

**THE CONTRIBUTION OF EEA
CITIZENS TO SCOTLAND:
THE SCOTTISH GOVERNMENT'S
RESPONSE TO THE MIGRATION
ADVISORY COMMITTEE CALL
FOR EVIDENCE ON THE ROLE
OF EEA WORKERS IN THE UK
LABOUR MARKET**

EVIDENCE ANNEX

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Introduction

This paper (evidence annex) has been prepared by Scottish Government analysts to set out the main elements of the most robust data we have on migration and migrants in Scotland. The paper supports the Scottish Government's response to the call for evidence by the UK Migration Advisory Committee on the economic and social impacts of the UK's exit from the European Union, and on how the UK's immigration system should be aligned with a modern industrial strategy.

The introductory section sets the context for the evidence base on migration into Scotland, followed by a glossary of the data sources, terms and definitions used throughout the evidence annex. The three chapters then respond to the themes identified in the MAC call for evidence.

- **Chapter One: Migration Trends** (trends in Scotland's population compared to the UK; migration trends; age of migrants; regional variations in components of population change; migration flows; overview of migration trends; regional variations in the number of non-UK and EU nationals across the UK; projected changes in Scotland's population; impact of lower migration on Scotland's population growth).
- **Chapter Two: EU Workers in Scotland's Key Sectors** (economic activity; skills and occupations).
- **Chapter Three: Economic, Social and Fiscal Impacts** (migration and economic growth; migrant characteristics; migrants' impact on public services; integration and culture).

State of the evidence landscape

Evidence on the impact of migration into Scotland and the lived experience of Scotland's migrants has been strengthened in recent years, with particular emphasis on Scotland's labour market and on key populations. Systematic data and analysis on migrants' use of and requirements for public services in Scotland are still limited, although individual studies are addressing key evidence gaps, building on better understanding of the social characteristics of migrants (such as age and family structure). We anticipate that work will be required to enhance the precision of data, using key classifications (for example between 'citizens' and 'nationals'), in order to allow Governments and delivery agencies to assess current entitlements and contributions, anticipate impacts and plan policy adjustments. Improvements in data will enhance the evidence base, and support further evaluation and learning. We welcome investment by funding bodies such as the Economic Social Research Council into research and analysis on migration, and seek to collaborate with such endeavours to enhance our Scottish evidence base.

Macroeconomic modelling has been undertaken to investigate the contribution of EU migrants, in particular, to the Scottish economy, and it will be necessary to continue with such analysis in the future. However, much of the information on population and the labour market is based on survey sources and, as such, is subject to the limitations associated with survey data (see below).

There is a clear requirement to continue to invest in evidence to understand the potential impacts of any changes related to migration experiences, practices or outcomes, particularly in relation to Scotland's specific circumstances.

Sources and Definitions

Key sources

Annual Population Survey/Labour Force Survey

The Annual Population Survey (APS) is the largest survey of private households in the UK. It is carried out by the Office for National Statistics (ONS) on behalf of the Scottish Government (SG). APS provides boosted Labour Force Survey (LFS) data with the core purpose of providing information on the labour market. Migrant workers can be classified by both country of birth and nationality. The APS data on migrants included in this annex relates to the 2016 calendar year (Jan-Dec, released August 2017). The APS is updated on a rolling annual basis and can be used to measure the stock (resident population) of international migrants living in Scotland.

The APS has some margin of error and certain limitations, as it is a survey of private households and therefore excludes multi-occupancy accommodation where many migrants live while saving or sending money to their country of origin.

Census

The Census provides official estimates covering every person and household in Scotland, and is updated every 10 years. The most recent Census data relate to 2011, and provide information on the stock (resident population) of migrants at the time data were collected.

The Census provides detailed statistics on the characteristics of Scotland's population across a range of topic areas, including information on labour market participation, country of birth (to classify migrant workers) and year of arrival in the UK. The Census 2011 did not ask a question about nationality, therefore it is not possible to ascertain whether or not non-UK born migrants are British citizens.

International Passenger Survey

The International Passenger Survey (IPS) is a continuous survey carried out by the Office for National Statistics (ONS). It covers all major air, sea and tunnel ports, providing detailed information on the numbers and types of visits made by people travelling to and from the UK. The IPS measures the flow (movement) of international migrants into and out of the UK/Scotland.

Mid-Year Population Estimates

The mid-year population estimates (MYE) provide the latest annual estimates of the usually resident population, including the main components of population change - natural change (births minus deaths) and net migration (the difference between long-term moves into and out of the UK or local areas).

National Population Projections

The National Population Projections (NPP) provide an indication of the future size and age structure of the population based on mid-year population estimates and a set of assumptions of future fertility, mortality and migration. The national projections are available at Scotland level, UK level and for the other constituent countries. The NPP data included in this annex uses the latest 2016-based national projections.

Sub-National Population Projections

The sub-national population projections (SNPP) are available for areas within Scotland (council areas, health boards) and give an indication of future trends in population by age and sex based on a set of assumptions of future fertility, mortality and migration. The SNPP data included in this annex uses the latest 2014-based sub-national projections.

Key definitions

Nationality. A 'migrant' may be defined as 'foreign national' using data from the LFS and the APS. 'Foreign national' is also the definition of migrant used in data obtained from National Insurance Number (NINo) applications. Nationality may change and, if self-reported, may be interpreted as describing an elective affinity dependent on social and cultural factors rather than legal status¹.

Citizenship. This is defined as the nationality of the passport which the migrant is carrying.

