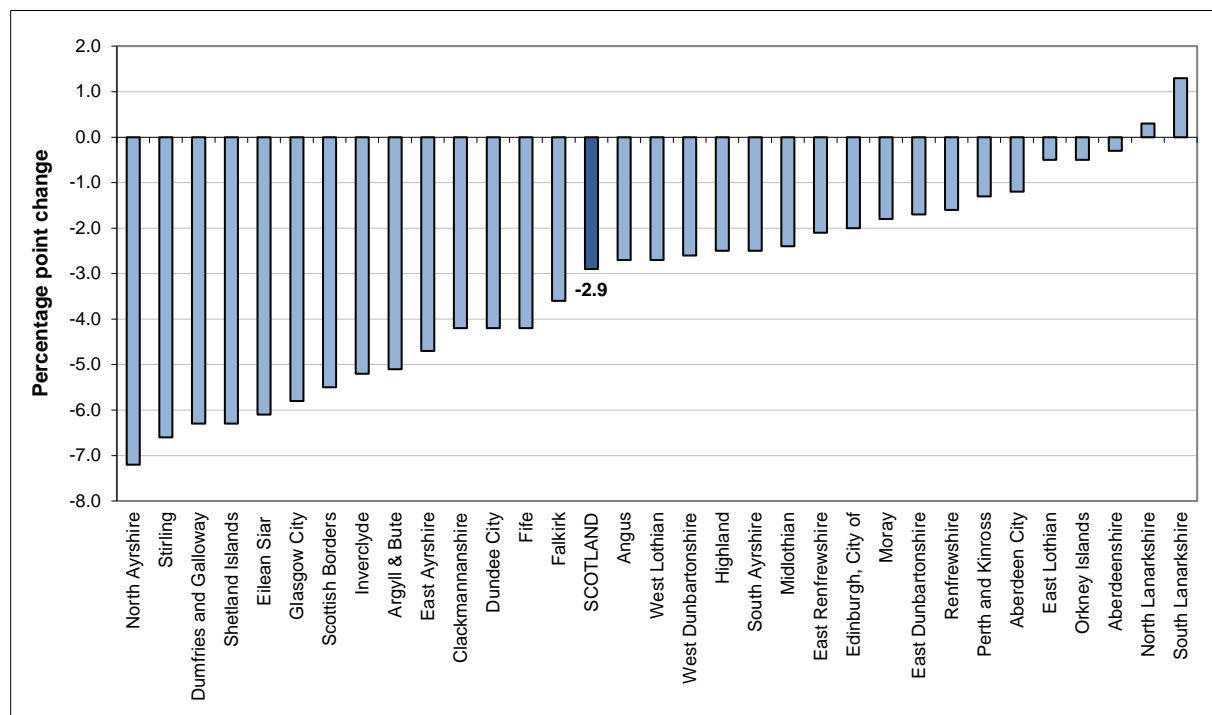
Table 1 in Annex A gives the employment rate for the population aged 16 to 64 in Scotland's local authorities for 2008, 2011 and 2012. A time-series back to 2004 can be downloaded from the web-tables at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables>

or from Scottish Neighbourhood Statistics at:

<http://www.sns.gov.uk/>

Chart 1: Employment rates (16-64) by local authority, Scotland, change since 2008



Source: Annual Population Survey, Jan-Dec, ONS

² The large change seen in employment rate for Eilean Siar should be treated with a degree of caution. Sample sizes for this authority are small and consequently reliability of estimates is lower than for larger authorities.

Cohesion

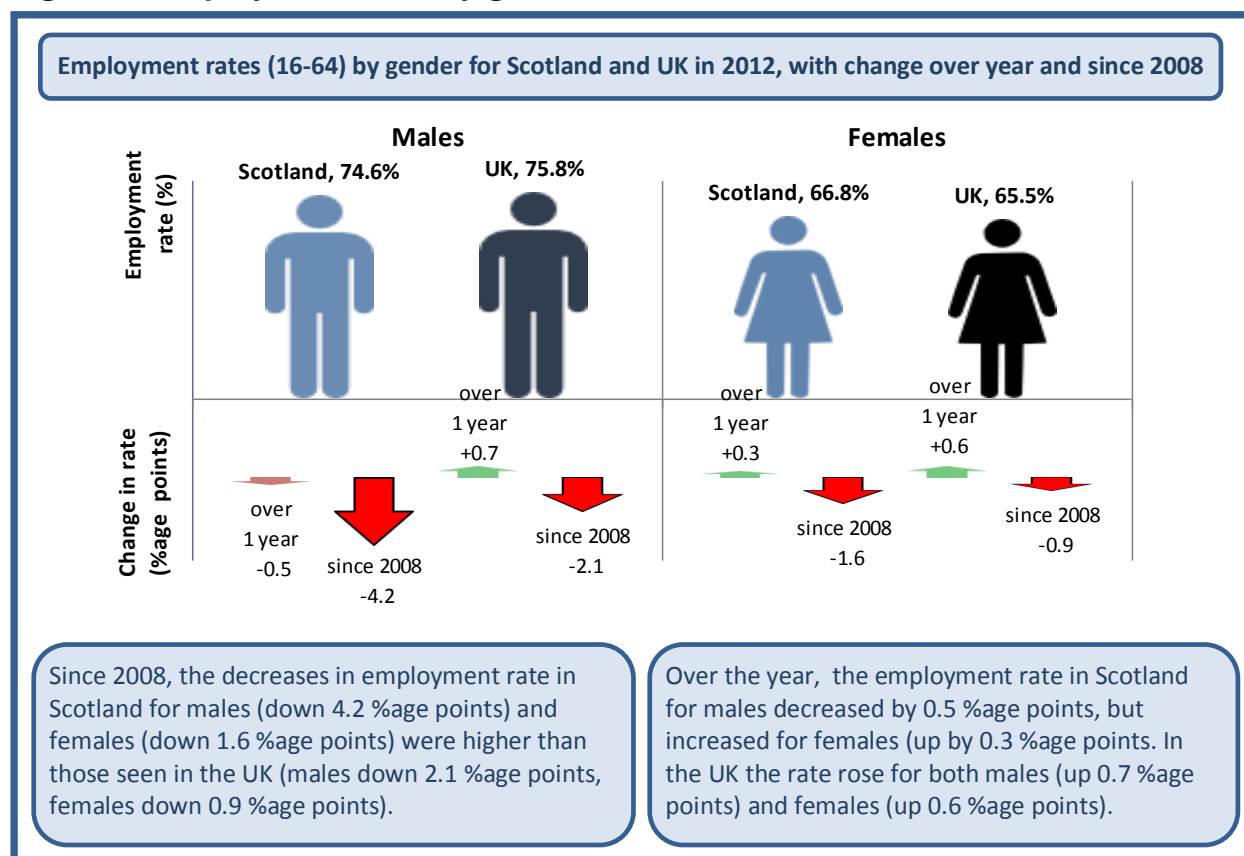
The APS is used to measure progress against the Government's Cohesion target, which aims to narrow the gap in participation between Scotland's best and worst performing regions by 2017. Further information on this and other purpose targets and indicators that use the APS to track their progress is available in Annex B and also from the Scotland Performs website at:

<http://www.scotland.gov.uk/About/scotPerforms>

The employment rate in Scotland varies considerably between local authority areas. The difference between the 3 best areas and the 3 worst performing local authority areas was on a downward trend between 2004 and 2008. Between 2008 and 2009 the gap increased. Between 2009 and 2011 the gap had been reducing slowly but has increased in 2012 by 2.8 percentage points. Over the past year the employment rate in Glasgow decreased by 4.1 percentage points, which had a relatively large impact on the overall employment rate of the three worst performing areas, due to its size.

Analysis by gender

Figure 3: Employment rates by gender for Scotland and UK



Source: Annual Population Survey, Jan-Dec, ONS

Figure 3 compares employment rates for males and females in 2012, along with change over both the year and since 2008

- The employment rate for males has decreased more in Scotland than in the UK since the start of the recession in 2008.
- In 2008, the employment rate for males in Scotland (at 78.8%) was 0.9 percentage points higher than in the UK (77.9%), but in 2012 it was 1.2 percentage point lower.

- The employment rate for females has also decreased more in Scotland than in the UK since the start of the recession.
- However, the employment rate for females in Scotland has generally remained higher than in the UK, and in 2012 was 1.3 percentage points higher, although the gap has narrowed since 2008.

The areas with the highest male employment rates in Scotland in 2012 were Orkney Islands, Aberdeen City and Moray (88.1%, 87.2% and 82.6% respectively). The areas with the lowest male employment rates were Glasgow City, Inverclyde and Dundee City (62.2%, 65.2% and 66.2% respectively),

The areas with the highest female employment rates in 2012 were Shetland Islands, Orkney Islands, and South Lanarkshire (78.6%, 74.1% and 73.0% respectively). The areas with the lowest female employment rates were North Ayrshire, Glasgow City and Clackmannanshire (55.1%, 57.2% and 60.1% respectively),

Over the year:

- The employment rate for males in Scotland reduced by 0.5 percentage points to 74.6%, while females saw a 0.3 percentage point increase in their employment rate, to 66.8%.
- The employment rate for males increased in 17 local authority areas, but decreased in 15. Females saw their employment rate increase in 20 local authority areas, with 11 areas seeing decreases, and one remaining unchanged.
- Looking at the areas with the largest decreases in overall employment rate, in Glasgow City and Dundee City the changes were driven by reductions in the male employment rate (down 8.3 and 6.9 percentage points respectively). However, in Stirling the reduction was mainly due to a decrease of 5.4 percentage points in the female employment rate.

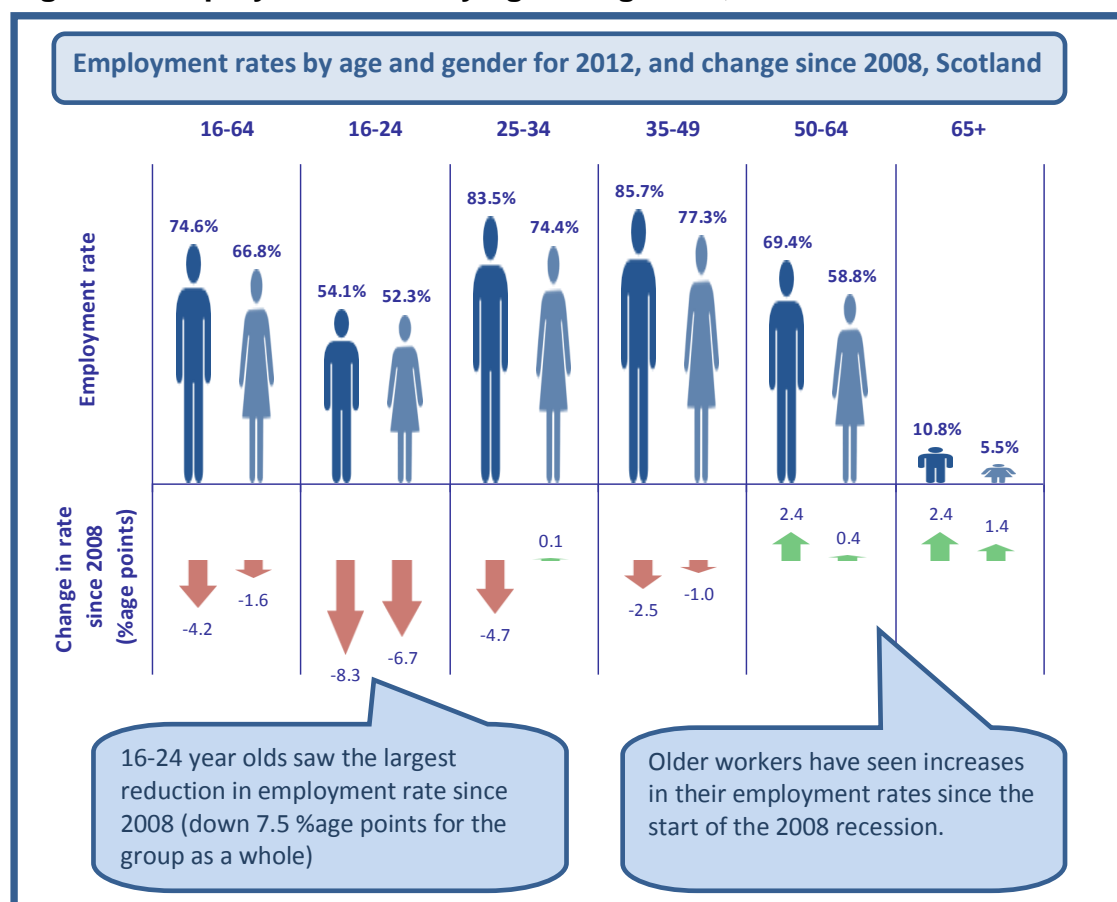
Since 2008:

- Employment rates for both males and females in Scotland have both reduced since 2008, although the decrease for males was larger (at 4.2 percentage) than that for females (down 1.6 percentage points).
- The employment rate for males increased in just one local authority (Aberdeenshire), decreasing in the remaining 31. Females saw their employment rate increase in 6 local authority areas, with 26 areas seeing decreases.
- The increases in overall employment rate seen in South Lanarkshire and North Lanarkshire were due to female employment rate rising in these areas (up 4.3 and 4.1 percentage points respectively) outweighing decreases in the male rate in these areas.
- In North Ayrshire, Stirling, Dumfries and Galloway and Shetland Islands, which saw the largest decreases in overall employment rate, larger reductions than the national average were seen in both their male and female employment rates.

Employment levels and rates by gender for 2004 to 2012 are provided in the web tables and via Scottish Neighbourhood Statistics.

Analysis by age group

Figure 4: Employment rates by age and gender, Scotland



Source: Annual Population Survey, Jan-Dec, ONS

Figure 4 compares the employment rates across age groups and gender in Scotland for 2012 and shows change since the start of the 2008 recession.

The lowest employment rates are seen by those aged 16-24, 50-64 and 65+. 16-24 year olds are more likely than other age groups to be in full-time education, whereas those in the 50-64 and 65+ age groups are more likely to be retired or long-term sick or disabled.

Over the year:

- All age groups in Scotland saw no or small increases in their employment rates (between 0.0 and 1.2 percentage points) except for those aged 16-24, who saw a reduction of 1.4 percentage points in their employment rate.
- Those aged over 65 saw the largest increase over the year, at 1.2 percentage points.
- The 16-64 rate decreased marginally over the year as it does not include the increase seen in the over 65 age group.
- Due to the small sample sizes in many local authority areas when looking at employment rate split by age group, variability can be high and reliability of the estimates can be low. These estimates should be used with caution, but may

provide longer term indications of movement when examined over several years. Statistically significant³ changes seen over the year were:

- The decrease for 16-24 year olds in Glasgow City (down 15.2 percentage points)
- The increases for 16-24 year olds in Angus and Renfrewshire (up 14.0 and 11.9 percentage points respectively)
- The increase for 25-34 year olds in West Lothian (up 8.2 percentage points)

Since 2008:

- The employment rate for all age groups in Scotland decreased, except for those aged 65+, who saw a 1.9 percentage point increase in their rate. 16-24 year olds saw the largest decrease (down 7.5 percentage points), while the 25-34, 35-49 and 50-64 age groups saw decreases of 2.2, 1.7 and 1.3 percentage points respectively.
- Across all age groups, except older workers (50+), the changes in employment rate since 2008 are larger for males than for females as illustrated in Figure 4. This may indicate a greater degree of stability in women's employment or that males (or the jobs they hold) react faster to changes in labour market conditions.
- Due to the small sample sizes in many local authority areas when looking at employment rate split by age group, variability can be high and reliability of the estimates can be low. These estimates should be used with caution, but may provide longer term indications of movement when examined over several years. Statistically significant⁴ changes seen since 2008 were:
 - The decreases for 16-24 year olds in East Ayrshire, Glasgow City, North Ayrshire and Stirling (down 17.8, 17.5, 14.4 and 12.5 percentage points respectively)
 - The decreases for 25-34 year olds in East Ayrshire and Fife, (down 11.2 and 10.7 percentage points respectively)
 - The decreases for 35-49 year olds in Clackmannanshire, Dundee City, and North Ayrshire (down 16.5, 7.8 and 8.5 percentage points respectively)
 - The increase for 35-49 year olds in Orkney Islands (up 8.3 percentage points)
 - The decrease for 50-64 year olds in Stirling (down 9.3 percentage points)

Further information for the 16-24 year old group is given in the Youth employment section below.

Employment levels and rates by age for 2011 are provided in Table 2 in Annex A, with full time series data from 2004 to 2011 available in the web tables and via Scottish Neighbourhood Statistics.

³ Refer to Annex D for further information on the meaning of statistical significance and how this is calculated. All references to statistically significant differences are based on a 95% confidence level.

⁴ Refer to Annex D for further information on the meaning of statistical significance and how this is calculated. All references to statistically significant differences are based on a 95% confidence level.

Youth Employment (16-24 year olds)

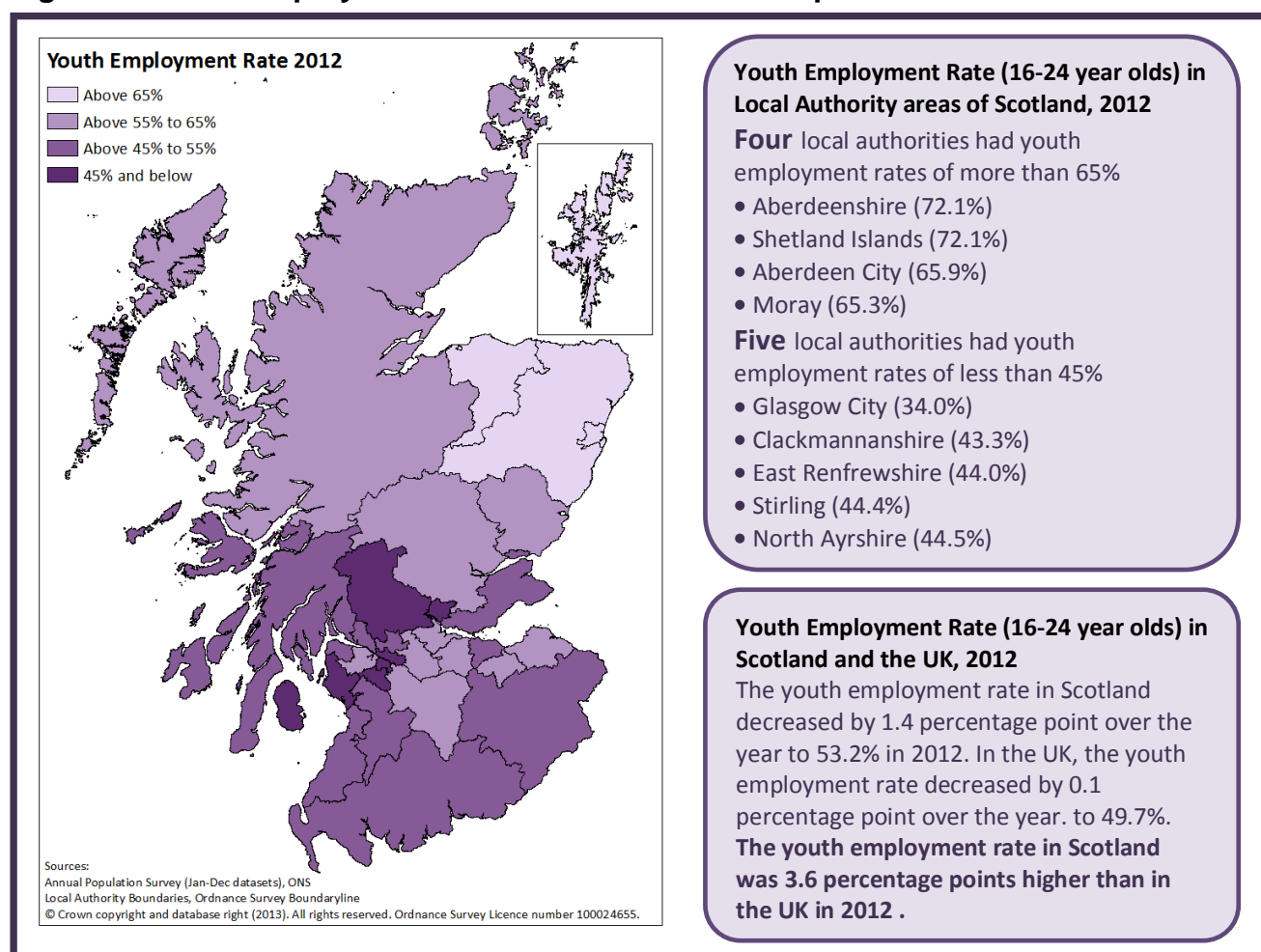
Estimates of youth employment, unemployment and activity in Scotland are released on a monthly basis by the ONS. Secondary analysis from the Scottish Government and a link to the primary ONS regional analysis can be found on the Statistical Briefing section of the Labour Market Statistics section of the Scottish Government website:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/AnalyticalPapers#Youth Unemployment Publications and Briefing Papers>

These estimates are based on rolling quarterly LFS data. Due to relatively small sample sizes the LFS estimates cannot be broken down to give reliable youth employment estimates by local authority, occupation or industry. However, it is possible to produce this analysis using data from the APS.

