

Employment in Scotland

The Scottish Government is right to prioritise action to nurture Scotland's economy and protect recovery, Finance Secretary John Swinney said in response to employment figures published today.

New statistics show that claimant count levels in Scotland fell by 600 over the month to June – the fifth consecutive monthly fall in those claiming jobseekers allowance in Scotland. The claimant count rate for Scotland is 4.8 per cent. During the three months to May 2010, Scotland's unemployment rate was 8.1 per cent.

The Finance Secretary said that the figures demonstrated both the legacy of the previous UK Government's handling of the public finances and the dangers of the new coalition's cuts which are "too deep, too quick."

Ahead of a visit to Scottish and Southern Energy's new £5 million training centre in Perth, Mr Swinney said:

"Scotland is continuing to see fragile signs of recovery. Today's figures highlight a fifth consecutive monthly fall in the number of people claiming jobseekers allowance, and our unemployment rate remains below many other parts of the UK such as London, Wales, the North East of England, North West, and Yorkshire and the Humber.

"Both the Purchasing Managers Index survey for June and Scottish Engineering review for the second quarter of the year showed rises in the number of firms reporting increases in employment. And the Lloyds TSB Business Monitor Report highlighted a rise in the number of businesses that reported an increase in exports during the second quarter.

"But today's figures again demonstrate that recovery is in its early stages – which is why the UK Government is wrong to risk jobs and recovery through spending cuts that are too quick and too deep, and come on top of those already imposed on Scotland

by the previous Westminster administration.

"These figures show the Scottish Government was right to defer further Westminster cuts to next year in order to support recovery and maintain employment now. The statistics also demonstrate the importance of the comprehensive action we are taking to support recovery, prioritise frontline services and creating and protecting jobs through the implementation of our Economic Recovery Plan, which is directly supporting up to 15,000 jobs.

"Today I am in Perth to support Scottish and Southern Energy's £5 million investment in skills development and training – which reflects the Scottish Government's own priority in supporting jobs and skills, particularly in the energy sector, where there is massive potential for sustainable economic growth.

"The challenges of cuts imposed by Westminster underline the case for financial responsibility for Scotland, so that we can make our own decisions and use our own powers over taxation, spending and other key economic levers in order to grow the Scottish economy and support jobs."

The International Labour Organisation (ILO) measure of unemployment is a survey based estimate of the number of people out of work who are actively seeking a job and are available to start work. It provides the most comprehensive measure for changes in the overall Scottish labour market and is reported on a rolling three-month basis, with the latest data available for the period March-May 2010.

The Scottish ILO unemployment rate of 8.1 per cent for the three month period March-May 2010 was the sixth lowest of the 12 UK nations and regions. The following UK regions and nations had a higher unemployment rate than Scotland: North East (9.4 per cent); North West (8.3 per cent); Yorkshire and the Humber (9.1 per cent); West Midlands (8.6 per cent); London (9.3 per cent) and Wales (9.1 per cent).

Claimant count data is based on Jobseeker's Allowance records

and is reported on a monthly basis, with the latest data available for June. While more timely and disaggregated than the ILO measure, it is less comprehensive as it excludes those in the labour force who are not entitled to claim benefit and those who choose not to claim benefit.

The claimant count rate of 4.8 per cent in Scotland for June 2010 was the sixth lowest of the 12 UK nations and regions. The following UK regions and nations had a higher claimant count rate than Scotland: North East (6.6 per cent); North West (5.1 per cent); Yorkshire and the Humber (5.4 per cent); West Midlands (5.8 per cent); Wales (5.0 per cent) and Northern Ireland (6.3 per cent).

Analysis by the International Monetary Fund shows that among the G7, the UK is providing the lowest level of discretionary fiscal stimulus in 2010 – equivalent to 0.2 per cent of GDP in 2010. Across the advanced G20 countries, the discretionary fiscal stimulus packages represent, on average, 2.0 per cent of GDP in 2010.

A comparison of fiscal stimulus packages was produced by the International Monetary Fund (IMF) in the May 2010 Fiscal Monitor publication.