



A National Statistics publication for Scotland

ECONOMY AND LABOUR MARKET



Regional Employment Patterns in Scotland

Annual Population Survey 2017



Scottish Government
Riaghaltas na h-Alba
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Key points

Employment

- In 2017, 2,618,100 people (aged 16 years and over) were in employment in Scotland, the highest level on record. The employment rate was also the highest on record at 74.3 per cent, although this is below the UK rate of 74.7 per cent.
- The gap in the employment rate of the top 3 and bottom 3 performing local authorities in Scotland increased by 1.1 percentage point over the year to 16.5 percentage points in 2017.
- Since 2007, the employment rate had increased in 18 local authorities, decreased in 13 and remained constant in 1.
- The gender employment gap (which measures the difference between the employment **rates** for men and women) has decreased from 10.6 percentage points in 2007 to 6.9 percentage points in 2017.
- The employment rate for young people (aged 16-24 years) had increased in the last year to 59.4 per cent in employment.

Types of employment

- Full-time employment reached a record in 2017 with 1,910,600 people in full-time employment.
- 322,900 people in employment were self-employed, close to the highest level since the series began. Women account for an increased share of self-employment accounting for 26.8 per cent of all employment in 2004 and 34.0 per cent in 2017.

- 8.0 per cent of employees reported hours based underemployment, down from 10.0 per cent in 2012 and down from 8.4 per cent in 2016.

Equality

- 8.5 per cent of people aged 16-19 years were not in employment, education or training in 2017, a decrease of 2.2 percentage points from 2016* and a decrease of 4.7 percentage points from the peak in 2010* (13.2 per cent).
- 84,700 people aged 65 years and over were in employment in Scotland in 2017, almost twice as many as ten years ago. The most common reason for working past 65 years was being 'Not ready to stop working' reported by 55.8 per cent.
- In 2017, the employment rate for those classed as disabled under the Equality Act 2010 was 45.4 per cent which was lower than the employment rate for those not classed as disabled (81.2 per cent). In 2017, the employment rate gap was 35.8 percentage points.**
- The employment rate for the minority ethnic population aged 16-64 was 60.6 per cent, lower than the white population with an employment rate of 75.0 per cent giving a gap in employment rate between minority ethnic and white aged 16 to 64 years of 14.4 percentage points.

* statistically significant

**ONS advise data on disability should be used with some caution.

Skills

- Scotland has a highly qualified workforce. 48.4 per cent of workers aged 16-64 years in Scotland have further or higher education qualifications (SVQ level 4+ or equivalent).
- The employment rate for those aged 16-64 years, who hold further or higher education qualifications (SVQ level 4+ or equivalent) at 82.3 per cent in 2017, was higher than for those with low or no qualifications (50.5 per cent) and also higher than for those with Intermediate 2/Higher level or equivalent qualifications (71.8 per cent).
- 35.6 per cent of workers in Scotland aged 25-64 years in 2017 were graduates, close to the highest on record.

Unemployment

- In 2017, 111,200 people (aged 16 years and over) were unemployed in Scotland, the lowest level on record. The unemployment rate was also the lowest on record at 4.1 per cent, below the UK rate of 4.4 per cent.
- In 2017, 45,500 women (aged 16 years and over) were unemployed in Scotland, the lowest level on record. The unemployment rate for women was also the lowest on record at 3.5 per cent.
- Since 2007, model-based unemployment rates have decreased in 23 of Scotland's 32 local authorities.
- The unemployment rate for young people (aged 16-24 years) has decreased over the last year to 9.2 per cent.
- 46.1 per cent of unemployed people in Scotland have been unemployed for 6 months or more.

Economic Inactivity

- In 2017, 768,900 people (aged 16-64) were economically inactive in Scotland, an increase of 15,100 since 2007. The economic inactivity rate has increased slightly since 2007 to 22.5 per cent, higher than the UK rate of 21.8 per cent.
- The slight increase in the overall economic inactivity rate since 2007 was driven by men, increasing from 16.5 per cent in 2007 to 18.4 per cent in 2017.
- The inactivity rate for women decreased from 28.1 per cent in 2007 to 26.5 per cent in 2017.
- Since 2007, economic inactivity rates have decreased in 14 of Scotland's 32 local authorities with 16 increasing.
- Economic inactivity rates have increased for those aged 16-24 and 35-49 since 2007, while the rates have been decreasing for those aged 50-64.
- Over 50 per cent of economically inactive people in Scotland were inactive due to being long-term sick or students.
- 23.7 per cent (182,400) of economically inactive people aged 16-64 in Scotland would like a job, decreasing from 24.6 per cent in 2007.
- In 2017, 152,000 people in Scotland aged 16 years and over had never worked (excluding students aged 16-24 in full-time education), an increase of 21,100 since 2007.

About this publication

This publication highlights the key statistics for Scotland's labour market from the Annual Population Survey for 2017. Reliable and up-to-date headline information is presented for key indicators including; employment, equality characteristics of those in employment, underemployment, inactivity and youth participation in the labour market.

The first data from the APS was provided in 2004. As well as providing updated estimates for 2017 this publication includes trends over time and gives some indication of the variation across the 32 local authority areas within Scotland. This is the fifteenth publication of the series (known as Local Area Labour Markets in Scotland prior to 2015). Comparisons are usually made with the year before or 10 years before, or in some cases in the years following the highest point following the recession.

The Annual Population Survey (APS) is the primary source for information on local labour markets. It combines results from the Labour Force Survey (LFS) and the English, Welsh and Scottish Labour Force Survey boosts. The boost increases the sample size in Scotland, 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 5,000 households each year to 17,000 households.

Access the data in this publication

Supporting data for all indicators at local authority level are available in the publication [web-tables](#)

Data is also being made available on the Scottish Government Open Data Platform <http://statistics.gov.scot/home>

Results are provided for the calendar years (January to December) 2004 to 2017, based on the data released by the Office for National Statistics (ONS) on 22 March 2018. Analysis is based on the January to December data set in each year.

ONS also release rolling quarterly datasets covering the periods April-March, July-June and October-September. The data for these time periods have not been used or presented within this publication or associated tables. The data for these is available at:

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

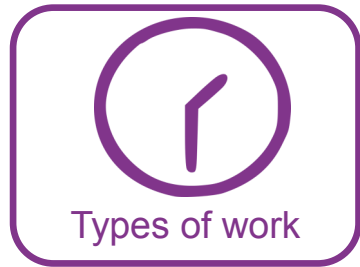
Notes:

1. All statistics, charts and tables presented in this publication are sourced from the Annual Population Survey January-December datasets produced by the Office for National Statistics (ONS).
2. Map data: © Crown copyright and database right 2012. All rights reserved. Ordnance Survey Licence number 100024655

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SECTION 1: EMPLOYMENT

1.1 Overview

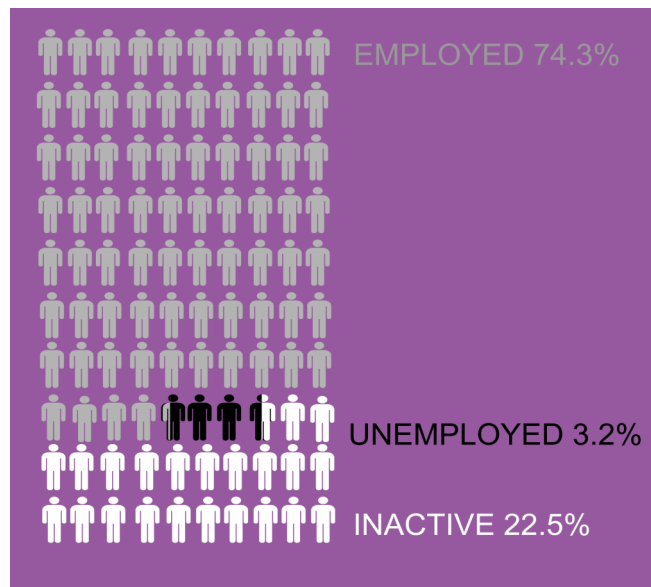
In 2017 2,729,300 people aged 16 years and over were economically active in Scotland. Scotland's economic activity rate (16-64) in 2017 was 77.5 per cent, lower than the UK rate of 78.2

Who is classed as economically active?

Economically active individuals are those who are in employment or have been actively seeking work and are available to start work (an International Labour Organisation definition).

Of the population aged 16-64 years in Scotland in 2017, 74.3 per cent were in employment, 3.2 per cent were ILO unemployed and 22.5 per cent were economically inactive.

Figure 1: Scotland population aged 16 to 64 years by economic category, 2017



Note: The ILO unemployment rate was 4.1 per cent (expressed as a percentage of economically active 16 years and above).

In 2017 2,618,100 people (aged 16 years and over) were in employment in Scotland, the highest level on record.

The employment rate (16-64) was also at the highest on record at 74.3 per cent, although is below the UK rate of 74.7 per cent.

Who is classed as in employment?

If a person is over 16 years old and has done at least one hour of paid work in the week prior to their Labour Force Survey (LFS) interview or have a job that they are temporarily away from.

Chart 1: Employment rate (16-64): Scotland and UK, 2004-2017



1.2 Cohesion

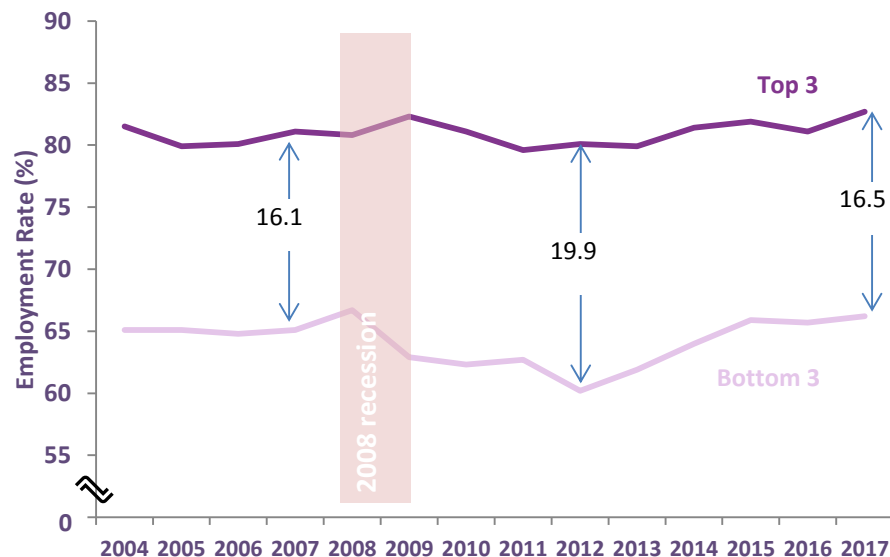
Cohesion

There is considerable variation in the employment rates for those aged 16-64 years across Scotland's local authorities.

The gap in the employment rate of the top 3 performing and bottom 3 performing local authorities in Scotland increased by 1.1 percentage points over the year to 16.5 percentage points in 2017.

The gap is slightly higher compared with 2007 when the gap was 16.1 percentage points. However, this has reduced considerably from 2012 when the gap reached its peak at 19.9 percentage points.

Chart 2: Employment rate (16-64): for top 3 and bottom 3 local authorities



Local authorities

In 2017, the highest employment rates were seen in; Orkney Islands (88.3 per cent), Shetland Islands (82.7 per cent), Aberdeenshire (82.3 per cent) and Na h-Eileanan Siar (81.1 per cent).

The lowest rates were seen in: Dundee City (65.4 per cent), Glasgow City (66.0 per cent), North Ayrshire (68.1 per cent) and East Ayrshire (71.0 per cent).

In the last 2 years

In the last year the employment rate increased by 1.3 percentage points from 73.0 per cent to 74.3 per cent. This compares with the UK which increased by 0.9 percentage points from 73.8 per cent to 74.7 per cent.

The employment rate in Scotland recovered again between 2016 and 2017 after decreasing slightly the year before. Decreasing by 0.1 percentage points from 73.1 per cent in 2015 to 73.0 per cent in 2016. The largest decrease in 2015 to 2016 for an individual local authority was in Aberdeen City with the employment rate falling from 76.7 per cent* in 2015 to 70.3 per cent in 2016.

From 2016 to 2017, the employment rate for Scotland increased by 1.3 percentage points to 74.3 per cent. The employment rate in Aberdeen City increased from 70.3 per cent to 76.1 per cent. This was the largest increase in employment rate for a single local authority (a statistically significant change).

Since 2007, Scotland's employment rate has increased by 0.4 percentage points, compared with the UK which increased by 2.3 percentage points.

1.3 Local authorities

Figure 2: Employment rate 2017
(16-64 year olds) per cent

2017 HIGHEST Per cent

Orkney Islands	88.3
Shetland Islands	82.7
Aberdeenshire	82.3
Na h-Eileanan Siar	81.1

Compared with 2007, the employment rate increased in 18 local authorities, decreased in 13 local authorities, remained constant in 1 local authority.

Compared with 2007 Per cent

Largest increases

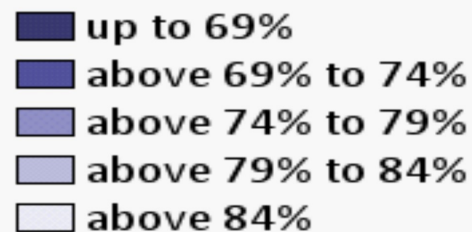
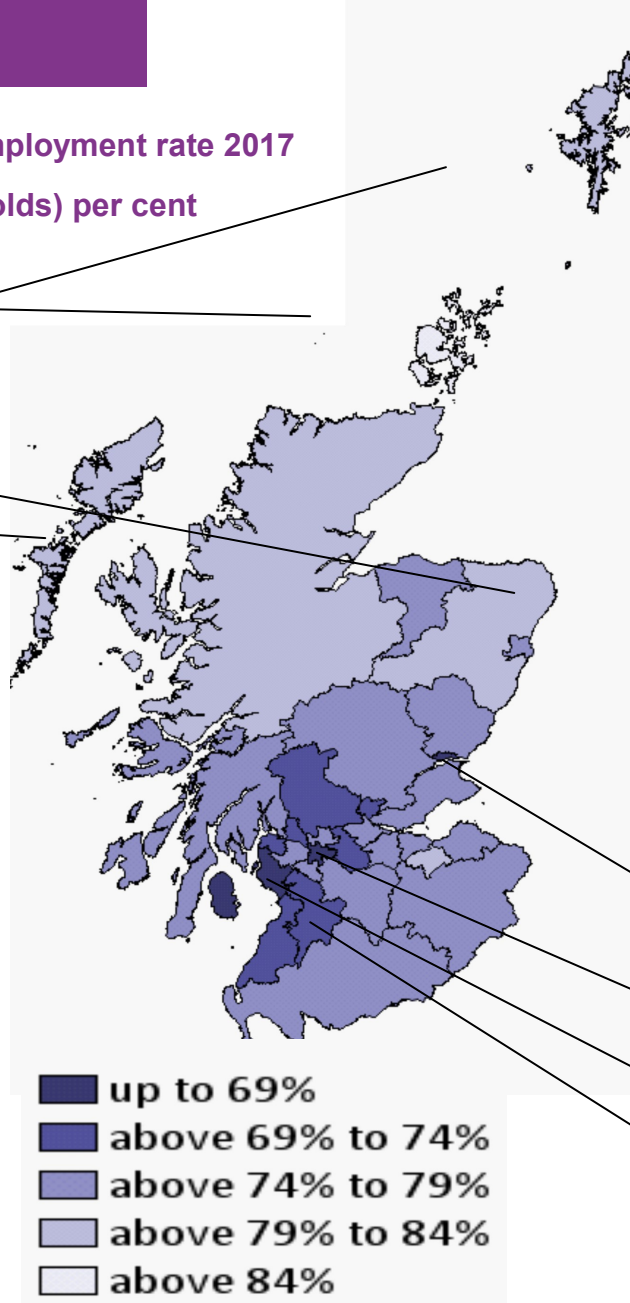
Inverclyde (↑ 5.8 *)	to	72.7
Clackmannanshire (↑ 5.4)	to	72.6
Orkney Islands (↑ by 4.6)	to	88.3

Compared with 2007 Per cent

Largest decreases

Dundee City (↓ 4.4 *)	to	65.4
Scottish Borders (↓ 4.3 *)	to	74.5
Shetland Islands (↓ by 3.7)	to	82.7

*Statistically significant



2017 LOWEST Per cent

Dundee City	65.4
Glasgow City	66.0
North Ayrshire	68.1
East Ayrshire	71.0

*Statistically significant

1.4 Gender

The gender employment gap is the difference between the employment rate for men and women. The gap has decreased from 10.6 percentage points in 2007 to 6.9 percentage points in 2017.

Since 2011, the employment level and rate have increased at a steeper rate for women compared with men in Scotland.

1,272,300 women were in employment in 2017, 72,800 more compared with 2007. The employment rate for women has increased by 2.2 percentage points from 68.7 per cent in 2007 to 70.9 per cent in 2017.

The employment rate for men was 77.8 per cent, lower than 79.3 per cent in 2007.

