Regional Employment Patterns in Scotland

Annual Population Survey 2018
Key points

Employment

- In 2018, 2,638,400 people (aged 16 years and over) were in employment in Scotland, slightly lower than in 2017. The employment rate was 74.1 per cent, slightly lower than the year before (74.2 per cent) and below the UK rate of 75.0 per cent.
- Since 2008, the employment rate had increased in 18 local authorities and decreased in 14 local authorities.
- The gender employment gap (which measures the difference between the employment rates for men and women) has decreased from 10.5 percentage points in 2008 to 7.6 percentage points in 2018.
- The employment rate for young people (aged 16-24 years) decreased over the last year to 57.2 per cent in employment.
- Since 2008, employment levels for 25-34, 50-64 and 65+ year olds have increased with those in employment aged 65+ almost doubling, rising from 49,000 to 89,000.

Types of employment

- 1,911,900 people were in full-time employment in 2018 and 718,800 were in part-time employment.
- 321,300 people in employment were self-employed, close to the highest level since the series began. Women accounted for an increasing share of self-employment from 26.8 per cent in 2004 to 34.5 per cent in 2016. However, women’s share of self-employment has fallen to 32.0 per cent over the past two years.
- In 2018, 7.4 per cent of employees reported hours based underemployment, down from 10.0 per cent in 2012* and down from 8.0 per cent in 2017*.

Equality

- 88,600 people aged 65 years and over were in employment in Scotland in 2018, 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 55.4 per cent.
- In 2018, the employment rate for those classed as disabled under the Equality Act 2010 was 45.6 per cent which was significantly lower than the employment rate for those not classed as disabled (81.1 per cent). In 2018, the disabled employment rate gap was 35.5 percentage points.
- The employment rate for the minority ethnic population aged 16-64 was 55.4 per cent, lower than the white population with an employment rate of 75.1 per cent giving a gap in employment rate between minority ethnic and white aged 16 to 64 years of 19.7 percentage points.

*Statistically significant
Skills

- 11.6 per cent (387,400) of the population in Scotland aged 16-64 years old have low or no qualifications (SCQF level 4 or below).
- Scotland has a highly qualified workforce. 48.9 per cent of workers aged 16-64 years in Scotland have further or higher education qualifications (SCQF level 7+).
- The employment rate for those aged 16-64 years with further or higher education (SCQF level 7+) qualifications was higher than for those with low or no qualifications (82.3 per cent and 51.0 per cent, respectively).
- 35.8 per cent (772,300) of workers in Scotland aged 25-64 years in 2018 were graduates (SCQF level 9+), close to the highest on record (35.9 per cent).

Unemployment

- In 2018, 117,200 people (aged 16 years and over) were unemployed in Scotland, increasing by 5,300 since 2017. The unemployment rate increased from 4.1 in 2017 to 4.3 per cent in 2018, above the UK rate of 4.2 per cent.
- In 2018, 52,000 women (aged 16 years and over) were unemployed in Scotland, increasing by 5,900 since 2017. The unemployment rate for women increased to 3.9 per cent.
- Since 2008, model-based unemployment rates have decreased in 28 of Scotland’s 32 local authorities.
- The unemployment rate for young people (aged 16-24 years) has increased over the last year to 9.6 per cent.

- 41.8 per cent of unemployed people in Scotland have been unemployed for 6 months or more.
- 8.4 per cent of people aged 16-19 years were not in employment, education or training in 2018, a decrease of 0.1 percentage points from 2017 and a decrease of 4.8 percentage points from the peak in 2010* (13.2 per cent).

Economic Inactivity

- In 2018, 777,600 people (aged 16 years to 64 years) were economically inactive. At 22.6 per cent, the economic inactivity rate is now the same as in 2008 and slightly above the UK rate of 21.7 per cent.
- Since 2008, economic Inactivity rates have increased for those aged 16-24 years and decreased for those aged 50-64 years.
- Increases in the level of inactivity since 2008 have been driven by increases in the number of students and the ‘other’ category. Over 50 per cent were inactive because they were long term sick (27.1 per cent) or students (26.8 per cent).
- Economic Inactivity rates were highest in Glasgow City, Dundee City and South Ayrshire.
- 20.9 per cent (162,700) of economically inactive (16-64 years) would like to work, the lowest percentage since the series began in 2004.
- 160,200 people aged 16-64 years have never worked (excluding students aged 16-24 years in full-time education).

*Statistically significant
About this publication

This publication highlights the key statistics for Scotland’s labour market from the Annual Population Survey for 2018. 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 2018 this publication includes trends over time and gives some indication of the variation across the 32 local authority areas within Scotland. This is the sixteenth 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 2018, based on the data released by the Office for National Statistics (ONS) on 20 March 2019. Analysis is based on the January to December dataset 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: Reproduced by permission of Ordnance Survey on behalf of HMSO. © Crown copyright and database right 2019. All rights reserved. Ordnance Survey Licence number 100024655
1.1 Overview

In 2018, 2,755,600 people aged 16 years and over were economically active in Scotland. Scotland’s economic activity rate (16-64) in 2018 was 77.4 per cent, lower than the UK rate of 78.3 per cent.