The youth employment rate in Scotland decreased by 1.4 percentage point over the year; from 54.6% in 2011 to 53.2% in 2012. In the UK, the youth employment rate decreased by 0.1 percentage point over the year, to 49.7%. **The youth employment rate in Scotland was 3.6 percentage points higher than in the UK in 2012**

Figure 5: Youth Employment across Scotland and compared to UK



Source: Annual Population Survey, Jan-Dec, ONS

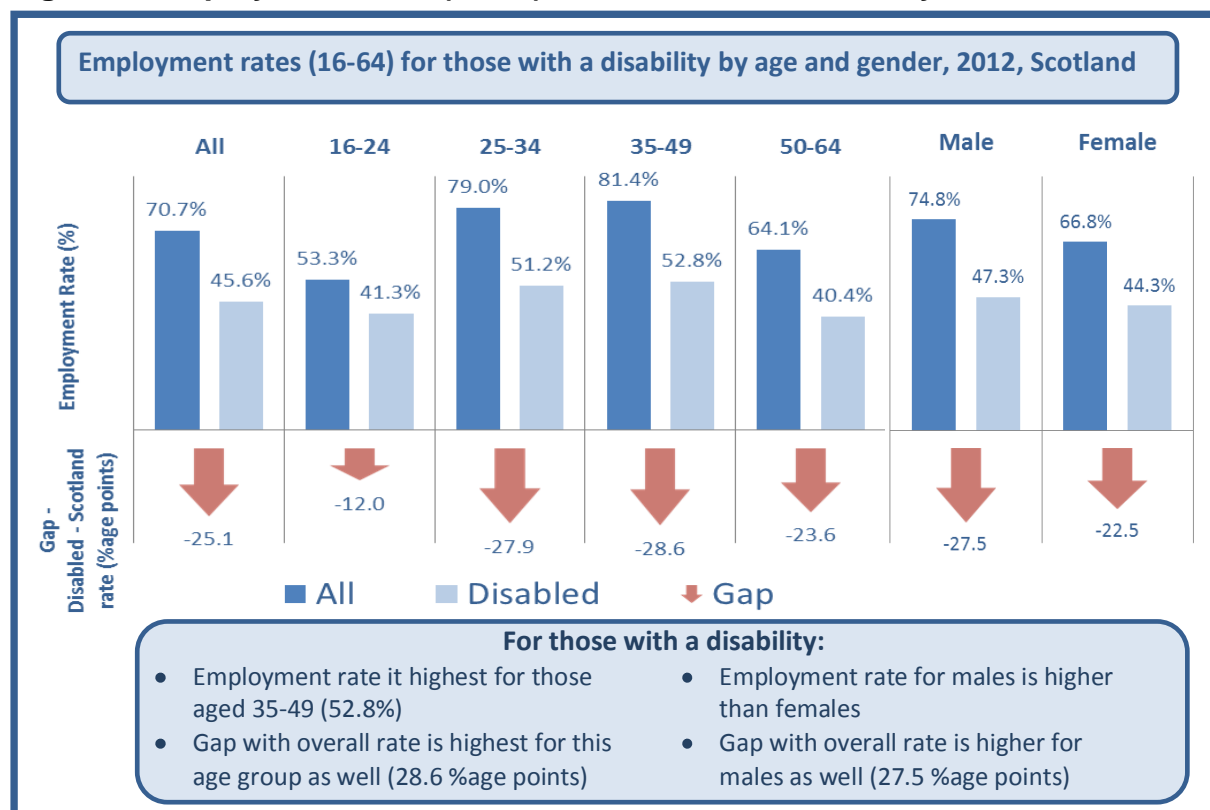
The largest decreases in youth employment rate over the year were seen in Glasgow City, Stirling and Moray

- In Glasgow this is being driven by a large increase in the number of inactive students aged 16-24, up 11,000 from 24,000 to 35,000, which has increased the inactivity rate for 16-24 years in Glasgow from 35.6% to 49.7% over the year
- A similar effect has also been seen in Stirling, where the number of inactive students aged 16-24 has increased by 1,000 from around 4,000 to 5,000, which has increased the inactivity rate for 16-24 years in Stirling from 36.0% to 43.7% over the year
- It is not possible to perform a similar analysis for Moray due to the small sample sizes and changes for many of the inactive groups over the year

Note that in some local authorities there is a large student population which may be expected to lead to higher inactivity among 16-24 year olds and hence lower employment (and unemployment). However, it is important to note that 34.0% of full-time students in Scotland were also in employment in 2012 (down 2.0 and 6.5 percentage points over the year and since 2008 respectively). This is higher than the percentage in the UK as a whole, where 26.1% of full-time students were also in employment (down 0.8 and 6.1 percentage points over the year and since 2008 respectively). Due to sample size limitations it is not possible to look at local authority employment rates by enrolment in full-time education.

Analysis by disability

Figure 6: Employment rates (16-64) for those with a disability, Scotland



Source: Annual Population Survey, Jan-Dec, ONS

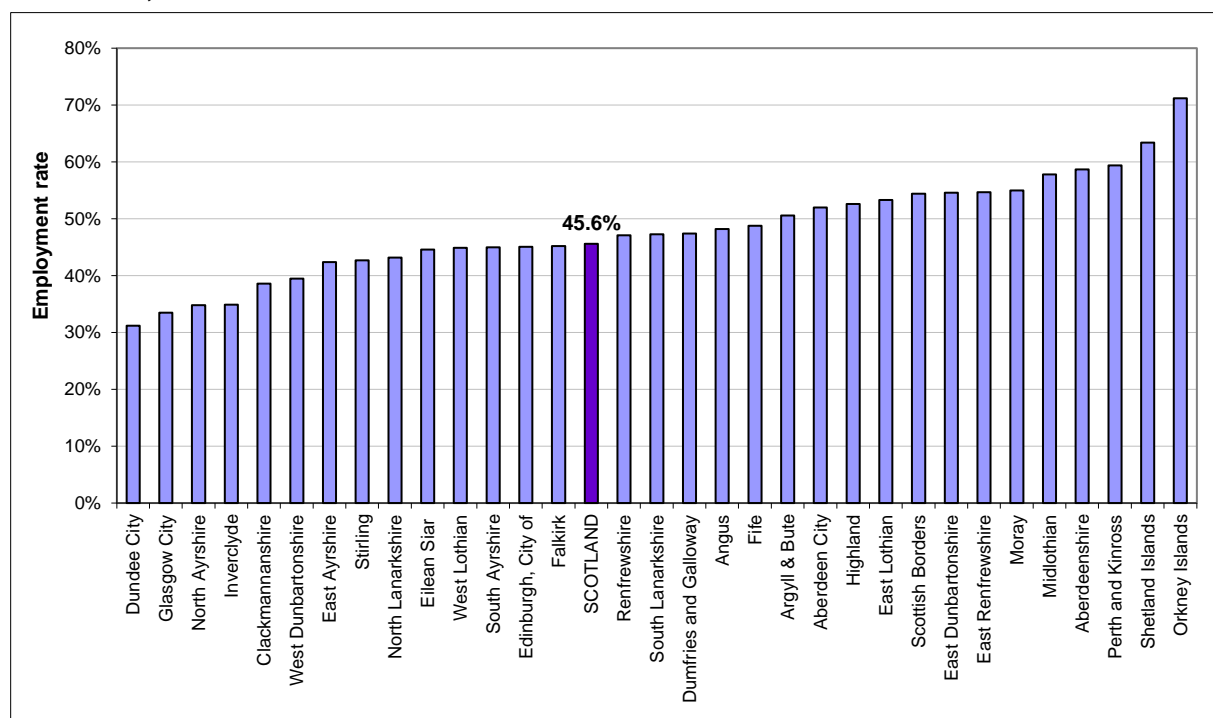
Figure 6 shows how the employment rate for disabled people compared with the overall Scotland rate across age groups and gender during 2012 in Scotland. Note

that there are several discontinuities in the questions relating to disability⁵, which make comparisons to data prior to 2010 less robust.

The employment rate for people aged 16-64 with a disability decreased by 0.6 percentage points from 46.3% in 2011 to 45.6% in 2012, a larger decrease than that seen for the 16-64 population as a whole (down 0.1 percentage point). Over the year there has been a shift out of employment and into unemployment for disabled people.

There is considerable variation in the employment rate for people with a disability at local authority area level as shown in Chart 2. The employment rate varies from 31.2% in Dundee City to 71.2% in Orkney Islands.

Chart 2: Employment rates (16-64) for people with a disability, Scotland, 2012

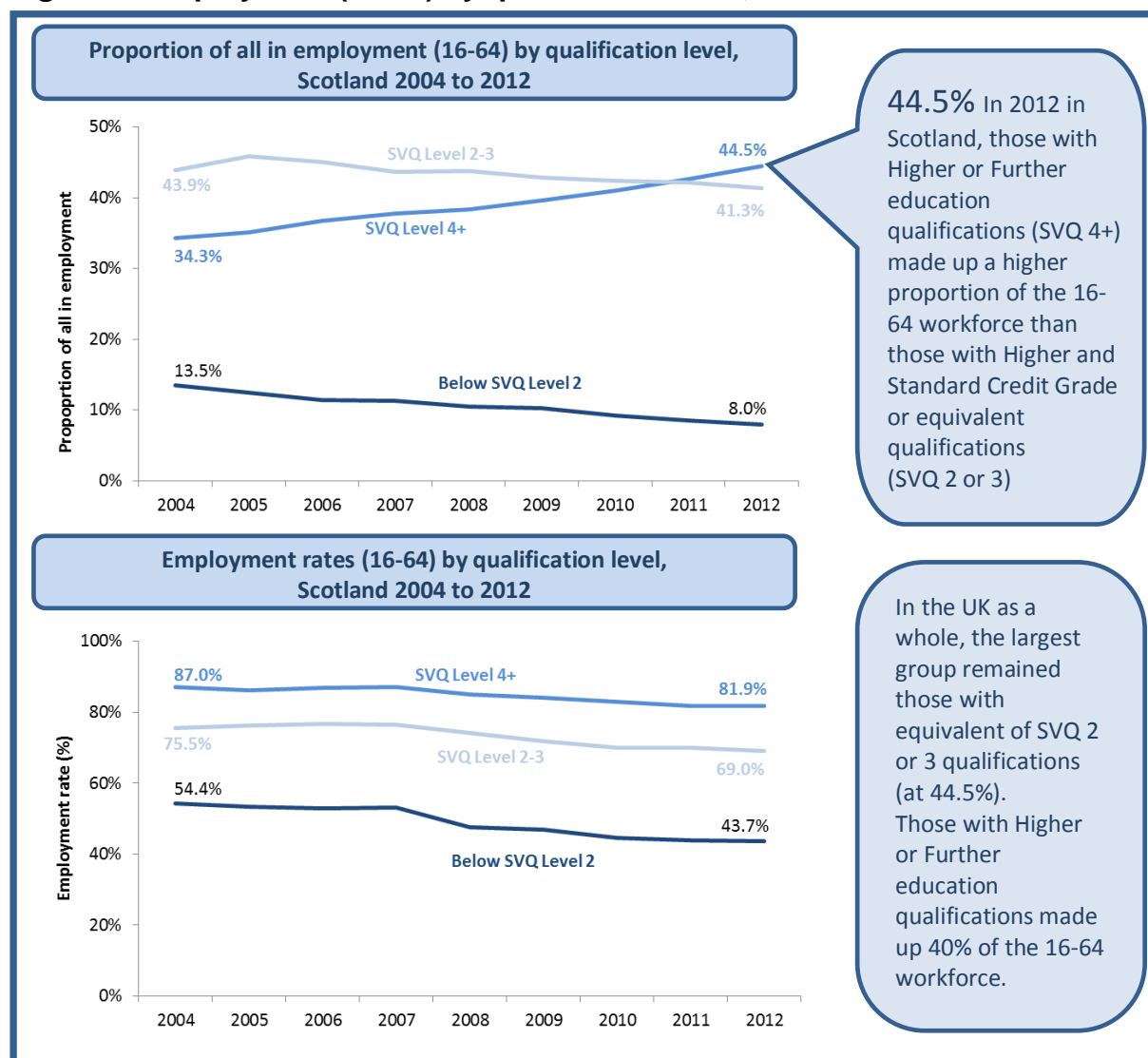


Source: Annual Population Survey, Jan-Dec

⁵ There are two main discontinuities in the data relating to disability in the Labour Force Survey. In January-March 2010 there was a change in the reporting behaviour of survey respondents, mainly reflecting a change in the wording of the survey questionnaire, which is believed to result in more accurate estimates. Consequently data pre and post Jan-Mar 2010 are not directly comparable. There is a discontinuity in the series from January-March 2012, caused by an amendment to how people who gave no response to the disability question have been categorised. Previously, these respondents were defined as not-disabled, however, from Jan-Mar 2012, they have been categorised as “unknown”.

Analysis by qualification level

Figure 7: Employment (16-64) by qualification level, Scotland



Source: Annual Population Survey, Jan-Dec

There is a strong link between educational attainment and employability. As shown in Figure 7, employment rates in Scotland for those whose highest qualification was HNC/HND or above (SVQ 4 and above) during 2012 were almost double those whose highest qualifications were General Standard Grade or lower (Below SVQ level 2) and just under 13 percentage points higher than those whose highest qualifications were Higher, A-Level or Credit Standard Grade or equivalent (SVQ 2 or 3).

Examining the trends at Scotland level, it can be seen that:

- Employment rates across all qualifications levels have been generally flat or decreasing since 2007 but...
- The proportion of all those aged 16-64 in employment whose highest qualification was HNC/HND or higher (SVQ level 4 and above) has increased steadily each year since 2004
- Those with SVQ level 4 qualifications and above are now the largest group within the workforce in Scotland, accounting for 44.5% the working population

aged 16-64, compared to 41.3% for those whose highest qualifications were Higher, A-Level or Credit Standard Grade or equivalent

- In the UK as a whole those with Further or Higher Education qualifications accounted for 40.0% of the working population aged 16-64, while those with Higher, A-Level or Credit Standard Grade or equivalent was the largest group accounting for 44.5%.

Employment levels and rates by qualification levels for 2012 are provided in the web tables and via Scottish Neighbourhood Statistics.

Graduates

For the purposes of this chapter, a 'graduate' is defined as a person with a degree-level qualification or higher. The analysis focuses on those aged 25-64 as many young people under 25 may still be working towards a degree level qualification.

Table 3 in Annex A shows graduates as a proportion of those in employment by local authority of residence. Graduates as a proportion of those in employment continued to increase steadily during the economic downturn, from 25.1% in 2008 to 31.1% in 2012.

Interpreting this measure at local authority level is more difficult due to the links with employment and commuting patterns. We would expect to see relatively high percentages in local authorities with high numbers of graduate level jobs (i.e. cities) and in any neighbouring local authorities with good commuting links.

- All the city authorities had relatively high proportions of graduates.
- Edinburgh, East Dunbartonshire and East Renfrewshire had the highest proportions of graduates in 2012 (54.1%, 43.8% and 40.6% respectively)
- All authorities have seen their proportion of graduates increase since 2008, with the exception of Orkney Islands, North Lanarkshire and North Ayrshire, which have all seen decreases of up to 3.0 percentage points.
- Orkney Islands, North Ayrshire and North Lanarkshire also had the lowest proportions of graduates in 2012 (12.7%, 16.5% and 17.7% respectively).

Taking account of the trends in Table 3 and the web-table for employment rates by qualification level, it can be seen that:

- The number of graduates in employment has continued to rise each year since 2004. In 2012 there were 686,200 graduates aged 16-64 in employment in Scotland, up 42,700 compared to 2011
- The employment rates for graduates in 2012 was 83.8%, 2.5 percentage points **lower** than in 2008, but **up** just under 1.0 percentage point over the year.
- Graduates, similar to those with other qualification level, have found it more difficult to obtain employment since the recession, but graduate employment rates are still higher than those for all other qualification levels.

Modern Apprentices (MA)

In 2012, the employment rate for all adults holding an apprentice qualification (including traditional, trade or MA) in Scotland was 80.9%, 10.3 percentage points higher than the overall rate in Scotland. For those holding a Modern Apprentice qualification, the employment rate was 89.6%, 19.0 percentage points higher than the overall Scotland rate. (Note that due to changes in the LFS questionnaire, this estimate is based only on those who started their apprenticeships in the year 2000 or later)

Occupational Skill Level

The ONS defines occupational skill levels using the following criteria:

Box 1– Occupational Skill Levels

Skill levels are approximated by the length of time deemed necessary for a person to become fully competent in the performance of the tasks associated with a job. This, in turn, is a function of the time taken to gain necessary formal qualifications or the required amount of work-based training.

Low Skill - requires a general education, signalled via a satisfactory set of school-leaving examination grades.

Typical low skill occupations include: elementary personal service occupations (e.g. bar staff, waiters/waitresses) and elementary cleaning occupations.

Medium-Low Skill - requires knowledge provided via a good general education as above, but will typically have a longer period of work-related training or work experience.

Typical medium-low skill occupations include: sales assistant, retail cashier and healthcare/personal service occupations (e.g. auxiliary nurse, home carer).

Medium-High Skill - requires a body of knowledge associated with a period of post-compulsory education but not to degree level.

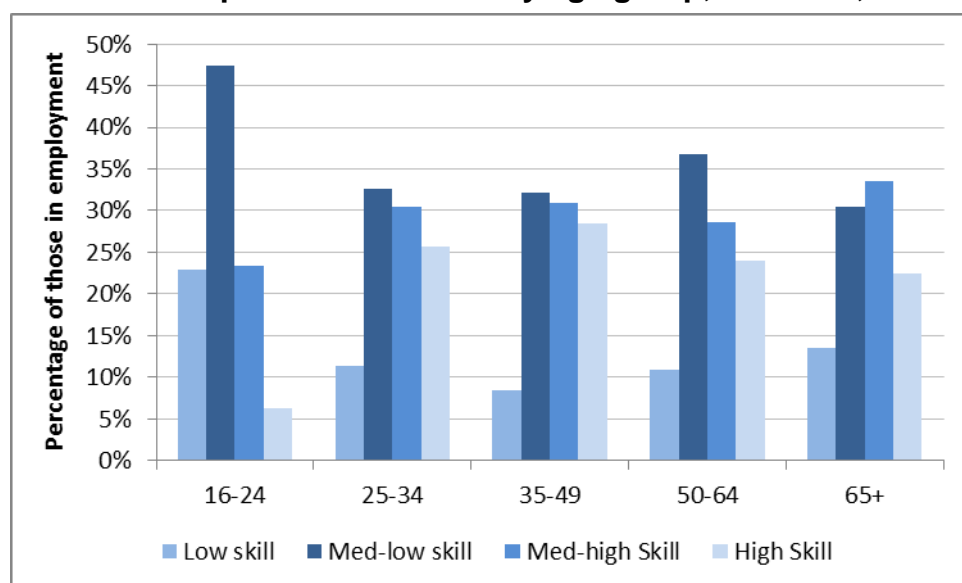
Typical medium-high skill occupations include: health associate professional occupations (e.g. nurse, midwife, paramedic) and construction trades.

High Skill - requires a degree or equivalent period of relevant work experience.

Typical high skill occupations include: teaching and functional management (e.g. in finance, marketing, public relations, personnel or information technology).

The occupational skill distribution for each of the key age groups in Scotland is shown in Chart 3.

Chart 3: Occupational skill level by age group, Scotland, 2012

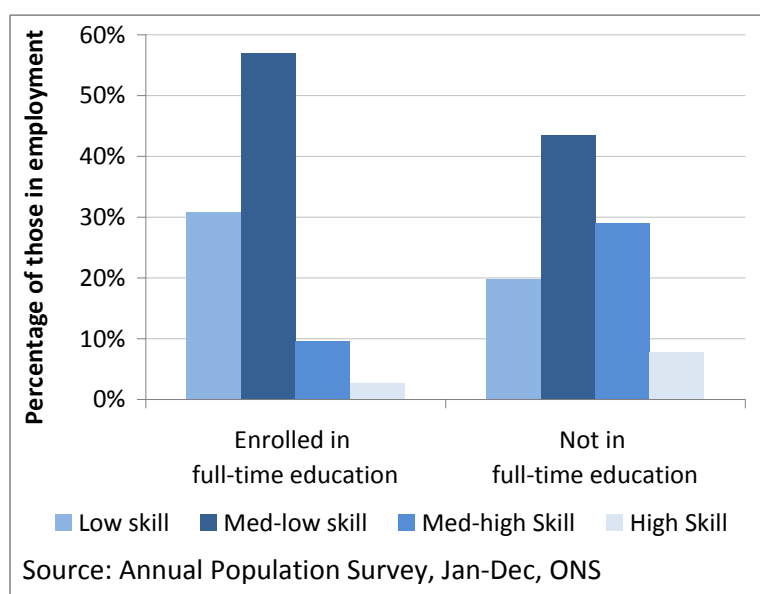


Source: Annual Population Survey, Jan-Dec, ONS

- Distributions are broadly similar across the key age groups (with the exception of that for young people).
- About two-thirds of employees are in medium-low and medium high skilled occupations and a minority (around 11%) in low skilled occupations.
- Distribution for the 16-24 year old age group is different.
 - Relatively lower percentage of employees in high skill jobs (6%)
 - Relatively higher percentage in low (23%) and medium-low skill (47%).

The different distribution for 16-24 year olds may be explained by the fact that it takes time to acquire the relevant qualifications and experience required for high skill occupations.

Chart 4: Occupational skill level by enrolment in full-time education, 16-24 year olds, Scotland, 2012



Source: Annual Population Survey, Jan-Dec, ONS

Comparing the occupations skill distribution for the 16-24 year old age group based on whether they are currently enrolled in full-time education or not highlights some interesting differences.

Chart 4 illustrates the different distribution for the occupational skill level of 16-24 year olds who are enrolled in full-time education compared to those who are not in full-time education. The percentage in low and medium-low skill

occupations is higher for those enrolled in full-time education, whilst the percentage in medium high and high skill occupation is lower.

Although the shape of these distributions have been broadly consistent over recent years, examining the 52,300 decrease in employment levels for 16-24 year olds between 2008 and 2012 shows that:

- Almost all of the decrease (48,500) was accounted for by those not in full-time education.
- This was mainly due to decreases in employment in medium-low skill occupations (down 29,800) and medium-high skill occupations (down 18,300), with the other occupational skill groups seeing much lower decreases.
- In contrast, the employment levels for all 16-24 year olds enrolled in full-time education decreased by 3,800 (a reduction of 4% in level) over the same period, with the main change being a 5,700 decrease in those employed in low-skill occupations, with employment levels in medium-low and medium high skill occupations increasing slightly and high-skill employment levels remaining almost unchanged.