Chart 4: Employment rate (16-64) gap : Scotland and the UK



Chart 3: Employment rate (16-64) by gender

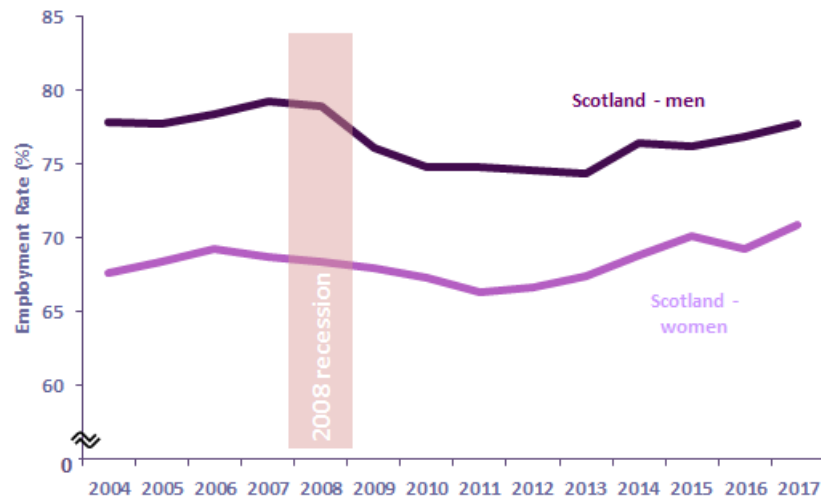
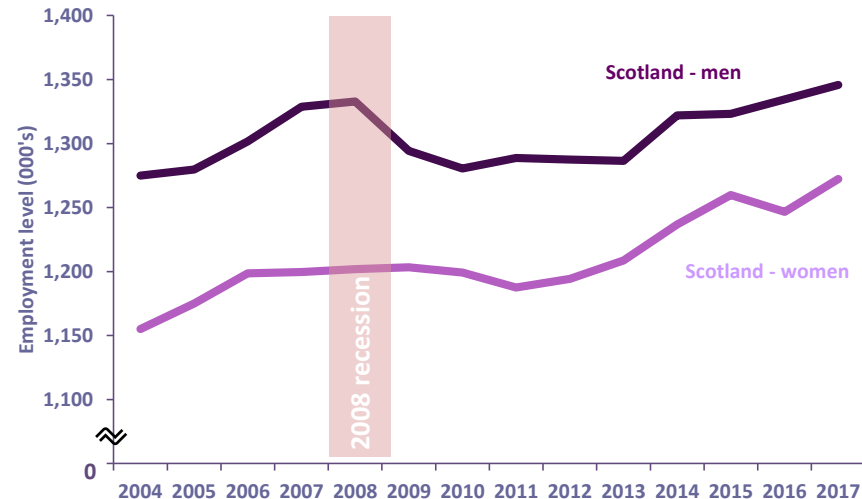


Chart 5: Employment level (16+) by gender



Local authorities

Since 2007, the employment rate for women has increased in 23 of the 32 local authorities. Whereas for men the employment rate had increased in only 11 of the 32 local authorities.

In 2017, the highest women's employment rates were in; Orkney Islands (85.8%), Shetland Islands (83.8%), Highland (80.0%) and Na h-Eileanan Siar (78.1%).

Whereas for men the highest employment rates were in Orkney Islands (90.7%), Aberdeenshire (88.6%), Na h-Eileanan Siar (83.9%) and West Lothian (82.3%).

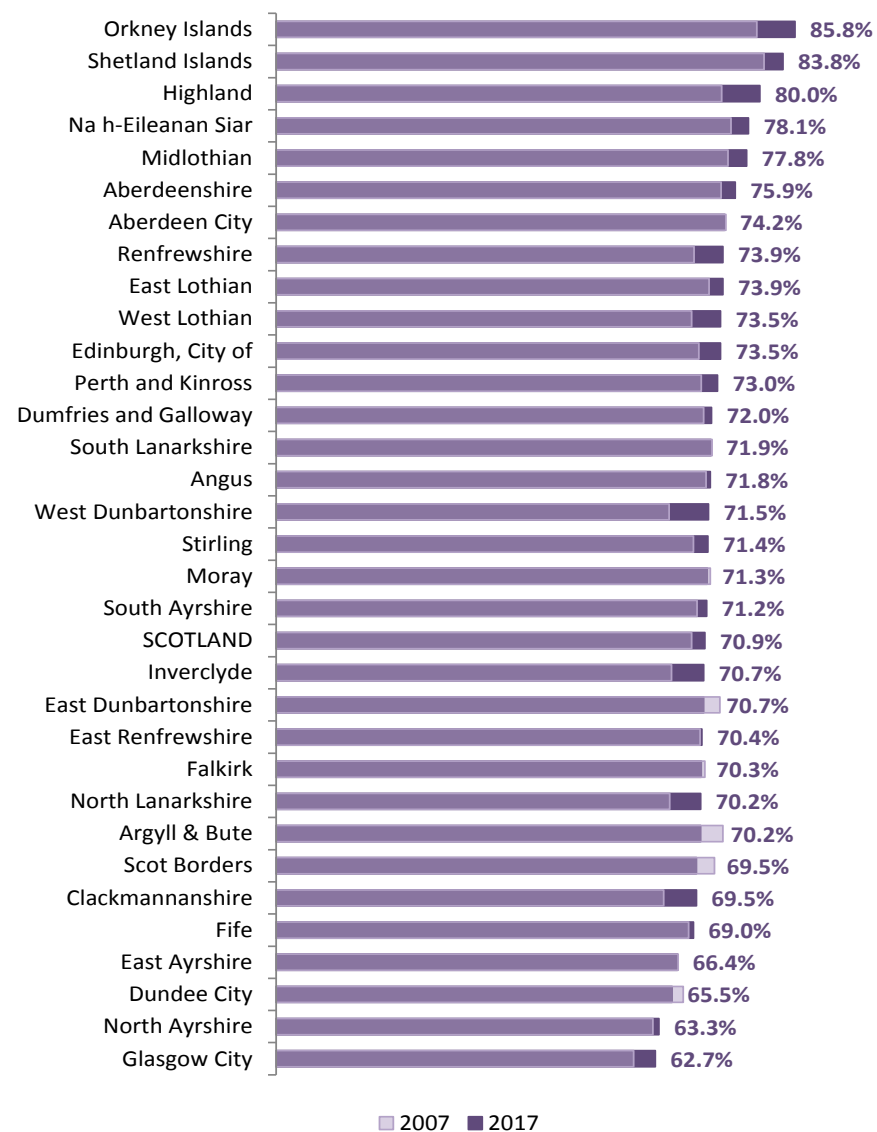
Local authorities where the employment rate increased between 2007 and 2017 for both **men and women** were: Aberdeenshire, Clackmannanshire, Dumfries and Galloway, Fife, Inverclyde, Na h-Eileanan Siar, Orkney Islands, Renfrewshire and West Lothian.

Local authorities where the employment rate increased between 2007 and 2017 for **men only** were: Argyll and Bute and East Ayrshire.

Local authorities where the employment rate increased between 2007 and 2017 for **women only** were: Angus, East Lothian, East Renfrewshire, Edinburgh, Glasgow City, Highland, Midlothian, North Ayrshire, North Lanarkshire, Perth and Kinross, Shetland Islands, South Ayrshire, Stirling and West Dunbartonshire.

Local authorities where the employment rate decreased between 2007 and 2017 **for both males and females were**: Aberdeen City, Dundee City, East Dunbartonshire, Falkirk, Moray, Scottish Borders and South Lanarkshire.

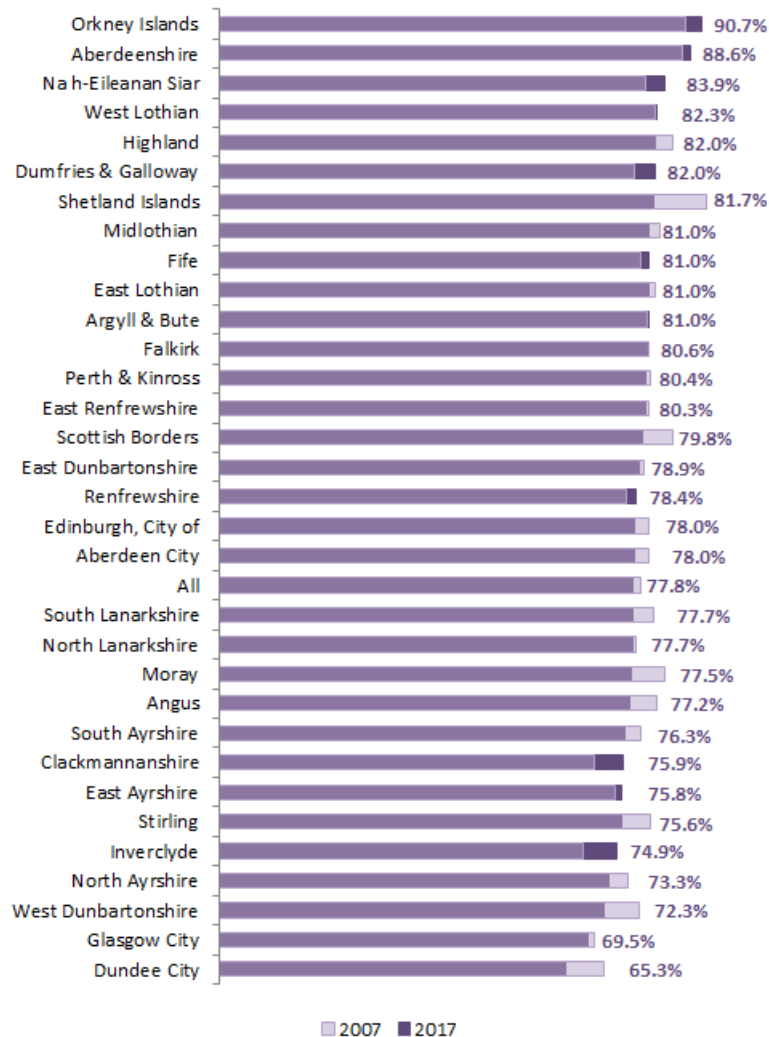
Chart 6: Women's employment rate (16-64) by local authority, 2007 to 2017



Note: Employment rate labels displayed for 2017

1.5 Age

Chart 7: Men's employment rate (16-64) by local authority, 2007 to 2017



The employment rate for young people (aged 16-24 years) has increased in the last year with 59.4 per cent of those aged 16-24 years in employment.

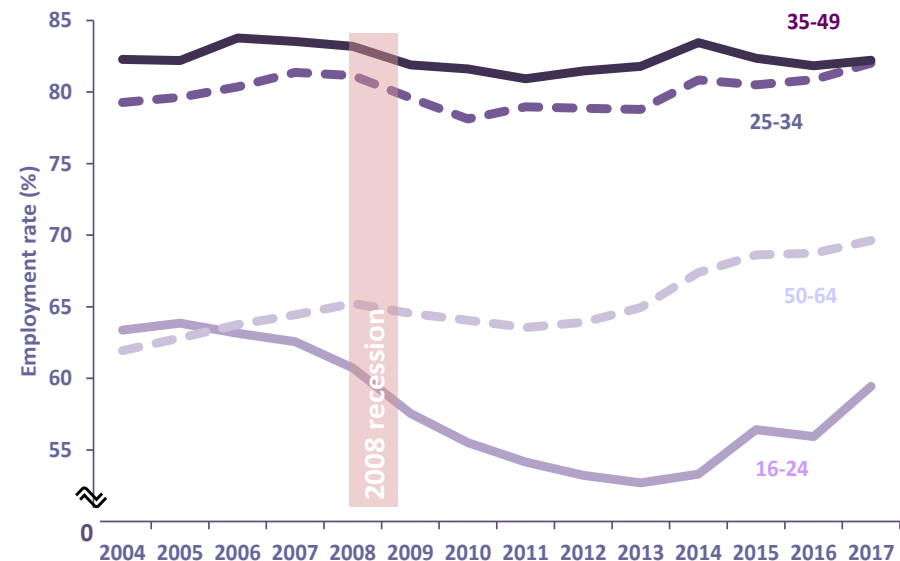
Employment rates for 25-34 and 35-49 year olds have remained around 80 per cent from 2004 to 2017, indicating a fairly high resilience to economic change.

In 2017, the employment rate for 25-34 year olds was 82.0 per cent while 35-49 year olds had the highest employment rate at 82.2 per cent.

Young workers (16-24) saw the main impact of the recession with their employment rates reducing from 62.6 per cent in 2007 to 52.7 per cent in 2013. Although there was a slight decline to 2016, there has been a steep increase in the last year to 59.4 per cent.

In contrast, employment rates for those aged 50-64 have increased through the recovery remaining fairly constant over the last year (69.6 per cent in 2017).

Chart 8: Employment rate (16-64) by age



Note: Employment rate labels displayed for 2017

SECTION 2: TYPE OF WORK

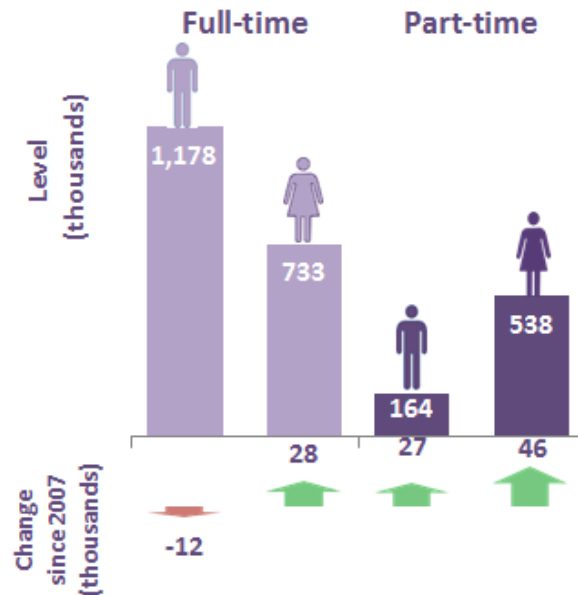
2.1 Type of employment

Full-time employment reached a record in 2017 with 1,910,600 people in full-time employment.

Since 2007, the levels of part-time and full-time employment for women have increased. For men, levels of part-time employment have increased, however men's full-time employment level is lower now than in 2007.

Part-time working accounts for a slightly larger share of employment compared with 2007, increasing from one quarter in 2007 to around 27 per cent in 2017. Full-time employment has decreased slightly from three quarters of all employees in 2007 to 73 per cent in 2017.

Chart 9: Employment rate (16-64) by gender and full-time/part-time



Part-time employment accounts for 42.3 per cent of all women's employment compared with 12.2 per cent of all men's employment.

Part-time employment is also more common for those in employment aged 16-24 years (40.2 per cent) and for those aged 65 years and above where 61.9 per cent of all employment was part-time.

322,900 people in employment were self-employed in Scotland, close to the highest since the series began.