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 (ILO) definition).

Of the population aged 16 years and over in Scotland in 2018 (4,452,800), 59.3 per cent were in employment, 2.6 per cent were ILO unemployed and 38.1 per cent were economically inactive.

Figure 1: Scotland’s population aged 16 years and over by economic status, 2018

In 2018, 2,638,400 people (aged 16 years and over) were in employment in Scotland, slightly lower than in 2017. The employment rate (16-64) was 74.1 per cent, slightly lower than the year before (74.2 per cent in 2017) and below the UK rate of 75.0 per cent.

Who is classed as being 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 level (16+) and rate (16-64): Scotland and UK, 2004-2018
Compared with 2008, the employment rate increased in 18 local authorities
decreased in 14 local authorities
1.3 Gender

National Performance Framework Indicator
Gender balance in organisations

The gender employment gap is the difference between the employment rate for men and women. The gap decreased from 10.5 percentage points in 2008 to 6.9 percentage points in 2017 and has increased slightly over the year to 7.6 percentage points in 2018.

From 2011 to 2017, the employment level and rate have increased at a steeper rate for women compared with men in Scotland. However, over the past year, the employment level and rate for women decreased slightly while the level and rate for men increased resulting in the gender employment gap increasing slightly over the year.

Chart 2: Employment rate (16-64) by gender, 2004-2018

1,275,000 women were in employment in 2018, 73,200 more compared with 2008. The employment rate for women has increased by 1.9 percentage points from 68.4 per cent in 2008 to 70.3 per cent in 2018*.

1,363,400 men were in employment in 2018. Although there are 30,600 more men in employment compared with 2008, the employment rate for men (78.0 per cent) is lower than in 2008 (78.9 per cent).

Chart 3: Employment level (16+) by gender, 2008, 2017 and 2018 (000's)

*Statistically significant
In 2018, men had higher employment rates than women across all local authorities in Scotland, except Highland.

Since 2008, the employment rate for women has increased in 23 of the 32 local authorities whereas for men the employment rate had increased in only 10 of the 32 local authorities.

In 2018, the highest employment rates for women were seen in Highland (82.6 per cent), Orkney Islands (81.6 per cent), Na h-Eileanan Siar (78.2 per cent) and East Lothian (76.7 per cent).

For men, the highest employment rates were seen in Orkney Islands (93.4 per cent), Shetland Islands (87.9 per cent), East Lothian (85.2 per cent) and Aberdeenshire (84.6 per cent).

Local authorities where the employment rate increased between 2008 and 2018 for both men and women were: Clackmannanshire, East Dunbartonshire, East Lothian, Edinburgh, Fife, Inverclyde, North Lanarkshire**, Orkney Islands and West Dunbartonshire.

Local authority where the employment rate increased between 2008 and 2018 for men only was Glasgow City.

Local authorities where the employment rate increased between 2008 and 2018 for women only were: Aberdeenshire, Angus, Argyll and Bute, East Renfrewshire, Falkirk, Highland*, Midlothian, Na h-Eileanan Siar, North Ayrshire, Perth and Kinross, Renfrewshire, South Ayrshire, South Lanarkshire* and Stirling.

Local authorities where the employment rate significantly decreased between 2008 and 2018 were Highland* and South Ayrshire* for men and Moray* for women.

*Statistically significant

**Statistically significant for women only
Chart 5: Change in men’s employment rates (16-64) by local authority, 2008 to 2018

*Statistically significant

Percentage points

South Ayrshire*
Highland*
Stirling
Angus
Aberdeen City
Dundee City
East Ayrshire
Moray
Scottish Borders
Falkirk
East Renfrewshire
Dumfries and Galloway
Midlothian
Shetland Islands
Argyll & Bute
Renfrewshire
North Lanarkshire
Inverclyde
Glasgow City
Perth and Kinross
West Lothian
Na h-Eileanan Siar
SCOTLAND
South Lanarkshire
Aberdeenshire
North Ayrshire
Renfrewshire
Argyll & Bute
Shetland Islands
Midlothian
Dumfries and Galloway
East Renfrewshire
Falkirk
Scottish Borders
Moray
East Ayrshire
Dundee City
Aberdeen City
Angus
Stirling
Highland*
The employment rate for young people (aged 16-24 years) has decreased over the last year with 57.2 per cent of those aged 16-24 being in employment.

Employment rates for 25-34 and 35-49 year olds have remained around 80 per cent from 2004 to 2018, indicating a fairly high resilience to economic change.

Between 2017 and 2018, the employment rate for 25-34 year olds decreased from 82.0 per cent to 80.6 per cent while the employment rate for 35-49 year olds increased from 82.2 per cent to 83.7 per cent*.

Young workers (16-24) saw the main impact of the recession with their employment rates reducing from 60.7 per cent in 2008 to 57.2 per cent in 2018*.

In contrast, employment rates for those aged 50-64 have increased through the recovery remaining fairly constant over the last year (69.7 per cent in 2018).