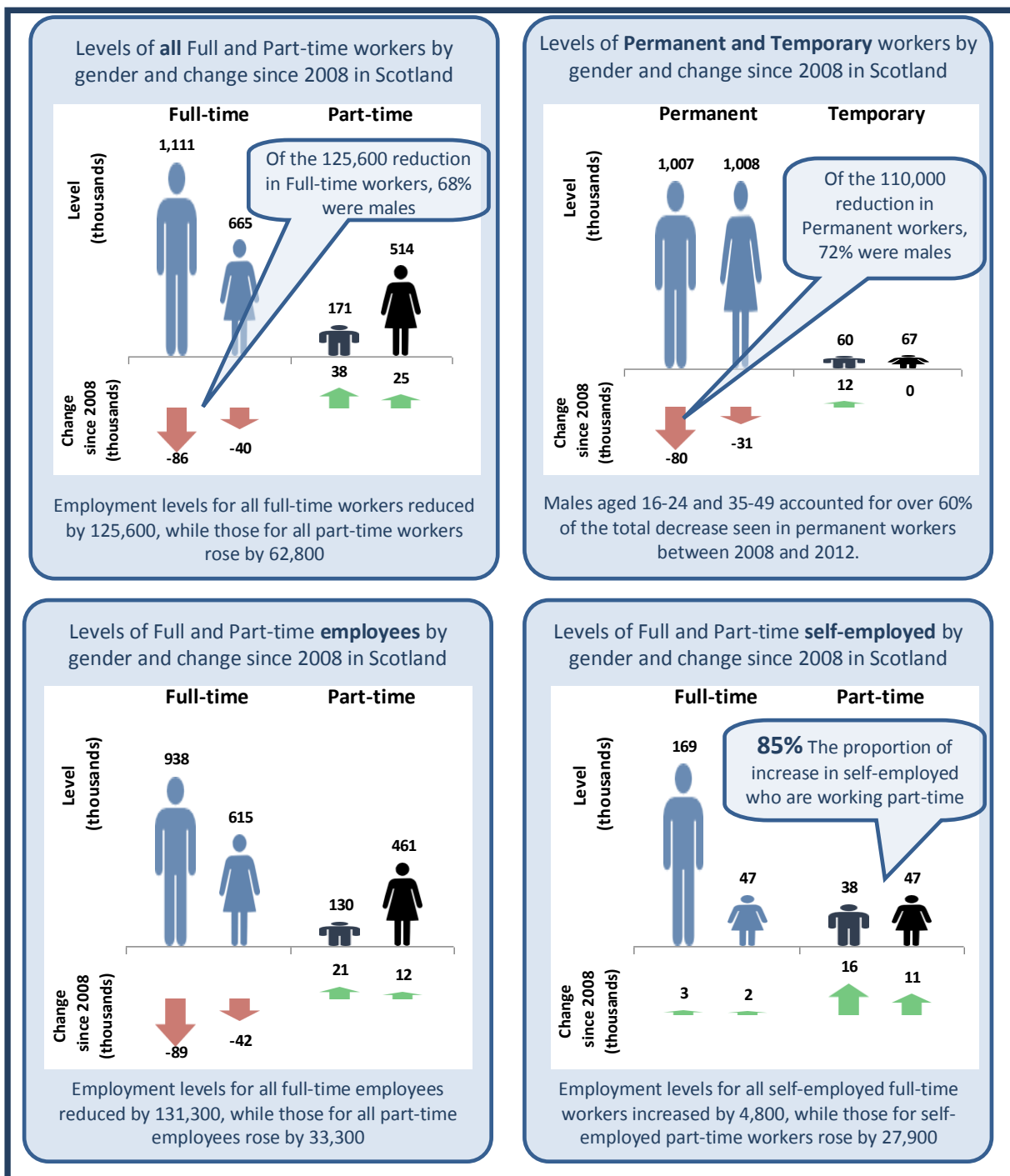
Work Patterns

The 2008 recession and subsequent slow recovery has changed the working patterns of many in employment in Scotland.

- In 2012 72.1% of people in employment (aged 16+) were working full time⁶, compared to 75.3% in 2008 (down 3.2 percentage points). The proportion in part-time employment has risen from 24.7% in 2008 to 27.9% in 2012.
- The number of males working full-time in Scotland was just over 1.11 million. The proportion of males in full-time employment was down by 0.3 percentage points over the year to 86.6%, and was down 3.4 percentage points since 2008
- The number of females working full-time in Scotland was just under 665,000. The proportion of females in full-time employment in 2012 was 56.4%, down by 0.6 percentage points over the year and 2.6 percentage points since 2008.
- Glasgow City, Scottish Borders and Stirling have seen the largest decreases in their proportions of full-time workers since 2008 (down by 7.3, 6.0 and 5.5 percentage points respectively)
- Clackmannanshire and Midlothian have seen increases in their proportion in full-time work since 2008 (up 6.7 and 1.2 percentage points respectively). All other authority areas have seen decreases since 2008.

⁶ Distinguishing between full-time and part-time working: Respondents to the Labour Force Survey are asked to self-classify their main job as either full-time or part-time. However, people on government supported employment and training programmes that are at college in the reference week are classified, by convention, as part-time. In employer surveys, jobs are generally classified as being full-time if the contracted hours of work are more than 30 hours per week.

Figure 8: Work patterns in Scotland in 2012 and changes since 2008



Source: Annual Population Survey, Jan-Dec

Levels of self-employment had been rising very gradually in Scotland between 2004 and 2010, but rose more rapidly in 2011 and 2012

- At the start of the recession in 2008, 268,500, (10.6%) of the 16+ workforce were self-employed
- By 2012 the level of those self-employed had increased to 301,700, (12.2%), an increase of 33,200, with around 60% of the increase due to a rise in the level of self-employed males. However, **those working part-time made up 85% of the total rise in self-employment in Scotland in 2012.**
- By comparison, the level of 16+ employees has decreased from 2,242,600 in 2008 to 2,145,700, a decrease of 96,900

- Since the recession, the proportion of the workforce who were self-employed has increased in 26 of Scotland's local authority areas, and decreased in the remaining 6 areas.
 - The largest increases in the proportion that were self-employed were seen in Stirling, Fife and Clackmannanshire which all saw increases of over 4.0 percentage points.
 - The largest decreases were seen in North Lanarkshire, Angus and Shetland Islands (all down by around 2.0 percentage points)

Levels and percentages for full-time/part-time employment, self-employment and workers with second jobs at Local Authority level are available in the web tables and via Scottish Neighbourhood Statistics.

As well as examining the overall employment rate and people's working patterns, it is useful to look at those who are underemployed: that is, those who are already in employment, but who would prefer to work more hours than they actually do (see Box 2 for full definition). Underemployment can provide an indication of underutilisation of labour. Underemployment is also used to refer to an under-utilisation of skills, however, this is not simple to measure and views of this type of underemployment may be different between employer and employee. At present, the LFS does not directly gather any information on skills related underemployment.

Box 2 – Definition of time-related underemployment

Based on the ILO definition, underemployment is measure of all employed persons aged 16 and over who during the reference week were willing to work additional hours, meaning that they:

- ◆ wanted another job in addition to their current job(s), or
- ◆ wanted another job with more hours instead of their current job(s), or
- ◆ wanted to increase the total number of hours worked in their current job(s).

The ILO definition of underemployment is available at:

<http://www.ilo.org/global/statistics-and-databases/statistics-overview-and-topics/underemployment/current-guidelines/lang--en/index.htm>

Using the definition in Box 2:

- In 2012 there were 243,300 workers who were underemployed, 10.0% of all employed people over 16.
- The level and rate of underemployment⁷ have increased by 68,900 (3.0 percentage points) since 2008.
- Underemployment rates are generally higher for women (this reflects the higher prevalence of part-time work amongst women). In 2012, the underemployment rate for men was 8.6% - up 2.5 percentage points since 2008 – while the rate for women was 11.5% - up 3.6 percentage points since 2008.

⁷ Underemployment rate = Level of those aged 16+ underemployed / Level of 16+ in employment

Chart 5: Underemployment levels by gender and work patterns, Scotland, 2004 to 2012

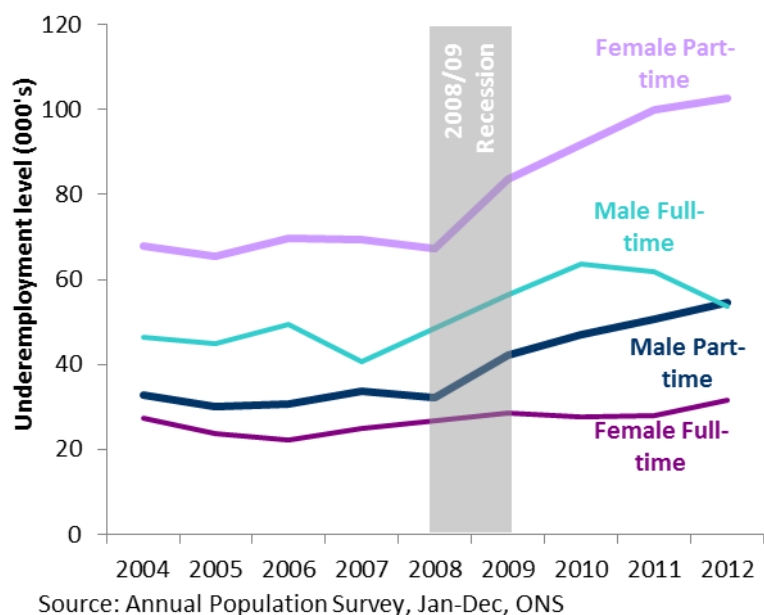


Chart 5 shows that underemployment levels for males and females in part-time employment, have risen more sharply than for their full-time counterparts since 2008. Underemployment levels for part-time workers have increased each year since the recession, whereas underemployment levels for full-time workers have decreased for males in recent years, and remained relatively flat for female workers (with a slight increase seen in 2012).

Underemployment data for those aged 16 and over for each local authority in Scotland are given in Table 4 in Annex A. A full time-series back to 2004 is provided in the web tables. Various other breakdowns for underemployment will be provided in the web-tables to support the Economy, Energy and Tourism (EET) Committee's inquiry into underemployment. More information on the committee's inquiry is available [here](#)

Employment by Industry and Sector

Analysis by Industry - Standard Industrial Classification (SIC) 2007

Note that the preferred source for industry employment estimates at local authority level is the Business Register Employment Survey (BRES). Due to the way social surveys and business surveys are collected, there will be differences in estimates from the APS and BRES (industry sector is self-classified in the APS). The latest BRES data for Scotland's Local Authorities is available at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/DatasetsEmployment>

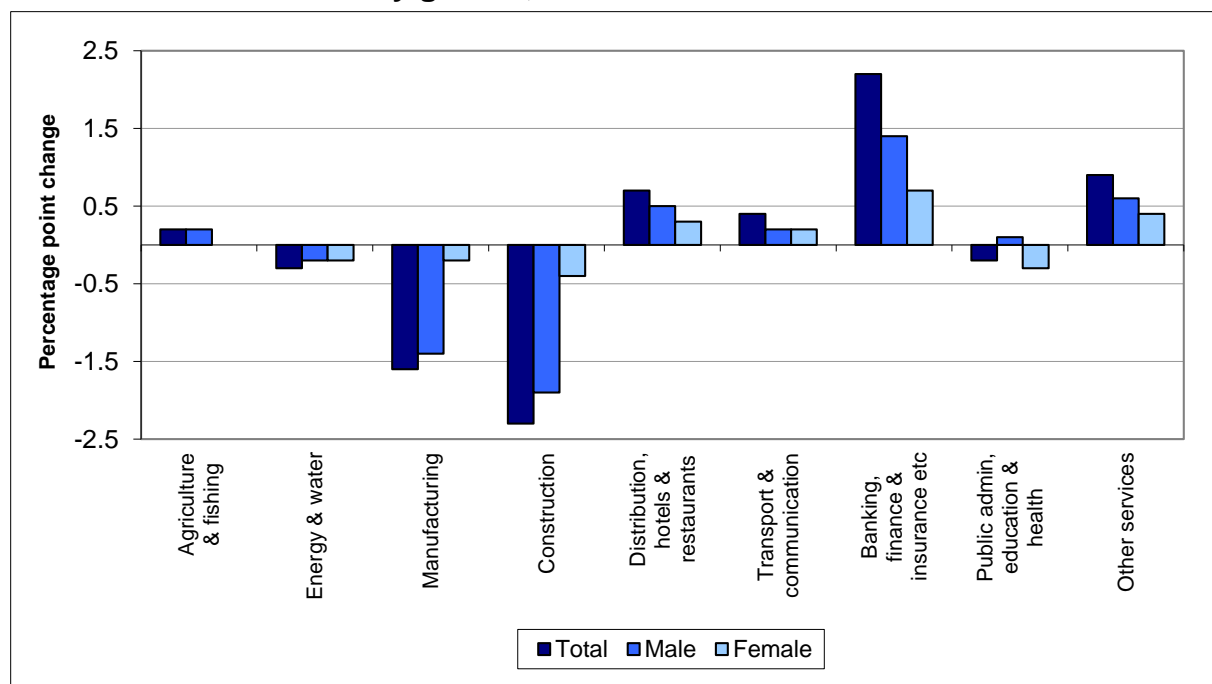
Based on the APS, in Scotland in 2012:

- The largest industry was 'Public administration, education and health', employing 31.2% of all workers. **Note that this is not equivalent to the Public Sector.**
- The smallest industry was 'Agriculture and fishing' with 1.8% of total employment.
- Over the year there have been no statistically significant⁸ changes in the proportions employed within each industry sector.
- Since 2008, there have been statistically significant changes in the proportions employed within 'Manufacturing' (down 1.6 percentage points), 'Construction' (down 2.3 percentage points), 'Banking, finance and Insurance' (up 2.2

⁸ Refer to Annex D for further information on the meaning of statistical significance and how this is calculated. All references to statistically significant differences are based on a 95% confidence level.

percentage points) and 'Other services' (up 0.9 percentage points). Chart 5 illustrates these changes broken down by gender.

Chart 6: Change in the percentage employed within each industry sector between 2008 and 2012 by gender, Scotland



Source: Annual Population Survey, Jan-Dec, ONS

- The majority of the change seen in the 'Manufacturing', 'Construction' and 'Banking, Finance and Insurance' and 'Other Services' sectors since the start of the recession in 2008 were due to changes in the number of male workers.

Impact at Local Authority area level between 2008 and 2012

- The national reduction in 'Manufacturing' was driven by reductions in Fife, Glasgow and South Lanarkshire (down 8,300, 7,500 and 5,200 respectively), which, combined, accounted for just over 40% of the decrease in this sector.
- The largest declines within the 'Construction' sector were seen in Glasgow and Fife (down 7,800 and 4,000 respectively). However, decreases of over 1,000 were seen in 24 areas during this period, indicating that the impact was quite widespread.
- Increases in the level of those employed in 'Banking, Finance and Insurance' within Glasgow City, Aberdeen City and South Lanarkshire (up 9,400, 6,800 and 6,200 respectively) together accounted for around 50% of the total rise seen at national level in this sector
- Glasgow City and Aberdeenshire (both up 4,000) and Aberdeen City and Edinburgh (both up 2,600) together accounted for just under three-quarters of the total increase seen in employment within 'Other Services'.

Employment data by industry for each local authority in Scotland is provided in the web tables.

Public, Private and Third Sector analysis

Note: There is a difference in headline Public/Private employment levels reported in this section to those reported when looking at Public/Private sector only. This is mainly due to a small number of self-employed respondents getting classified into categories which are public sector. However, these are correctly classified during the Public/Private only analysis.

Box 3 - Public Sector Employment

The official source for employment in the public sector at national & regional level is the Quarterly Public Sector Employment series (QPSE). This data is based on administrative data from the various government organisations and bodies that make up the public sector and is based on the National Accounts definition of the public sector.

Sources for QPSE in Scotland:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/TrendPublicSectorEmp>

The preferred source for estimates of public sector employment disaggregated by gender or age is the Annual Population Survey (APS), since these disaggregations are not available from the QPSE dataset. Where estimates are reliable, the APS can provide estimates of public/private sector employment by gender or age-group at local area level. However, it should be noted that due to self-classification, the APS tends to over-estimate the size of the public sector.

This is the first time that this publication series has presented third sector workforce statistics alongside those for the private and public sectors and helps to place them in the context of the wider workforce figures. The great advantage of the APS data is that it provides a consistent time series since 2004 and provides data on the characteristics of those employed in the sector.

Box 4– Third sector workforce statistics

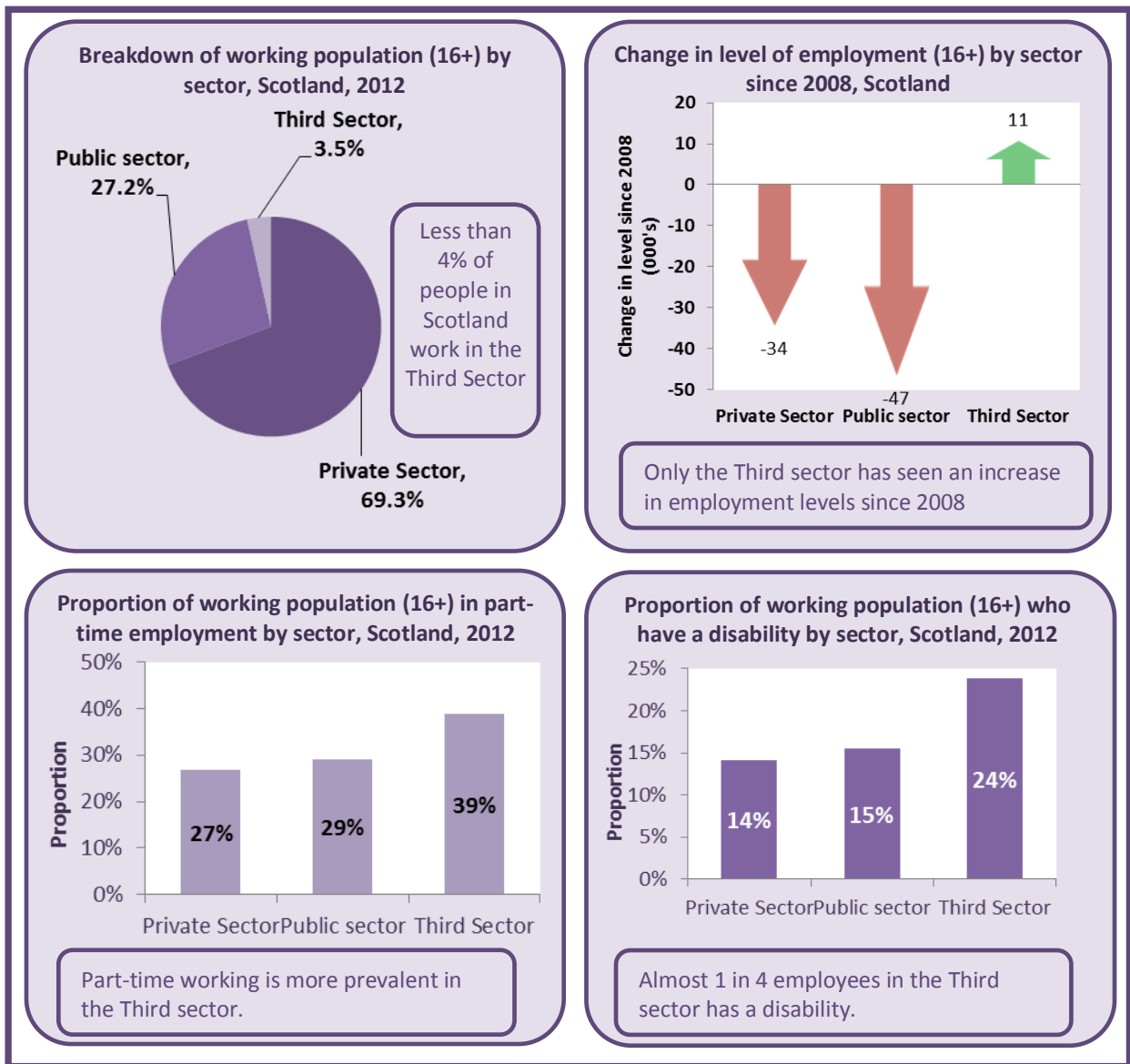
Estimates of the third sector workforce derived from the APS are generally lower than the estimates produced from other sources and methodologies, for a number of reasons:

- ◆ Estimates of the third sector workforce will depend on the definition of sector used. The APS definition of the third sector includes those that work in charities, private trusts, housing associations or other voluntary organisations. Due to the way the data is collected, these estimates will also include employees of Trade Unions. It does not include government funded bodies and agencies, such as National Museums and Art Galleries, or Churches.
- ◆ The APS data relates only to a person's main job therefore individuals who have a secondary job in the sector are not included in the estimate. Although the APS does collect some information about people's second jobs, it does not gather the information required to determine if these jobs are in the third sector.
- ◆ The APS relies on respondents self-reporting the type of organisation that they work for. It is possible that some respondents may be unsure about the definition of the organisation for which they work.
- ◆ The APS is a household survey. Estimates based on surveys of organisations are likely to include an element of double counting as they count the number of jobs rather than the number of workers, as workers may have more than one job in the sector.

Based on the APS for Jan-Dec 2012:

- The Private sector employed 69.3% (1,692,200) of the population aged 16+ in Scotland, with the Public sector employing 27.2% (665,500) and the Third sector 3.5% (84,700).
- Over the year, both the Third and Private sectors have seen increases in their levels of employment. However, the increase in the Third sector (up 7,900) was higher than that seen in the Private sector (up 1,400), while employment levels in the Public sector decreased by 12,600. Just under two-thirds of the increase in employment in the Third sector was for those in full-time employment.
- Since 2008, employment levels in both Public and Private sectors have decreased (down 46,600 and 34,400 respectively), while employment levels in the Third sector increased (up 10,800) with those in part-time employment making up the majority (just under two-thirds) of this rise.
- While the majority (59%) of those employed in the Private sector are males, females accounted for the majority (64%) of all those employed in both the Public and Third sectors.
- People employed in the Third sector are more likely to work part-time than in the Private or Public Sectors (39% of those employed in the Third sector, compared to under 30% for those employed in the Private and Public sectors).
- About one in seven people who work in the Private or Public sectors have a disability, whereas in the Third sector the figure is just under one in four.