Chart 10: Proportion of people (16+) in employment who are self-employed by gender

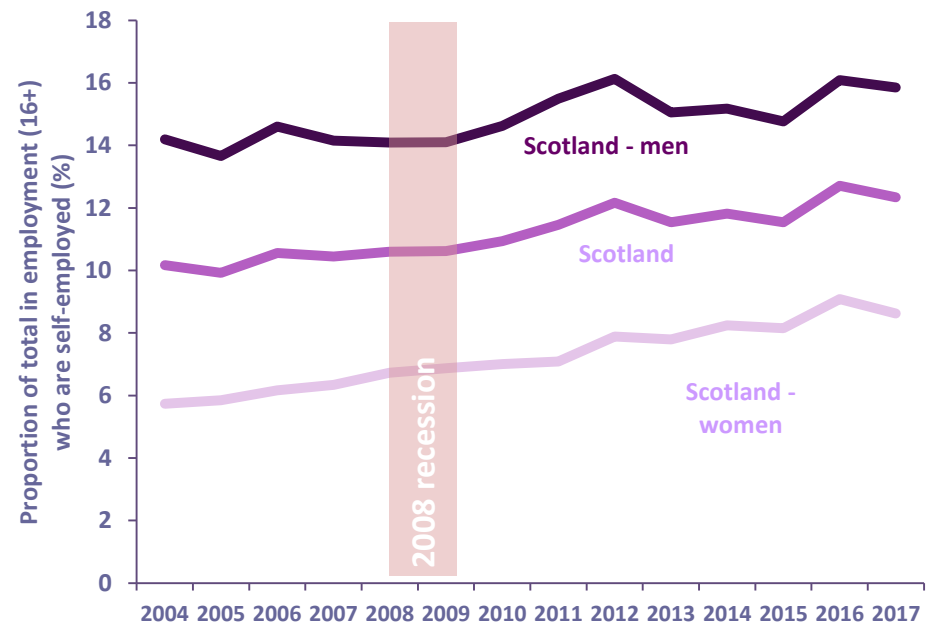
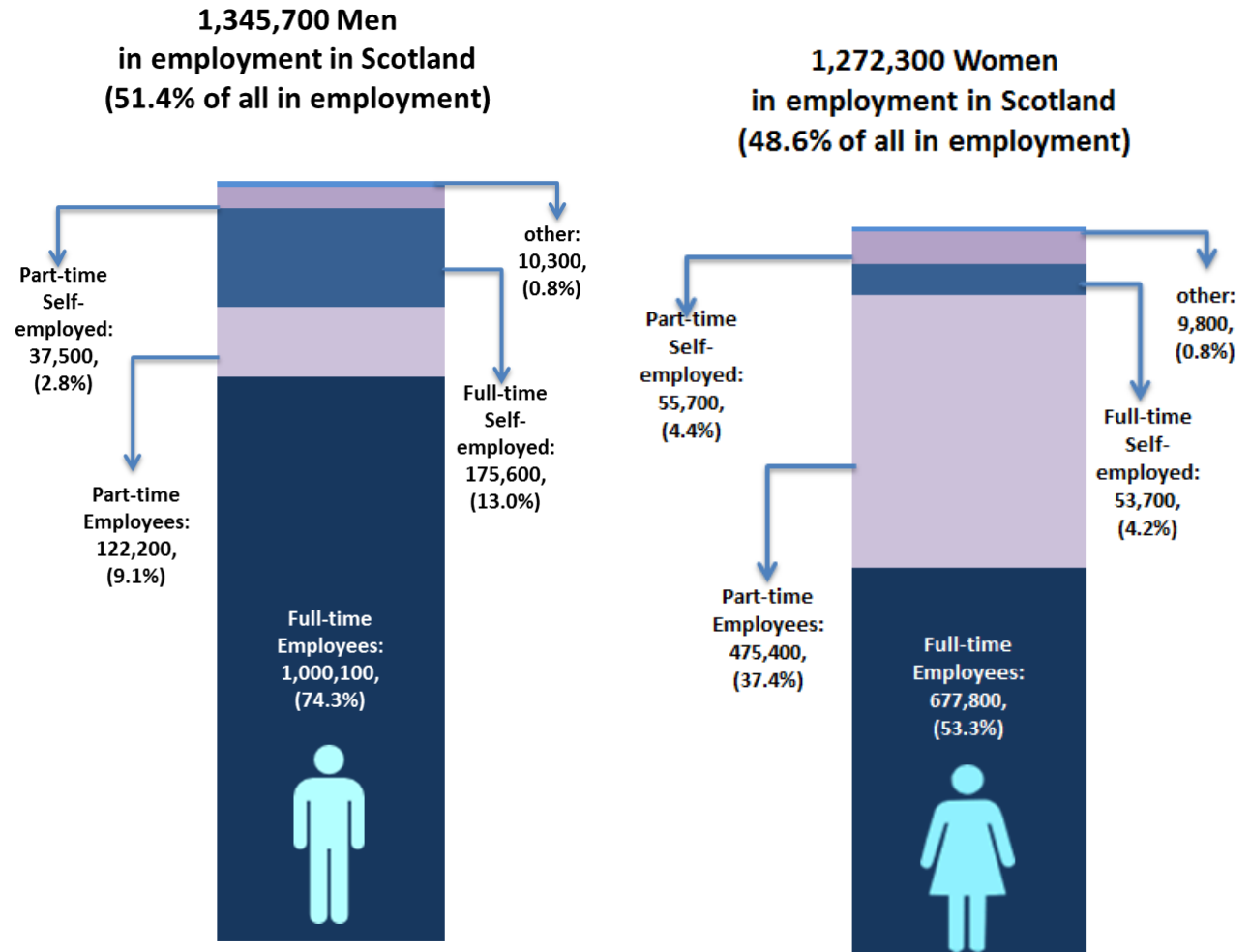


Chart 11: Employment (16+) by gender and work pattern

Self-employment accounts for 12.3 per cent of all employment in Scotland in 2017. Although this remains below the UK where 15.1 per cent of employment is from self-employment in 2017.

Women account for an increasing share of self-employment, 26.8 per cent in 2004 to 34.0 per cent in 2017. Women's self-employment increased from 66,200 in 2004 to 109,600 in 2017.

Self-employed men increased from 181,000 in 2004 to 213,300 in 2017.



Note: a small number of respondents who were unable to report whether they were full-time or part-time have been excluded from chart 8.

2.2 Underemployment

What is underemployment? Underemployment refers to those who are in work but who would prefer to work more hours for the same rate of pay and provides a measure of underutilization of labour. **The APS only gathers information on hours based underemployment.**

8.0% of employees were underemployed in 2017

UP from
6.7% in
2007

DOWN from
10.0% in
2012



In 2017, 206,100 employees were underemployed in Scotland, the lowest level and rate since 2008.

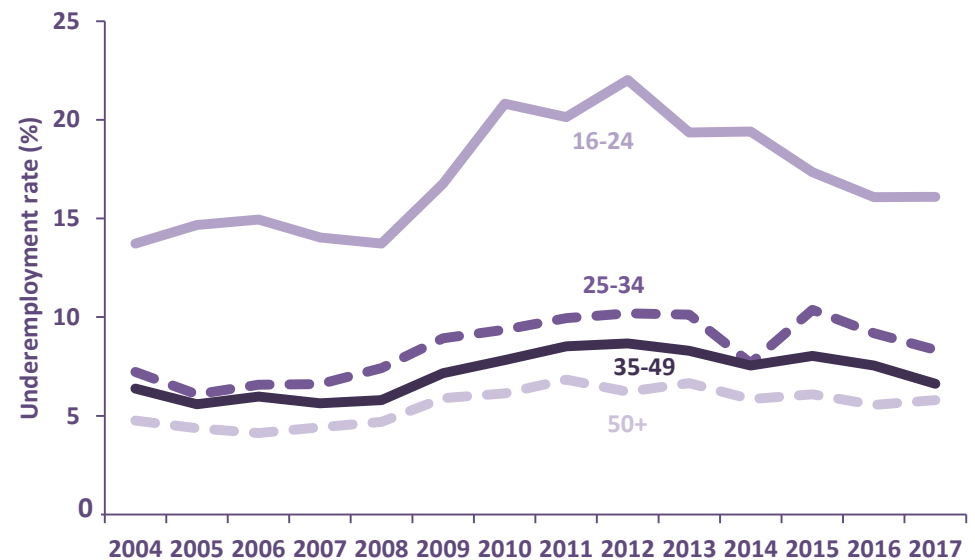
Underemployment was highest amongst women (8.5 per cent) compared with men (7.5 per cent).

Underemployment is now significantly lower than the peak overall falling from 10.0 per cent in 2012 to 8.0 per cent. Men's underemployment fell from 9.0 per cent in 2013 to 7.5 per cent in 2017 and women's underemployment fell from 11.6 per cent in 2012 to 8.5 per cent in 2017.

By age, underemployment is highest amongst employees aged 16-24 years and at 16.1 per cent is over double the national average. In the period since 2012, underemployment has decreased across all age bands.

Underemployment rate (underemployment as a percentage of all employees) has consistently been highest amongst part-time men (24.0 per cent), followed by part-time women (14.2 per cent) and lowest amongst full-time women (4.4 per cent) and full-time men (5.3 per cent).

Chart 12: Underemployment Rate (16+) by age



The largest decrease in underemployment over time, by gender and work pattern, was for part-time men where in 2013, 33.9 per cent reported underemployment. This has reduced to below a quarter (24.0 per cent) in 2017.

There is regional variation in the underemployment rate. (Data are not available for Na h-Eileanan Siar, Shetland or Orkney Islands).

The highest rates in 2017 were in Scottish Borders (13.2 per cent), Clackmannanshire (12.2 per cent) and North Ayrshire (11.8 per cent).

The lowest rates were in Dundee City (5.4 per cent), North Lanarkshire (5.4 per cent) and East Ayrshire (6.2 per cent).

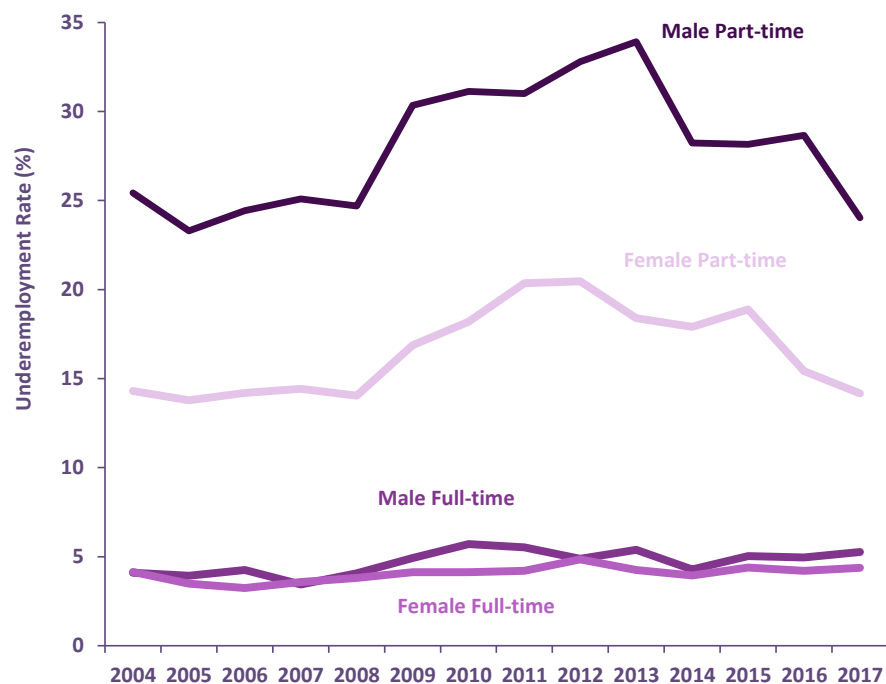
In the last year, the rate of underemployment has decreased in 16 local authorities and increased in 13 local authorities.

The largest increases over the year were in Clackmannanshire increasing by 6.4 percentage points to 12.2 per cent*, Scottish Borders increasing by 3.7 percentage points to 13.2 per cent and East Renfrewshire, increasing by 3.1 percentage points to 10.2 per cent.

The largest decreases were in Dundee City, down 3.9 percentage points to 5.4 per cent.*; Midlothian, down 3.2 percentage points to 7.0 per cent and Highland, down 3.0 percentage points to 8.3 per cent.

* statistically significant

Chart 13: Underemployment Rate (16+) by working pattern and gender

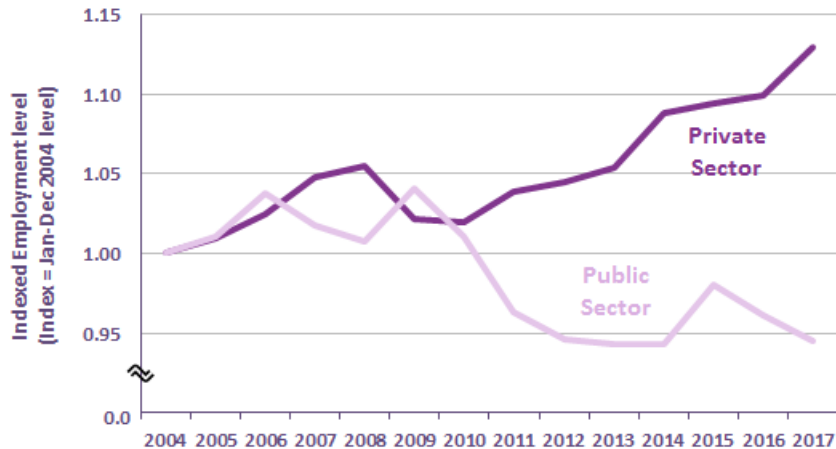


2.3 Sector

Public Sector Employment accounts for a decreasing percentage of employment. Currently at its lowest in the series*, the public sector accounts for 25.3 per cent of all in employment and private sector is at a peak accounting for 74.7 per cent of all employment.

The local authorities with the highest public sector employment representation, outside of the Islands, were West Dunbartonshire (32.6 per cent), South Ayrshire (31.1 per cent) and East Renfrewshire (29.2 per cent).

Chart 14: Changes in public and private sector employment (16+) 2004-2017, Scotland



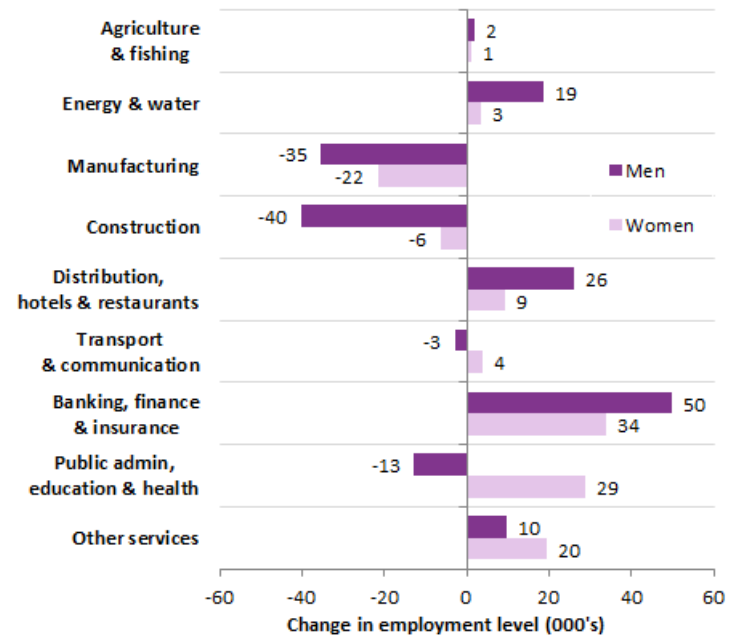
Note: Industry sector is self-reported on the Annual Population Survey and could be subject to some inaccuracy. The official source for estimating Public Sector Employment is the SG Quarterly Public Sector Employment Series.

* The series refers to Annual Population Survey Jan-Dec dataset in each year.

In the last 10 years there have been substantial movements in the number employed by sector with 28,700 more women in the Public admin education and health and 12,800 less men. (Note this is not the same as the public sector)

Otherwise, larger changes were more men and women employed in banking, finance and insurance; (men up 49,700 and women up 33,800), and large decreases in manufacturing (men down 35,400 and women down 21,600) and a large decrease in construction for men (down 40,400).

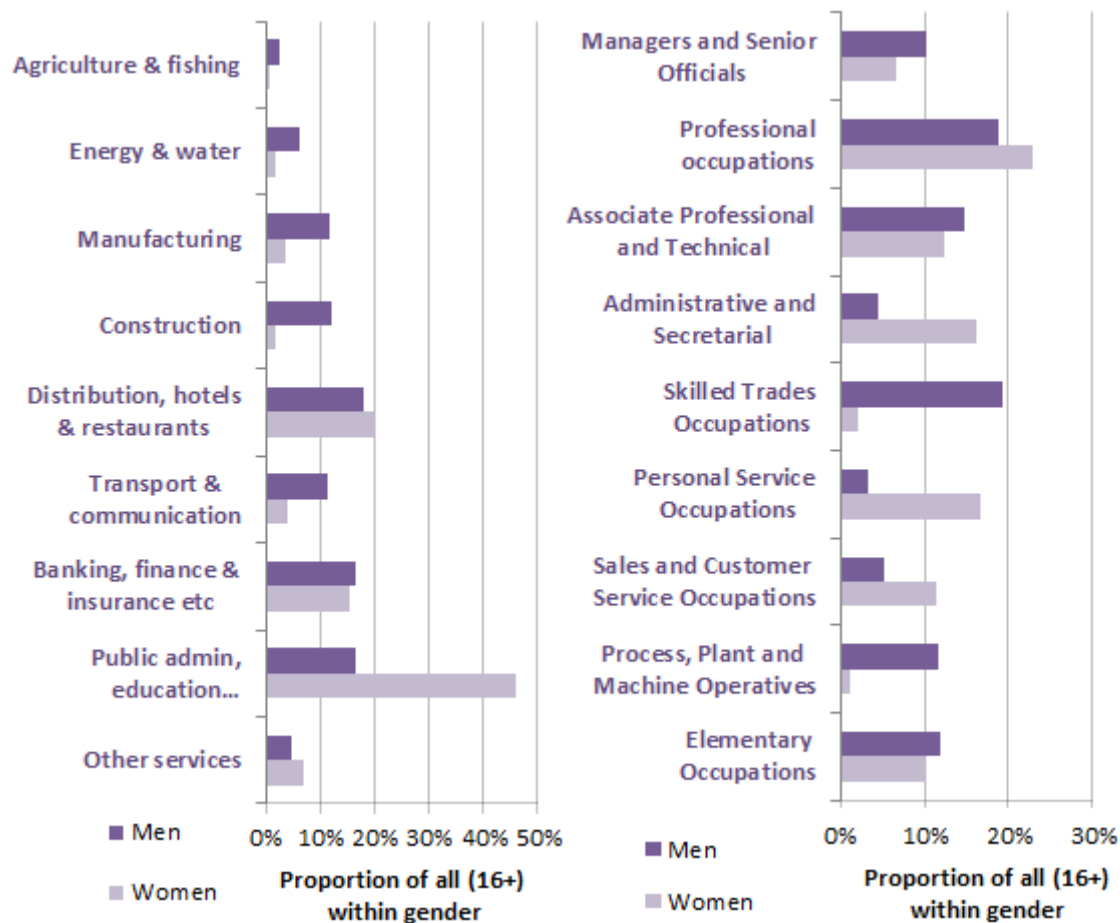
Chart 15: Change in the number of people employed (16+) over the last 10 years by industry and gender, Scotland



2.4 Gender Segregation

Gender segregation remains a persistent issue across several broad industry sectors and occupational groups in Scotland.