Country of birth. This refers to the country that a person was born in and cannot change. However, many people have a different nationality or citizenship to their country of birth. Many migrants born outside the UK are British citizens, and thus would not count as migrants if defined by nationality².

This evidence annex presents information by migrant nationality where this is available, because nationality is most likely to be the basis on which future changes to movement rights will apply. Data relating to country of birth are used when reporting findings from the 2011 Census.

Migrant population: nationality and country of birth. Analysis of APS data by Scottish Government compared the number of EU-born with the number of EU nationals (from published population counts by country of birth and nationality) to examine the differences associated with the different definition.

In 2016, the differences were small; the number of EU country of birth migrants residing in Scotland being around 4.1% higher than the number of EU nationals residing in Scotland. In 2016, there were 209,000 EU Nationals in Scotland compared with 218,000 migrants with EU country of birth.

¹ Anderson, B. and Blinder, S. (2017) *Who counts as a migrant? Definitions and their consequences*, Migration Observatory, Briefing, 17/01/17: http://www.migrationobservatory.ox.ac.uk/wp-content/uploads/2016/04/Briefing-Who_Counts_Migrant.pdf

² Ibid.

However, for the UK as a whole, the number of EU nationals exceeds EU country of birth. The number with EU country of birth residing in the UK is 1.8% lower than the number of EU nationals residing in the UK.

Nations

Throughout this document, countries and groups of countries are referenced depending on the context and source of data.

European Union (EU). All countries of the EU (other than the UK) at the time data were collected.

Non-UK EU. In relation to Scotland, this refers to migrants from outside the rest of the UK, including the Republic of Ireland.

Non-British. Non-British nationality.

EU14. The countries of the EU, other than the UK, as constituted between 1 January 1995 and 1 May 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherland, Portugal, Republic of Ireland, Spain, Sweden).

EU8. The eight Central and Eastern European countries that acceded to the EU on 1 May 2004 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia).

EU2. The two countries that acceded to the EU on 1 January 2007 (Bulgaria and Romania).

EU Other. Cyprus and Malta (acceded to the EU on 1 May 2004) and Croatia (from 1 July 2013 when Croatia joined the EU).

EU-ROI/Republic of Ireland/Irish Republic. ROI citizens are included with non-UK EU citizens in our evidence, but separate additional analysis for ROI citizens is provided where possible.

Non-EU. The countries not in the UK or in the EU as defined above.

EEA. The 27 EU Member States (excluding the UK) and Iceland, Liechtenstein and Norway³.

Non-EEA. The countries not in the UK or in the EEA as defined above.

United Kingdom (UK). England, Scotland, Wales and Northern Ireland.

Britain. England, Scotland and Wales.

³ Switzerland is not included in the EEA (although it does belong to the single market).

UK-born. Includes Guernsey, Jersey, Isle of Man and Channel Islands (not otherwise specified).

British-born. Includes the above and, additionally, Anguilla, Bermuda, British Indian Ocean Territory, British Virgin Islands, Falkland Islands, Gibraltar, Montserrat, Pitcairn, Henderson, Ducie and Oeno Islands, South Georgia and the South Sandwich Islands, St Helena and the Turks and Caicos Islands.