Figure 9: Comparison of Public, Private and Third Sectors



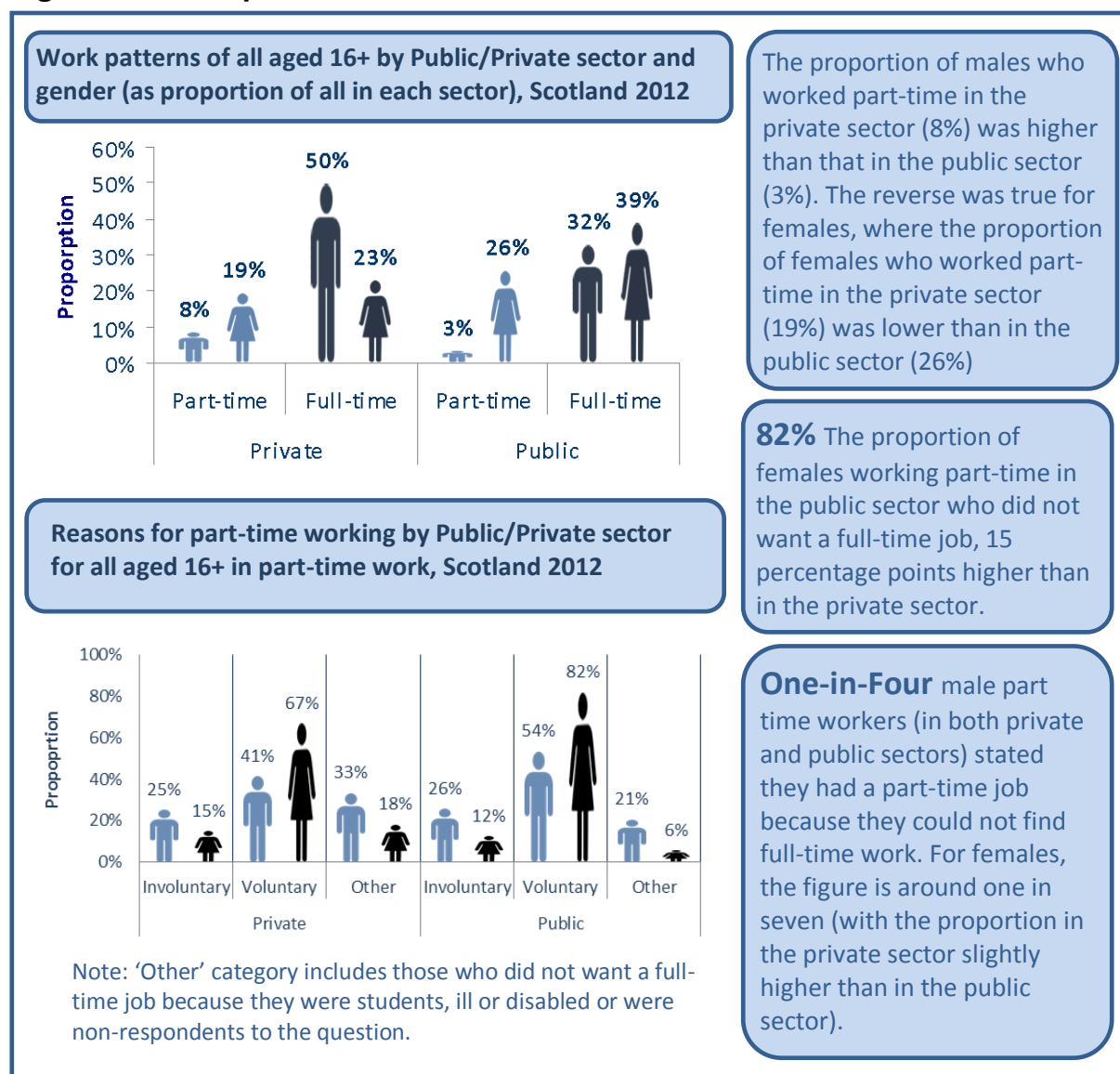
Source: Annual Population Survey, Jan-Dec, ONS

Employment data by Public/Private/Third sector in Scotland is provided in the web tables.

Public/Private sector analysis

Private sector employment had decreased at a faster rate between 2008 and 2009, reacting more rapidly to the recession, whereas public sector employment did not start to decrease until 2009 to 2010. The latest data indicates that, while the public sector has continued to contract through 2011, there are signs of a recovery in the private sector, with employment levels recovering to higher levels than those seen in 2009, although analysis from the previous section would tend to indicate that much of this is being driven by Third sector employment.

Figure 10: Work patterns in the Private and Public Sector



Source: Annual Population Survey, Jan-Dec, ONS

Based on the APS for 2012, over the year, Public Sector employment levels decreased, while Private sector employment levels increased.

- The reduction in Public sector employment between 2011 and 2012 (down 13,900) is lower than that seen between 2010 and 2011 (down 33,000).
- **Males accounted for just under 60% the reduction (down 8,300) in Public Sector employment over the year.**
- **Females accounted for just over three-quarters (8,000) of the 10,600 increase in Private sector employment.**

An analysis of working patterns within the Private and Public Sectors in 2012 is shown in Figure 10. This shows that:

- Part-time work is slightly more common for males working in the private sector, but for females part-time work is more prevalent in the public sector.
- More than 80% of women working part-time in the public sector were not looking for full-time work.
- One in four men who worked part-time (in both private and public sectors) were doing so as they could not find full-time work.

Over the year, there is considerable variation in the change in public and private sector employment levels for local authorities, with some areas seeing losses in both sectors, while others have seen increases in one, but decreases in the other.

- Aberdeenshire, East Lothian, City of Edinburgh, Falkirk and South Ayrshire all saw increases in both public and private sector employment levels.
- The City of Edinburgh saw the largest combined increase in public and private sector employment
 - The 3,300 increase in public sector employment was dominated by an increase of 2,200 in the number of female employees, while the 5,100 increase in private sector employment was dominated by an 8,700 rise in level for males (with the female level decreasing by 3,600).
- Four local authorities (Dundee City, Glasgow City, Highland and Stirling) saw decreases in the levels of both public and private sector employment.
- Glasgow City saw the largest combined decrease in public and private sector employment levels.
 - Females accounted for 5,200 of the 8,900 decrease in public sector employment, while the 9,800 decrease in private sector employment was dominated by a 12,700 reduction in the level for males (with the female level increasing by 2,900).

Looking at the change in public and private sector employment since the start of the recession in 2008 shows a somewhat different picture, with both Public and Private sector employment having decreased (down 45,400 and 24,700 respectively).

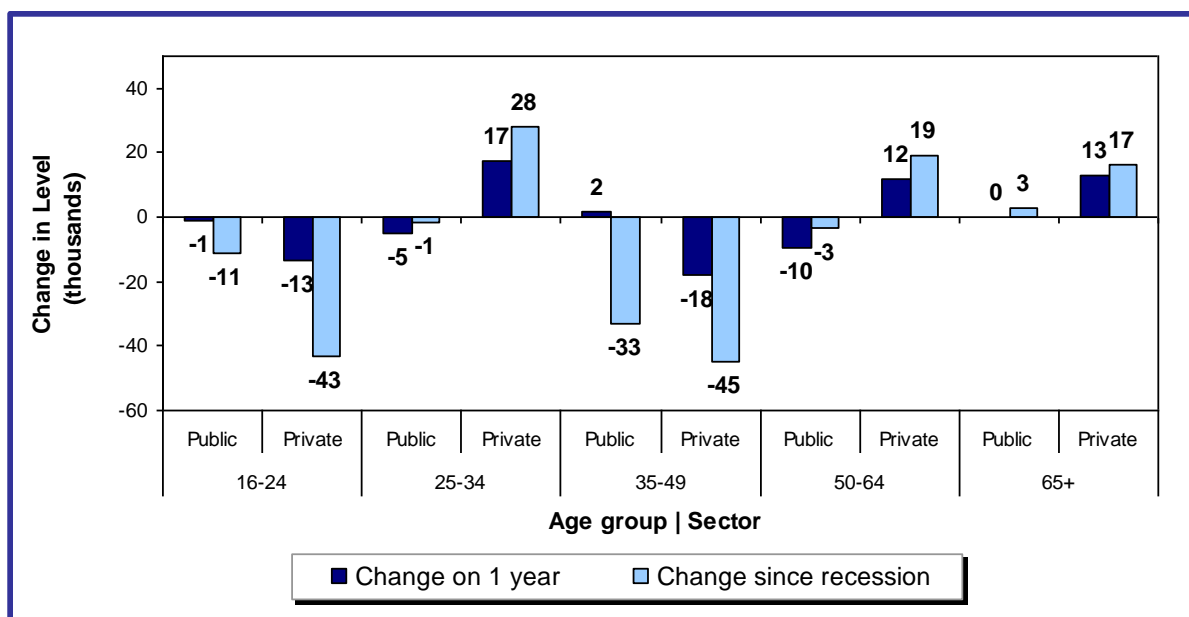
- City of Edinburgh was the only local authority to see an increase in both public and private sectors over this period; Public sector employment increased by 3,200, while private sector employment rose by 2,600.
- 13 local authorities saw decreases in the levels of both public and private sector employment. Those which saw the largest decreases in their combined levels of public and private sector employment were Glasgow City (public sector down 8,400 from 73,400 to 65,500, private sector down 8,700 from 190,400 to 181,700) and North Ayrshire (public sector down 3,700 from 15,700 to 12,000, private sector down 4,400 from 44,200 to 39,800).

Employment data by public and private sector for each local authority in Scotland is provided in Table 5 in Annex A, with full time series back to 2004 available from the web tables.

Public/Private analysis by age group

Table 6 in Annex A gives estimates for the levels of Public and Private sector employment by age group by public and private sector at national level from for 2004 to 2012, while Chart 7 illustrates the changes in levels of employment by sector and age group over the year to 2012 and since 2008.

Chart 7: Change in level of employment by sector and age group over year and since 2008, Scotland, 2012



Source: Annual Population Survey, Jan-Dec, ONS

From Chart 7, it can be seen that:

- The largest decreases over the year in public sector employment were in the 25-34, and 50-64 age groups (down 5,200 and 9,600 respectively)
- Since the start of the recession in 2008, the largest decreases in public sector employment were seen by the 35-49 and 16-24 age groups, down 11,000 and 32,900 respectively. The 65+ age group was the only one to see an increase, with the level, up 3,100.
- Over the year Private sector employment increased for the 25-34, 50-64 and 65+ age groups, up 17,400, 11,800 and 12,900 respectively. However the level decreased for the 16-24 and 35-49 age groups, down 13,400 and 18,000 respectively.
- Since the start of the recession in 2008, decreases in private sector employment were seen by the 16-24 and 35-49 age groups, down 43,400 and 44,600 respectively. The 25-34, 50-64 and 65+ age groups saw increases of 27,800, 18,900 and 16,600 respectively.

Occupation - Standard Occupational Classification 2000 (SOC 2000)

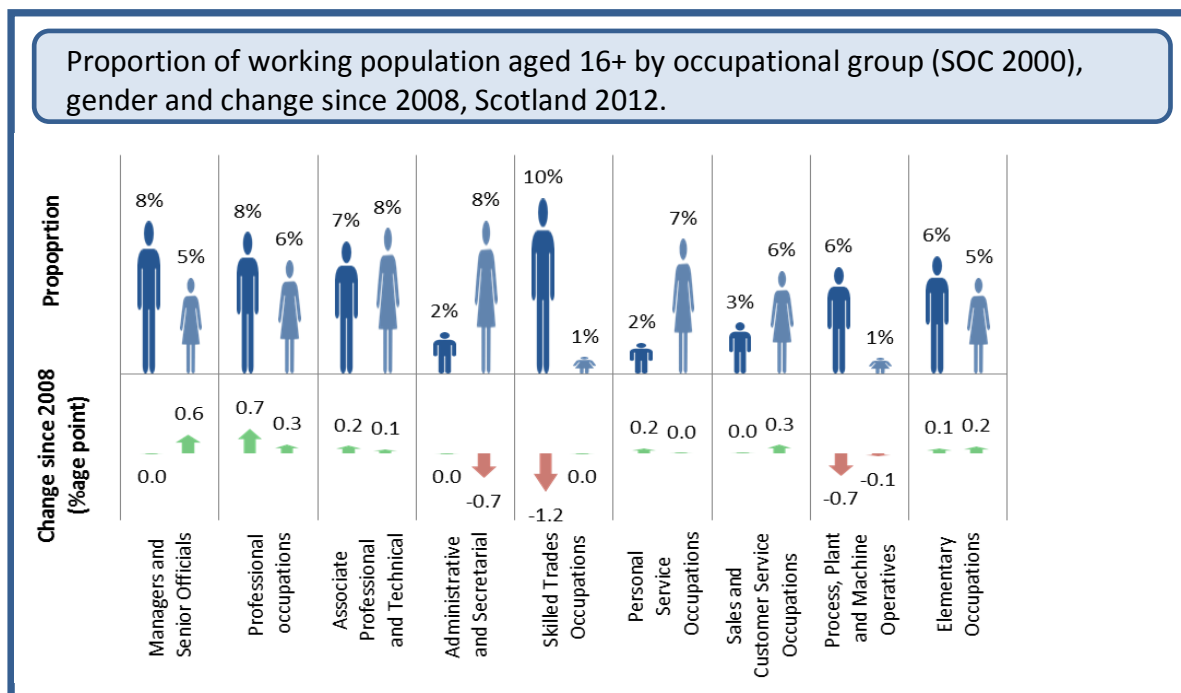
Note: The following analysis uses the Standard Occupational Classification 2000 coding as opposed to the new SOC 2010 coding which was implemented on the APS from January 2011. The conversion from SOC 2010 to SOC 2000 (and vice versa) is not exact, and this may introduce discontinuities in the time series. Further detail on SOC 2010 is available [here](#).

Based on the APS, in Scotland in 2012, there have been statistically significant changes in four of the nine occupations groups since 2008:

- Decreases were seen in the percentage of people employed in 'Administrative and Secretarial occupations', 'Skilled Trades occupations' and 'Process, Plant and Machine Operatives' (down 0.8, 1.1 and 0.8 percentage points respectively).

- Females accounted for over 90% of the reduction seen in 'Administrative and Secretarial occupations', while males accounted for around 90% of the reduction in both 'Skilled Trade' and 'Process, Plant and Machine Operatives' occupations
 - Increases were seen in the percentage of people employed in 'Professional occupations', which increased by 1.0 percentage point.
 - Males accounted for just over four-fifths of the increase in 'Professional occupations'.

Figure 11: Breakdown by occupational group for Scotland 2012



Source: Annual Population Survey, Jan-Dec, ONS

Impact at Local Authority level between 2008 and 2011

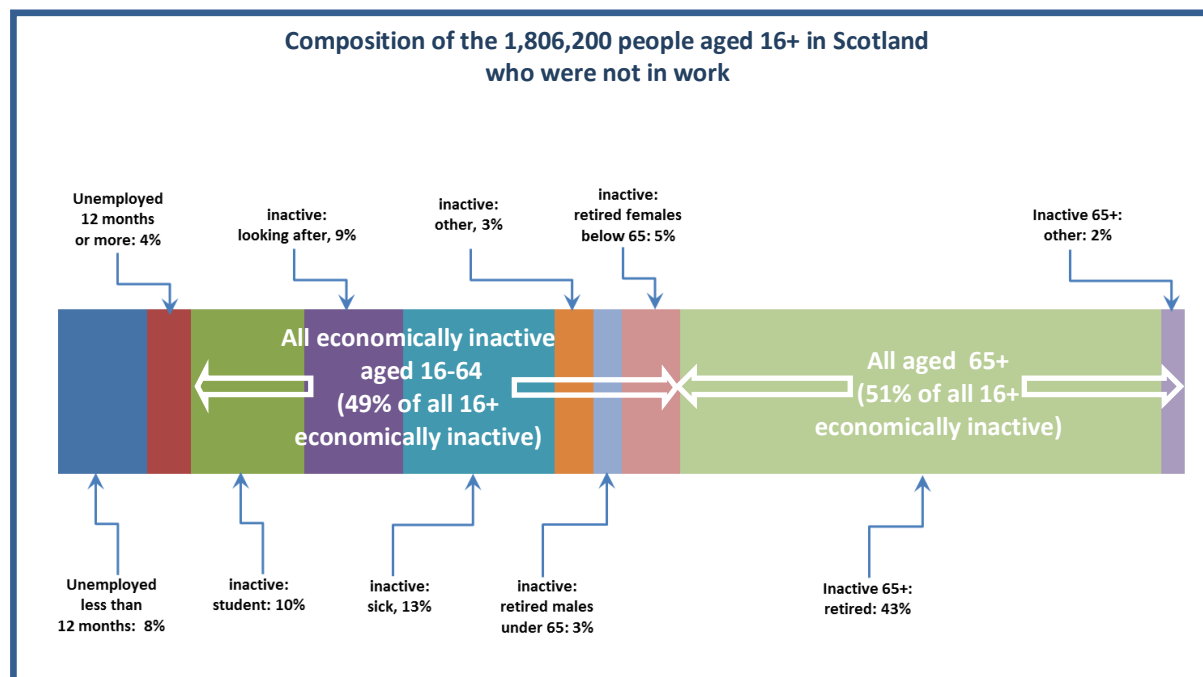
- The increase in those employed in 'Professional occupations' was dominated by an increase of 8,000 within Glasgow City, 5,100 within City of Edinburgh and 4,800 within Aberdeenshire. Increases were seen in 13 other local authorities, and decreases in the remaining 16 authorities.
- The majority of local authorities (24) saw decreases in their employment in 'Administrative and Secretarial occupation's, with City of Edinburgh, Aberdeenshire and Dundee City seeing the largest decreases (down 4,800, 3,200 and 2,200 respectively).
- Reductions in employment in 'Skilled trades occupations' were seen in 25 local authorities, with Glasgow City, Fife and Aberdeen City and seeing the largest decreases (down by 5,600, 3,700 and 3,500 respectively).
- Reductions in employment in 'Process, plant and machine operatives' were seen in 23 local authorities, with Glasgow City, (down 5,800) Fife (down 5,200) and West Lothian (3,100) seeing the biggest decreases.

Employment data by occupation for each local authority in Scotland is provided in the web tables.

Section 2: People not in work

This section examines those who are not in employment. There are two broad categories that those not in employment are covered by; unemployment and economic inactivity.

Figure 12: Composition of those aged 16+ who were not in work, Scotland, 2012



Source: Annual Population Survey, Jan-Dec, ONS

Figure 12 shows the make-up of those individuals **aged 16+** who were not in work in 2012. Those who were over 65 and retired or inactive for other reasons made up 51% of the **total** inactive population in Scotland. **If we exclude the inactive population aged 65 and over**, then the largest category was those who were either short or long term sick (24%), followed by those who were students (18%). Just under 16% are looking after family or home, while 6% were inactive for other reasons including those being discouraged from looking for work (less than 1%). Females aged below 65 who were retired make up 9% of all aged 16-64 who were inactive, more than double the proportion of males under 65 who were retired. This is primarily a consequence of the age group used to measure the headline inactive cohort (16-64) which currently covers a large number of females who have reached their state pension age. As the state pension age for females is being increased through time to match the male state pension age, the size of this cohort will decrease over time.

Sub-section A: Unemployment

Unemployment covers individuals who are not in work, but are available for and actively looking for work. The level of unemployment varies with the economic cycle. For example, when the economy is strong employers create more jobs and unemployment falls. Conversely when the economy is weak, there is a reduction in job opportunities and unemployment rises.

Box 5 – Unemployment

Unemployment levels and rates from the Labour Force Survey and the Annual Population Survey (APS) are measured following the internationally agreed definition recommended by the **International Labour Organisation (ILO)** – an agency of the United Nations. The ILO definition of unemployment covers people who are:

- ◆ without a job, want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks; or
- ◆ out of work, have found a job and are waiting to start it in the next two weeks.

Unemployment levels cover all workers aged **16 and over**.

Unemployment rates are the number of unemployed people expressed as a percentage of the relevant economically active population, normally those aged 16 and over.

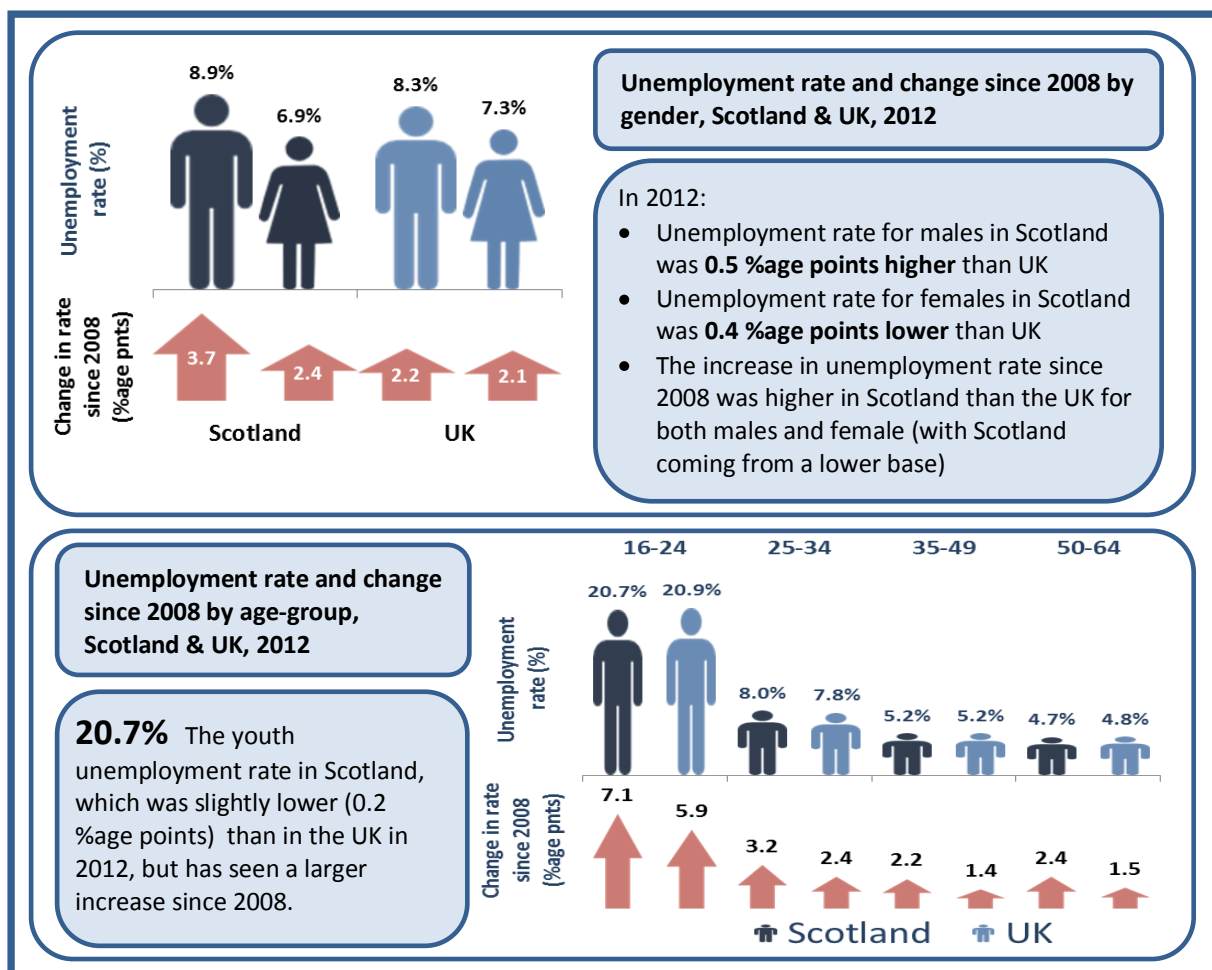
The most up to date estimates for unemployment are taken from the Labour Force Survey (LFS) as this provides a more current picture of unemployment in Scotland than the APS. Monthly unemployment data for the countries of the UK can be found in the monthly [Labour Market briefing](#).