Chart 16: Proportion of all in employment (16+) by sector and occupation and gender, Scotland



Although equality legislation has been in place for many years, gender segregation is still apparent in many industry sectors in Scotland.

Almost half of women in Scotland (45.8 per cent) work in the Public admin, education and health sector (Note this is not the same as the public Sector).

Over two-fifths (44.0 per cent) of men work in sectors that show high levels of gender segregation: Construction (12.1 per cent), Transport and communication (11.2 per cent), Manufacturing (11.8 per cent), Energy and water (6.3 per cent) and Agriculture and Fishing (2.6 per cent).

Gender segregation across the various occupational groups show a similar picture to that seen across industry sectors with specific occupational groups showing high levels of segregation.

44.3 per cent of women in Scotland were employed in occupations that are gender segregated towards women: Administrative and secretarial (16.2 per cent), Personal service (16.7 per cent) and Sales and customer service occupations (11.4 per cent).

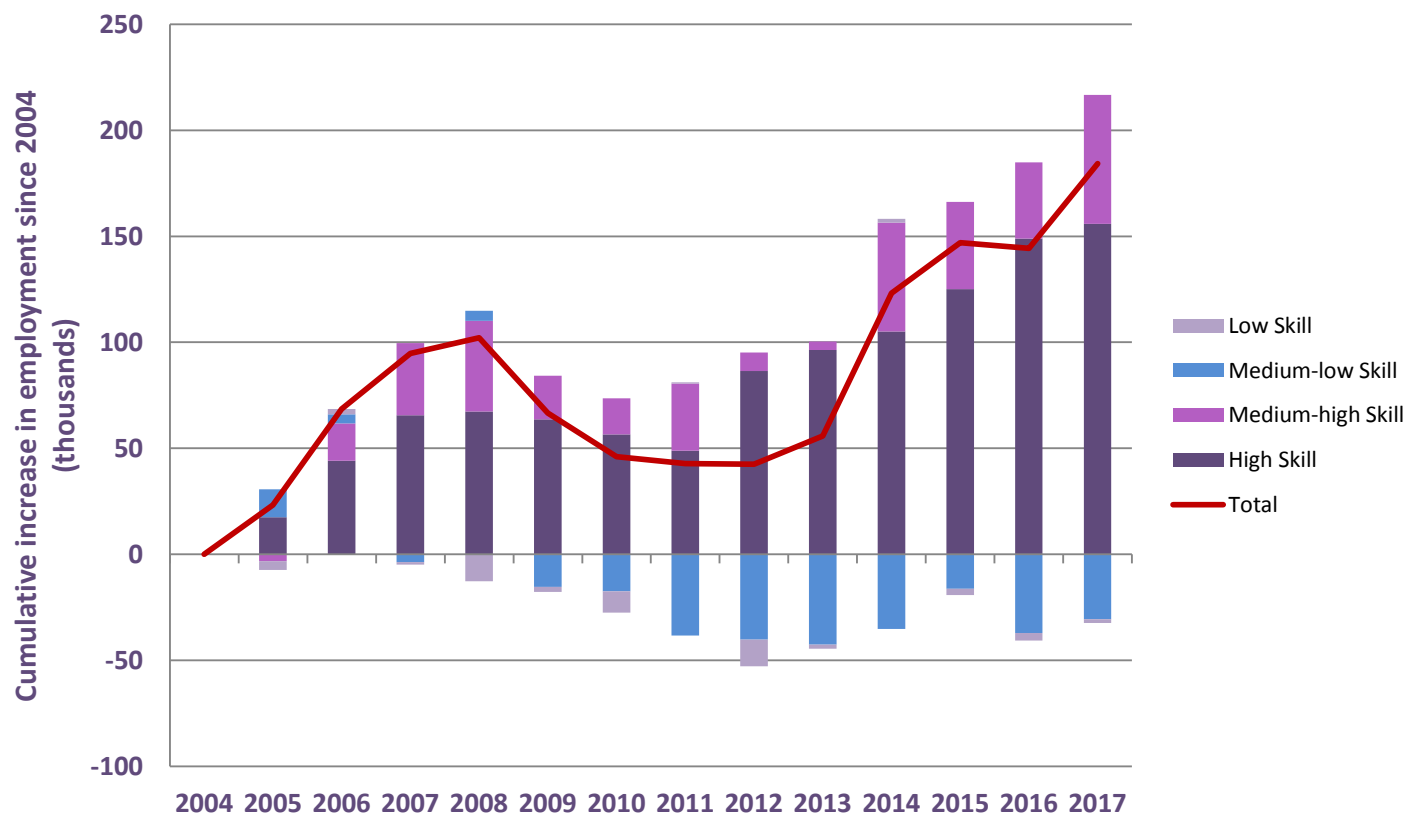
31.1 per cent of men in Scotland were employed in occupations that exhibit high levels of gender segregation towards males: Skilled trades (19.4 per cent) and Process, plant and machine operatives (11.7 per cent).

2.5 Skills

Between 2004 and 2017, there has been a large increase in high skilled occupations (for example functional management e.g. in finance, marketing, public finance) and medium-high skill occupations (e.g. health associate professional occupation or nurse), compared with a decline in low skill (e.g. bar staff, cleaning) and medium low skill occupations (e.g. sales assistance, retail cashier).

Employment in higher skilled occupations increased by 29.0 per cent between 2004 and 2017, increasing from 536,800 to 692,700. Medium-high skilled occupations increased by 9.2 per cent from 657,000 to 717,700. These two categories account for 54.0 per cent of all jobs in 2017. Low skilled and Medium-low skilled occupations decreased over the same period, by 3.3 per cent and 0.6 per cent respectively.

Chart 17: Cumulative increase in occupation skills level of employment (16+) since 2004, Scotland



SECTION 3: EQUALITY

3.1 Young people

The youth (16-24) employment rate in Scotland increased by 3.5 percentage points over the year from 55.9 per cent in 2016 to 59.4 per cent in 2017, while the UK rate increased by 0.6 percentage points from 53.5 per cent to 54.1 per cent over the same period.

The local authority areas with the highest youth (16-24) employment rates in Scotland in 2017 were Orkney Islands (88.6 per cent), Midlothian (80.2 per cent) and Na h-Eileanan Siar (73.7 per cent).

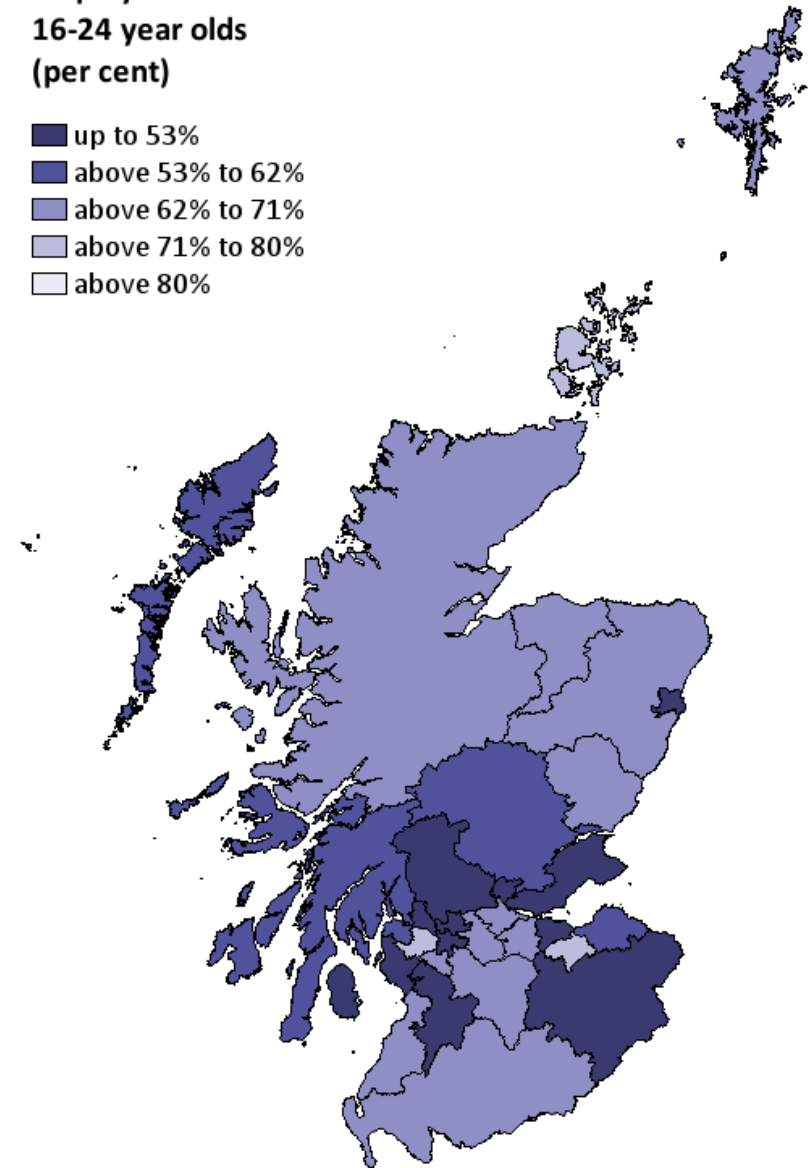
The areas with the lowest youth employment rates during this period were Glasgow City (45.2 per cent), East Dunbartonshire (50.8 per cent) and Stirling (50.9 per cent). It should be noted that youth employment rates in university cities are likely to be lower due to higher levels of economically inactive students.

Statistically significant changes over the year were seen in **Aberdeen City** (up 19.2 percentage points from 42.9 per cent to 62.0 per cent) and **Clackmannanshire** (up 33.7 percentage points from 35.3 per cent to 69.0 per cent) as well as **Scotland** overall. In total, 19 local authority areas saw increases in their youth employment rates over the year, with 13 seeing decreases.

Figure 3:

Employment Rate 2017
16-24 year olds
(per cent)

- up to 53%
- above 53% to 62%
- above 62% to 71%
- above 71% to 80%
- above 80%



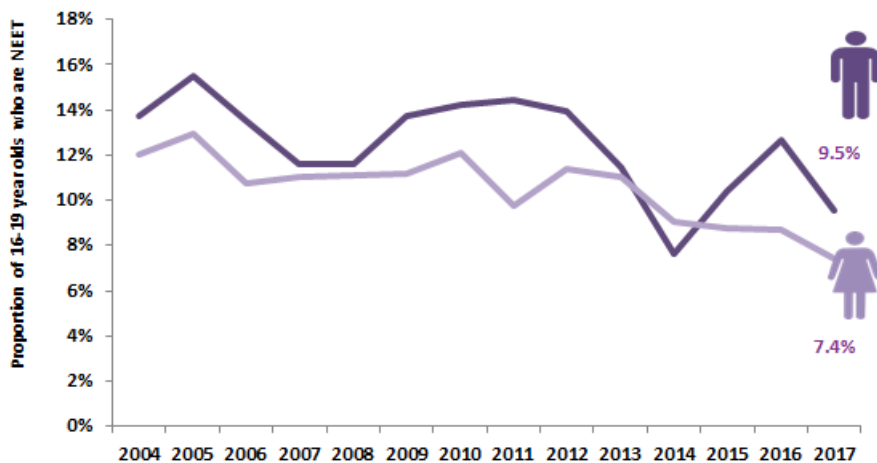
3.2 NEET

8.5 per cent of people aged 16-19 years were not in employment, education or training (NEET) in 2017, a decrease of 2.2 percentage points* from 2016 and a decrease of 4.7 percentage points* from the peak in 2010 (13.2 per cent).

The percentage of 16-19 year olds who are not in employment, education or training has typically been higher for males than female and in 2017, the NEET rate for men was 9.5 per cent compared with 7.4 per cent for women.

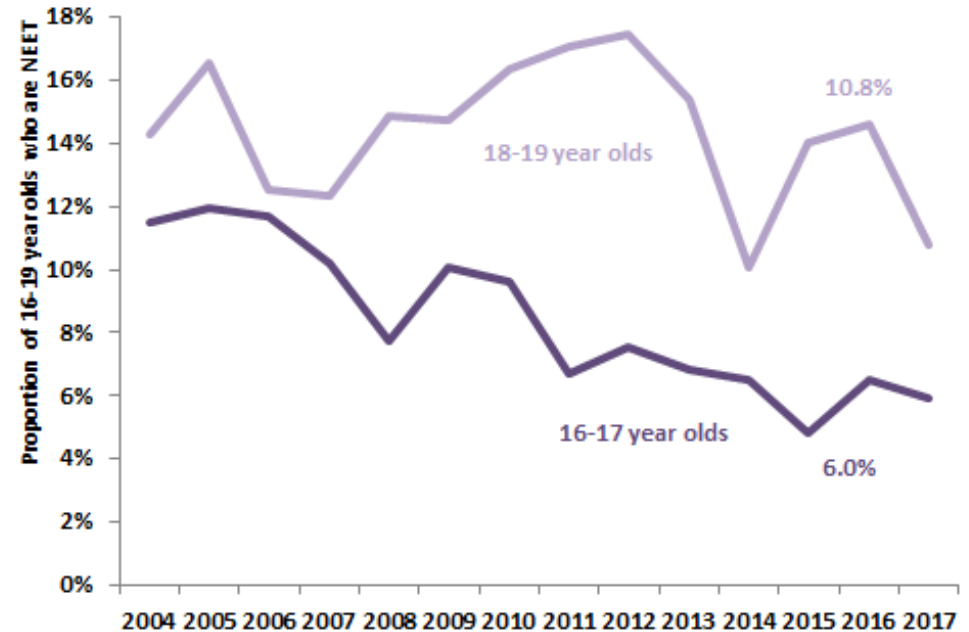
The 16-19 year olds who are not in employment, education or training has typically been higher for 18-19 year olds compared with 16-17 year olds.

Chart 18: Percentage of 16-19 year olds who are not in employment, education or training since 2004 by gender, Scotland



* statistically significant

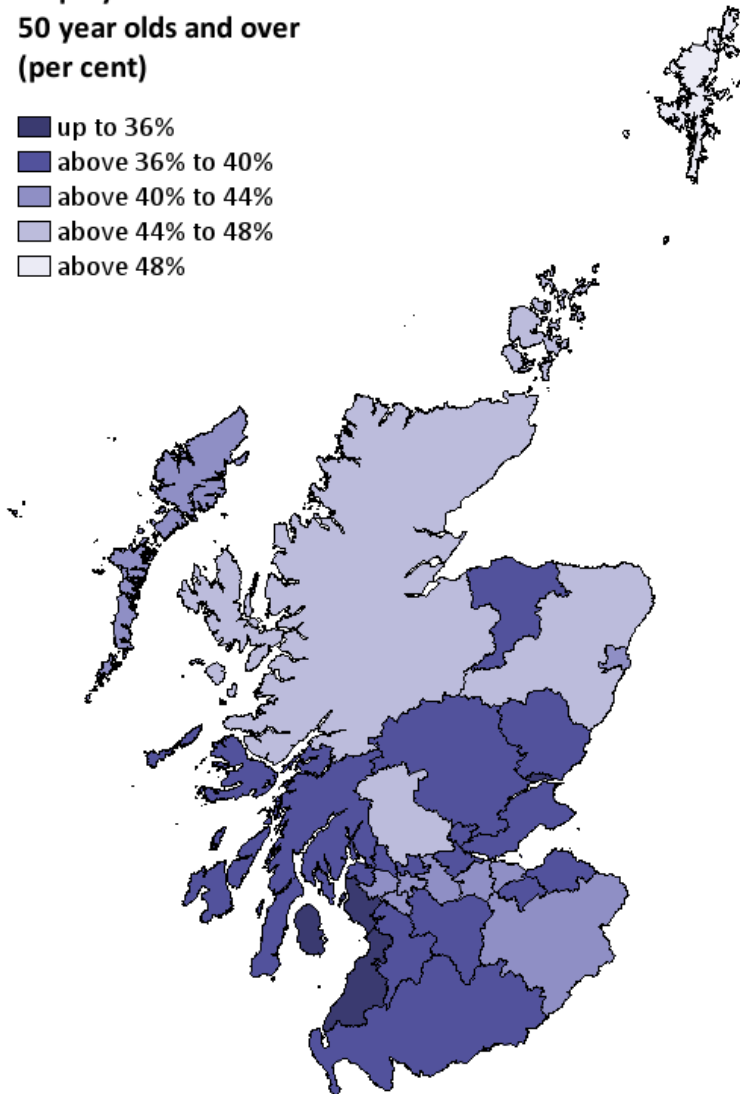
Chart 19: Percentage of 16-19 year olds who are not in employment, education or training since 2004 by age, Scotland



3.3 Older workers

Figure 4:
Employment Rate 2017
50 year olds and over
(per cent)

- up to 36%
- above 36% to 40%
- above 40% to 44%
- above 44% to 48%
- above 48%



84,700 people aged 65 years and over were in employment in Scotland in 2017, almost twice as many as ten years ago.