Since 2008, employment levels for 25-34, 50-64 and 65+ year olds have increased with those in employment aged 65+ almost doubling, rising from 49,100 to 88,600.

Employment levels for those aged 16-24 and 35-49 have decreased between 2008 and 2018.

*Statistically significant
SECTION 2: TYPE OF WORK
2.1 Type of employment

In 2018, 1,911,900 people were in full-time employment and 718,800 people were in part-time employment.

Since 2008, the levels of part-time and full-time employment for women have increased. For men, levels of part-time employment have increased, however the full-time employment level for men is lower now than in 2008.

Part-time working accounts for a slightly larger share of employment compared with 2008, increasing from one quarter (24.8 per cent) in 2008 to 27.3 per cent in 2018. Full-time employment has decreased slightly from three quarters (75.2 per cent) of all employees in 2008 to 72.7 per cent in 2018.

Chart 8: Employment rate (16-64) by gender and full-time/part-time, 2018

Part-time employment accounts for 42.5 per cent of all women’s employment compared with 13.1 per cent of all men’s employment.

Part-time employment is also more common for those in employment aged 16-24 years (39.1 per cent), with the majority being students, and for those aged 65 years and above where 68.4 per cent of 65+ year olds were working part-time.

321,300 people in employment were self-employed in Scotland, close to the highest since the series began.

Chart 9: Proportion of people (16+) in employment who are self-employed by gender
Self-employment accounts for 12.2 per cent of all employment in Scotland in 2018. This remains below the UK where 15.0 per cent of those in employment are self-employed.

Women accounted for an increasing share of self-employment from 26.8 per cent in 2004 to 34.5 per cent in 2016. However, this has fallen to 32.0 per cent over the past two years. The number of women who are self-employed increased steadily from 66,200 in 2004 to 113,700 in 2016 and has decreased over the past two years to 102,900 in 2018.

The number of men in Scotland who are self-employed increased from 181,000 in 2004 to 218,400 in 2018, the highest level since the series began in 2004.

Chart 10: Employment (16+) by gender and work pattern, 2018

Note: a small number of respondents who were unable to report whether they were full-time or part-time have been excluded from chart 10.
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 underutilisation of labour. The APS only gathers information on hours based underemployment.

In 2018, 193,500 employees were underemployed in Scotland, the lowest level and rate since 2008.

Underemployment was highest amongst women (7.8 per cent) compared with men (7.1 per cent).

Underemployment decreased from 8.0 per cent in 2017 to 7.4 per cent in 2018* and continues to be significantly lower than the peak rate of 10.0 per cent in 2012*. Men’s underemployment fell from its peak of 9.0 per cent in 2013 to 7.1 per cent in 2018* and women’s underemployment fell from its peak of 11.6 per cent in 2012 to 7.8 per cent in 2018*.

By age, underemployment is highest amongst employees aged 16-24 years and at 16.5 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 (23.2 per cent), followed by part-time women (13.7 per cent) and lowest amongst full-time women (3.5 per cent) and full-time men (4.7 per cent).

*Statistically significant
The largest decrease in underemployment over time, by gender and work pattern, was for part-time men over the past five years with 33.9 per cent reporting being underemployed in 2013, reducing to below a quarter (23.2 per cent) in 2018*.

There is regional variation in the underemployment rate (Data are not available for Shetland Islands, Orkney Islands or South Lanarkshire). The highest rates in 2018 were in Na h-Eileanan Siar (13.5 per cent), North Ayrshire (13.2 per cent) and South Ayrshire (10.2 per cent).

The lowest rates were in East Dunbartonshire (5.1 per cent), East Renfrewshire (5.3 per cent) and North Lanarkshire (5.6 per cent).

In the last year, the rate of underemployment has decreased in 15 local authorities and increased in 13 local authorities.

The largest increases over the year were in Dundee City increasing by 3.2 percentage points to 8.7 per cent*; South Ayrshire increasing by 2.3 percentage points to 10.2 per cent and East Ayrshire increasing by 1.7 percentage points to 7.9 per cent.

The largest decreases were in East Renfrewshire down by 4.8 percentage points to 5.3 per cent*; Scottish Borders down by 4.7 percentage points to 8.6 per cent* and Clackmannanshire down by 4.3 percentage points to 7.9 per cent.

*Statistically significant
2.3 Sector

Public Sector Employment accounts for 25.5 per cent of all in employment while private sector is 74.5 per cent of all in employment.

The local authorities with the highest public sector employment representation, outside of the Islands, were West Dunbartonshire (33.4 per cent), East Ayrshire (32.8 per cent) and South Ayrshire (31.4 per cent).


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:
https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/PublicSectorEmployment

In the last 10 years, there have been substantial movements in the number of people employed by sector with 42,100 more women in the Public admin, education and health sector and 5,400 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 51,900 and women up 25,000); large decreases in Manufacturing (men down 35,200 and women down 17,800) and a large decrease in Construction for men (down 37,000).

Chart 14: 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.