Analysis by age, gender, duration and disability

Based on the APS for 2012:

- There were 213,100 people aged 16 or over who were unemployed in Scotland, a decrease 3,100 over the year, but an increase of 82,700 since the start of the recession in 2008.
- The unemployment rate was 7.9% in Scotland, down 0.1 percentage point over the year, but up 3.0 percentage points since 2008.
- In the UK, the unemployment rate was 7.9%, (similar to the rate in Scotland), and also down 0.1 percentage points over the year, but up 2.2 percentage points since 2008.
- Just under 4 in 10 of all unemployed people in Scotland are aged 16-24, a higher proportion than for any of the other major age groups. The majority (60%) of these unemployed 16-24 year olds are males.
- The youth unemployment rate (16-24) in Scotland was 20.7%, 0.2 percentage points lower than the rate in the UK. The rate in Scotland has increased by 7.1 percentage points since 2008, higher than the increase of 5.9 percentage points in the UK over the same period.

Figure 13: Comparison of unemployment rates by gender and age in Scotland and UK, 2012



Source: Annual Population Survey, Jan-Dec, ONS

- Just under 48% (101,600) of all unemployed people in Scotland have been unemployed for less than 6 months, while just under 33% (70,100) have been unemployed for 12 months or more, of which, just under two-thirds (44,600) are males.
- The unemployment rate for disabled people (for those aged 16-64) in Scotland rose by 1.2 percentage points over the year to 12.6%, with the level increasing by 4,000 to 50,500. Over the same period **the 16-64 unemployment rate** for Scotland remained unchanged at 8.1%.

Unemployment levels and rates by gender and age for 2004 to 2012 are provided in the web tables. Duration of unemployment data is also provided in the web-tables.

Local Authority area level analysis - Model based unemployment

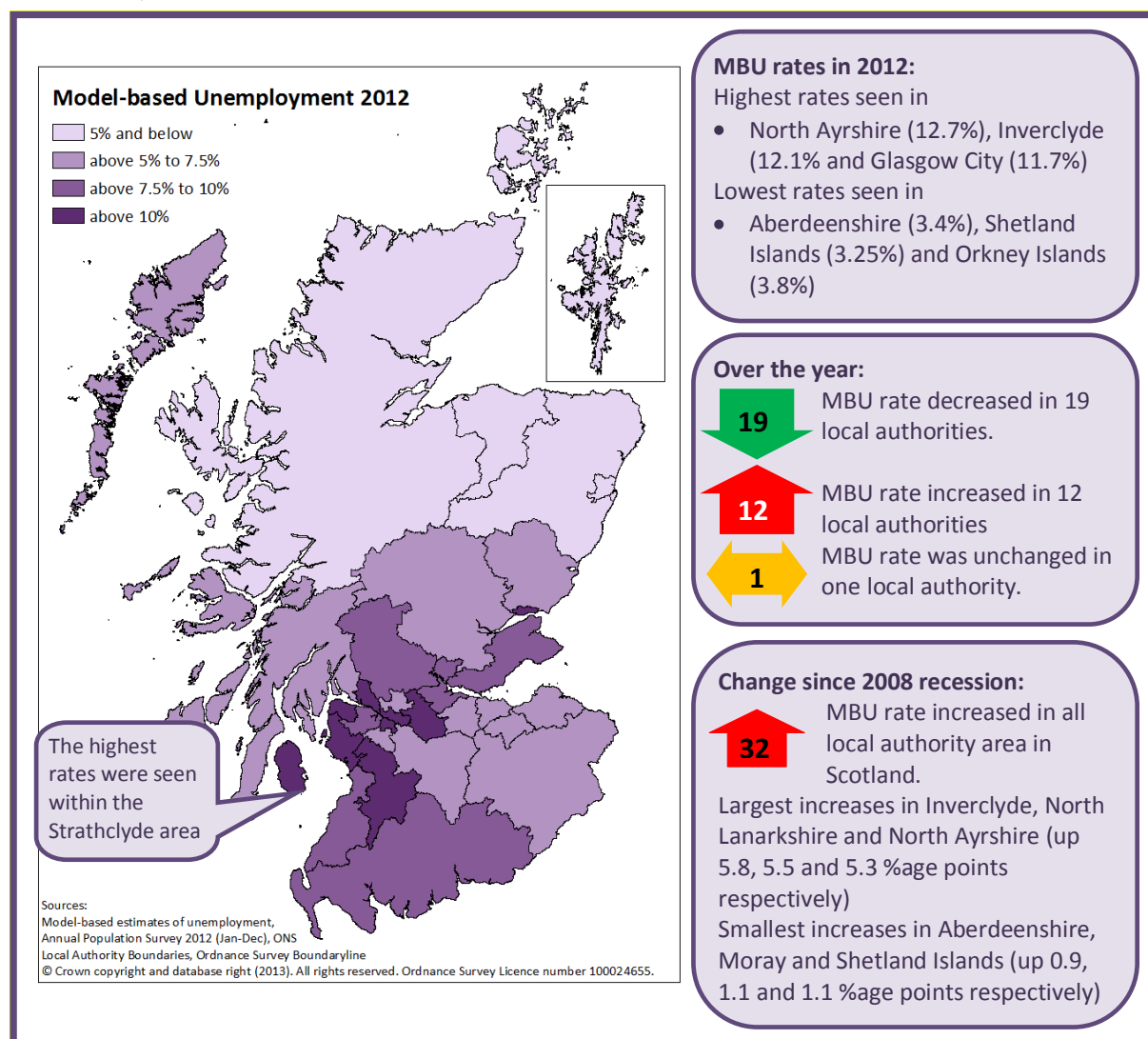
Given that the unemployed are a relatively small sub-group of the total population, their sample sizes in the APS datasets are also small and thus have large sampling variability. To improve the quality and reliability of unemployment estimates for all local authorities, the Office for National Statistics (ONS) developed model-based unemployment estimates, as outlined in Box 6.

Box 6 – Model based unemployment

In 2003, ONS developed a statistical model to improve small area estimates of unemployment by using supplementary information from the claimant count - a count of the number of people claiming Jobseeker's Allowance. As it is an administrative measure, accurate information is known for all areas. It is also highly correlated with unemployment. The model is said to borrow strength from the claimant count. The model also includes a socio-economic indicator and a random area effect.

More information about the modelling methodology can be found [here](#):

Figure 14: Model Based Unemployment (MBU) across Local Authority areas in Scotland, 2012



Source: Annual Population Survey, Jan-Dec, ONS

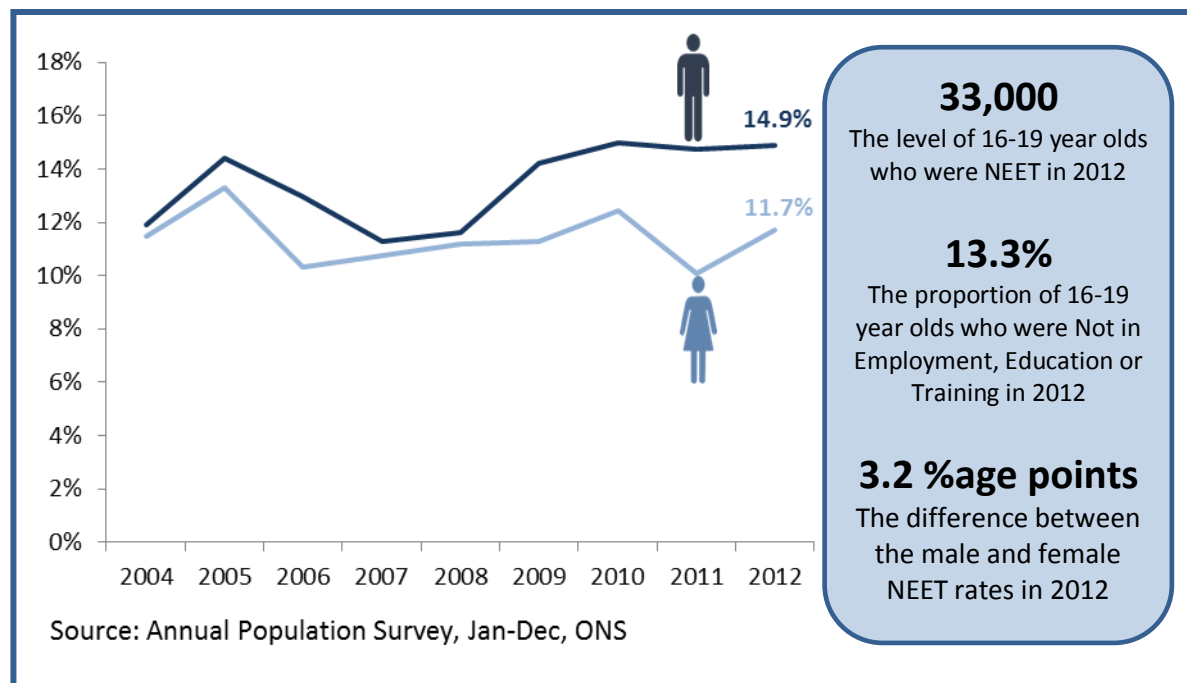
Model based unemployment levels and rates for 2008, 2010, 2011 and 2012 are provided in Annex A, with a full time series available in the web tables.

16 to 19 year olds Not in Employment, Education or Training (NEET)

Figure 15 shows how the NEET group has changed in Scotland between 2004 and 2012.

In 2012 33,000 (13.3%) of 16-19 year olds were not in education, employment or training. The proportion NEET has increased by 0.9 percentage point (up 1,000) since 2011; this change is not statistically significant⁹.

Figure 15: Percentage of 16-19 year olds NEET by gender, Scotland, 2004-2012



Levels and proportions of NEET by gender for 2004 to 2012 are provided in Annex A and the web tables.

⁹ Refer to Annex D for further information on the meaning of statistical significance and how this is calculated. All references to statistically significant differences are based on a 95% confidence level.

Box 7 – Measuring the NEET group

In 2006 the Scottish Government commissioned the Training and Employment Research Unit (TERU) at Glasgow University to explore different ways of measuring the NEET group and present recommendations on the best measurement options. The following recommendations were made:

At Scotland level:

The Annual Population Survey (APS) is the recommended source to measure the size of the NEET group in Scotland.

At Local Authority level:

A combination of DWP benefits data and school leaver destinations data should be used to monitor the NEET group at a local level. Information on levels and rates of known NEET at local authority level for 2004 to 2012 can be accessed at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/MCMCLMSTATS>

The full report outlining the work and recommendations made by TERU can be found at:

<http://www.scotland.gov.uk/publications/2006/07/28090808/0>

Recent developments

Historically, it has been difficult to make robust conclusions when comparing proportions of young people NEET internationally, due to differing definitions of NEET.

ONS, with other UK administrations and departments have agreed a consistent methodology for defining whether a young person is NEET and this methodology has been adopted for this publication. Although this methodology uses a different combination of LFS/APS variables compared to the methodology used in previous years by the Scottish Government, the results are very similar.

The Scottish Government focuses on 16-19 year olds in this publication as this is the age group at which policy interventions are targeted at present.

Sub-Section B: Economic Inactivity

Economic inactivity covers individuals who are neither in employment nor unemployed. There are many reasons why people may be inactive. For example, they may have a long-term illness or disability, be studying for a qualification, staying at home to look after their family, or have retired. The economically inactive population are not part of the supply of labour. However, the labour market is dynamic, with people continuously moving between different categories. Therefore it is important to consider inactivity figures as they include those who may make up the labour supply in the future and those who were part of the labour supply in the past.

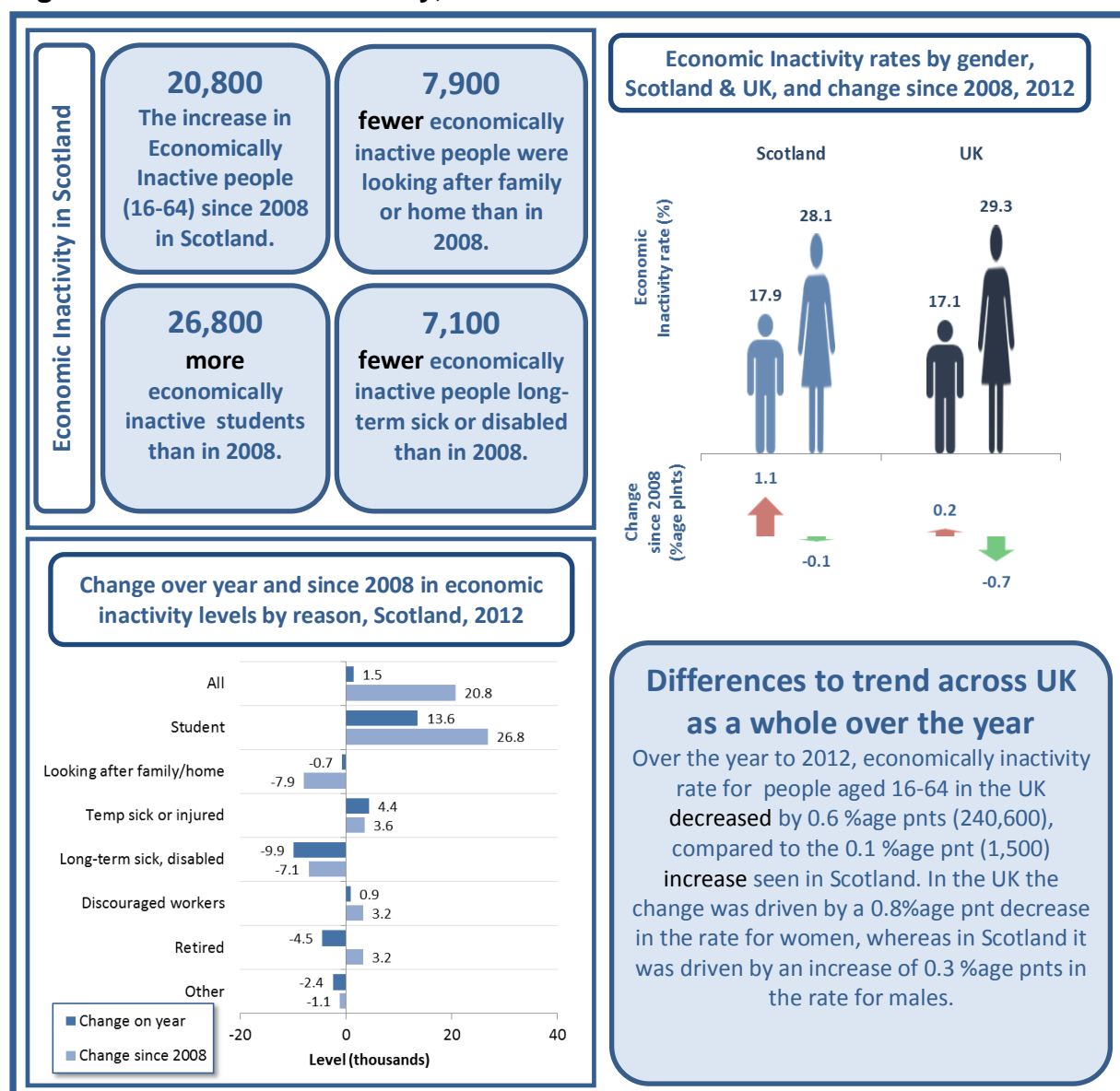
Box 8 – Economic Inactivity

Economically inactive people are not in employment, but do not satisfy the internationally agreed definition of unemployment. This group covers people without a job who:

- ◆ want a job but have not been seeking work in the last four weeks; or
- ◆ want a job and are seeking work but not available to start work in the next two weeks; or
- ◆ do not want a job.

Headline Inactivity levels and rates cover all workers **aged** 16-64 for both men and women. This excludes many people who would be inactive due to retirement, although still captures a large number of people in early retirement.

Figure 16: Economic Inactivity, Scotland and UK



Source: Annual Population Survey, Jan-Dec, ONS

Based on the APS:

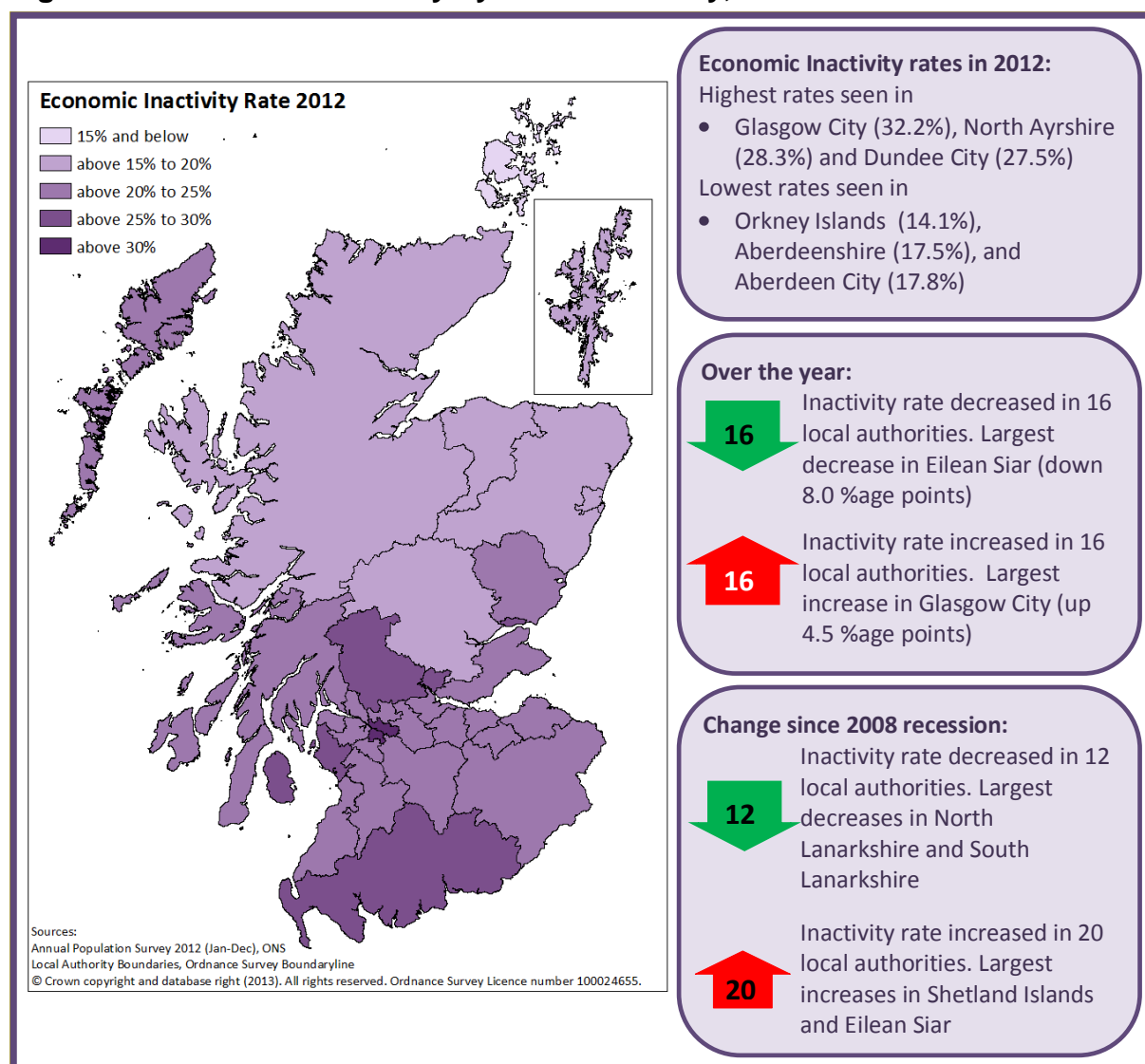
- Over the year to January to December 2012, the economic inactivity rate for those aged 16-64 in Scotland increased by 0.1 percentage point to 23.1% (up 1,400 to 784,900), and increased by 0.5 percentage points since 2008 (up 20,800).
- In the UK, the economic inactivity rate (16-64) decreased by 0.6 percentage points over the year to 23.2% and has decreased by 0.3 percentage points since 2008.

In Scotland:

- Male inactivity levels increased over the year by 4,300, with the rate increasing by 0.3 percentage points. In contrast, female inactivity levels reduced by 2,900 over the year, with their rate decreasing by 0.1 percentage point.
- Inactivity rates tend to be higher for the 16-24 (due to higher numbers in full-time education) and the 50-64 and 65+ age groups (due to higher levels of sickness and retired people).
 - Inactivity rates for 16-24 year olds rose by 2.3 percentage points over the year to 32.8%, with the level increasing by 12,400 to 196,800, driven by increased participation in full-time education.
 - Inactivity rates for those aged 50-64 and 65+ have reduced over the year by 0.4 and 1.2 percentage points respectively. However, while the level for 50-64 year olds has also reduced (down by 2,800), the level for those aged 65+ increased (up by 17,600). The reduction in rate was due to the size of total 65+ population increased more than the 65+ inactive population.
 - The decreases in rate seen for the 50-64 and 65+ age groups were due to reductions in numbers who were inactive due to sickness or being retired. These changes are likely to be related to changes in the benefits system, the increasing state pension age and low pension annuity rates which may be causing some people to delay retirement.
- Inactivity rates for those with a disability remained unchanged over the year at 47.8%, with the level decreasing by 1,700 to 365,100.