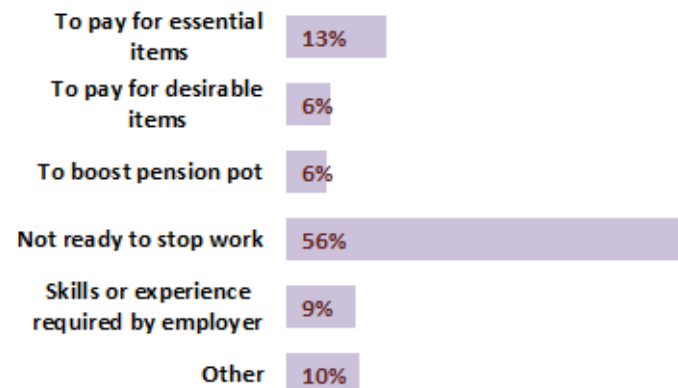
The employment rate for those aged 65 years and over increased from 5.7 per cent in 2007 to 8.5 per cent in 2017.

The employment level for those aged 50 to 64 years increased by 138,000 from 624,000 in 2007 to 762,000 in 2017. The employment rate increased from 64.4 per cent in 2007 to 69.6 per cent in 2017. Men accounted for one third of the increase, whilst women account for two thirds.

The local authorities with the highest employment rate for those aged 50 years and over were; Shetland Islands (50.3 per cent), Orkney Islands (46.9 per cent) and Highland (46.1 per cent).

The most common reason for working past the age of 65 years was being 'Not ready to stop working' reported by 55.8 per cent.

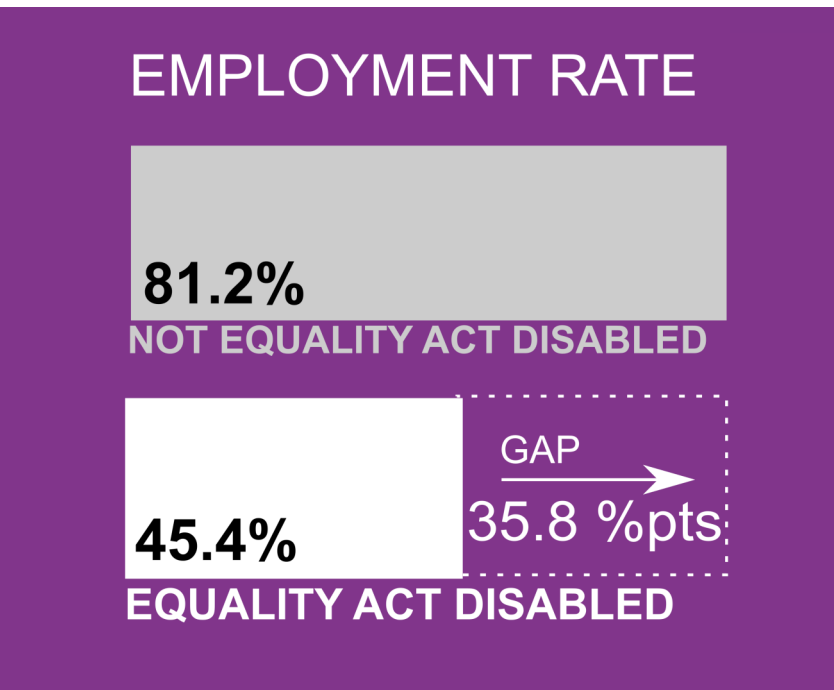
Chart 20: Reasons for working for those aged 65 years and over in Employment



3.4 Disability

In 2017, the employment rate for those classed as disabled under the Equality Act 2010 was 45.4 per cent which is lower than the employment rate for those not classed as disabled (81.2 per cent). In 2017 the employment rate gap was 35.8 percentage points.*

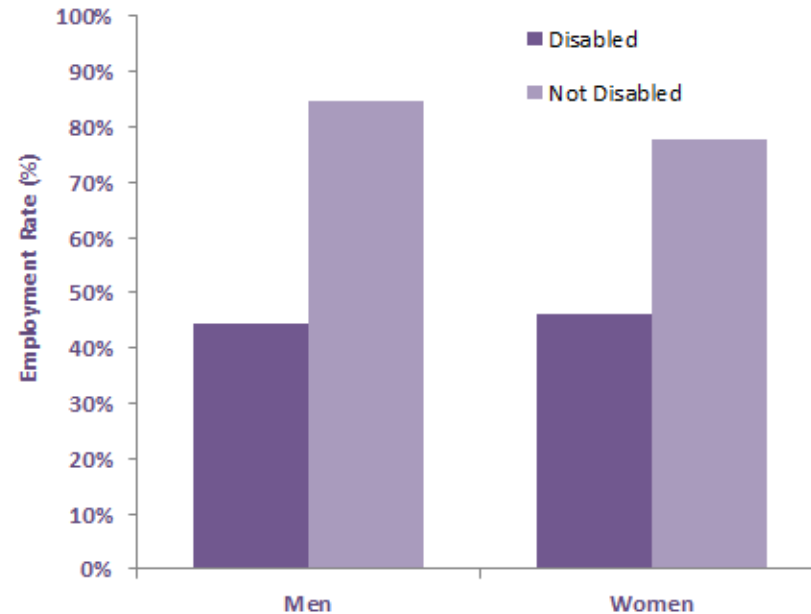
The gap between the employment rate for disabled and non-disabled people has decreased by 1.6 percentage points over the year. The employment rate for disabled people increased by 2.6 percentage points from 42.8 per cent in 2016 to 45.4 per cent in 2017*, while the employment rate for non-disabled people increased by 1.0 percentage point from 80.2 to 81.2 per cent.



* statistically significant

The gap between in the employment rate for disabled and non-disabled people was lower for women (31.6 percentage points) than men (40.2 percentage points).

Chart 21: Employment rate (16-64) for disabled and not disabled by gender

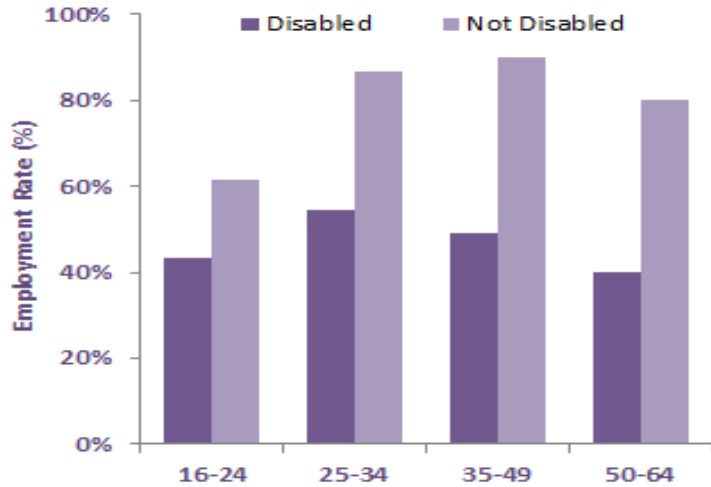


Data on disability

ONS advise that comparisons should be made with caution due to an apparent discontinuity in data following Apr-Jun 2017 and inconclusive investigations on the source for this.

The disability employment gap is calculated as the non-disabled employment rate – disabled employment rate.

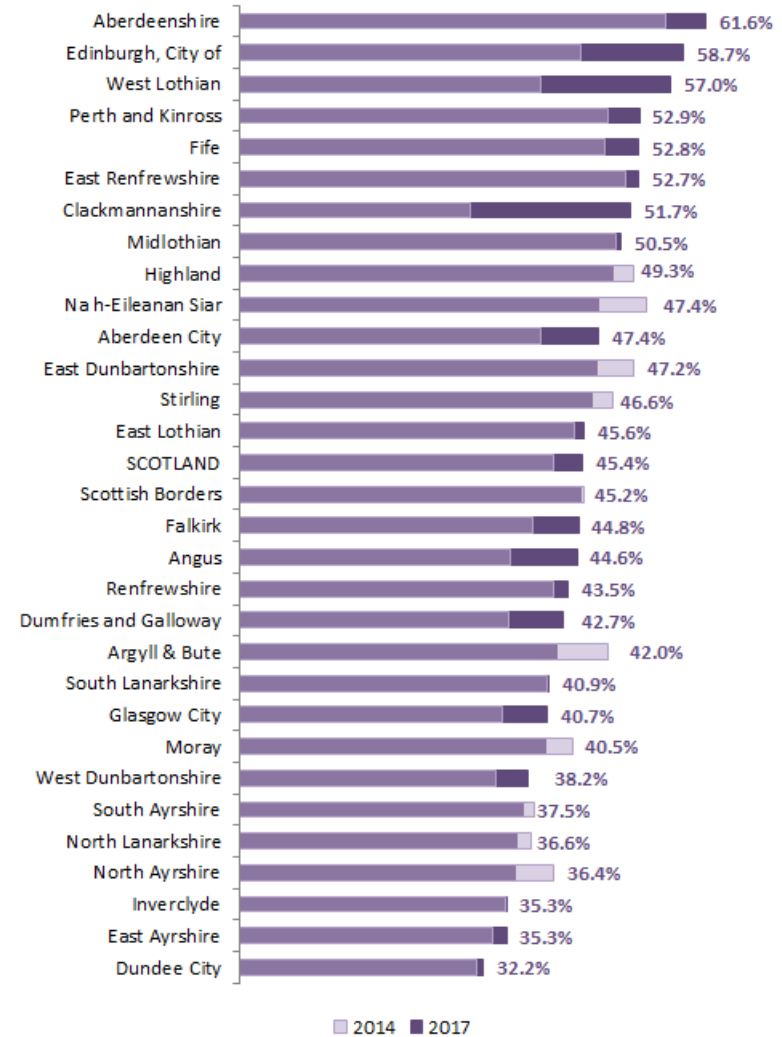
Chart 22: Employment rate (16-64) by disability and age 2017, Scotland



The employment rate gap between the employment rate for disabled and non-disabled people was lower for young people (18.5 percentage points) and increased with age and was highest for those age 35-49 years (41.0 percentage points).

There is regional variation in the employment rate for those who reported a disability. 25 per cent of all disabled people in employment reside in Glasgow City (14.2 per cent) and Edinburgh (10.3 per cent).

Chart 23: Employment rate (16-64) for disabled people by local authority: 2014, 2017



Note: Employment rate labels displayed for 2017

Data on disability

ONS advise that comparisons should be made with caution due to an apparent discontinuity in data following Apr-Jun 2017 and inconclusive investigations on the source for this.

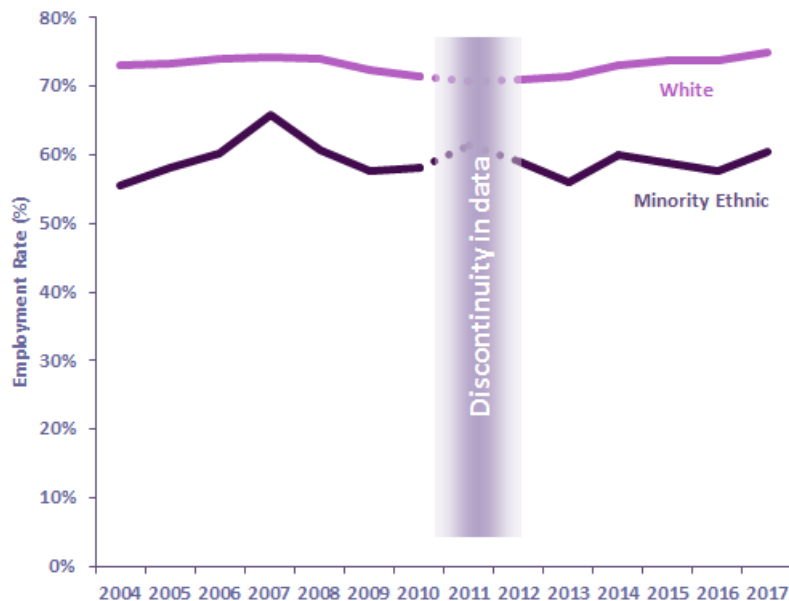
3.5 Ethnicity

The employment rate for the minority ethnic population aged 16-64 was 60.6 per cent which is lower than the white population with an employment rate of 75.0 per cent giving a gap in employment rate between minority ethnic and white aged 16 to 64 years of 14.4 percentage points.

The white population has, over time, consistently had an employment rate which exceeds the minority ethnic population.

The minority ethnic employment gap was much higher for women than men; for women the minority ethnic employment gap was 22.8 percentage points and for men was 5.7 percentage points.

Chart 24: Employment rate (16-64) for minority ethnic and white population, Scotland



The employment rate for the minority ethnic population was highest in Ayrshire (77.1 per cent) and West Scotland (73.3 per cent).

The gap in the employment rate for the minority ethnic population was largest for the 16-24 year old population. The gap decreases with age with the oldest age group (50-64 years) having higher employment rates for the minority ethnic group than in the white ethnic group.

Chart 25: Employment rate (16-64) for minority ethnic and white people by gender



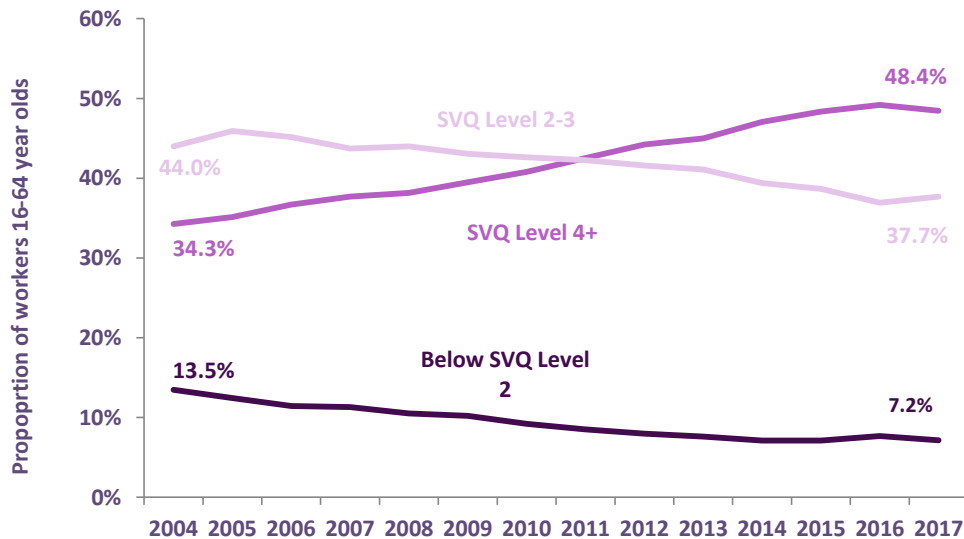
SECTION 4: SKILLS

4.1 Workforce skills

Scotland has a highly qualified workforce. 48.4 per cent of workers aged 16-64 years in Scotland have further or higher education qualifications (SVQ level 4+ or equivalent). This compared with 37.7 per cent in 2007 and is higher than the 2017 UK rate of 43.3 per cent.

Compared with 2007, the number of workers who have SVQ level 4+ qualifications has increased by 31.2 per cent from 935,700 to 1,227,400 in 2017. In the same period, the proportion of workers who have low or no qualifications has reduced.

Chart 26: Percentage of workers (16-64) by level of qualification held 2004-2017, Scotland



The employment rate for those aged 16-64 years, with further or higher education qualifications (SVQ level 4+ or equivalent), at 82.3 per cent in 2017 was higher than for those with low or no qualifications (50.5 per cent) and also for those with Intermediate 2/Higher level or equivalent qualifications (71.8 per cent).

Although the employment rate for those with SVQ level 4 and above had decreased from 87.3 per cent in 2007 to 82.3 per cent in 2017. The gap in the employment rate for those with higher or further education, compared with those with low or no qualifications was 34.5 percentage points, similar to ten years before. Although, lower

Figure 5: Employment rate (16-64) by qualification level



4.2 Graduates

Chart 27: Employment rate (16-64) by level of qualification held, Scotland

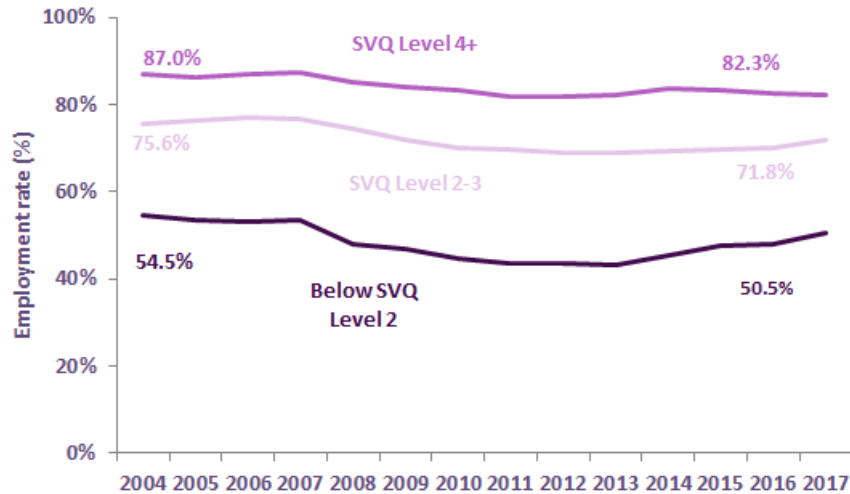
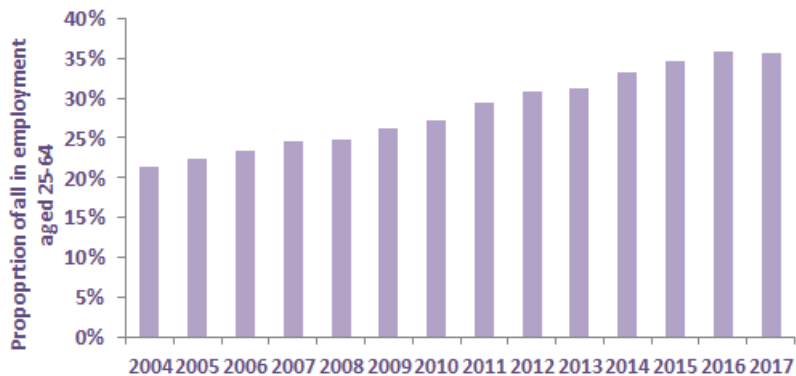


Chart 28: Percentage of workers (25-64 years) who are graduates, Scotland



35.6 per cent of workers in Scotland aged 25-64 years in 2017 were graduates, close to the highest on record.