Chapter 1 – Migration Trends

Key insights

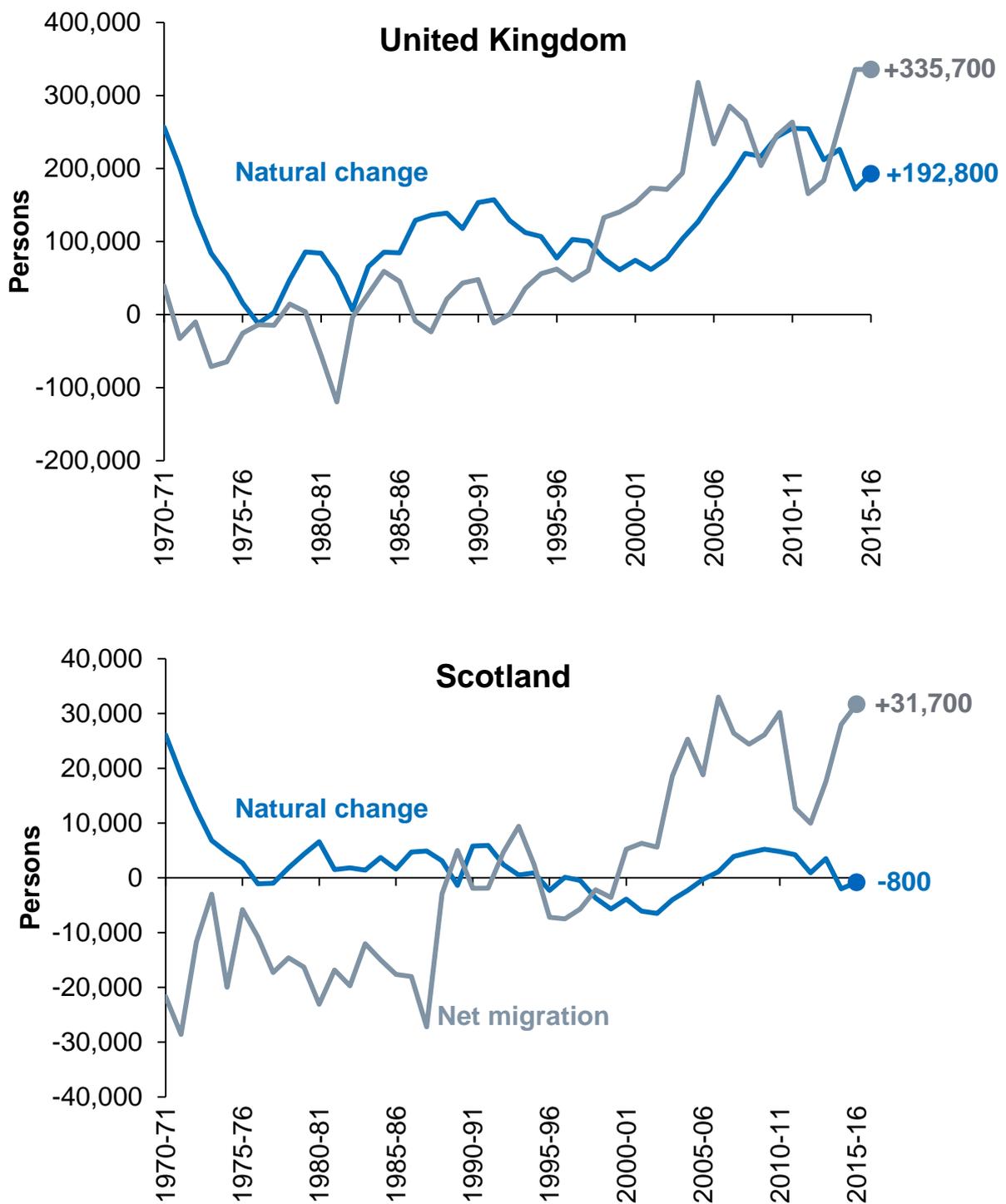
- Scotland's projected population growth over the next 25 years is among the lowest across comparator European and UK countries.
- Since 2001, Scotland has been in a period of net in-migration driven by the growth in EU citizens coming to live and work in Scotland.
- All of Scotland's population growth over the next 10 years is projected to come from migration (58% of net in-migration is projected to come from overseas, with 42% from the rest of the UK) over the period 2016 to 2026, according to 2016-based national population projections.
- Scotland is projected to have the second largest decrease in its working age population (16-64 years) of all government office regions over the 10 years between 2014 and 2024 (according to 2014-based sub-national projections)
- Over a third of Scotland's local authorities face depopulation over the 25 years to 2039 (according to 2014-based sub-national projections).
- Scotland's population is ageing and the number of pensioners are projected to increase further by 25% over the next 25 years (according to 2016-based national population projections). The potential growing pressures on the economy can be offset by the young age cohorts of the EU migrant population.
- Lower levels of migration from the EU will result in slower population growth and will have a negative impact on the population sustainability of Scotland, and on the working age population in particular.

1.1 Trends in Scotland's population compared to the UK

Key insight: Scotland's population increasing mostly due to migration.

Scotland's population is at a record high of just over 5.4 million and has been growing in recent years mostly due to positive net migration. Natural change has not contributed significantly to the increase in Scotland's population, with deaths outweighing births over the past two years. This is in contrast to the UK as a whole where population increase is due to a combination of net in-migration and positive natural change (more births than deaths). Historically, Scotland has been a country of net out-migration. However, as can be seen in Figure 1.1, this has changed since 2000, with Scotland's recent population increase being driven by net in-migration.

Figure 1.1: Natural change and net migration, Scotland and UK, 1970-71 to 2015-16



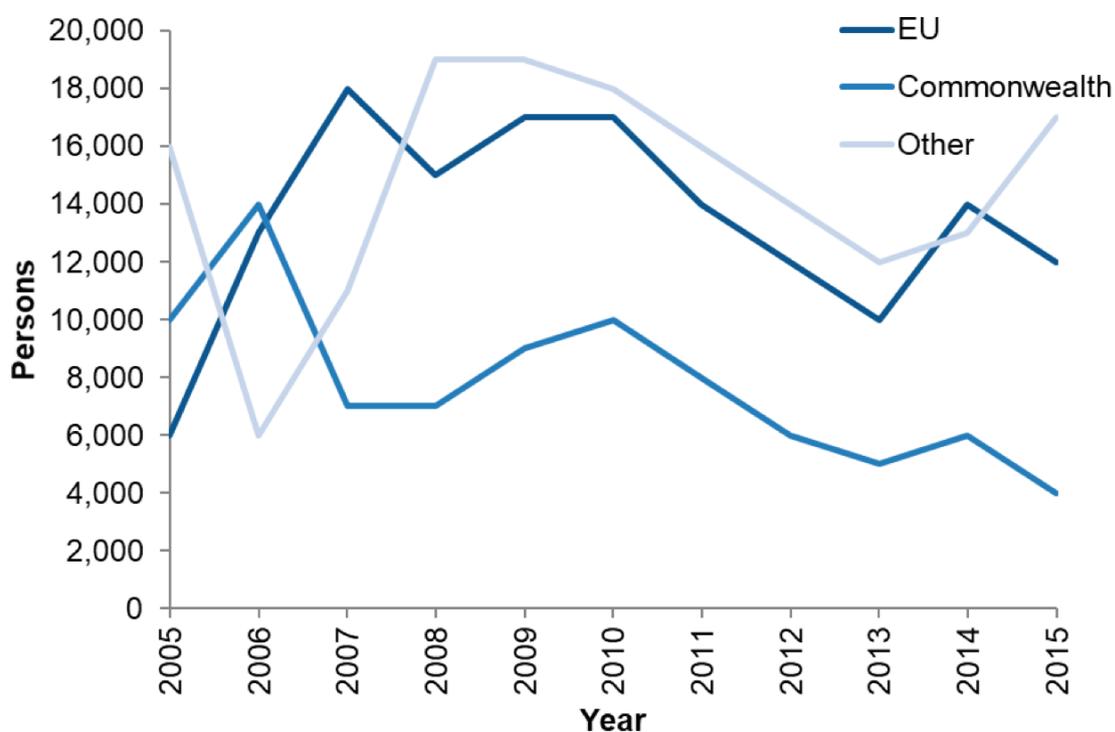
Source: Mid-Year Population Estimates, National Records of Scotland, Office for National Statistics

1.2 Migration trends

Key insight: Of international migrants moving to Scotland, EU citizens make up a significant proportion of all in-migrants.