Economic Inactivity at Local Authority level

Figure 17: Economic Inactivity by Local Authority, 2012

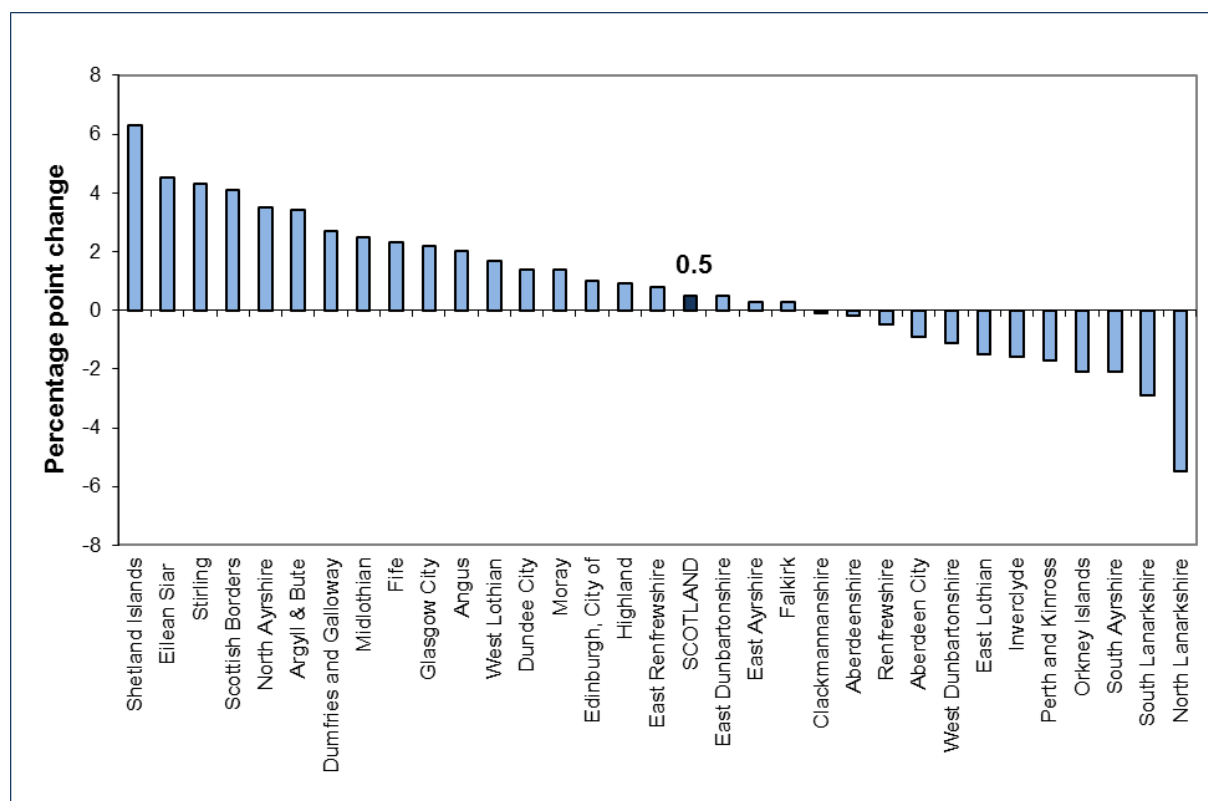


Source: Annual Population Survey, Jan-Dec, ONS

Table 9 in Annex A gives the economic inactivity rate for the population aged 16 to 64 in Scotland's local authorities for 2008, 2011 and 2012. A time-series back to 2004 can be downloaded from the web-tables and SNS

Chart 8 shows how economic inactivity rates have changed across Scotland's Local Authority areas since 2008

Chart 8: Percentage point change in economic inactivity, by local authority, 2008 to 2012



Source: Annual Population Survey, Jan-Dec, ONS

Between 2008 and 2012 in Scotland:

- The largest increases in inactivity rate were seen in Shetland Islands, Eilean Siar and Stirling (up 6.3, 4.5 and 4.3 percentage points respectively)
- The largest decreases in inactivity rate were seen in North Lanarkshire, South Lanarkshire (down by 5.5 and 2.9 percentage points respectively) and Orkney Islands and South Ayrshire (both down by 2.1 percentage points).

Reasons for inactivity

Respondents in the APS are asked to provide a reason as to why they are not in employment or unemployed. Figure 16 includes a chart showing change in level for reasons for inactivity since 2008 and over the year.

The largest group within the economically inactive population is those stating they have a long-term sickness or disability. The relative size of this group has reduced slowly from 30.2% in 2008 to 28.5% in 2012.

- Inverclyde, North Lanarkshire and Falkirk had the highest percentages of inactive population stating they were long-term sick in 2012, all greater than 39%.

Those looking after the family or home make up just over a fifth (20.1%) of the inactive population, having reduced slightly (1.6 percentage points) from 21.7% in 2008.

- East Ayrshire, Aberdeenshire and Midlothian had the highest percentages of those inactive due to looking after family or home, all greater than 25%.

Students are the other main inactive group, accounting for 23.3% of the inactive population in 2012. The relative size of this group had grown from 20.4% in 2008. The overall size of this group has increased by 17.2%, from 155,800 in 2008, to 182,600 in 2012.

- Only eight authorities had a higher percentage of students in their inactive population than the national average in 2012. These include the main university cities (Aberdeen, Dundee, Edinburgh, Glasgow and Stirling), as well as East Dunbartonshire, East Renfrewshire and Inverclyde.

Retired people accounted for 17.7% of the inactive population aged 16-64 in Scotland in 2012.

- 20 local authorities had higher percentages of retired inactive people than the national average. Those with the highest percentages were South Ayrshire, Eilean Siar and Perth and Kinross, (which all have populations that have higher percentages of older people). In contrast, Glasgow and Edinburgh have amongst the lowest percentages of inactive retired people, a reflection of the different age demographic within these local authorities.

More detailed information on reasons for inactivity by local authority is provided in the web tables.

Willingness to work

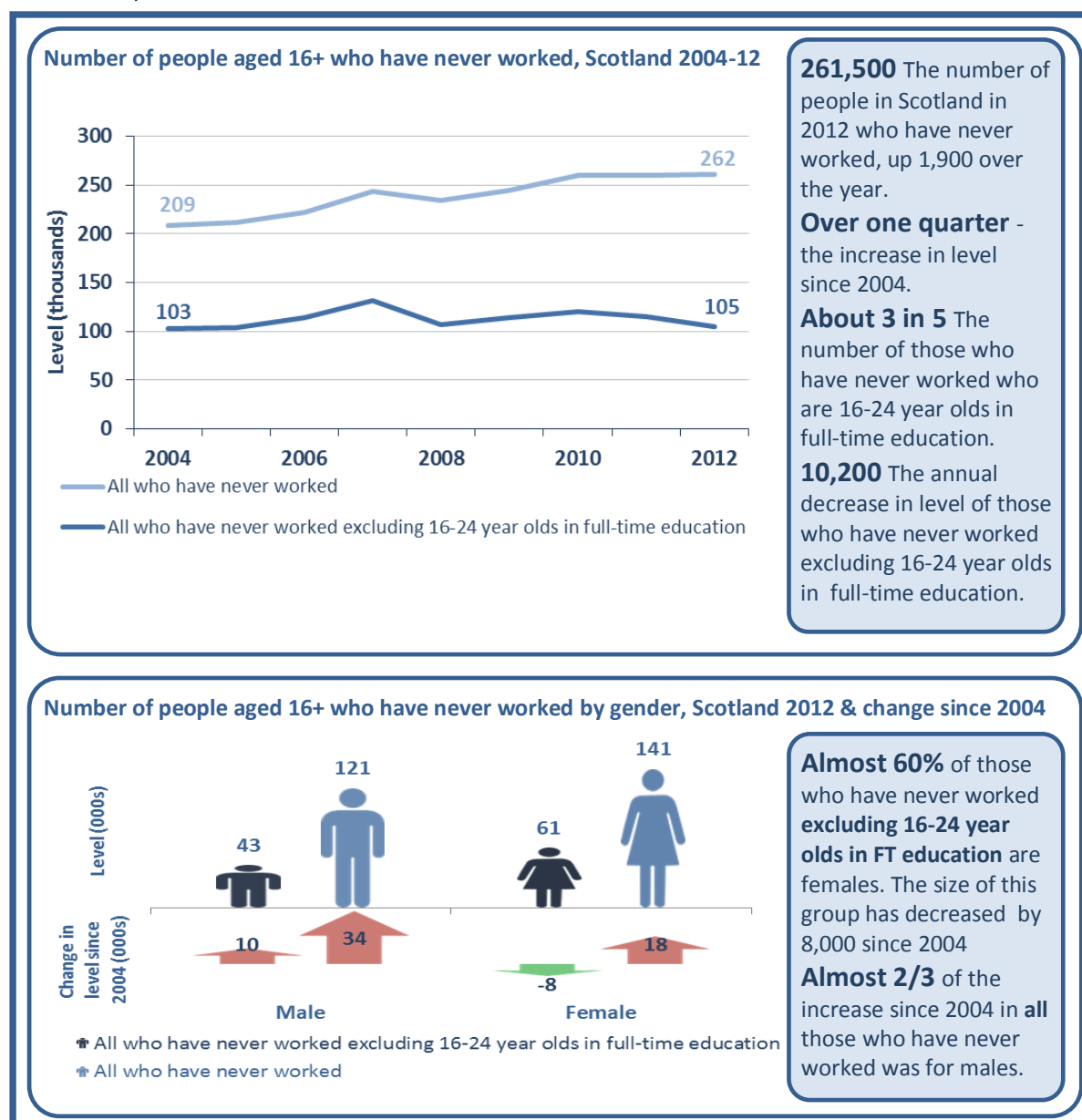
People who are inactive may have a willingness to work but are not available or able to do so. In 2012, 25.4% of all people in Scotland aged 16-64 who were inactive, wanted to work, compared to 24.6% in 2011. The percentage was highest in Moray, Dundee City and Aberdeen City, where the percentage of inactive people said they would like to work was 38.4%, 34.9% and 34.4% respectively. Table 10 shows the number and percentage of those who are inactive but want to work for 2008, 2011 and 2012, with a full time series available in the web-tables.

Adults who have never worked.

The APS asks those who did no paid or unpaid work if they have ever had a paid job or place on a government training scheme. As many younger people do not enter the labour market until after leaving full-time education, the chances of a person having ever worked¹⁰ is highly dependent on their age

¹⁰ The LFS asks respondents if they had a paid or unpaid job for one hour or more during the reference period, but this excludes casual or holiday work.

Figure 18: Number of people aged 16 and over who have never worked, Scotland, 2004 – 2012



Source: Annual Population Survey, Jan-Dec, ONS

Figure 18 shows how the level of those who have never had a paid or unpaid job has changed between 2004 and 2011.

- The number of people aged 16 and over in Scotland who have never worked has been gradually increasing since 2004.
- Approximately 3 in 5 of these people are 16-24 year olds in full-time education. If this group is excluded, the figure for 2012 decreases to 104,500, which represents a 2.5% decrease on the 2008 level (107,200) and a 1.7% increase on the 2004 level (102,800).
- The number of people aged 25-49 in Scotland who have never worked has risen by just under 36% since 2004, from 33,500 to 45,400 in 2012, whereas the number of people aged 50 and over who have never worked has almost halved from 32,900 in 2004 to 16,900 in 2012.

- Reasons people may never have had a paid or unpaid job include being a student (in full-time education), looking after family or home and being long-term sick or disabled.
- Since 2008, the number of people aged 16 and over who have never had a paid or unpaid job has increased in 22 of Scotland's local authorities.

Data for those who have never worked at local authority level is available from the web tables and via Scottish Neighbourhood Statistics.

Annex A: Associated Tables

Table 1: Employment rates and levels by local authority, Scotland, 2008, 2011, 2012

Geography (Residence Based)	2008		2011		2012		Change over year to 2012	
	Rate	Level	Rate	Level	Rate	Level	Rate (%age pnt)	Level
Scotland	73.5%	2,529,400	70.7%	2,463,800	70.6%	2,467,600	-0.1	3,800
<i>Local Authority Area</i>								
Aberdeen City	78.2%	114,600	75.9%	117,500	76.9%	121,000	1.0	3,500
Aberdeenshire	80.2%	127,800	79.6%	130,900	79.9%	132,200	0.3	1,300
Angus	77.0%	53,700	72.2%	50,400	74.3%	51,700	2.1	1,300
Argyll & Bute	75.6%	42,600	70.8%	38,700	70.5%	38,500	-0.3	-200
Clackmannanshire	69.7%	22,700	65.6%	21,600	65.5%	21,400	-0.1	-200
Dumfries and Galloway	73.5%	69,900	69.0%	63,500	67.2%	63,500	-1.8	0
Dundee City	69.5%	66,100	68.4%	65,700	65.2%	63,000	-3.2	-2,800
East Ayrshire	71.6%	56,400	66.7%	52,600	66.9%	52,000	0.2	-700
East Dunbartonshire	75.1%	50,500	73.6%	49,400	73.3%	48,600	-0.3	-800
East Lothian	75.2%	46,600	72.4%	45,800	74.8%	46,900	2.3	1,100
East Renfrewshire	74.7%	42,200	73.1%	42,000	72.6%	41,300	-0.5	-700
Edinburgh, City of	74.8%	252,800	71.8%	251,100	72.8%	258,700	1.1	7,600
Eilean Siar	77.4%	13,000	63.6%	10,700	71.3%	11,600	7.7	1,000
Falkirk	76.5%	76,000	72.0%	72,000	72.9%	73,700	0.9	1,700
Fife	73.9%	175,600	70.6%	168,500	69.6%	168,300	-0.9	-100
Glasgow City	65.5%	266,700	63.8%	266,600	59.7%	251,200	-4.1	-15,500
Highland	79.1%	111,900	78.6%	113,700	76.6%	109,700	-2.0	-4,000
Inverclyde	70.4%	37,600	67.3%	34,900	65.3%	33,100	-2.0	-1,700
Midlothian	77.5%	41,200	74.3%	39,500	75.1%	40,000	0.8	400
Moray	79.5%	45,400	78.4%	43,800	77.7%	42,800	-0.8	-1,000
North Ayrshire	68.9%	60,400	61.0%	53,400	61.7%	53,300	0.7	-100
North Lanarkshire	69.2%	149,000	68.5%	147,400	69.5%	148,100	1.0	700
Orkney Islands	81.8%	10,600	79.3%	10,500	81.3%	10,600	2.0	100
Perth and Kinross	75.8%	70,400	74.5%	71,400	74.5%	72,100	0.1	800
Renfrewshire	73.2%	82,600	66.9%	75,800	71.6%	80,600	4.7	4,800
Scottish Borders	78.0%	55,800	73.1%	52,600	72.5%	52,300	-0.6	-200
Shetland Islands	86.0%	12,400	81.3%	12,200	79.7%	12,000	-1.6	-100
South Ayrshire	72.4%	51,100	65.9%	46,700	69.9%	49,900	3.9	3,200
South Lanarkshire	73.8%	152,200	72.0%	149,300	75.1%	155,000	3.1	5,700
Stirling	73.9%	42,700	71.1%	42,000	67.3%	39,600	-3.8	-2,400
West Dunbartonshire	69.6%	41,900	68.4%	40,600	67.0%	39,500	-1.4	-1,100
West Lothian	76.7%	86,800	72.4%	83,000	74.0%	85,500	1.6	2,600

Source: Annual Population Survey (Jan to Dec)

Employment levels cover those aged 16 and over. Employment rates cover population aged 16-64.

Notes:

1. Levels rounded to the nearest hundred.
2. Rates are calculated on unrounded figures.

Table 2: Employment rates and levels by age-group and local authority, Scotland, 2012

Geography (Residence Based)	16-24		25-34		35-49		50 - 64	
	Rate	Level	Rate	Level	Rate	Level	Rate	Level
Scotland	53.2%	319,200	79.0%	539,200	81.4%	881,200	64.0%	659,300
<i>Local Authority Area</i>								
Aberdeen City	65.9%	19,800	83.5%	32,200	83.1%	37,700	71.8%	27,900
Aberdeenshire	72.1%	17,500	87.8%	22,500	86.8%	47,400	72.7%	39,700
Angus	60.6%	6,300	77.8%	8,100	83.7%	19,300	69.5%	16,400
Argyll & Bute	49.3%	3,800	76.9%	5,300	83.9%	14,400	65.0%	12,900
Clackmannanshire	43.3%	1,900	77.2%	4,800	69.6%	6,800	64.2%	7,900
Dumfries and Galloway	52.9%	7,300	73.4%	9,500	82.1%	23,300	58.1%	19,800
Dundee City	49.3%	10,500	77.6%	16,400	74.9%	19,700	58.3%	15,000
East Ayrshire	47.3%	6,300	71.5%	9,300	77.8%	19,500	64.1%	15,900
East Dunbartonshire	45.8%	5,100	89.1%	8,800	86.5%	18,400	67.8%	15,200
East Lothian	60.9%	6,400	79.9%	7,200	85.9%	18,400	67.7%	13,700
East Renfrewshire	44.0%	4,300	80.4%	6,600	88.0%	17,300	67.5%	11,700
Edinburgh, City of	50.2%	33,400	82.4%	81,800	84.4%	83,100	65.7%	55,400
Eilean Siar	57.6%	1,700	76.3%	1,600	89.7%	4,700	59.3%	3,300
Falkirk	63.6%	10,300	81.0%	15,300	83.1%	28,200	61.3%	18,600
Fife	54.3%	23,600	71.2%	29,700	82.7%	62,000	64.5%	47,400
Glasgow City	34.0%	27,200	74.9%	84,300	71.4%	83,800	49.9%	51,300
Highland	64.4%	13,000	78.5%	18,400	86.5%	37,900	71.8%	35,800
Inverclyde	50.2%	4,400	68.7%	6,100	74.5%	12,300	62.0%	9,600
Midlothian	60.6%	5,400	83.9%	7,200	83.6%	14,300	69.9%	11,900
Moray	65.3%	5,700	85.5%	7,400	84.3%	15,600	72.9%	12,800
North Ayrshire	44.5%	6,500	75.5%	10,600	70.2%	19,400	55.3%	15,600
North Lanarkshire	57.8%	20,900	72.8%	30,300	78.9%	57,400	62.5%	36,600
Orkney Islands	63.2%	1,300	*	*	92.4%	4,400	77.3%	*
Perth and Kinross	58.1%	9,200	83.3%	13,900	85.3%	25,500	67.8%	20,800
Renfrewshire	57.9%	10,900	80.7%	16,800	79.8%	29,100	64.9%	22,200
Scottish Borders	52.1%	5,400	78.0%	7,600	84.8%	20,700	66.6%	16,100
Shetland Islands	72.1%	1,700	*	*	96.7%	3,900	78.7%	4,100
South Ayrshire	51.2%	5,800	80.9%	8,800	84.0%	17,500	61.6%	15,200
South Lanarkshire	63.2%	21,200	87.1%	32,500	84.0%	56,800	64.6%	40,600
Stirling	44.4%	5,600	75.4%	6,800	81.9%	15,100	64.1%	10,800
West Dunbartonshire	50.9%	5,300	74.6%	8,400	75.5%	13,900	62.9%	11,600
West Lothian	60.5%	11,700	85.0%	18,100	84.2%	33,500	62.5%	20,700

Source: Annual Population Survey (Jan to Dec)

Employment rates and levels cover those within the specific age-group

* - Estimate is below reliability threshold.