Almost half of women in Scotland (47.4 per cent) work in the Public admin, education and health sector (Note this is not the same as the Public Sector).

Over two-fifths (44.5 per cent) of men work in sectors that show high levels of gender segregation: Construction (12.4 per cent), Transport and communication (11.0 per cent), Manufacturing (11.8 per cent), Energy and water (6.8 per cent) and Agriculture and Fishing (2.5 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.

43.3 per cent of women in Scotland were employed in occupations that are gender segregated towards women: Administrative and secretarial (15.7 per cent), Personal service (17.0 per cent) and Sales and customer service occupations (10.6 per cent).

31.5 per cent of men in Scotland were employed in occupations that exhibit high levels of gender segregation towards men: Skilled trades (19.8 per cent) and Process, plant and machine operatives (11.8 per cent).
SECTION 3: Characteristics of the workforce
3.1 Young people

The youth (16-24) employment rate in Scotland decreased by 2.1 percentage points over the year from 59.3 per cent in 2017 to 57.2 per cent in 2018, while the UK rate decreased by 0.3 percentage points from 54.0 per cent to 53.7 per cent over the same period.

The local authority areas with the highest youth (16-24) employment rates in Scotland in 2018 were Orkney Islands (89.9 per cent), Na h-Eileanan Siar (72.9 per cent) and Highland (70.4 per cent).

The areas with the lowest youth employment rates during this period were East Renfrewshire (37.3 per cent), Glasgow City (40.2 per cent) and East Ayrshire (47.1 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 East Renfrewshire (down from 53.7 per cent to 37.3 per cent) and Midlothian (down from 80.3 per cent to 58.1 per cent). In total, 9 local authority areas saw increases in their youth employment rates over the year, with 22 seeing decreases.

Note: data not available for Shetland Islands
3.3 Older workers

88,600 people aged 65 years and over were in employment in Scotland in 2018, almost twice as many as ten years ago.

The employment rate for those aged 65 years and over increased from 5.9 per cent in 2008 to 8.8 per cent in 2018*.

The employment level for those aged 50 to 64 years increased by 131,600 from 640,300 in 2008 to 771,900 in 2018. The employment rate increased from 65.2 per cent in 2008 to 69.7 per cent in 2018*. Women accounted for approximately two thirds (64.1 per cent) of the increase in employment for those aged 50-64.

The local authorities with the highest employment rate for those aged 50 years and over were: Shetland Islands (57.8 per cent), Orkney Islands (46.7 per cent) and Highland (45.8 per cent).

The most common reason for working past the age of 65 years was being ‘Not ready to stop working’ reported by 55.4 per cent.

*Statistically significant
3.4 Disabled People

In 2018, the employment rate for those classed as disabled under the Equality Act 2010 was 45.6 per cent which is significantly lower than the employment rate for non-disabled people (81.1 per cent)*. In 2018, the employment rate gap was 35.5 percentage points.

The gap between the employment rate for disabled and non-disabled people has decreased by 0.4 percentage points over the year. The employment rate for disabled people increased slightly from 45.3 per cent in 2017 to 45.6 per cent in 2018, while the employment rate for non-disabled people decreased slightly from 81.2 to 81.1 per cent over the same period.

The gap between in the employment rate for disabled and non-disabled people was lower for women (31.1 percentage points) than men (40.0 percentage points).

Chart 17: Employment rate (16-64) for disabled and non-disabled by gender, 2018

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

*Statistically significant
The employment rate gap between the employment rate for disabled and non-disabled people was lower for young people (25.0 percentage points) and increased with age with the gap being highest for those aged 50-64 years (39.1 percentage points).

There is regional variation in the employment rate for those who reported a disability. 22.5 per cent of all disabled people in employment work in Glasgow City (11.8 per cent) and Edinburgh (10.8 per cent).

*Statistically significant

Note: Employment rate labels displayed for 2018

2014 rate not available for Shetland Islands and Orkney Islands
3.5 Ethnicity

The employment rate for the minority ethnic population aged 16-64 was 55.4 per cent which is lower than the white population with an employment rate of 75.1 per cent giving a gap in employment rates between minority ethnic and white aged 16 to 64 years of 19.7 percentage points.

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

The minority ethnic employment gap was much higher for women than men in 2018; for women the minority ethnic employment gap was 26.8 percentage points and for men was 11.2 percentage points.

Chart 20: Employment rate (16-64) for minority ethnic and white population, 2004-2018, Scotland

The employment rate for the minority ethnic population was highest in Mid Scotland and Fife (70.0 per cent) and Lanarkshire (67.4 per cent).

The gap in the employment rate for the minority ethnic population was largest for the 25-34 year old population (40.9 percentage points), followed by 16-24 year olds (28.2 percentage points), 35-49 year olds (11.8 percentage points) and 50-64 year olds (2.9 percentage points).

Chart 21: Employment rate (16-64) for minority ethnic and white people by gender, 2018

![Chart showing employment rates by gender for minority ethnic and white populations.](image-url)
3.6 Scottish Index of Multiple Deprivation

The employment rate for the 20% most deprived areas in Scotland in 2018 was 62.5 per cent, the lowest employment rate across the SIMD quintiles.