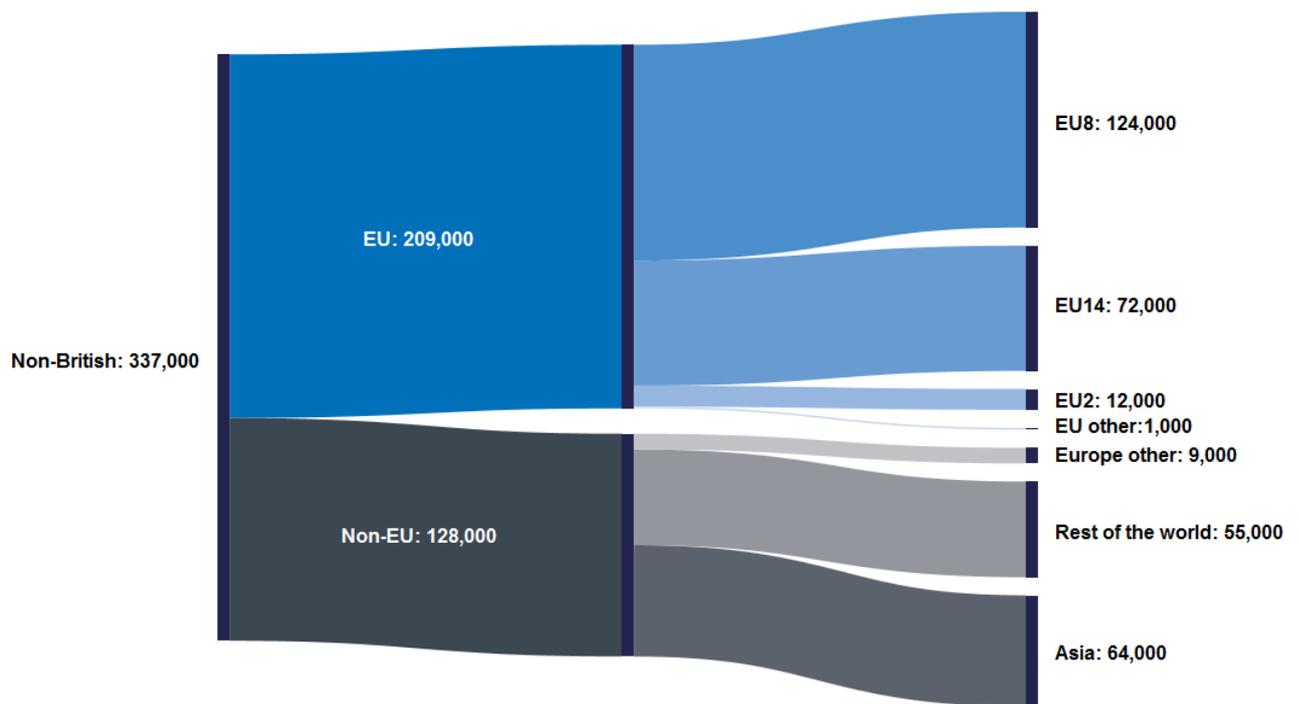
In 2015, 36% of in-migrants to Scotland were EU citizens, 12% Commonwealth citizens and 52% were citizens of other countries. The inward flow of EU citizens has generally fallen since the peak of 2007, but continues to make up around 40% of all inward migration each year. These estimates are based on the International Passenger Survey and measure the flow (or movement) of international migrants.