This compares with less than a quarter in 2007. However, there is large regional variation across the country.

Almost 60 per cent of workers living in Edinburgh were graduates, compared with 1 in 5 workers who live in the Shetland Islands.

Figure 6: Percentage of workers (25-64 years) who are graduates by local authority 2017

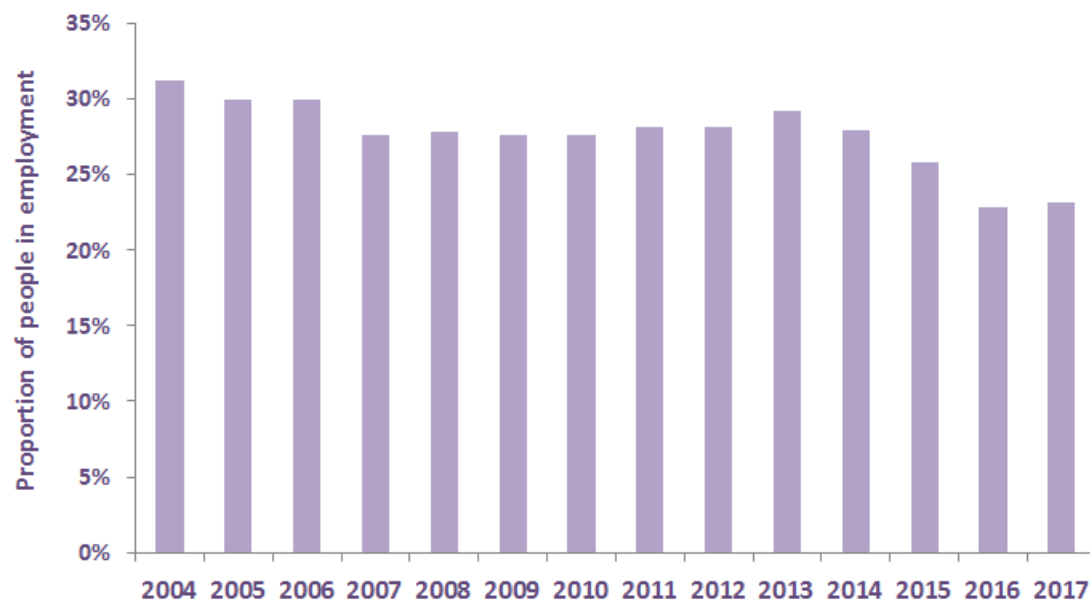
Per cent of workers aged 25-64 years

Highest	%	Lowest	%
Edinburgh	58.2	Shetland Islands	20.8
East Renfrewshire	51.5	West Dunbartonshire	23.1
East Dunbartonshire	50.3	Moray	23.8

4.3 On job training

The percentage of employees who reported receiving job-related training in the last 3 months has been decreasing steadily. In 2004 around one third of workers received job related training in the last 3 months. This had decreased to less than one quarter by 2017.

Chart 29: Percentage of employees (16-64) who received on the job training in the last 3 months 2004-2017, Scotland



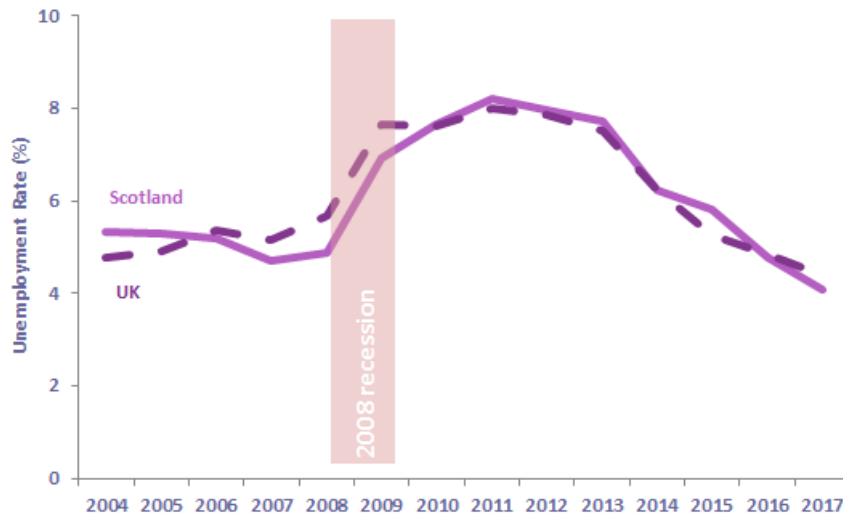
SECTION 5: UNEMPLOYMENT

5.1 Unemployment over time

Who is classed as unemployed under the ILO definition?

People aged 16 and over who are not in employment, would like a job, have actively sought work in the previous four weeks prior to their LFS interview and are available to start work within the next fortnight; or are out of work and have accepted a job which they are waiting to start in the fortnight following their LFS interview.

Chart 30: Unemployment Rate (16+), Scotland and UK



Scotland's unemployment level and rate were the lowest on record

The unemployment rate in Scotland in 2017 was 4.1 per cent, lower than the UK rate of 4.4 per cent.

Over the year, the rate has decreased in both Scotland and the UK (down 0.7 and 0.5 percentage points respectively).

Scotland's unemployment rate has decreased by 0.6 percentage points since 2007 while it decreased by 0.8 percentage points in the UK.

There were 111,200 people aged 16 and over who were unemployed in Scotland, a decrease of 18,400 over the year. This was mainly due to a decrease in the number of women who were unemployed, down 11,800 over the year.

5.2 Local authorities

Model Based Unemployment (MBU) Rates have decreased in 23 of Scotland's 32 local authorities since 2007

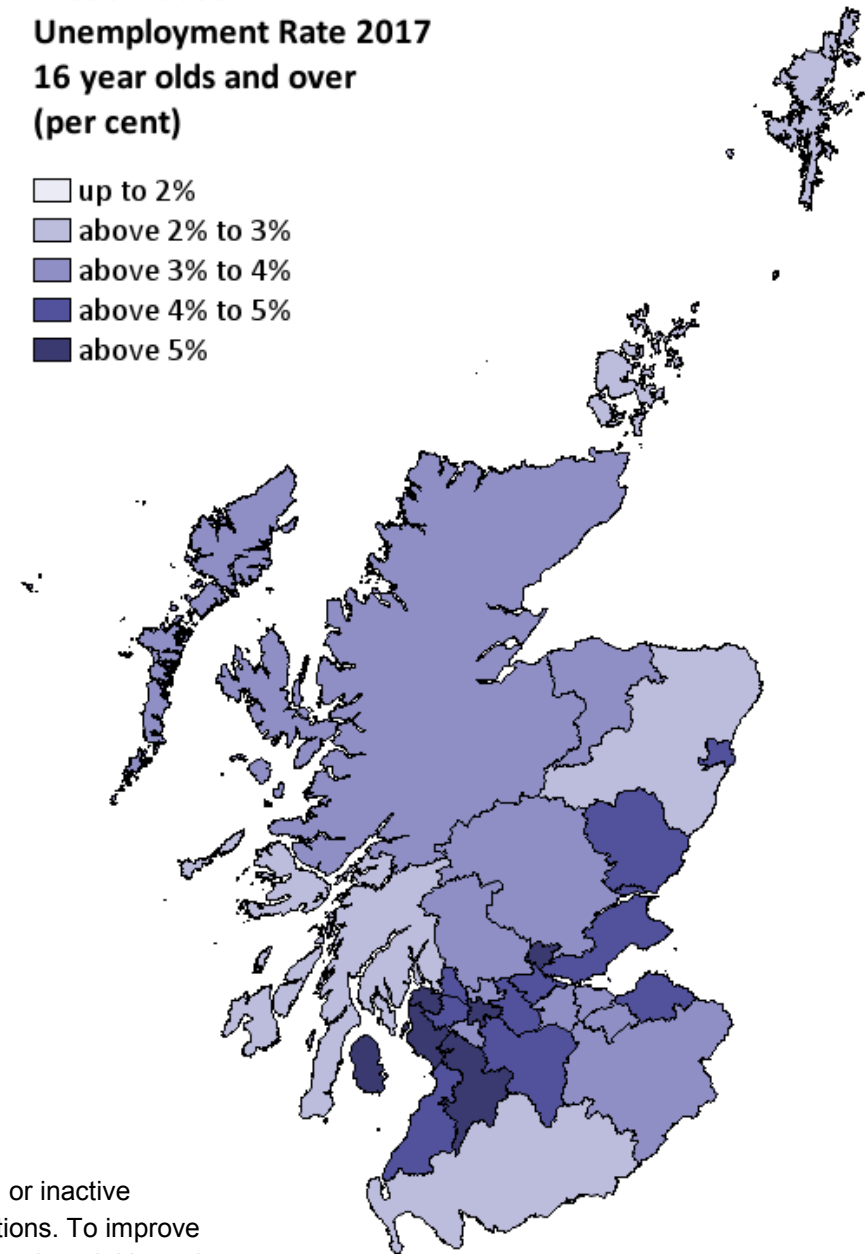
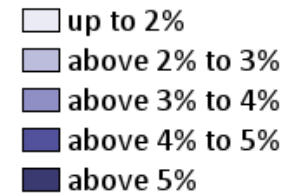
In 2017, the highest MBU rates were seen in North Ayrshire (6.6 per cent), East Ayrshire (5.9 per cent), Inverclyde (5.8 per cent), Glasgow City (5.6 per cent) and Clackmannanshire (5.0 per cent). The lowest rates were seen in Orkney Islands (2.1 per cent), Shetland Islands (2.2 per cent), Aberdeenshire, Argyll and Bute and Dumfries and Galloway (all 2.8 per cent).

Since 2007, MBU rates decreased in 23 of the 32 local authority areas while 8 saw an increase in their unemployment rates and one remained unchanged.

Statistically significant decreases between 2007 and 2017 were seen in **Argyll and Bute** (down 1.2 percentage points from 4.0 per cent to 2.8 per cent), **Dumfries and Galloway** (down 1.3 percentage points from 4.1 per cent to 2.8 per cent), **Dundee City** (down 1.7 percentage points from 6.6 per cent to 4.9 per cent), **Fife** (down 1.6 percentage points from 5.6 per cent to 4.0 per cent) and **West Lothian** (down 1.4 percentage points from 4.8 per cent to 3.4 per cent).

Note: Sample sizes for the unemployed cohort are relatively small compared to the employed or inactive cohorts. Consequently unemployment estimates at local level can have large sampling variations. To improve the quality of estimates for all local authorities, the Office for National Statistics (ONS) developed model based estimates.

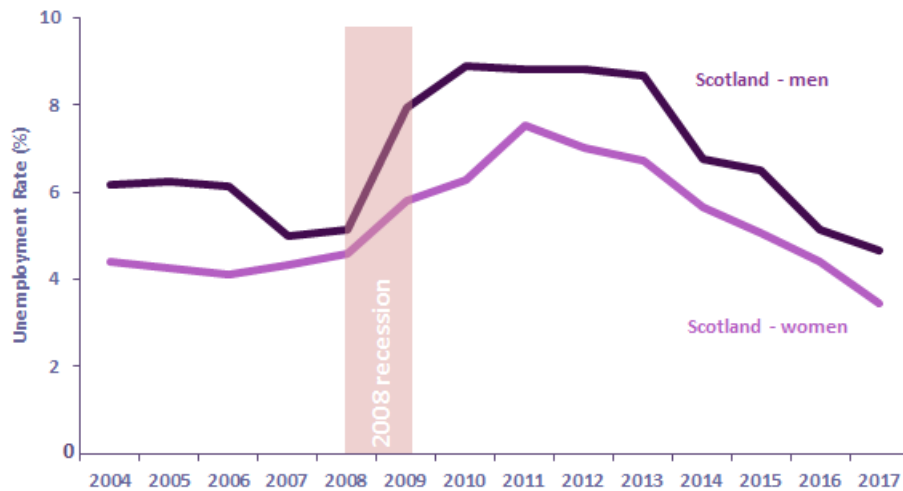
Figure 7:
Model Based
Unemployment Rate 2017
16 year olds and over
(per cent)



5.3 Gender and age

The unemployment (16+) rate for women in Scotland decreased by 0.9 percentage points from 4.4 per cent in 2016 to 3.5 per cent in 2017, while the unemployment rate for men also decreased over the year from 5.1 per cent to 4.7 per cent (0.5 percentage point decrease).

Chart 31: Unemployment Rate (16+) by Gender, Scotland



Since 2007, the unemployment (16+) rate for women in Scotland decreased by 0.9 percentage points from 4.3 per cent to 3.5 per cent in 2017, while the unemployment rate for men also decreased from 5.0 per cent to 4.7 per cent (0.4 percentage point decrease) over the same period.

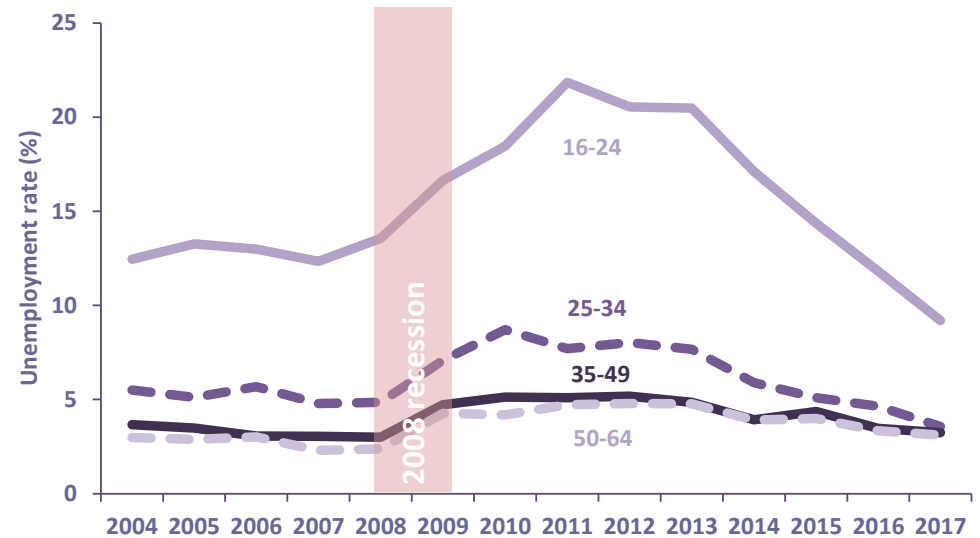
The youth unemployment rate in Scotland decreased by 2.6 percentage points over the year to 9.2 per cent in 2017

The youth (16-24) unemployment rate in Scotland is the highest of all age groups at 9.2 per cent (lower than the UK rate of 12.1 per cent).

The youth unemployment rate in Scotland decreased by 2.6 percentage points over the year and by 3.1 percentage points since 2007, while the UK rate has decreased by 1.6 percentage points since 2007 and by 1.2 percentage points over the year.

Unemployment rates have been generally decreasing for all age groups between 2012 and 2017.

Chart 32: Unemployment Rate (16+) by Age, Scotland



5.4 Duration

46.1 per cent of all unemployed people (16+) in Scotland have been unemployed for 6 months or more

Of the 111,200 unemployed people in Scotland in 2017, 59,900 (53.9%) were unemployed for less than six months.

The proportion that have been unemployed for less than 6 months has decreased by 6.8 percentage points since 2007, indicating a shift to lengthier durations of unemployment.