Over time, the 20% most deprived areas of Scotland (Q1) have consistently had the lowest employment rates across Scotland.

Since 2008, the employment rate for the 20% most deprived areas of Scotland has increased from 59.6 per cent in 2008 to 62.5 per cent in 2018*. Over the same period, the employment rate for Q3 has increased from 75.6 per cent in 2008 to 77.8 per cent in 2018*. The employment rates for Q2, Q4 and Q5 (least deprived) have remained relatively constant between 2008 and 2018.

*Statistically significant

### Table 1: Employment Rates (16-64) by SIMD Quintile

<table>
<thead>
<tr>
<th>SIMD Quintile</th>
<th>2008</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 - Most Deprived</td>
<td>59.6</td>
<td>62.3</td>
<td>62.5</td>
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<td>Q2</td>
<td>72.1</td>
<td>72.6</td>
<td>72.2</td>
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<td>Q3</td>
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<td>77.8</td>
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<tr>
<td>Q4</td>
<td>78.9</td>
<td>79.1</td>
<td>78.3</td>
</tr>
<tr>
<td>Q5 - Least Deprived</td>
<td>79.6</td>
<td>79.0</td>
<td>79.2</td>
</tr>
</tbody>
</table>
There is regional variation across Scotland in the proportion of the population with low or no qualifications.

North Lanarkshire (18.1 per cent), West Dunbartonshire (16.7 per cent) and Glasgow City (16.6 per cent) had the highest proportion of people aged 16-64 years old with low or no qualifications, while East Dunbartonshire (5.9 per cent), East Renfrewshire (6.5 per cent) and Edinburgh (6.7 per cent) had the lowest proportion of people aged 16-64 years old with low or no qualifications.

Since 2008, the proportion of the population with low or no qualifications has decreased in all local authorities across Scotland. The largest decreases were seen in Clackmannanshire down by 10.8 percentage points to 12.9 per cent*; Dumfries and Galloway down by 8.2 percentage points to 10.9 per cent* and Renfrewshire down by 7.4 percentage points to 11.5 per cent*.

Since 2017, the proportion of the population with low or no qualifications has increased in 19 local authorities, decreased in 9 local authorities and remained the same for one local authority across Scotland (none of which were statistically significant changes).

*Statistically significant

Note: data not available for Na h-Eileanan Siar, Orkney Islands and Shetland Islands
4.2 Workforce skills

Scotland has a highly qualified workforce. 48.9 per cent of workers aged 16-64 years in Scotland have further or higher education (HE/FE) qualifications (SCQF level 7+). This compared with 38.2 per cent in 2008 and is higher than the 2018 UK rate of 44.3 per cent.

Compared with 2008, the number of workers who have SCQF level 7+ qualifications has increased by 31.5 per cent from 948,400 to 1,247,700 in 2018.

In 2018, the employment rate for those aged 16-64 years with further or higher education qualifications (SCQF level 7+) was higher than for those with low or no qualifications (82.3 per cent and 51.0 per cent, respectively).

Although the employment rate for those with SCQF level 7 and above has decreased from 85.0 per cent in 2008 to 82.3 per cent in 2018, the gap in the employment rate for those with higher or further education, compared with those with low or no qualifications has decreased from 37.2 percentage points in 2008 to 31.3 percentage points in 2018.

Chart 24: Percentage of workers (16-64) by level of qualification held 2004-2018, Scotland

Figure 7: Employment rate (16-64) by qualification level, 2018
4.3 Occupational Skills

Between 2004 and 2018, there has been a large increase in high skilled occupations (e.g. functional management in finance, marketing, public finance, etc.) and medium-high skill occupations (e.g. health associate professional or nurse), compared with a decline in low skill (e.g. bar staff, cleaning) and medium low skill occupations (e.g. sales assistant, retail cashier). However, employment in each of the occupational skills levels has remained relatively constant over the last year.

Employment in higher skilled occupations increased by 29.7 per cent between 2004 and 2018, increasing from 536,800 to 696,000. Medium-high skilled occupations increased by 10.5 per cent from 657,000 to 726,200. These two categories account for 54.1 per cent of all jobs in 2018. Medium-low skilled and Low skilled occupations decreased over the same period, by 2.4 per cent and 0.8 per cent respectively.

Chart 25: Cumulative increase in occupation skills level of employment (16+) since 2004, Scotland
4.4 Graduates

35.8 per cent (772,300) of workers in Scotland aged 25-64 years old in 2018 were graduates (SCQF level 9+), close to the highest on record (35.9 per cent in 2016).

The proportion of workers aged 25-64 years old who are graduates has increased from less than a quarter (24.8 per cent) in 2008 to 35.8 per cent in 2018* and has increased slightly over the year from 35.6 per cent in 2017.

However, there is large regional variation across the country.

Almost 60 per cent of workers in Edinburgh were graduates, compared with around 1 in 5 workers in North Lanarkshire.