Notes:

1. Levels rounded to the nearest hundred.
2. Rates are calculated on unrounded figures.

Table 3: People with a degree-level qualification as a proportion of those in employment aged 25-64, by local authority, Scotland, 2008-2012

Geography (Residence Based)	2004	2008	2009	2010	2011	2012
	Proportion	Proportion	Proportion	Proportion	Proportion	Proportion
Scotland	21.4%	25.1%	26.4%	27.5%	29.5%	31.1%
<i>Local Authority Area</i>						
Aberdeen City	26.0%	32.6%	34.2%	36.8%	34.1%	35.5%
Aberdeenshire	21.8%	21.1%	21.9%	25.9%	29.5%	31.4%
Angus	15.9%	20.2%	24.4%	26.4%	28.7%	25.7%
Argyll & Bute	17.4%	23.7%	26.9%	27.5%	27.6%	28.3%
Clackmannanshire	13.5%	21.2%	22.1%	21.8%	27.8%	26.7%
Dumfries and Galloway	13.3%	19.3%	20.4%	20.4%	18.1%	20.2%
Dundee City	20.4%	26.3%	28.3%	24.5%	27.0%	34.1%
East Ayrshire	12.4%	18.2%	17.8%	17.9%	16.9%	20.8%
East Dunbartonshire	32.7%	39.0%	38.6%	40.3%	42.0%	43.8%
East Lothian	21.8%	22.6%	25.5%	24.6%	29.2%	33.2%
East Renfrewshire	32.5%	40.2%	39.5%	42.3%	37.6%	40.6%
Edinburgh, City of	40.9%	43.2%	44.9%	45.5%	50.3%	54.1%
Eilean Siar	14.8%	18.3%	22.4%	22.1%	26.5%	30.8%
Falkirk	15.4%	17.5%	18.5%	19.1%	21.0%	21.9%
Fife	16.4%	20.8%	23.2%	22.8%	24.0%	30.3%
Glasgow City	29.0%	28.3%	30.1%	33.7%	37.7%	38.1%
Highland	14.1%	19.3%	22.9%	23.5%	23.7%	21.7%
Inverclyde	17.4%	17.3%	20.7%	19.8%	21.0%	24.3%
Midlothian	15.0%	17.6%	20.5%	20.4%	19.8%	24.4%
Moray	12.4%	16.9%	14.9%	16.0%	16.8%	19.4%
North Ayrshire	14.1%	17.0%	18.1%	19.7%	19.5%	16.5%
North Lanarkshire	13.9%	18.6%	17.9%	17.3%	17.0%	17.7%
Orkney Islands	16.6%	15.7%	18.7%	19.7%	17.3%	12.7%
Perth and Kinross	22.2%	27.5%	26.3%	26.0%	28.3%	31.4%
Renfrewshire	15.9%	22.9%	24.4%	24.6%	31.0%	32.3%
Scottish Borders	18.7%	23.7%	26.6%	31.8%	30.9%	30.1%
Shetland Islands	17.2%	14.6%	20.6%	21.2%	19.9%	27.4%
South Ayrshire	19.9%	22.3%	22.8%	27.2%	25.1%	25.3%
South Lanarkshire	18.5%	21.3%	22.3%	23.6%	25.8%	23.6%
Stirling	31.0%	33.3%	36.6%	32.9%	39.6%	37.8%
West Dunbartonshire	10.1%	15.2%	18.0%	18.4%	19.5%	19.7%
West Lothian	15.0%	20.5%	19.7%	20.8%	22.7%	23.4%

Source: Annual Population Survey (Jan to Dec)

Data covers those aged 25-64 in employment

Notes:

1. Levels rounded to the nearest hundred.
2. Rates are calculated on unrounded figures.

Table 4: Underemployment rates and levels by local authority, Scotland, 2008, 2011 and 2012

	2008		2011		2012		Change since 2008	
	Rate	Level	Rate	Level	Rate	Level	Rate (%age point)	Level
Scotland	7.0%	174,500	9.9%	240,700	10.0%	243,300	3.0	68,800
<i>Local Authority Area</i>								
Aberdeen City	5.6%	6,300	8.6%	10,000	5.5%	6,600	-0.1	300
Aberdeenshire	6.0%	7,600	8.1%	10,500	10.6%	13,800	4.6	6,200
Angus	8.6%	4,600	11.2%	5,600	11.6%	5,900	3.0	1,300
Argyll & Bute	8.6%	3,600	13.9%	5,300	11.3%	4,300	2.7	700
Clackmannanshire	6.3%	1,400	8.1%	1,700	10.3%	2,200	4.0	800
Dumfries & Galloway	8.1%	5,600	11.8%	7,400	11.2%	7,100	3.1	1,500
Dundee City	10.0%	6,500	12.4%	8,100	12.1%	7,600	2.1	1,100
East Ayrshire	9.2%	5,100	11.8%	6,100	10.5%	5,400	1.3	300
East Dunbartonshire	4.9%	2,500	9.5%	4,600	9.1%	4,300	4.2	1,800
East Lothian	8.1%	3,700	11.1%	5,000	8.9%	4,100	0.8	400
East Renfrewshire	4.1%	1,700	8.2%	3,400	10.6%	4,300	6.5	2,600
Edinburgh, City of	4.6%	11,600	8.2%	20,400	8.6%	22,100	4.0	10,500
Eilean Siar	8.8%	1,100	16.1%	1,700	*	*	*	*
Falkirk	6.6%	5,000	11.3%	8,100	9.5%	6,900	2.9	1,900
Fife	9.5%	16,600	8.7%	14,600	9.2%	15,400	-0.3	-1,200
Glasgow City	6.4%	16,700	11.6%	30,500	12.2%	30,000	5.8	13,300
Highland	8.8%	9,700	11.2%	12,400	11.1%	11,900	2.3	2,200
Inverclyde	8.6%	3,200	11.4%	3,900	12.3%	4,000	3.7	800
Midlothian	7.2%	2,900	13.3%	5,200	9.7%	3,800	2.5	900
Moray	7.9%	3,500	7.7%	3,300	10.2%	4,300	2.3	800
North Ayrshire	9.5%	5,700	12.6%	6,700	8.9%	4,700	-0.6	-1,000
North Lanarkshire	7.0%	10,400	8.3%	12,200	9.1%	13,300	2.1	2,900
Orkney Islands	*	*	*	*	*	*	*	*
Perth & Kinross	5.9%	4,100	8.4%	5,900	10.8%	7,700	4.9	3,600
Renfrewshire	6.5%	5,400	9.2%	6,900	12.2%	9,700	5.7	4,300
Scottish Borders	7.3%	4,100	11.7%	6,100	12.1%	6,300	4.8	2,200
Shetland Islands	*	*	*	*	15.3%	1,800	*	*
South Ayrshire	8.1%	4,100	11.5%	5,200	11.0%	5,400	2.9	1,300
South Lanarkshire	5.7%	8,600	7.9%	11,700	8.7%	13,400	3.0	4,800
Stirling	7.2%	3,000	12.0%	5,000	9.3%	3,600	2.1	600
West Dunbartonshire	7.7%	3,200	11.0%	4,400	12.2%	4,800	4.5	1,600
West Lothian	6.2%	5,300	8.4%	6,900	8.5%	7,300	2.3	2,000

Source: Annual Population Survey, Jan-Dec

Note: Underemployment levels cover those aged 16 and over.

Denominator for underemployment rates = all aged 16 and above in employment

Table 5: Public, Private Sector employment by gender for all aged 16+, by local authority, Scotland, 2012

Geography	Public Sector						Private Sector					
	Total		Male		Female		Total		Male		Female	
	Prop'n	Level	Prop'n	Level	Prop'n	Level	Prop'n	Level	Prop'n	Level	Prop'n	Level
Scotland	26.9%	655,900	18.4%	234,300	36.0%	421,500	73.1%	1,786,600	81.6%	1,037,500	64.0%	749,100
<i>Local Authority Area</i>												
Aberdeen City	19.6%	23,700	14.6%	9,400	25.3%	14,300	80.4%	97,200	85.4%	55,100	74.7%	42,100
Aberdeenshire	21.1%	27,500	11.4%	8,100	32.7%	19,300	78.9%	103,000	88.6%	63,200	67.3%	39,800
Angus	30.3%	15,500	20.6%	5,300	40.2%	10,100	69.7%	35,600	79.4%	20,500	59.8%	15,100
Argyll & Bute	35.5%	13,600	27.5%	5,400	44.2%	8,100	64.5%	24,600	72.5%	14,400	55.8%	10,300
Clackmannanshire	24.1%	5,100	15.6%	1,700	33.1%	3,400	75.9%	16,100	84.4%	9,200	66.9%	6,800
Dumfries and Galloway	23.9%	15,100	14.6%	4,600	33.3%	10,500	76.1%	47,900	85.4%	27,000	66.7%	20,900
Dundee City	33.4%	20,800	24.9%	7,500	41.4%	13,300	66.6%	41,400	75.1%	22,700	58.6%	18,700
East Ayrshire	29.6%	15,200	18.8%	5,100	41.5%	10,200	70.4%	36,200	81.2%	21,900	58.5%	14,300
East Dunbartonshire	32.4%	15,700	26.4%	6,400	38.4%	9,300	67.6%	32,700	73.6%	17,900	61.6%	14,800
East Lothian	24.5%	11,400	13.7%	3,200	35.4%	8,200	75.5%	35,200	86.3%	20,300	64.6%	15,000
East Renfrewshire	30.7%	12,700	18.3%	3,900	44.4%	8,700	69.3%	28,500	81.7%	17,600	55.6%	10,900
Edinburgh, City of	26.7%	69,000	17.1%	23,300	37.4%	45,700	73.3%	188,900	82.9%	112,500	62.6%	76,400
Eilean Siar	38.5%	4,400	25.2%	1,500	52.0%	3,000	61.5%	7,000	74.8%	4,300	48.0%	2,700
Falkirk	24.7%	18,100	16.4%	6,100	33.4%	12,000	75.3%	55,200	83.6%	31,300	66.6%	23,900
Fife	30.5%	50,800	22.0%	19,300	39.9%	31,500	69.5%	116,000	78.0%	68,700	60.1%	47,300
Glasgow City	26.4%	65,000	19.5%	24,900	33.7%	40,100	73.6%	181,700	80.5%	102,600	66.3%	79,100
Highland	27.1%	29,100	17.1%	10,000	38.9%	19,100	72.9%	78,300	82.9%	48,200	61.1%	30,100
Inverclyde	28.5%	9,300	19.5%	3,100	37.0%	6,200	71.5%	23,300	80.5%	12,800	63.0%	10,600
Midlothian	30.9%	12,200	21.0%	4,100	40.6%	8,100	69.1%	27,300	79.0%	15,400	59.4%	11,900
Moray	20.8%	8,800	14.9%	3,400	27.9%	5,300	79.2%	33,500	85.1%	19,700	72.1%	13,800
North Ayrshire	23.2%	12,000	18.2%	5,000	28.9%	7,100	76.8%	39,800	81.8%	22,400	71.1%	17,400
North Lanarkshire	28.3%	41,300	20.7%	15,400	36.4%	25,900	71.7%	104,500	79.3%	59,300	63.6%	45,100
Orkney Islands	32.3%	3,300	20.9%	1,200	46.4%	2,100	67.7%	7,000	79.1%	4,500	53.6%	2,500
Perth and Kinross	25.1%	18,000	17.9%	7,000	33.6%	11,100	74.9%	53,700	82.1%	31,800	66.4%	21,900
Renfrewshire	27.8%	22,300	18.5%	7,700	38.0%	14,500	72.2%	57,700	81.5%	34,000	62.0%	23,700
Scottish Borders	26.5%	13,800	16.5%	4,500	37.6%	9,300	73.5%	38,300	83.5%	23,000	62.4%	15,400
Shetland Islands	34.1%	4,000	19.2%	1,200	51.4%	2,800	65.9%	7,700	80.8%	5,000	48.6%	2,600
South Ayrshire	28.3%	13,900	20.4%	5,200	36.8%	8,700	71.7%	35,300	79.6%	20,400	63.2%	14,900
South Lanarkshire	27.0%	41,700	19.7%	15,200	34.4%	26,500	73.0%	112,700	80.3%	62,100	65.6%	50,600
Stirling	23.8%	9,300	18.8%	3,900	29.4%	5,400	76.2%	29,900	81.2%	16,800	70.6%	13,000
West Dunbartonshire	32.4%	12,600	23.3%	4,600	41.7%	8,000	67.6%	26,400	76.7%	15,200	58.3%	11,200
West Lothian	24.5%	20,700	15.4%	6,900	34.5%	13,800	75.5%	64,000	84.6%	37,700	65.5%	26,300

Source: Annual Population Survey (Jan to Dec)

Notes:

1. Employment levels cover those aged 16 and over.
2. Percentages are as a total of all aged 16 and over (excluding non-respondents for this question)
3. The preferred source of public sector employment is QPSE – see Box 3

Table 6: Public, Private Sector employment by age group for all aged 16+, Scotland, 2004 to 2012

	Public Sector											
	Total		16-24		25-34		35-49		50-64		65+	
	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level
2004	28.9%	698,300	12.7%	46,300	26.9%	133,200	33.8%	319,500	33.7%	193,100	15.0%	6,200
2005	28.9%	704,100	13.4%	49,500	25.0%	123,100	33.8%	320,800	34.8%	204,500	16.4%	6,200
2006	29.2%	724,600	13.0%	47,800	27.0%	133,800	33.5%	324,100	35.2%	213,400	12.6%	5,500
2007	28.3%	708,500	12.4%	45,700	24.9%	125,600	32.7%	315,200	34.6%	215,500	14.0%	6,400
2008	27.9%	701,300	12.2%	44,600	24.3%	123,200	32.9%	314,000	33.2%	211,900	15.6%	7,600
2009	29.2%	724,100	14.3%	49,900	27.1%	137,300	32.8%	303,200	34.9%	223,700	18.5%	10,000
2010	28.7%	702,800	13.2%	44,500	25.3%	128,300	32.6%	295,300	34.6%	222,800	21.3%	12,000
2011	27.4%	669,800	10.6%	34,500	24.3%	127,000	31.3%	279,400	33.5%	218,200	19.4%	10,800
2012	26.9%	655,900	10.9%	33,600	22.8%	121,800	32.1%	281,100	31.9%	208,600	15.6%	10,700
	Private Sector											
	Total		16-24		25-34		35-49		50-64		65+	
	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level
2004	71.1%	1,719,300	87.3%	316,900	73.1%	362,800	66.2%	624,500	66.3%	380,100	85.0%	35,100
2005	71.1%	1,732,300	86.6%	321,100	75.0%	369,300	66.2%	627,000	65.2%	383,100	83.6%	31,800
2006	70.8%	1,759,000	87.0%	321,400	73.0%	362,300	66.5%	644,700	64.8%	392,700	87.4%	37,900
2007	71.7%	1,799,000	87.6%	323,700	75.1%	379,100	67.3%	649,600	65.4%	407,100	86.0%	39,500
2008	72.1%	1,811,300	87.8%	319,400	75.7%	384,700	67.1%	639,600	66.8%	426,400	84.4%	41,200
2009	70.8%	1,752,800	85.7%	300,200	72.9%	369,100	67.2%	622,400	65.1%	416,800	81.5%	44,300
2010	71.3%	1,748,300	86.8%	292,600	74.7%	379,000	67.4%	611,500	65.4%	421,000	78.7%	44,200
2011	72.6%	1,776,000	89.4%	289,400	75.7%	395,100	68.7%	613,000	66.5%	433,500	80.6%	44,900
2012	73.1%	1,786,600	89.1%	276,000	77.2%	412,500	67.9%	595,000	68.1%	445,300	84.4%	57,800

Source: Annual Population Survey (Jan to Dec)

Notes:

1. Levels cover those within the specified age groups.
2. Proportions are as a total of all within specified age group (excluding non-respondents for this question)
3. The preferred source of public sector employment is QPSE – see Box 3

Table 7: Model-based unemployment rates for people aged 16 or over by local authority, Scotland, 2008,2010,2011,2012

Geography (Residence Based)	Jan - Dec 2008		Jan -Dec 2010		Jan -Dec 2011		Jan -Dec 2012	
	Rate	Level	Rate	Level	Rate	Level	Rate	Level
Scotland	4.9%	130,400	7.7%	207,000	8.1%	216,100	7.9%	213,100
<i>Local Authority Area</i>								
Aberdeen City	3.6%	4,300	5.1%	6,500	5.6%	6,900	5.0%	6,300
Aberdeenshire	2.5%	3,300	3.7%	5,100	4.0%	5,400	3.4%	4,600
Angus	4.4%	2,500	6.8%	3,700	6.9%	3,700	6.2%	3,400
Argyll & Bute	4.3%	1,900	6.2%	2,600	6.9%	2,900	6.3%	2,600
Clackmannanshire	5.4%	1,300	7.5%	2,100	10.1%	2,400	9.9%	2,300
Dumfries and Galloway	4.6%	3,400	6.0%	4,300	7.7%	5,300	8.2%	5,700
Dundee City	6.4%	4,500	9.2%	6,800	9.4%	6,800	10.6%	7,500
East Ayrshire	6.1%	3,700	9.1%	5,500	10.8%	6,300	11.3%	6,600
East Dunbartonshire	3.9%	2,100	6.2%	3,300	5.9%	3,100	6.1%	3,200
East Lothian	3.6%	1,700	7.1%	3,400	7.3%	3,600	6.5%	3,300
East Renfrewshire	3.5%	1,500	6.2%	2,700	5.6%	2,500	5.8%	2,500
Edinburgh, City of	4.4%	11,600	6.3%	16,400	6.6%	17,800	6.4%	17,600
Eilean Siar	4.4%	600	6.7%	800	7.6%	900	6.3%	800
Falkirk	4.4%	3,500	7.9%	6,300	8.6%	6,800	8.1%	6,500
Fife	5.7%	10,700	8.6%	16,300	8.9%	16,500	9.1%	16,900
Glasgow City	7.0%	20,100	11.7%	34,300	11.0%	33,000	11.7%	33,300
Highland	3.4%	4,000	4.6%	5,600	5.3%	6,300	5.0%	5,800
Inverclyde	6.3%	2,500	8.3%	3,300	11.0%	4,300	12.1%	4,600
Midlothian	4.1%	1,800	7.6%	3,200	7.6%	3,300	6.6%	2,800
Moray	3.8%	1,800	4.8%	2,200	5.3%	2,500	4.9%	2,200
North Ayrshire	7.4%	4,800	12.0%	7,500	12.7%	7,700	12.7%	7,800
North Lanarkshire	5.9%	9,400	10.6%	17,500	10.5%	17,400	11.4%	19,000
Orkney Islands	2.6%	300	3.4%	400	4.3%	500	3.8%	400
Perth and Kinross	3.6%	2,600	5.5%	4,000	5.5%	4,200	6.0%	4,600
Renfrewshire	5.5%	4,800	8.9%	7,600	9.9%	8,300	8.9%	7,900
Scottish Borders	3.7%	2,100	6.2%	3,400	6.0%	3,400	5.9%	3,300
Shetland Islands	2.4%	300	3.6%	500	3.6%	500	3.5%	400
South Ayrshire	5.2%	2,800	9.0%	4,700	9.7%	5,000	9.2%	5,100
South Lanarkshire	4.4%	7,100	7.8%	12,500	8.2%	13,400	6.9%	11,500
Stirling	4.6%	2,000	7.2%	3,200	6.9%	3,100	8.1%	3,500
West Dunbartonshire	6.8%	3,100	10.4%	4,700	11.0%	5,000	11.4%	5,100
West Lothian	4.7%	4,300	7.2%	6,600	8.1%	7,400	6.6%	6,100

Source: Annual Population Survey, Jan-Dec, Claimant count, ONS

Note: Unemployment levels and rates cover those aged 16 and over.

Table 8: Levels and proportion of 16-19 year olds Not in Education, Employment or Training (NEET), Scotland, 2004-2012

	Male		Female		Total	
	Level	Rate	Level	Rate	Level	Rate
2004	16,000	11.9%	15,000	11.5%	31,000	11.7%
2005	19,000	14.4%	17,000	13.3%	36,000	13.9%
2006	17,000	13.0%	13,000	10.3%	30,000	11.7%
2007	15,000	11.3%	14,000	10.7%	29,000	11.0%
2008	16,000	11.6%	14,000	11.2%	30,000	11.4%
2009	19,000	14.2%	14,000	11.3%	33,000	12.8%
2010	20,000	15.0%	16,000	12.4%	36,000	13.7%
2011	19,000	14.7%	13,000	10.1%	32,000	12.4%
2012	19,000	14.9%	14,000	11.7%	33,000	13.3%

Source: Annual Population Survey, Jan-Dec, Claimant count, ONS

Notes:

1. Levels rounded to the nearest thousand.
2. Rates are calculated on unrounded figures

Table 9: Economic inactivity rates and levels for population aged 16-64 by local authority, Scotland, 2008, 2011, 2012

Geography (Residence Based)	2008		2011		2012		Change since 2008	
	Proportion	Level	Proportion	Level	Proportion	Level	Rate (%age pnt)	Level
Scotland	22.6%	764,200	23.0%	783,500	23.1%	784,900	0.5	20,800
<i>Local Authority Area</i>								
Aberdeen City	18.8%	26,900	18.3%	27,700	17.8%	27,300	-0.9	400
Aberdeenshire	17.7%	27,400	17.0%	27,200	17.5%	27,800	-0.2	300
Angus	18.9%	12,800	21.9%	14,900	20.9%	14,100	2.0	1,300
Argyll & Bute	20.6%	11,000	23.6%	12,300	24.0%	12,400	3.4	1,400
Clackmannanshire	26.7%	8,600	26.8%	8,700	26.6%	8,600	-0.1	100
Dumfries and Galloway	22.5%	20,700	23.6%	21,000	25.2%	22,500	2.7	1,700
Dundee City	26.2%	24,300	24.9%	23,500	27.5%	26,000	1.4	1,600
East Ayrshire	23.7%	18,500	25.3%	19,500	24.1%	18,300	0.3	-100
East Dunbartonshire	21.4%	14,100	22.0%	14,400	21.9%	14,200	0.5	100
East Lothian	22.2%	13,300	21.5%	13,200	20.7%	12,700	-1.5	-700
East Renfrewshire	22.4%	12,400	22.5%	12,500	23.2%	12,700	0.8	300
Edinburgh, City of	21.7%	72,200	23.2%	80,300	22.7%	79,300	1.0	7,100
Eilean Siar	17.9%	2,900	30.4%	4,900	22.4%	3,500	4.5	600
Falkirk	20.7%	20,300	21.6%	21,300	21.0%	20,800	0.3	500
Fife	20.7%	48,400	22.8%	53,300	22.9%	53,500	2.3	5,200
Glasgow City	30.0%	121,000	27.7%	113,900	32.2%	132,800	2.2	11,800
Highland	19.0%	26,200	17.9%	24,700	19.9%	27,300	0.9	1,200
Inverclyde	25.2%	13,200	22.7%	11,500	23.6%	11,700	-1.6	-1,400
Midlothian	18.8%	9,800	20.0%	10,400	21.3%	11,000	2.5	1,300
Moray	17.5%	9,600	18.2%	9,900	18.8%	10,000	1.4	400
North Ayrshire	25.1%	21,700	29.3%	24,900	28.6%	24,200	3.5	2,400
North Lanarkshire	25.8%	55,000	23.3%	49,400	20.3%	42,500	-5.5	-12,400
Orkney Islands	16.3%	2,000	15.8%	2,000	14.1%	1,700	-2.1	-300
Perth and Kinross	21.0%	18,800	20.8%	19,400	19.3%	17,900	-1.7	-800
Renfrewshire	21.9%	24,400	25.8%	28,700	21.4%	23,600	-0.5	-700
Scottish Borders	18.6%	13,000	22.6%	15,700	22.7%	15,600	4.1	2,600
Shetland Islands	12.8%	1,800	17.9%	2,500	19.0%	2,700	6.3	900
South Ayrshire	23.7%	16,400	25.8%	17,800	21.6%	14,500	-2.1	-1,900
South Lanarkshire	23.6%	47,700	22.6%	46,100	20.7%	41,700	-2.9	-6,000
Stirling	21.8%	12,300	24.3%	14,000	26.1%	14,800	4.3	2,600
West Dunbartonshire	25.1%	15,000	23.3%	13,800	24.1%	14,100	-1.1	-900
West Lothian	20.0%	22,500	21.5%	24,200	21.7%	24,600	1.7	2,100

Source: Annual Population Survey (Jan to Dec)
Inactivity rates and levels cover those aged 16-64
Notes:

1. Levels rounded to the nearest hundred.
2. Rates are calculated on unrounded figures.

Table 10: Economically inactive people aged 16-64, by willingness to work and local authority, Scotland, 2008, 2011, 2012