Figure 1.2: In-migrants to Scotland by citizenship, 2005-2015



Source: International Passenger Survey, Office for National Statistics

Figure 1.3: Population by non-UK nationality, Scotland, 2016



Source: Annual Population Survey, Office for National Statistics

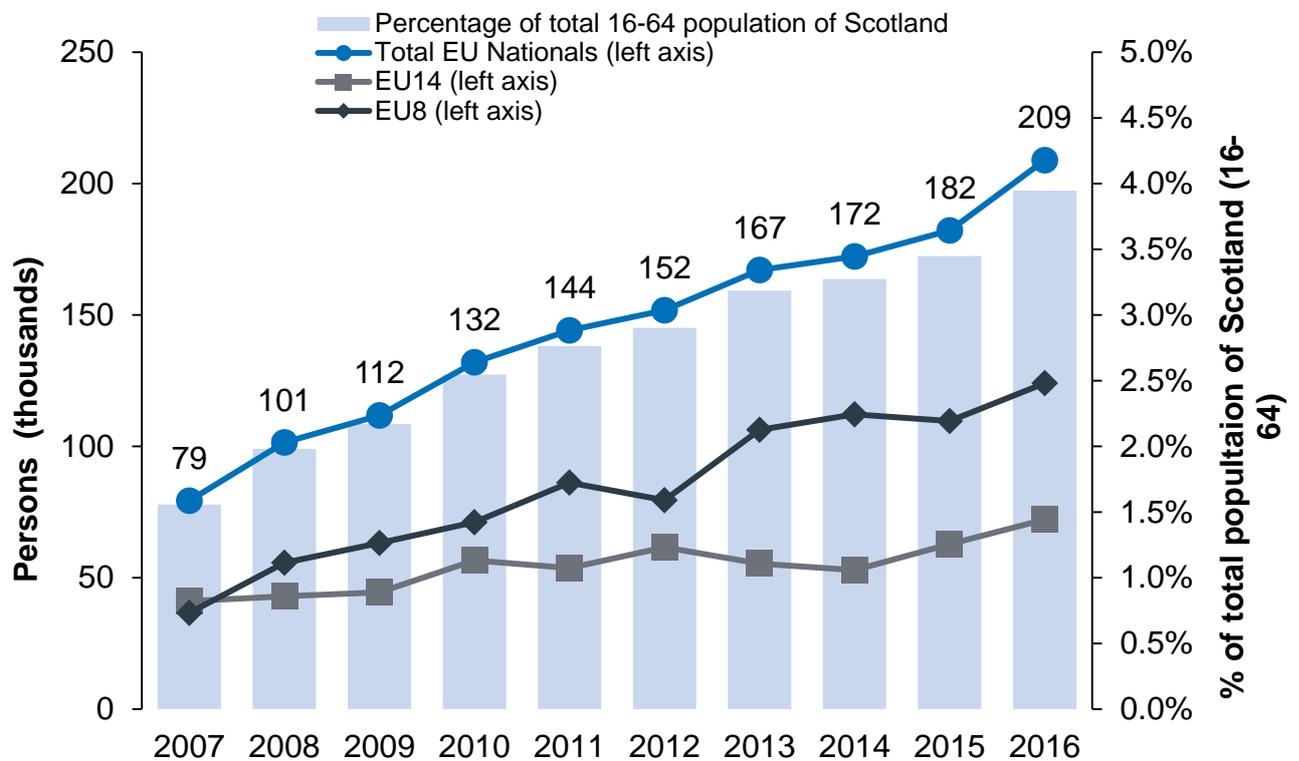
Notes:

1. Nationality refers to that stated by the respondent during the interview. Where a respondent has dual nationality the first one is recorded.
2. Republic of Ireland nationals are included in the EU14 category.

APS analysis indicates that the number of EU nationals aged 16-64 years, residing in Scotland, increased by 57.6% from 105,000 in 2010 to 166,000 in 2016. The number of UK nationals aged 16-64 years decreased by 2.1% from 3,210,000 in 2010 to 3,142,000 in 2016.

In the period between 2010 and 2016, the number of EU14 nationals resident in Scotland increased from 57,000 to 72,000 in 2016. The number of EU8 nationals increased (by 74.4%) from 71,000 in 2010 to 124,000 in 2016 (see Figure 1.4).

Figure 1.4: Number and percentage of EU nationals living in Scotland by nationality group, 2007 to 2016



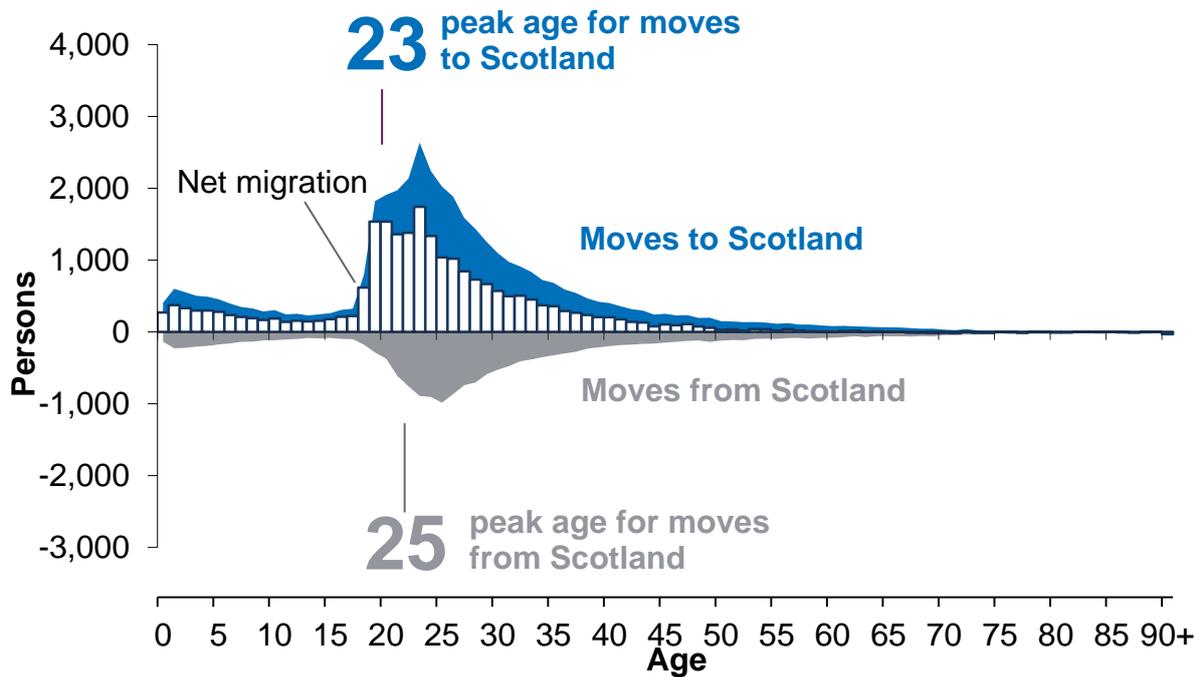
Source: Annual Population Survey, Office for National Statistics

1.3 Age of migrants

Key insight: The majority of migrants moving to Scotland are of prime working age.