*Statistically significant

Table 2: Percentage of workers (25-64 years) who are graduates by local authority, 2018

<table>
<thead>
<tr>
<th>Highest</th>
<th>%</th>
<th>Lowest</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edinburgh</td>
<td>59.9</td>
<td>North Lanarkshire</td>
<td>21.4</td>
</tr>
<tr>
<td>East Renfrewshire</td>
<td>51.2</td>
<td>Moray</td>
<td>22.8</td>
</tr>
<tr>
<td>East Dunbartonshire</td>
<td>48.9</td>
<td>Inverclyde</td>
<td>22.9</td>
</tr>
</tbody>
</table>

Note: data not available for Shetland Islands
4.5 Job Related Training

The percentage of employees who reported receiving job related training in the last 3 months has been decreasing over time. In 2004, around one third of workers (31.2 per cent) received job related training in the last 3 months, decreasing to 22.5 per cent in 2018*.

South Ayrshire (31.2 per cent), Na h-Eileanan Siar (30.5 per cent) and Inverclyde (29.4 per cent) had the highest proportion of employees aged 16-64 years old who reported receiving job related training, while Renfrewshire (17.5 per cent), West Dunbartonshire (18.0 per cent) and South Lanarkshire (18.5 per cent) had the lowest proportion of employees aged 16-64 years old who reported receiving job related training.

Since 2008, the proportion of employees aged 16-64 years old who reported receiving job related training has decreased from 27.8 per cent to 22.5 per cent in 2018*.

Across Scotland, the largest decreases were seen in East Dunbartonshire down by 15.2 percentage points to 19.5 per cent*; West Dunbartonshire down by 14.2 percentage points to 18.0 per cent* and Moray down by 13.3 percentage points to 18.8 per cent*.

Since 2017, the proportion of employees aged 16-64 years old who reported receiving job related training has decreased from 23.1 per cent to 22.5 per cent in 2018.

Across Scotland, the largest decreases were seen in West Dunbartonshire down by 11.0 percentage points to 18.0 per cent*; East Dunbartonshire down by 9.3 percentage points to 19.5 per cent* and Renfrewshire down by 9.2 percentage points to 17.5 per cent*.

*Statistically significant

Note: data not available for Shetland Islands
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.

Scotland’s unemployment level and rate increased over the past year.

The unemployment rate in Scotland in 2018 was 4.3 per cent, higher than the UK rate of 4.2 per cent.

Over the year, the rate has increased in Scotland (up 0.2 percentage points) and decreased in the UK (down 0.2 percentage points).

Scotland’s unemployment rate has decreased by 0.6 percentage points since 2008 while it decreased by 1.5 percentage points in the UK.

There were 117,200 people aged 16 and over who were unemployed in Scotland, an increase of 5,300 over the year. This was due to an increase in the number of women who were unemployed, up 5,900 over the year.
5.2 Local authorities

Model Based Unemployment (MBU) Rates have decreased in 28 of Scotland’s 32 local authorities since 2008

In 2018, the highest MBU rates were seen in Dundee City (6.5 per cent), Glasgow City (5.9 per cent), East Ayrshire (5.8 per cent), North Ayrshire (5.7 per cent) and Inverclyde (5.3 per cent). The lowest rates were seen in Orkney Islands (1.8 per cent), Shetland Islands (2.1 per cent), Na h-Eileanan Siar (2.6 per cent), Aberdeenshire (2.8 per cent) and Argyll and Bute (2.9 per cent).

Since 2008, MBU rates decreased in 28 of the 32 local authority areas while 3 saw an increase in their unemployment rates and one remained unchanged.

Statistically significant decreases between 2008 and 2018 were seen in West Dunbartonshire (down 2.2 percentage points from 6.8 per cent to 4.6 per cent), Na h-Eileanan Siar (down 1.7 percentage points from 4.3 per cent to 2.6 per cent), Dumfries and Galloway (down 1.6 percentage points from 4.6 per cent to 3.0 per cent), Argyll and Bute (down 1.4 percentage points from 4.3 per cent to 2.9 per cent) and Aberdeen City (up 1.5 percentage points from 3.6 per cent to 5.1 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...
5.3 Gender and age

The unemployment (16+) rate for women in Scotland increased by 0.4 percentage points from 3.5 per cent in 2017 to 3.9 per cent in 2018, while the unemployment rate for men was 4.6 per cent in 2018, decreasing slightly (0.1 percentage points) over the year.

Since 2008, the unemployment (16+) rate for women in Scotland decreased by 0.7 percentage points from 4.6 per cent to 3.9 per cent in 2018, while the unemployment rate for men also decreased from 5.1 per cent to 4.6 per cent (0.6 percentage point decrease) over the same period.

The youth unemployment rate in Scotland increased by 0.4 percentage points over the year to 9.6 per cent in 2018. The youth (16-24) unemployment rate in Scotland is the highest of all age groups at 9.6 per cent (lower than the UK rate of 11.6 per cent). The youth unemployment rate in Scotland increased by 0.4 percentage points over the year and decreased by 3.9 percentage points since 2008, while the UK rate has decreased by 3.4 percentage points since 2008 and by 0.5 percentage points over the year.