Chart 33: Proportion of people (16+) who are unemployed by duration of unemployment, Scotland

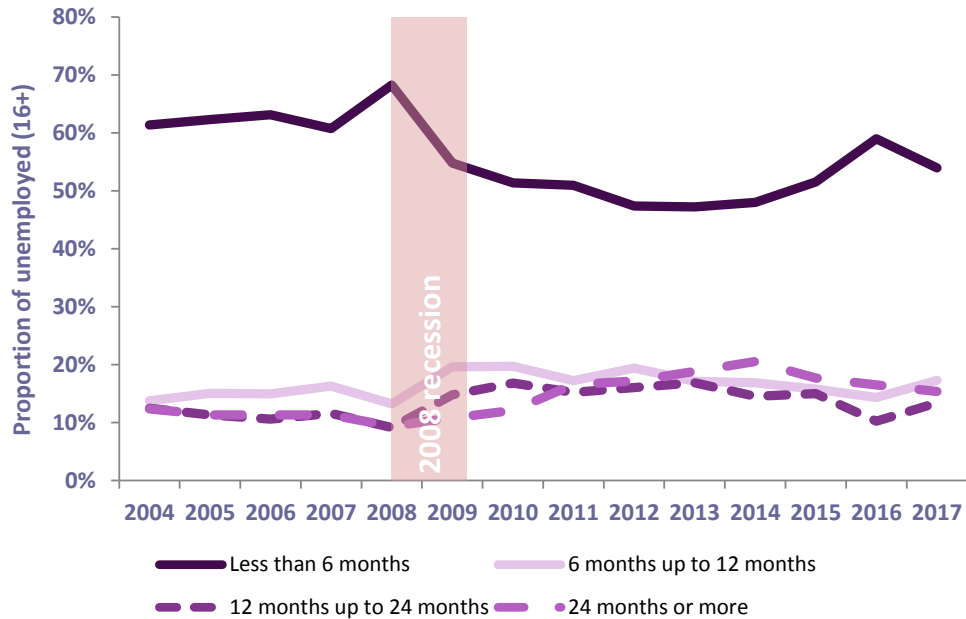
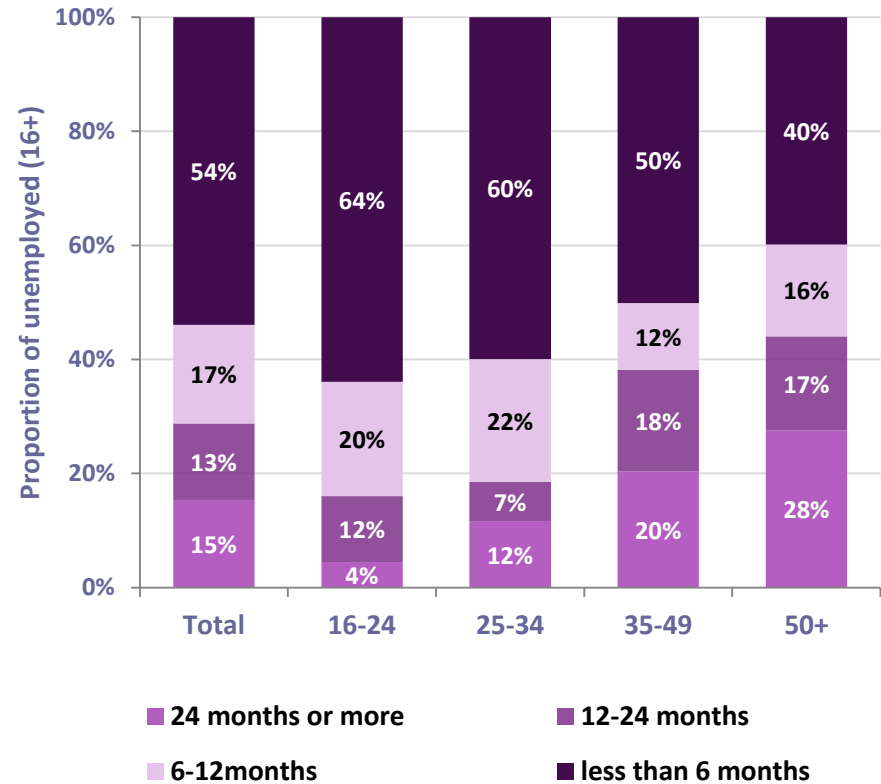


Chart 34: Proportion of people (16+) who are unemployed by duration and age, Scotland



The 16-24 age group are least likely to be unemployed for more than 12 months (16.1 per cent), while those aged 50+ are most likely to be unemployed for 12 months or more (44.1 per cent).

SECTION 6: INACTIVITY

6.1 Inactivity over time

Who is classed as economically inactive?

Individuals aged 16-64 who are neither employed nor unemployed under ILO definitions. There are many reasons why people may be inactive and not considered an active part of the labour supply: 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.

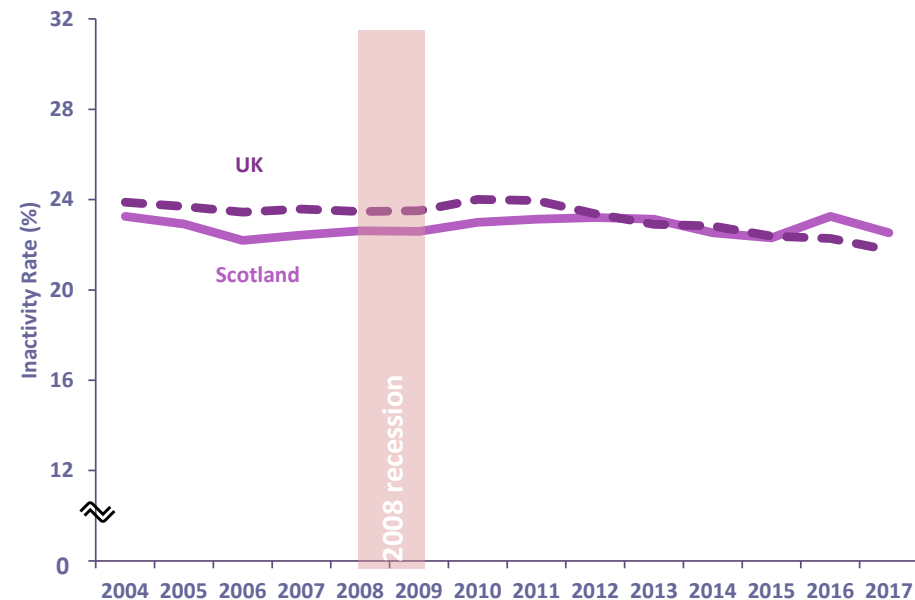
Scotland's inactivity rate in 2017 was above the rate for the UK

The inactivity rate for those aged 16-64 in Scotland in 2017 was 22.5 per cent, higher than the UK rate of 21.8 per cent.

Over the year, the rate has decreased in both Scotland and the UK (down 0.7 and 0.5 percentage points respectively).

Scotland's inactivity rate has increased slightly since 2007 (0.1 percentage points) while it decreased by 1.8 percentage points in the UK.

Chart 35: Economic Inactivity Rate (16-64), Scotland and UK



6.2 Local authorities

Economic Inactivity rates were highest in Dundee City, Glasgow City and North Ayrshire

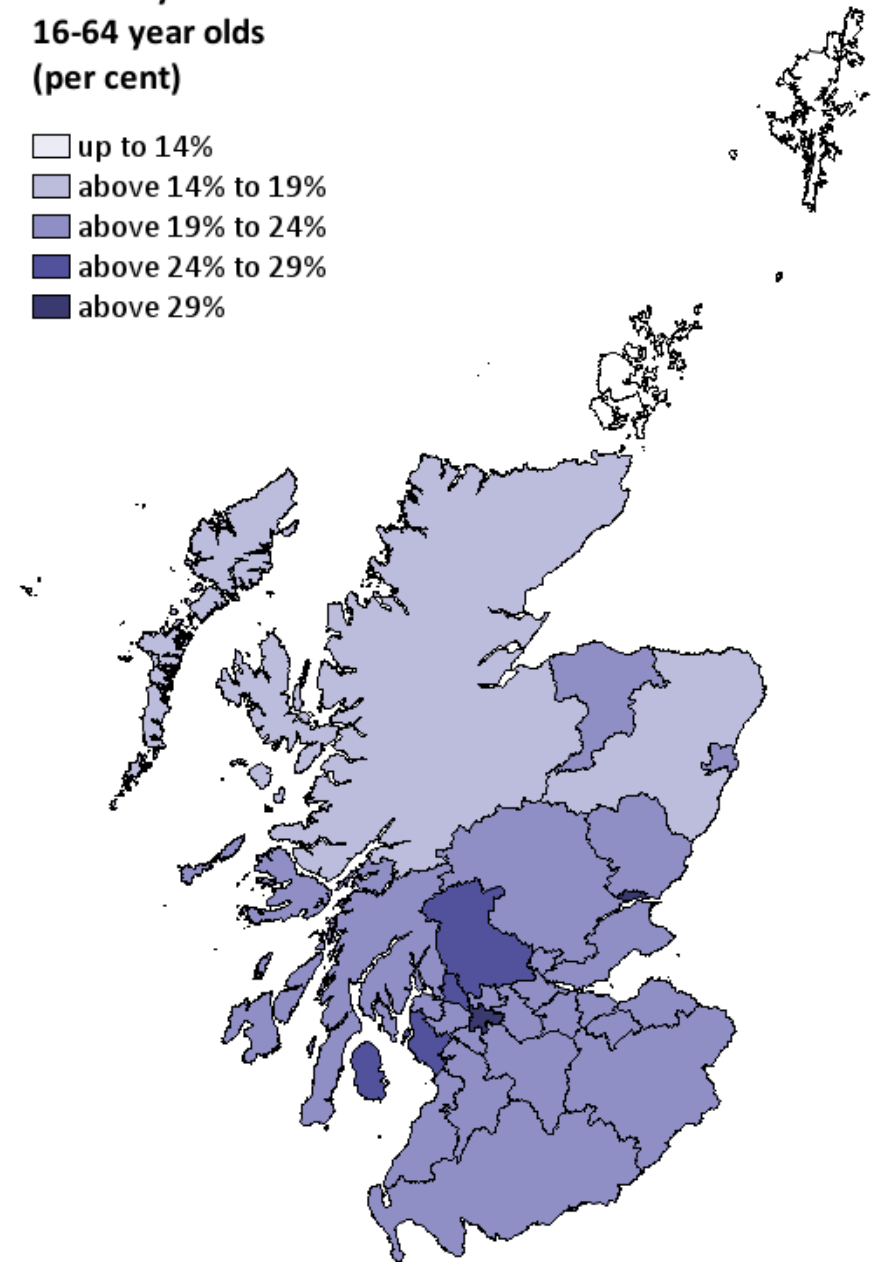
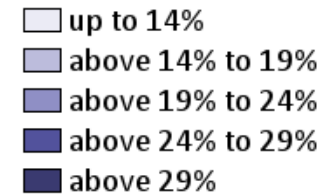
There is considerable variation in inactivity rates for those aged 16-64 across Scotland's local authorities.

In 2017, the highest economic inactivity rates were seen in Dundee City (32.3 per cent), Glasgow City (30.0 per cent) and North Ayrshire (26.2 per cent). The lowest rates were seen in Aberdeenshire (14.7 per cent), Highland (15.4 per cent) and Na h-Eileanan Siar (16.4 per cent).

Since 2016, economic inactivity rates decreased in 17 of the 32 local authority areas while 12 saw an increase in their inactivity rates and one remained unchanged (there is no data for Orkney and Shetland Islands). A statistically significant decrease between 2016 and 2017 was seen in **East Ayrshire** (down 4.9 percentage points from 28.2 per cent to 23.3 per cent).

Since 2007, economic inactivity rates increased in 16 of the 32 local authority areas while 14 saw a decrease in their inactivity rates. A statistically significant increase between 2007 and 2017 was seen in **Dundee City** (up 3.7 percentage points from 24.9 per cent to 32.3 per cent).

Figure 8:
Inactivity Rate 2017
16-64 year olds
(per cent)



Note: Data for Orkney Islands and Shetland Islands are unavailable.

6.3 Gender

Decrease in the economic inactivity rate for Scotland over the year was mainly driven by decreased rates for women

The inactivity (16-64) rate for women in Scotland decreased by 1.0 percentage point from 27.5 per cent in 2016 to 26.5 per cent in 2017, driving the decrease in the overall economic inactivity rate over the same period (down 0.7 percentage points from 23.3 per cent to 22.5 per cent).

In Scotland, the inactivity rate for men decreased by 0.5 percentage points from 18.8 per cent to 18.4 per cent over the year.

Chart 36: Economic Inactivity Rate (16-64) by Gender, Scotland

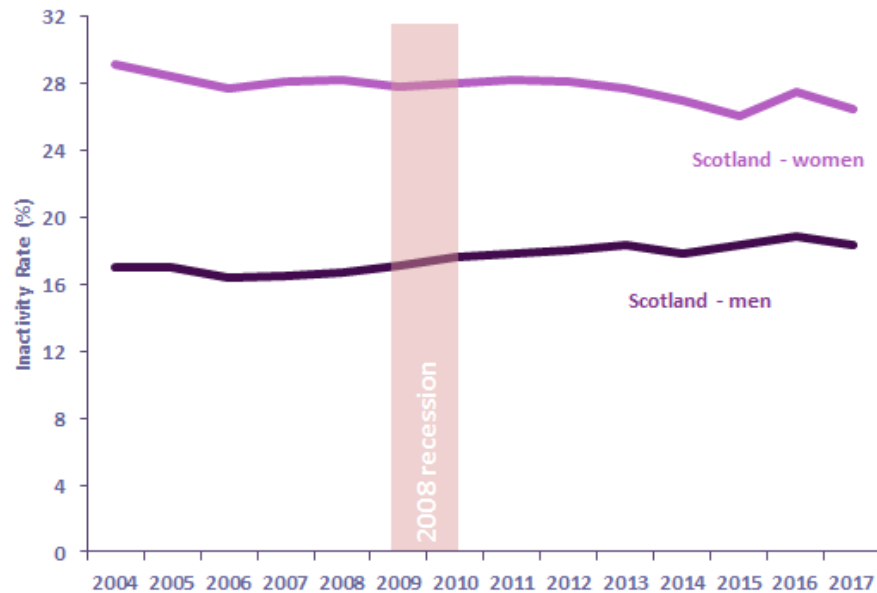
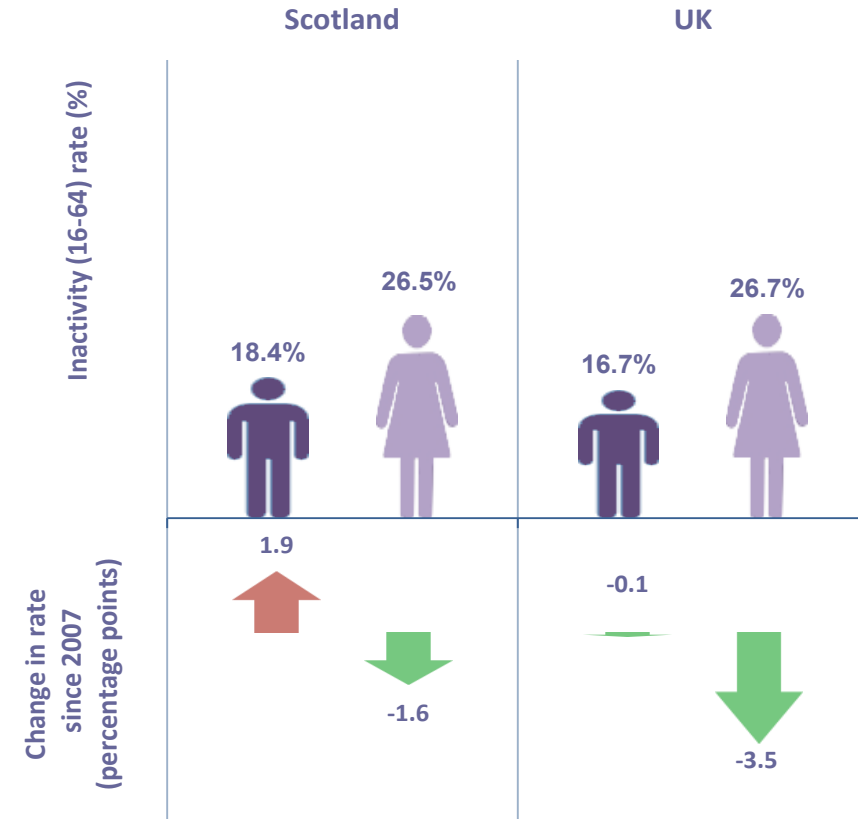


Chart 37: Economic Inactivity Rate (16-64) by Gender



The slight increase in the overall economic inactivity rate for Scotland since 2007 was driven by men (up 1.9 percentage points to 18.4 per cent) while the decrease in the overall economic inactivity rate across the UK was driven by women (down 3.5 percentage points to 26.7 per cent).