Of the people moving to Scotland from overseas in the year to mid-2016, 84% were of working age (16-64 years). The peak age for migration into Scotland from overseas was 23, as illustrated in Figure 1.5. There were also high numbers of in-migrants (500 or more) for each age from 18 to 30, indicating that many migrants move for work or study reasons.

Figure 1.5: Migration to Scotland from overseas by single year of age, 2015-16

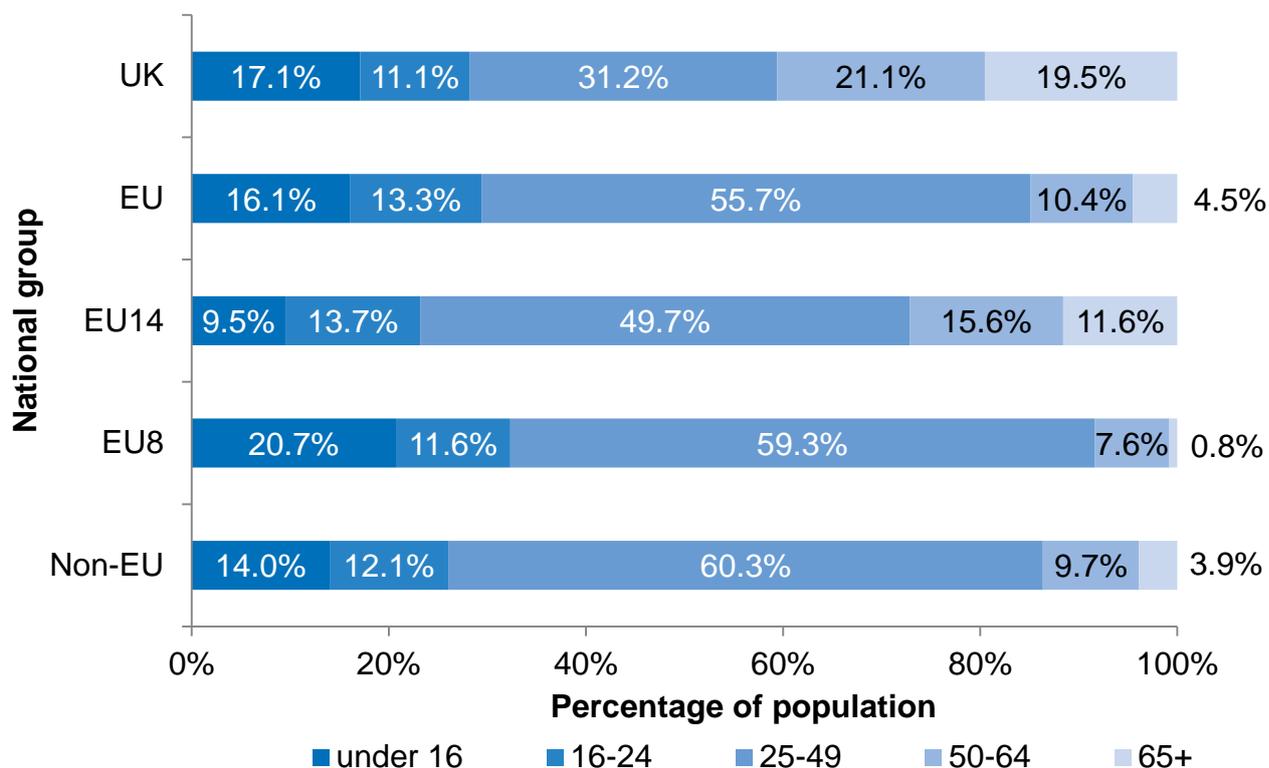


Source: Mid-Year Population Estimates, National Records of Scotland

EU nationals currently residing in Scotland have a younger age profile than non-EU nationals and the Scottish population as a whole. A larger proportion of EU nationals residing in Scotland were under 35 years of age (61.1%), compared with 54.3% of non-EU nationals and 41.5% for Scotland as a whole.

Over half (55.7%) of EU nationals were in the 25-49 age group and, therefore, of prime working age. There were 166,000 EU nationals aged 16-64 living in Scotland, 97,000 from the EU8 countries, those which acceded to the EU in 2004 (see Figure 1.6).

Figure 1.6: Proportion of EU nationals living in Scotland by age and nationality group⁴, 2016