	2008				2010				2011			
	% Who want to work	Level Want to Work	Level - Do not Want to Work	All Inactive	% Who want to work	Level Want to Work	Level - Do not Want to Work	All Inactive	% Who want to work	Level Want to Work	Level - Do not Want to Work	All Inactive
Scotland	24.6%	188,200	575,900	764,200	24.6%	192,500	591,000	783,500	25.4%	199,400	585,500	784,900
<i>Local Authority Area</i>												
Aberdeen City	29.2%	7,900	19,000	26,900	27.5%	7,600	20,100	27,700	34.4%	9,400	17,900	27,300
Aberdeenshire	33.0%	9,100	18,400	27,400	26.1%	7,100	20,100	27,200	30.7%	8,500	19,200	27,800
Angus	28.6%	3,700	9,200	12,800	24.9%	3,700	11,200	14,900	24.2%	3,400	10,700	14,100
Argyll & Bute	25.0%	2,700	8,300	11,000	29.9%	3,700	8,600	12,300	26.5%	3,300	9,100	12,400
Clackmannanshire	24.4%	2,100	6,500	8,600	19.6%	1,700	7,000	8,700	21.9%	1,900	6,800	8,600
Dumfries and Galloway	25.9%	5,400	15,400	20,700	24.0%	5,000	16,000	21,000	24.0%	5,400	17,100	22,500
Dundee City	26.5%	6,500	17,900	24,300	27.7%	6,500	17,000	23,500	34.9%	9,100	16,900	26,000
East Ayrshire	22.5%	4,200	14,300	18,500	25.3%	4,900	14,500	19,500	26.1%	4,800	13,600	18,300
East Dunbartonshire	26.0%	3,700	10,400	14,100	19.3%	2,800	11,600	14,400	31.2%	4,400	9,700	14,200
East Lothian	22.7%	3,000	10,300	13,300	24.3%	3,200	10,000	13,200	17.9%	2,300	10,400	12,700
East Renfrewshire	20.8%	2,600	9,800	12,400	21.9%	2,700	9,800	12,500	21.2%	2,700	10,000	12,700
Edinburgh, City of	18.1%	13,000	59,200	72,200	17.1%	13,700	66,600	80,300	14.2%	11,300	68,000	79,300
Eilean Siar	*	*	2,100	2,900	29.9%	1,500	3,400	4,900	*	*	2,900	3,500
Falkirk	28.4%	5,800	14,500	20,300	30.4%	6,500	14,800	21,300	25.8%	5,400	15,500	20,800
Fife	27.4%	13,300	35,100	48,400	22.9%	12,200	41,100	53,300	31.1%	16,700	36,900	53,500
Glasgow City	24.5%	29,600	91,400	121,000	25.6%	29,100	84,700	113,900	21.9%	29,200	103,700	132,800
Highland	21.8%	5,700	20,400	26,200	30.2%	7,500	17,300	24,700	25.6%	7,000	20,300	27,300
Inverclyde	29.5%	3,900	9,300	13,200	28.3%	3,300	8,200	11,500	21.2%	2,500	9,300	11,700
Midlothian	17.6%	1,700	8,000	9,800	23.1%	2,400	8,000	10,400	25.6%	2,800	8,200	11,000
Moray	23.9%	2,300	7,300	9,600	42.8%	4,200	5,700	9,900	38.4%	3,900	6,200	10,000
North Ayrshire	26.7%	5,800	15,900	21,700	23.6%	5,900	19,100	24,900	28.5%	6,900	17,300	24,200
North Lanarkshire	18.7%	10,300	44,700	55,000	24.7%	12,200	37,100	49,400	28.2%	12,000	30,600	42,500
Orkney Islands	*	*	1,500	2,000	*	*	1,400	2,000	*	*	1,100	1,700
Perth and Kinross	19.5%	3,700	15,100	18,800	16.9%	3,300	16,100	19,400	19.4%	3,500	14,500	17,900
Renfrewshire	22.6%	5,500	18,900	24,400	24.8%	7,100	21,600	28,700	26.1%	6,200	17,500	23,600
Scottish Borders	17.9%	2,300	10,700	13,000	25.7%	4,000	11,600	15,700	29.9%	4,700	11,000	15,600
Shetland Islands	*	*	1,100	1,800	*	*	2,200	2,500	*	*	2,400	2,700
South Ayrshire	28.8%	4,700	11,700	16,400	24.6%	4,400	13,400	17,800	21.1%	3,100	11,500	14,500
South Lanarkshire	32.1%	15,300	32,400	47,700	24.3%	11,200	34,900	46,100	30.9%	12,900	28,800	41,700
Stirling	16.3%	2,000	10,300	12,300	17.2%	2,400	11,600	14,000	24.0%	3,600	11,300	14,800
West Dunbartonshire	31.3%	4,700	10,300	15,000	28.7%	4,000	9,800	13,800	28.7%	4,000	10,000	14,100
West Lothian	26.4%	5,900	16,600	22,500	31.9%	7,700	16,500	24,200	29.8%	7,300	17,300	24,600

Source: Annual Population Survey (Jan to Dec)

* - Estimate is below reliability threshold.

Levels and proportions cover those aged 16-6

Annex B: About the Annual Population Survey

◆ What is the APS and what is it used for?

The Annual Population Survey (APS) combines results from the Labour Force Survey (LFS) and the English, Welsh and Scottish Labour Force Survey boosts. The boosts increase the sample size which means the APS can provide more robust labour market estimates for local areas compared to the main LFS. Thus the APS is the primary source for information on local labour markets providing headline estimates on employment, unemployment and economic activity. The APS is the largest annual household survey in Scotland and provides a wealth of information about individuals' personal circumstances and their work.

Information from the APS is used by the Scottish Government to inform government targets and policies. Some of the many external users of the APS include Local authorities, Scottish Enterprise, Highlands & Islands Enterprise, Skills Development Scotland, Higher & Further Education sector. Uses include monitoring targets, statistical analysis, policy development and briefing.

◆ Government Targets

The APS is the source of information for 2 of the Government's Purpose targets and 1 of the 45 national indicators in the Government's National Performance Framework¹¹. This report provides information on progress against these targets and national indicators:

Purpose Targets

- ◆ **Participation** - To close the gap with the top five OECD economies by 2017
- ◆ **Cohesion** - To narrow the gap in participation between Scotland's best and worst performing regions by 2017.

National Indicators

- ◆ **Improve the skill profile of the population** - Reduce number of working age people with severe literacy and numeracy problems

◆ What topics are available?

A wide range of topics are included in the survey:

- Economic Activity (present or past)
- Employment in main job and second jobs
- Working conditions (hours, work pattern etc.)
- Reasons why people are not in the labour force
- Geographical mobility

¹¹ Information on the range of targets and indicators which comprise the National Performance Framework can be found on the Scotland Performs website:
<http://www.scotland.gov.uk/About/scotPerforms>

- Education and training
- Health
- Childcare
- Income
- Individual and household characteristics

◆ **How and when is the survey conducted?**

The Office for National Statistics (ONS) carries out the LFS and associated boosts.

The APS datasets are based on calendar quarters and are produced quarterly on a rolling annual basis (covering 12 months of data). So the four annual APS datasets produced by ONS each year cover the periods January to December, April to March, July to June and October to September.

The APS data use the existing continuous quarterly LFS in addition to annual enhancements. In the quarterly LFS, each person in a selected household is interviewed five times at 13-week intervals. In any three-month period, about a fifth of the sample are being interviewed for the first time, another fifth are receiving their second interview and so on, with 20% being interviewed for the fifth and final time. Each of these roughly equal groups is termed a wave i.e. 'wave 1' refers to those people having their first interview.

◆ **Who takes part in the survey?**

The LFS surveys individuals living at private households in the UK and is designed to be representative of the national population.

The Scottish Government funds the boost to the LFS sample in Scotland, taking the sample size from approximately 5,800 households each year to 20,000 households.

There have been changes to the target number of economically active adult interviews in each local authority area. These are detailed in Annex F

◆ **Revision of estimates**

- The APS will be reweighted based on outputs from the 2011 Census. **This exercise is planned for 2013 and is expected to have a significant impact on the estimates** for population, economic activity indicators and equality group estimates within many local authorities.

◆ **How reliable are the results?**

As survey results, these are subject to a degree of error and implied changes between years which may not be significant and instead be within a given error range. Confidence limits for estimates should be taken into account, especially for changes over time. Annex B provides more information and confidence limits are included in the web tables for each indicator.

◆ **Interaction of labour market statistics**

The three main labour market indicators - employment, unemployment and economic inactivity – are all inter-related. Increases in employment rates are likely to result in corresponding decreases in either or both unemployment and economic inactivity

rates (as an increase in employment means there should be less unemployed or inactive people). However, more subtle interactions exist. It is possible for a shift in people between employment and inactivity to change the unemployment rate, even though there has been no change in the actual number of people unemployed. This is because the unemployment rate is based against the economically active population (those in employment plus those unemployed) as opposed to the total relevant population. The same effect does not occur for employment and inactivity rates because they are based against the total relevant population

◆ **Residence, Households and Workplace based statistics**

The information and data presented in this publication is predominantly based on residence based statistics – that is, the statistics relate to the characteristics of residents of a geographical area. These statistics do not give information about the number of jobs or people employed within a local area as this will be different to the number of employed people living within the same area (due to people commuting in and out of the area for work). This is covered briefly in the section on Commuting patterns in the Employment chapter.

Workplace based statistics are available from the APS. These are freely available from Nomis at:

<http://www.nomisweb.co.uk/>.

Employer surveys, such as the Business Register Employment Survey (BRES) and Workforce Jobs are workplace based, relating to an employer's specific business locations. These surveys do not gather any corresponding residence based data (unlike the APS).

Household surveys differ from individual surveys in that the main unit of measure is the household. These surveys can be used to gather information about the different household characteristics within the country, especially in regards to working and workless households. This report does not publish household estimates. These are available from Nomis at:

<http://www.nomisweb.co.uk/>.

◆ **Hours and Earnings statistics**

The APS records self-reported hours and earnings data (including usual and actual hours worked, usual and actual pay, gross and net income, overtime and bonuses). However, the data is self-certified (there is no check with employer or HMRC to check the data is accurate), and the respondent can choose not to answer these questions.

The official source for data on hours and earnings is the **Annual Survey of Hours and Earnings** (ASHE). Data for ASHE is available from:

<http://www.nomisweb.co.uk/>.

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/DatasetsEarnings>

<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/annual-survey-of-hours-and-earnings/index.html>

Annex C: Using APS data

◆ How data are displayed in Tables

In this publication, all levels are rounded to the nearest hundred (excluding Figure 1). Proportions are calculated on un-rounded figures and are rounded to the first decimal place. Totals may not equal the sum of individual components due to rounding. All results are based on the area of residence unless otherwise stated.

* indicates data are suppressed as estimates are below the reliability threshold.

◆ Data Access

Scottish Neighbourhood Statistics (SNS)

Selected APS data for Scotland and the geographies covered by this year's web tables are available free of charge from the SNS website:

<http://www.sns.gov.uk/>

The SNS website also holds data from a wide range of Scottish Government surveys as well as relevant Scottish data from UK surveys.

Scottish Government

The Labour Market Statistics Branch at the Scottish Government publish data from the LFS and APS and other related surveys on their website –

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market>

Alternatively, tabulations are also available on request:

Labour Market Statistics Branch
Education Analytical Services
Scottish Government
5th Floor, 5 Atlantic Quay
GLASGOW G2 8LU
Tel: (0300) 244 6790
Email: labour-market.statistics@scotland.gsi.gov.uk

NOMIS

APS data (including confidence limits) for the whole of the UK and other government office regions are available free of charge from the Nomis[®] website -

<http://www.nomisweb.co.uk/>.

The Nomis website also holds data on claimants of benefits, vacancies and employees.

UK Data Archive

APS micro data are available to users through the Data Archive at Essex University. Access to these data is through a 'Special Licence' scheme, which allows access to detailed data provided that the research use is fully described and strict conditions of access are adhered to. More detail is available on the Data Archive website -

<http://www.data-archive.ac.uk>.

Office for National Statistics

ONS publish monthly regional labour market statistical which includes a range of labour market indicators for local areas across the UK. The reports can be accessed on their website at:

<http://www.ons.gov.uk/ons/publications/all-releases.html?definition=tcm:77-21859>

Headline national and regional statistical bulletins are produced monthly (based on LFS data) and can be accessed from the ONS website at:

<http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Labour+Market>

Annex D: Confidence intervals

One of the benefits of the boosted data is more reliable estimates for local authority areas. Prior to the boost the reliability threshold in all areas was 6,000. This was to prevent unreliable data being used. Thresholds are calculated so that they are approximately equivalent to suppressing if the standard error of an estimate is greater than 20% of the estimate itself. With the boost, different areas have different thresholds as some areas have larger samples and more variability in results than others (see Table 11).

Table 11: Local authority area reliability thresholds

Local Authority	Reliability Threshold
Aberdeen City	3,000
Aberdeenshire	3,000
Angus	1,000
Argyll & Bute	1,000
Clackmannanshire	1,000
Dumfries & Galloway	2,000
Dundee City	2,000
East Ayrshire	1,000
East Dunbartonshire	1,000
East Lothian	1,000
East Renfrewshire	1,000
Edinburgh, City of	5,000
Eilean Siar	1,000
Falkirk	2,000
Fife	4,000
Glasgow City	5,000
Highland	2,000
Inverclyde	1,000
Midlothian	1,000
Moray	1,000
North Ayrshire	1,000
North Lanarkshire	4,000
Orkney Islands	1,000
Perth & Kinross	2,000
Renfrewshire	2,000
Scottish Borders	1,000
Shetland Islands	1,000
South Ayrshire	1,000
South Lanarkshire	4,000
Stirling	1,000
West Dunbartonshire	1,000
West Lothian	3,000

As survey results, these are subject to a degree of error and implied changes over the years may not be significant and instead be within a given error range. Confidence limits can be used to assess the range of values that the true value lies between. The web tables include 95% confidence limits for each indicator.

What does the 95% confidence limit mean?

If, for example, we have an APS estimate and confidence limit of 63% +/- 0.27%, this means that 19 times out of 20 we would expect the true rate to lie between 62.73% and 63.27%. Only in exceptional circumstances (1 in 20 times) would we expect the true rate to be outside the confidence interval around the APS estimate. Thus the smaller the confidence limits, the more reliable the estimate.

The confidence limits use a design factor of 1, which may not be likely in some cases but given the lack of further information an average design factor of 1 is assumed to be reasonable. Further information on estimating confidence intervals can be found in the LFS manuals¹².

Using confidence intervals to assess change (statistical significance).

Confidence intervals can be used to assess whether there has been a significant change between two estimates over time. The methodology for determining if a change is statistically significant is detailed in the Methodology Glossary on the Scottish Government web-site within the Tier 2 – Confidence Intervals document, available at:

<http://www.scotland.gov.uk/Topics/Statistics/About/Methodology/Glossary>

If the difference between two estimates is said to be statistically significant, it means that only in exceptional circumstances (1 in 20 times) would we expect the true difference to be not significant. It should be noted that statistical significance is a tool used to help detect real change in estimates; it does not say anything about the importance of the change, which needs to be assessed by the user of the statistics in question.

¹² Refer to Volume 1: Background and Methodology, available at:
<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/labour-market-statistics/index.html>

Annex E: Concepts and Definitions

Economic activity rate: The number of people who are in employment or unemployed expressed as a percentage of the relevant population.

Economic inactivity rate: The number of economically inactive people expressed as a percentage of the relevant population.

Economically active: The economically active population are those who are either in employment or unemployed.

Economically inactive: Economically inactive people are not in employment, but do not satisfy all the criteria for unemployment. This group is comprised of those who want a job but who have not been seeking work in the last 4 weeks, those who want a job and are seeking work but not available to start and those who do not want a job. For example, students not working or seeking work and those in retirement are classed as economically inactive. It can be useful for some purposes to consider only those who are both economically inactive and not of state pension age.

Employees: The division between employees and self-employed is based on survey respondents' own assessment of their employment status.

Employment: There are two main ways of looking at employment: the number of people with jobs or the number of jobs. These two concepts represent different things as one person can have more than one job. People aged 16 or over are classed as in employment (as an employee or self-employed) by the LFS, if they have done at least one hour of paid work in the week prior to their LFS interview or if they have a job that they are temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programmes are also included according to the International Labour Organisation (ILO) convention.

Employment rate: The number of people in employment expressed as a percentage of the relevant population.

Rates: Rates represent the proportion of the population or subgroup of the population with a certain characteristic. They allow changes in the labour market to be interpreted in a wider context, allowing for changes in the overall population or the number of people who are economically active. Rates can be calculated for different age groups. For employment, economic activity and economic inactivity, the most widely quoted rates are those for the working age population. For unemployment, headline rates are expressed as a percentage of the economically active population aged 16 and over. Those over retirement age who continue to be economically active will therefore be included in the base while those who are economically inactive will not.

Self-employment: The division between employees and self-employed is based on survey respondents' own assessment of their employment status.

Third Sector: There is currently no universally accepted, consistent, definition of the what constitutes the third sector. In general, the Third Sector is "not public or private" and is made up of community groups, voluntary organisations, charities, social enterprises, co-operatives and individual volunteers.

An organisation is regarded as being in the third sector if it: has a positive community purpose; is run by an unpaid (or mostly unpaid) committee; is not principally set up to distribute profit to shareholders and is not run by or affiliated to a political party or a government body.

A list of all registered charities in Scotland is available on the OSCR website:
<http://www.oscr.org.uk/>

Unemployment: The ILO definition of unemployment covers people who are: not in employment, want a job, have actively sought work in the previous 4 weeks and are available to start work within the next fortnight, or, out of work and have accepted a job which they are waiting to start in the next fortnight.

Unemployment rate: The number of unemployed people expressed as a percentage of the relevant economically active population.

Working age:

Note that due to changes in the state pension age, (specifically the current female state pension age which is changing dynamically to match the male state pension age) ONS no longer publish rates using a Working age definition in its statistical bulletins, but instead report rates for all people aged 16 to 64.

16 to 19 year olds Not in Employment, Education or Training: The proportion of 16-19 year olds who are not classed as a student, not in employment nor participating in a government training programme.

Further information on Classifications and Standards is also available from the ONS website at

<http://www.ons.gov.uk/about-statistics/classifications/>

Annex F: Technical note on APS sample size

Response rates for many government sponsored social surveys have been decreasing steadily for several years. Typical response rates for ONS survey in the 1980/1990's was around 80%, but these have declined over the years to their current levels in the region of 60%. These are being driven by increasing refusals and non-contact (where the interviewer fails to make contact with anyone at the target address after many repeated attempts). A multitude of factors have been used to explain the downward trend in response rates. Some of these include:

- falling contact rates attributed to: rise in single person households; rise in households where all adults are in work; rise in controlled access to properties
- increasing interview lengths
- survey overload: the salience of a survey topic has become a more important determinant of response
- external shocks such as data losses, which have impacted on trust in statistics;
- reduced budgets which result in less appetite to administer costly re-issue exercises.

In addition the Annual Population Survey shows higher levels of attrition than in the Labour Force Survey (where respondents who had completed the survey in the first wave, either refuse to take part or are no longer contactable in subsequent waves). This is because respondents in the APS are re-interviewed at annual intervals over four years, compared to the five quarterly interviews over the course of one year for the LFS.

Previously, one of the responses to falling response rates was to increase the overall sample pool, hence ensuring that the final sample of responding households remained constant. However, as government budgets have reduced, this option has become increasingly difficult to support. In the fiscal year (April 2011 to March 2012), this meant that ONS held the sample pool for Scotland at a fixed level instead of increasing it, as it had in previous years, resulting in the actual sample size for the APS for Jan-Dec 2011 in Scotland being reduced by around 90 households each quarter. For the last fiscal year (April 2012- March 2013), a further reduction of 90 households per quarter was made as financial constraints within government departments continued. **For the coming financial year (April 2013 – March 2014) the Scottish Government have agreed a settlement with ONS to hold and guarantee the sample size at the level set in April 2012- March 2013, which should ensure no further reduction in the quality of survey estimates.**

The impact of these sample size reductions will be seen in both the variability of estimates over time and in the reliability of estimates. Comparing confidence intervals (CI's) for 2011 to 2012's data for employment rates, for example, an increase of around 3% was seen at Scotland level, from $\pm 0.54\text{pp}$ to $\pm 0.56\text{pp}$. However, this is not consistent across local authority areas; some areas see decreases (e.g. Moray and Aberdeenshire where CI's decreased by 6% and 11% respectively), while most (22 out of 32) have seen increases, with the highest increases in Highland and Shetland Islands (where CI's have increased by 17% and 43% respectively – from $\pm 2.5\text{pp}$ to $\pm 2.9\text{pp}$ and from $\pm 4.3\text{pp}$ to $\pm 6.2\text{pp}$ respectively). It is worth noting that the high increase in Shetland Islands may be more related to poor response rates than any decrease in sample size, as the ONS target for the required number of economically active interviews had not been cut in this area due to its already small level. Table 12

below shows how these targets have been changed. It should be noted, however, that these figures are target levels and that the reductions shown are in part due to sample reductions, but also in part due to rebasing of levels to acknowledge the issues ONS has with lower response rates and achieving target levels which were originally set when response rates were much higher.

ONS have an ongoing program to address the declines in response rates tackling a wide range of issues including; interviewer training, incentives, survey materials, questionnaire reviews, interviewer performance, IT infrastructure and interviewer contracts. In addition, ONS has a programme of research looking at the impact of declining response on survey outputs, including:

- review of reasons for non-response and refusal
- an analysis of attrition bias between waves in the LFS
- refusal follow-up study funded by EUROSTAT
- review of use of incentives
- Census non-response link study
- evaluation of internet data collection for the LFS

Table 12: Change in ONS target for economically active adults interviewed by Scottish local authority

Local authority	Previous target for 2011-12	New target for 2012-13
Aberdeen City	875	675
Aberdeenshire	875	675
Angus	875	675
Argyll & Bute	700	675
Clackmannanshire	300	250
Dumfries and Galloway	875	700
Dundee City	875	675
East Ayrshire	875	675
East Dunbartonshire	875	700
East Lothian	800	600
East Renfrewshire	800	600
Edinburgh, City of	875	675
Falkirk	875	675
Fife	875	675
Glasgow City	875	675
Highland	875	675
Inverclyde	700	600
Midlothian	700	600
Moray	875	600
North Ayrshire	875	675
North Lanarkshire	875	675
Orkney Isles	200	200
Perth and Kinross	875	675
Renfrewshire	875	675
Scot Borders, The	875	675
Shetland Isles	200	200
South Ayrshire	875	675
South Lanarkshire	875	675
Stirling	600	600
West Dunbartonshire	875	700
West Lothian	875	675
Western Isles	200	200

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