6.4 Age

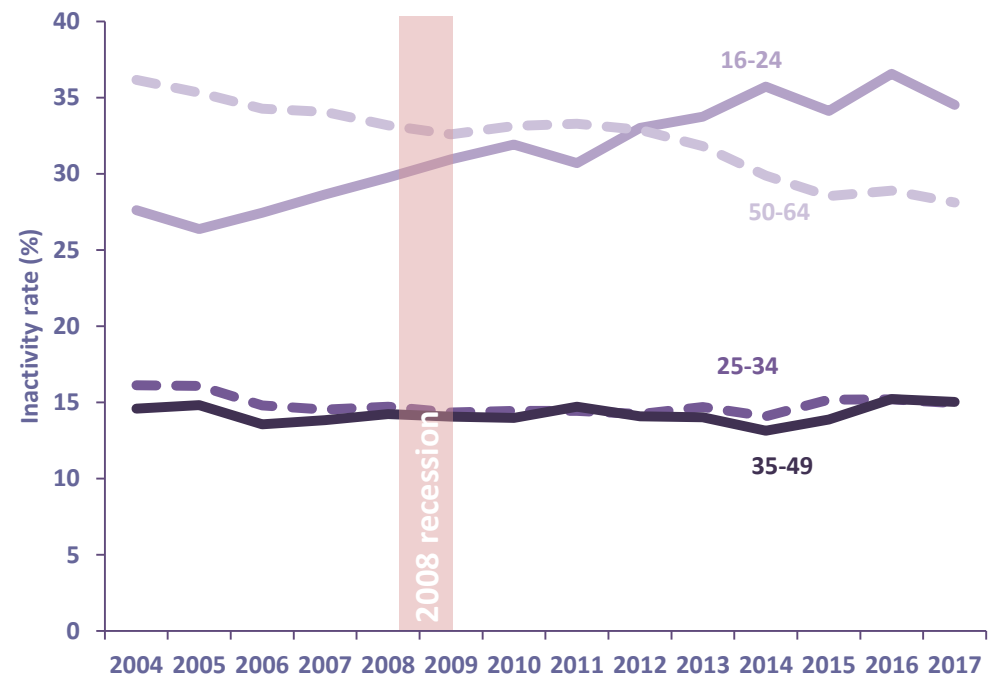
Increase in economic inactivity rates for those aged 16-24 and 35-49 since 2007

Economic inactivity rates for 25-34 year olds have remained around 15 per cent from 2004 to 2017 while the economic inactivity rates for 35-49 year olds remained fairly constant until 2014 when it started to increase, highlighting that more 35-49 year olds have become inactive in recent years.

Those aged 16-24 have seen their inactivity rates increase from 28.6 per cent in 2007 to 34.5 per cent in 2017. In contrast, inactivity rates for those aged 50-64 have generally been decreasing over time (34.1 per cent in 2007 to 28.1 per cent in 2017), highlighting that more people aged 50-64 are moving from being economically inactive to being in employment.

Since 2007, men are driving the increase in the inactivity rates for those aged 16-24 (men up 8.0 percentage points from 25.2 per cent to 33.2 per cent while women increased by 3.8 percentage points from 32.1 per cent to 35.9 per cent) and for those aged 35-49 (men up 2.0 percentage points from 8.6 per cent to 10.6 per cent while women increased by 0.4 percentage points from 18.8 per cent to 19.2 per cent). Women are driving the decrease in the inactivity rates for those aged 50-64 (women down from 41.8 per cent in 2007 to 32.1 per cent in 2017, while men down from 25.9 per cent to 23.9 per cent).

Chart 38: Economic Inactivity Rate (16-64) by age, Scotland



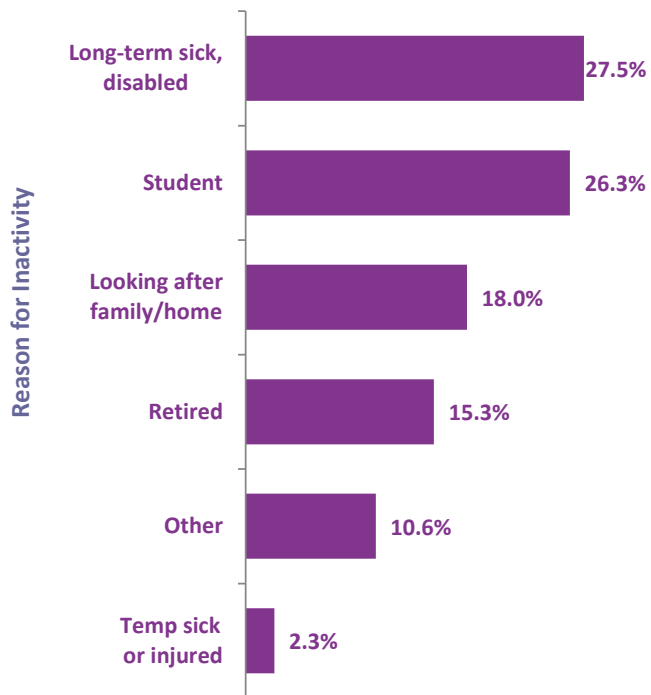
More recently, economic inactivity rates have decreased for all age groups since 2016 with men driving the decrease for those aged 16-49 and women driving the decrease for those aged 50-64.

6.5 Reasons for Inactivity

Over 50 per cent of the 768,900 economically inactive people in Scotland were inactive because they were long-term sick or students.

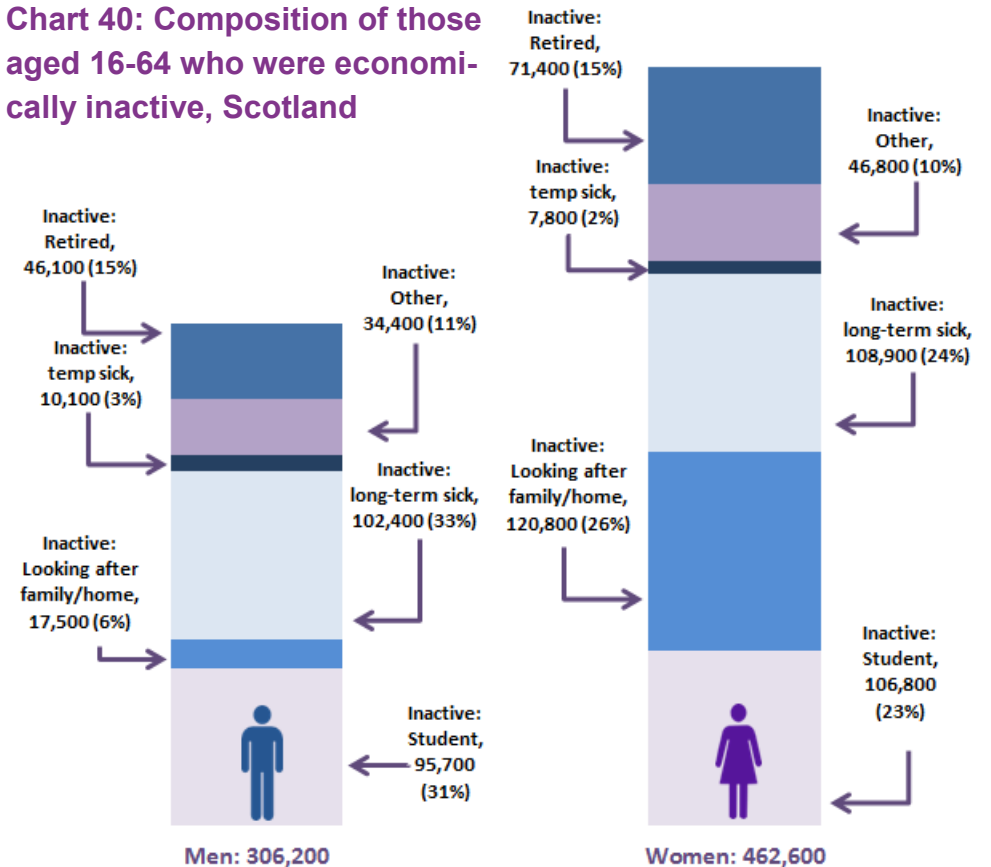
Of the 768,900 economically inactive people (aged 16-64) in 2017, the main reasons for being inactive were long-term sick or disabled (211,300, 27.5 per cent) and student (202,600, 26.3 per cent).

Chart 39: Reasons for Inactivity, Scotland, 2017



Reasons for inactivity differ by gender with looking after family/home accounting for 5.7 per cent of inactive men and 26.1 per cent of inactive women. Long-term sick and temporary sick accounted for 36.7 per cent of inactive men and 25.2 per cent of inactive women.

Chart 40: Composition of those aged 16-64 who were economically inactive, Scotland



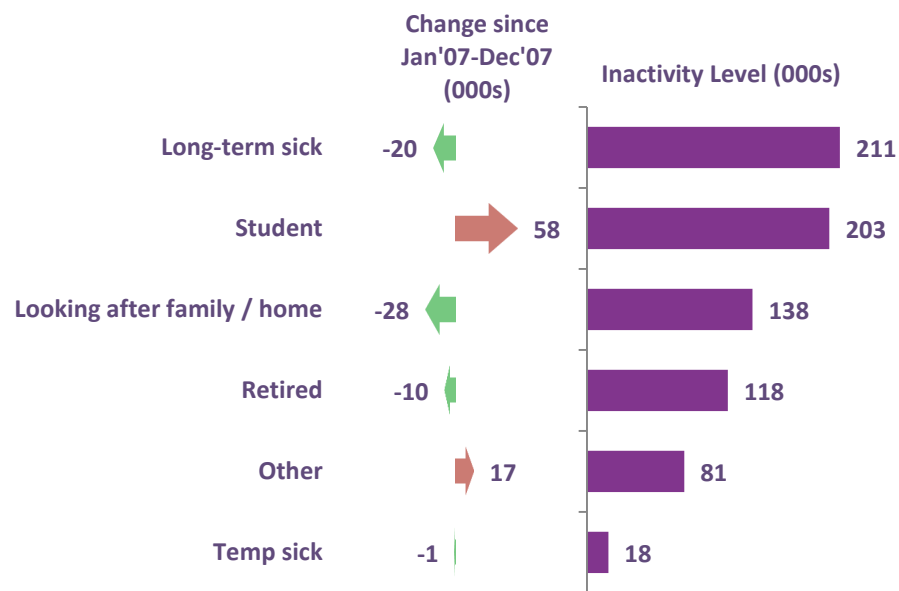
* other includes discouraged worker

Increase in economic inactivity levels since 2007 was driven by increases in the number of students.

Economic inactivity levels in Scotland have increased by 15,100 since 2007. This has been driven mainly by a 57,600 increase in the number of students who were inactive as well as those who gave 'Other' as the reason for being inactive (up 16,800).

More recently, increases over the year were seen in the number of students and retired people who were inactive (up 9,300 and 4,800 respectively) while decreases were seen in the numbers looking after family/home, long-term sick or disabled and temporary sick who were inactive (down 24,700; 8,000 and 4,200 respectively).

Chart 41: Change in reasons for Inactivity since 2007, Scotland



6.6 Want to work

23.7 per cent (182,400) of economically inactive people aged 16-64 in Scotland would like to work but were currently unable to do so.

The proportion of those who were economically inactive but who wanted to work has decreased since 2013, having previously been on an upward trend since 2010.

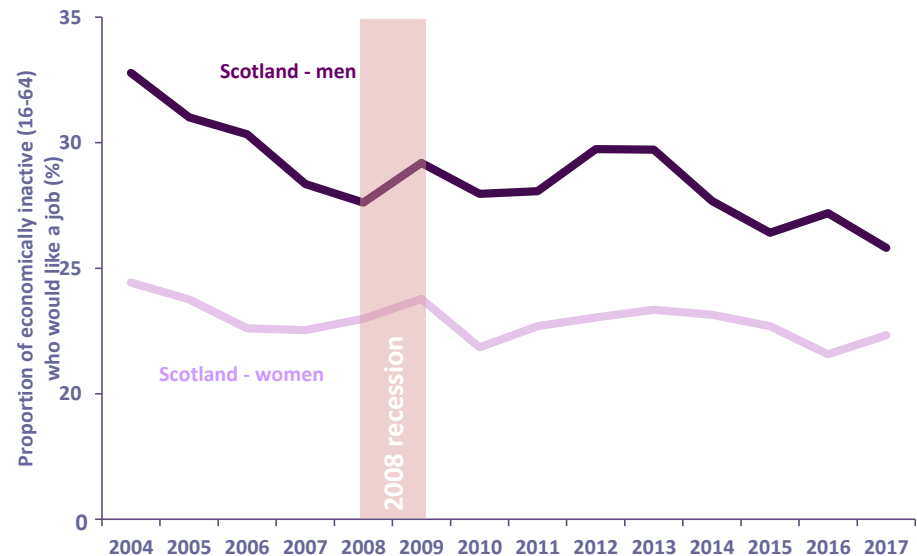
Since 2007, the proportion of those who were economically inactive who would like a job decreased by 0.9 percentage points from 24.6 per cent in 2007 to 23.7 per cent in 2017.

The proportion of economically inactive men aged 16-64 who would like a job decreased by 2.5 percentage points from 28.4 per cent in 2007 to 25.8 per cent in 2017, driving the decrease in the overall proportion of economically inactive people who would like a job over the same period. The proportion of economically inactive women aged 16-64 who would like a job decreased from 22.5 per cent in 2007 to 22.3 per cent in 2017 (0.2 percentage point decrease). However, the proportion of economically inactive women who would like a job has increased **over the last year** (up from 21.6 per cent in 2016 to 22.3 per cent in 2017).

Regional Differences

In 2017, the local authorities with the highest proportion of economically inactive people who would like to work were Clackmannanshire (33.5 per cent), Highland (33.1 per cent) and Aberdeen City (31.8 per cent). The lowest proportions were seen in Perth and Kinross (13.1 per cent), South Lanarkshire (14.9 per cent) and North Lanarkshire (16.7 per cent).

Chart 42: Proportion of economically inactive people (16-64) who would like a job by gender, Scotland



6.7 Never Worked

152,000 people in Scotland in 2017 had never worked (excluding students aged 16-24 in full-time education).

In 2017, 299,700 people in Scotland aged 16 and over had never worked, an increase of 19,600 over the year. 49.3 per cent of the people in Scotland who had never worked were 16-24 year olds in full-time education.

Excluding 16-24 year olds in full-time education, there were 152,000 people in Scotland who had never worked; an increase of 1,300 over the year.

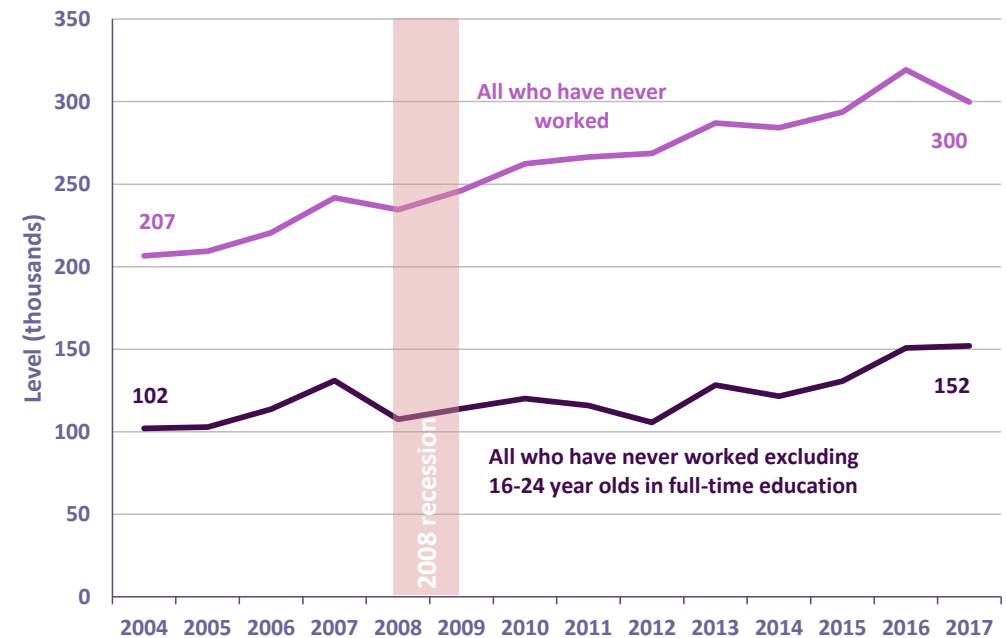
Since 2007, the number of people who have never worked including and excluding students aged 16-24 in full-time education has increased by 57,900 and 21,100, respectively.

Regional Differences

Since 2007, reductions in the number of people who have never worked were seen across 6 local authority areas with 22 seeing increases and one remaining unchanged. No information is available for Na h-Eileanan Siar, Orkney Islands or Shetland Islands.

The largest increases in the number of people who have never worked since 2007 were seen in Edinburgh City (up 16,100), South Lanarkshire (up 7,600) and Aberdeen City (up 7,100).

Chart 43: Number of people who have never worked (16+), Scotland



Note: The number of people who have never worked covers those aged 16+ who are currently unemployed or economically inactive.

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 programs 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.

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](#).

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.

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 (NEET): The proportion of 16-19 year olds who are not classed as a student, not in employment nor participating in a government training programme. Note that the methodology for calculating the levels and proportions of those who are NEET have been modified this year to align with ONS's methodology. The change is intended to account for a small number of non-respondents or persons whose economic or educational status were unknown. This group are now apportioned pro-rata across the main economic status categories whereas previously they had been excluded from the analysis. This should give more accurate estimates of the level of NEETs.

Disability: From 2014 the definitions of disability is based on the 2010 Equality Act Definition. This harmonized definitions is based on self-reported health conditions which has lasted 12 months or more which limits ability to carry out day-to day activities a little or a lot.

Minority ethnic: 'White' includes 'White-Polish' and 'White Gypsy'.

Further information on Classifications and Standards is also available from the ONS website at <https://www.ons.gov.uk/methodology/classificationsandstandards>

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How to access background or source data

The data collected for this Statistical bulletin are available via web-tables on Scottish Government website, Nomis and UK Data archive

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