Source: Annual Population Survey, Office for National Statistics

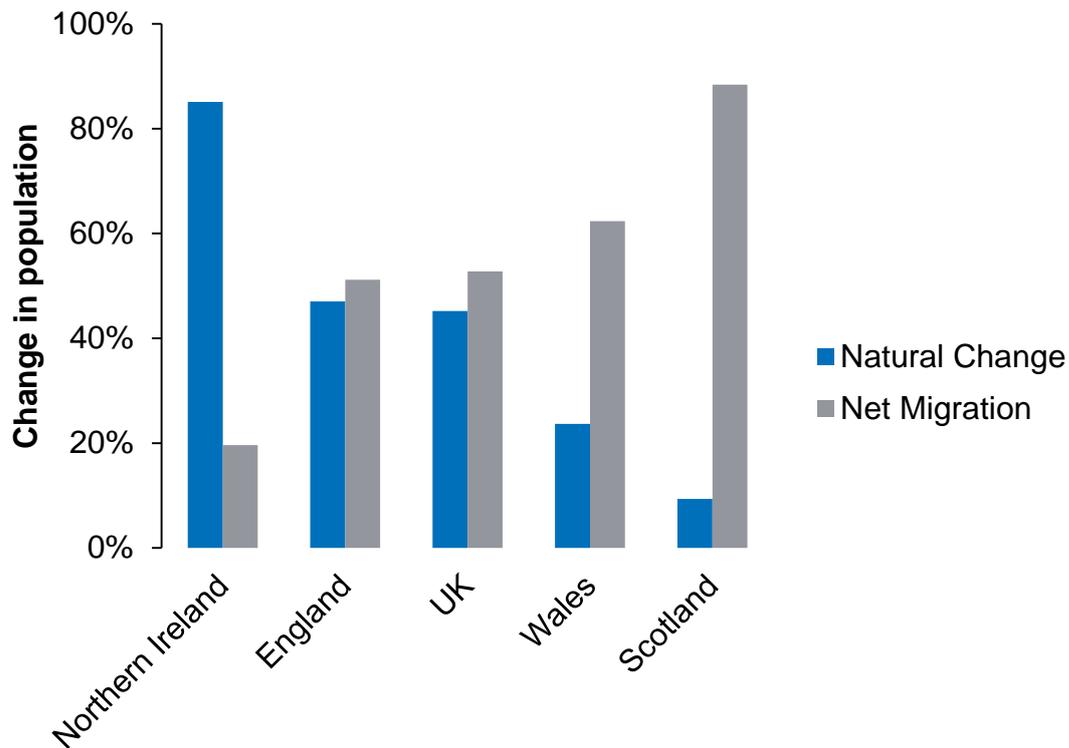
1.4 Regional variations in components of population change

Key insight: Since the year to mid-2007, Scotland has relied on positive net migration for population growth more than any other constituent country of the UK.

Over that period, 88% of population growth in Scotland came from migration, with only 9% coming from natural change (more births than deaths). In contrast, for the UK as a whole, 53% of population growth came from net migration, with 45% from natural change. Northern Ireland relied on migration for population growth the least, with only 19% of growth being attributed to net inward migration (see Figure 1.7).

⁴ Country Groups are defined as follows: EU14, EU8, EU2, European Union Other. For more detail about the countries in each group, see Introduction. All estimates are based on reported Nationality in each year.

Figure 1.7: Components of population growth for the UK and constituent countries between mid-2006 and mid-2016



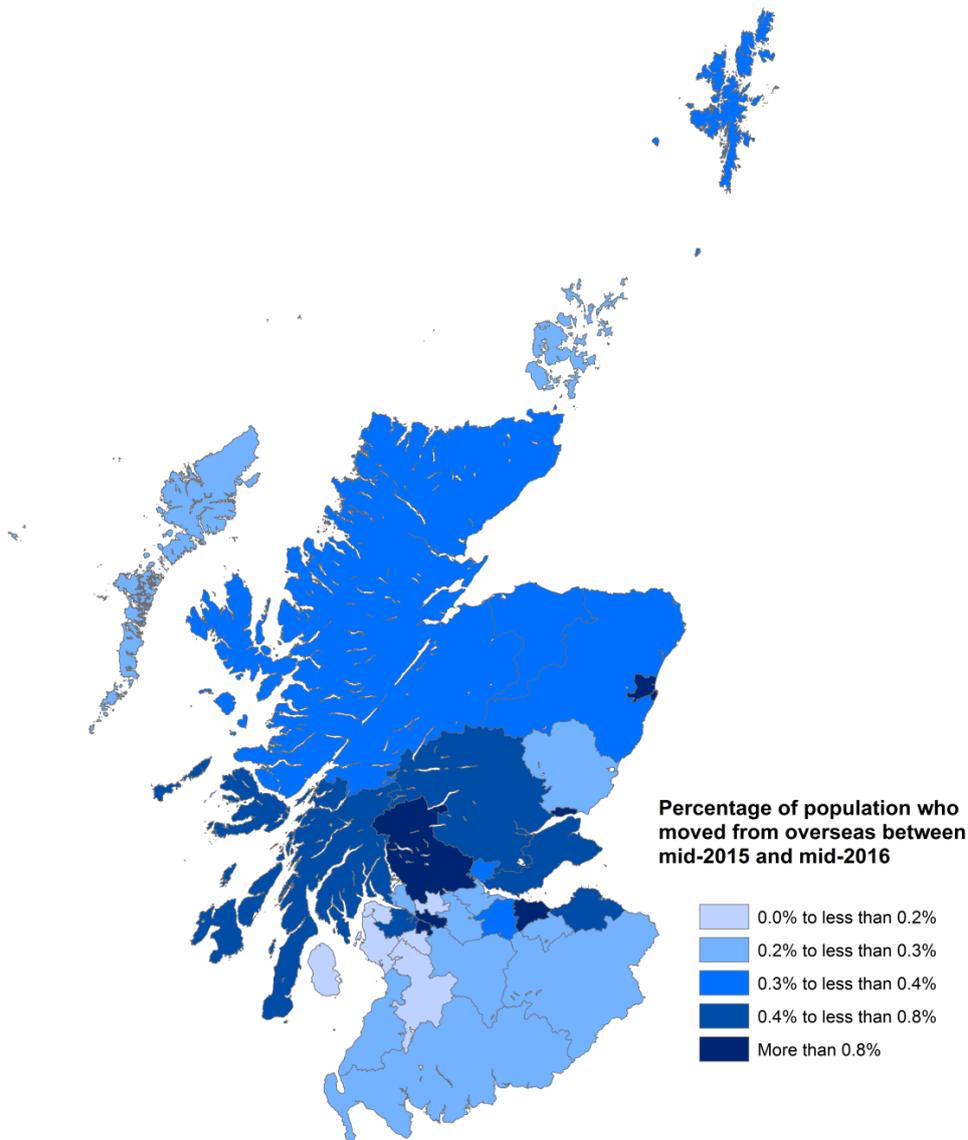
Source: Mid-Year Population Estimates, National Records of Scotland, Office for National Statistics

1.5 Migration flows across Scotland

Key Insight: All areas of Scotland benefit from migration.