Unemployment rates continued to fall for the 35-49 age group (to 2.9 per cent in 2018) and increased over the year to 4.7 per cent for the 25-34 age group.

Chart 29: Unemployment Rate (16+) by Gender, Scotland

Chart 30: Unemployment Level (16+) by Age, Scotland
5.4 Duration

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

Of the 117,200 unemployed people in Scotland in 2018, 67,500 (58.2%) were unemployed for less than six months.

The proportion that have been unemployed for less than 6 months has decreased by 10.0 percentage points since 2008, indicating a shift to lengthier durations of unemployment.

The 16-24 age group are least likely to be unemployed for more than 12 months (18.3 per cent), while those aged 50+ are most likely to be unemployed for 12 months or more (36.1 per cent).
8.4 per cent of people aged 16-19 years were not in employment, education or training (NEET) in 2018, a decrease of 0.1 percentage points from 2017 and a decrease of 4.8 percentage points* from 13.2 per cent in 2010 (peak following the recession).

The percentage of 16-19 year olds who are not in employment, education or training has typically been higher for men than women. However, the rate for women has increased over the year by 3.0 percentage points to 10.4 per cent in 2018 to become higher than the rate for men.

The percentage of those who are not in employment, education or training is higher for those aged 18-19 (10.5 per cent) compared to those aged 16-17 (6.1 per cent).

Of the 19,000 people aged 16-19 in 2018 who were not in employment education or training, 7,000 were aged 16-17 and 12,000 were aged 18-19.

*Statistically significant
6.1 Inactivity over time

Scotland’s inactivity rate in 2018 was above the rate for the UK. The inactivity rate for those aged 16-64 in Scotland in 2018 was 22.6 per cent, higher than the UK rate of 21.7 per cent.

Over the year, the rate has remained the same in Scotland while inactivity in the UK decreased by 0.1 percentage points.

Scotland’s inactivity rate is now the same rate as in 2008 (while in the UK the inactivity rate is 1.8 percentage points lower.

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.

Inactivity rate is higher for women (16-64 years) at 26.7 per cent compared with 18.2 per cent for men. Overall women account for 60.6 per cent of economically inactive (aged 16-64 years.)
6.2 Gender and age

Since 2008 while the inactivity rate has decreased for women in Scotland, it has increased for men.

The inactivity (16-64) rate for women in Scotland increased by 0.2 percentage point from 26.5 per cent in 2017 to 26.7 per cent in 2018. Over the same period the inactivity rate for men decreased by 0.2 percentage points (18.4 per cent to 18.2 per cent).

Economic inactivity rates, since 2008, have increased for the younger age bands 16-24 years and decreased for those 50-64 years.

Economic inactivity rates for 25-34 year olds have remained around 15 per cent from 2004 to 2018 while the economic inactivity rates for 35-49 year olds also remained fairly constant, although was slightly higher in 2016 and 2017 than in 2018.
Since 2008, the largest increase in the inactivity rate was in those aged 16-24 years. This increase was slightly greater for men.

In contrast, inactivity rates for those aged 50-64 have generally been decreasing over time (33.2 per cent in 2008 to 28.1 per cent in 2018), highlighting that more people aged 50-64 are moving from being economically inactive to being in employment.

In 2018, around 40 per cent of all inactive were aged 50-64 years. Whereas 27.2 per cent were aged 16-24 years.

Since 2008, the largest increase in the inactivity rate was in those aged 16-24 years. This increase was slightly greater for men.

The inactivity rate for those aged 25-34 years had also increased slightly in this time period overall. The increase in inactivity in this age band was driven by males where the rate increased by 1.6 percentage, compared with a 0.1 percentage point decrease for women.

For women’s inactivity level and rate has decreased by the greatest amount for those 35-49 years and those 50-64 years.

Chart 39: Economic Inactivity Rate (16-64) by age and gender, Scotland 2018

Chart 40: Economic Inactivity Rate (16-64) by age and gender, percentage point change since 2008, Scotland
6.3 Reasons for Inactivity

Over 50 per cent of the 777,600 economically inactive people in Scotland were inactive because they were long-term sick or students.

Of the 777,600 economically inactive people (aged 16-64) in 2018, the main reasons for being inactive were long-term sick or disabled (210,600, 27.1 per cent) and student (208,100, 26.8 per cent).

Around one quarter (24.3 per cent) of all inactive aged 16-64 years are in full time education, the majority of whom are aged 16-24 years old.

Increase in economic inactivity levels since 2008 was driven by increases in the number of students.

Economic inactivity levels (16-64 years) in Scotland have increased by 13,300 since 2008. This has been driven mainly by a 52,800 increase in the number of students who were inactive as well as those who gave ‘Other’ as the reason for being inactive (up 25,600).

Whereas since 2008 decreases have been in those looking after family or home, decreasing by 25,600, long-term sick or disabled decreasing by 20,700 and retired decreasing by 18,500.

* other includes discouraged worker
Reasons for inactivity differ by gender with looking after family/home accounting for 6.7 per cent of inactive men and 25.5 per cent of inactive women.

Long-term sick and temporary sick accounted for 36.1 per cent of inactive men and 24.6 per cent of inactive women.
6.4 Local authorities

Economic Inactivity rates were highest in Glasgow, Dundee and South Ayrshire.

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

In 2018, the highest economic inactivity rates were seen in Glasgow City (31.4 per cent), Dundee City (28.3 per cent) and South Ayrshire (27.6 per cent).

The lowest rates were seen in Aberdeenshire (16.3 per cent), Highland (16.7 per cent) and East Lothian (17.3 per cent).

Since 2017, economic inactivity rates decreased in 14 of the 32 local authority areas while 16 saw an increase in their inactivity rates (there is no data for Orkney and Shetland Islands).

A statistically significant increase between 2017 and 2018 was seen in South Ayrshire (up 4.7 percentage points from 22.9 per cent to 27.6 per cent) and Dumfries and Galloway (up 4.9 percentage points from 21.4 per cent to 26.3 per cent).

Since 2008, economic inactivity rates increased in 17 of the 32 local authority areas while 13 saw a decrease in their inactivity rates.

A statistically significant increase between 2008 and 2018 was seen in Moray (up 5.6 percentage points from 17.3 per cent to 22.9 per cent), Stirling (up 4.6 percentage points from 21.6 per cent to 26.2 per cent), Scottish Borders (up 4.5 percentage points from 18.6 per cent to 23.1 per cent). There was a statistically significant decrease in East Lothian (down 4.6 percentage points from 22.0 per cent to 17.3 per cent).

It should be noted that economic inactivity rates in university cities are likely to be higher due to higher levels of economically inactive students.
6.5 Want to work

20.9 per cent (162,700) of economically inactive people aged 16-64 in Scotland would like to work but were currently unable to do so, the lowest percentage in the series.

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 2008, the proportion of those who were economically inactive who would like a job decreased by 3.7 percentage points from 24.7 per cent in 2008 to 20.9 per cent in 2018.

The percentage of economically inactive who would like to work decreased for both males and females. Although is lower for females at 19.9 per cent compared with 22.5 per cent for males.

Regional Differences

In 2018, the local authorities with the highest proportion of economically inactive people who would like to work were Na h-Eileanan Siar (44.6 per cent), West Lothian (31.9 per cent) and West Dunbartonshire (29.8 per cent).

The lowest proportions were seen in East Renfrewshire (15.4 per cent), East Dunbartonshire (15.6 per cent) and Aberdeen City (16.5 per cent).
6.6 Never Worked

160,200 people in Scotland in 2018 have never worked (excluding 16-24 year old students in full-time education).

In 2018, 320,300 people in Scotland aged 16 and over have never worked, an increase of 16,700 over the year. Half of the people in Scotland who have never worked were 16-24 year olds in full-time education.

Excluding 16-24 year olds in full-time education, there were 160,200 people in Scotland who have never worked; an increase of 7,000 over the year.

Since 2008, the number of people who have never worked including and excluding 16-24 year old students in full-time education has increased by 85,700 and 52,700, respectively.

Regional Differences

Since 2008, reductions in the number of people who have never worked were seen across 3 local authority areas with 24 seeing increases and one remaining unchanged. No information is available for Clackmannanshire, Na h-Eileanan Siar, Orkney Islands or Shetland Islands.

The largest increases in the number of people who have never worked since 2008 were seen in Glasgow City (up 17,700), Fife (up 10,800) and Aberdeen City (up 8,900).

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.

**Gender:** Gender is self-reported by respondents participating in the Annual Population Survey. No documentation is asked for by the interviewer or provided by the respondent. Hence, analysis is based on ‘gender’ rather than ‘sex’.

**Disability:** From 2014 the definition of disability is based on the 2010 Equality Act definition. This harmonised definition is based on self-reported health conditions which have lasted 12 months or more which limit ability to carry out day-to-day activities a little or a lot. The 2010 Equality Act superseded the Disability Discrimination Act (DDA) 1995, for GB but not for NI, which is the basis of the published APS estimates prior to 2013.

**Ethnicity:** ‘Minority ethnic’ includes all categories outside of the white population. ‘White’ includes ‘White-Polish’ and ‘White Gypsy’ who also suffer disadvantage.

**Scottish Index of Multiple Deprivation:** SIMD has been used throughout the series as shown below:


Further details on the SG SIMD are available at: [https://www2.gov.scot/Topics/Statistics/SIMD](https://www2.gov.scot/Topics/Statistics/SIMD)

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Correspondence and enquiries

For enquiries about this publication please contact:
Labour Market Statistics,
Office of the Chief Economic Advisor,
Telephone: 0131 244 6773,
e-mail: lmstats@gov.scot

For general enquiries about Scottish Government statistics please contact:
Office of the Chief Statistician, Telephone: 0131 244 0442,
e-mail: statistics.enquiries@gov.scot

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