Net inward migration to Scotland has meant that both urban and rural areas have benefitted from an inflow of working age migrants in recent years. As of mid-2016, 2.1% of the City of Edinburgh’s population came from overseas between mid-2015 and mid-2016. This was the highest proportion in any council area in Scotland. Glasgow City and Aberdeen City council areas follow, with 1.9% and 1.8% respectively. Analysis of 2011 Census data indicates that migrants who have lived in Scotland for longer than ten years are approximately twice as likely to live in rural areas as are recent arrivals.

Figure 1.8: Inward migration as a percentage of population by council area, Scotland, mid-2015 and mid-2016



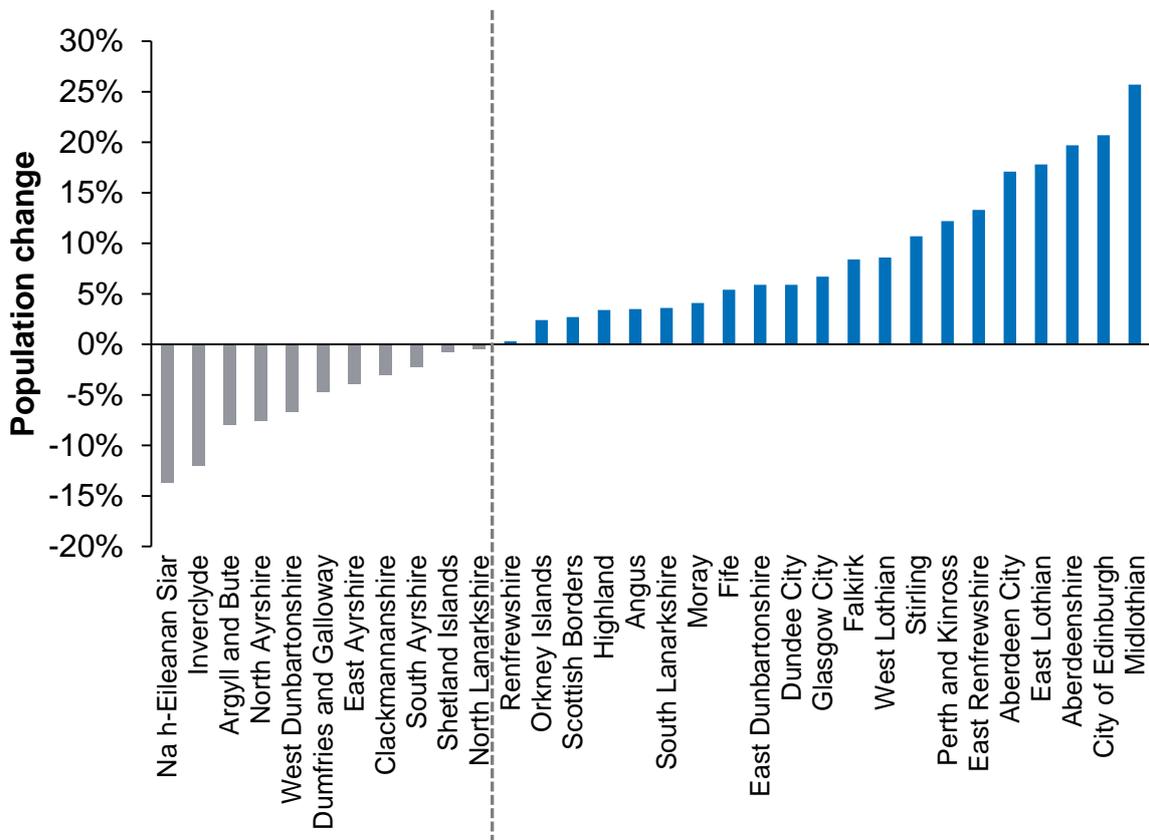
Source: Mid-Year Population Estimates, National Records of Scotland

Key insight: While Scotland's population is growing, this growth is uneven across our communities. Over a third (11 in total) of Scotland's local authorities will face depopulation before 2039.

This compares with only 3% (10 in total) of local authority districts in England. Continued inward migration can help support population growth and ensure the viability of Scotland's local communities. Local authorities facing depopulation are some of the most rural areas of Scotland, such as Na h-Eileanan Siar, Argyll and Bute and the Shetland Islands (see Figure 1.9).

	Scotland		England	
	number (%)		number (%)	local authority districts
	local authorities		authority districts	
Areas with projected population increase	21	(66%)	316	(97%)
Areas with projected population decrease	11	(34%)	10	(3%)
Total	32	(100%)	326	(100%)

Figure 1.9: Projected change in population, Scottish council areas, 2014-2039



Source: Subnational Population Projections (2014-based), National Records of Scotland

Key insight: Scotland’s geography illustrates how population density reflects the fragility of remote and rural communities.

For topographical and historical reasons, most of the population are contained within the lower-lying ‘central belt’, stretching from Ayrshire to Dundee (see Figure 1.8).

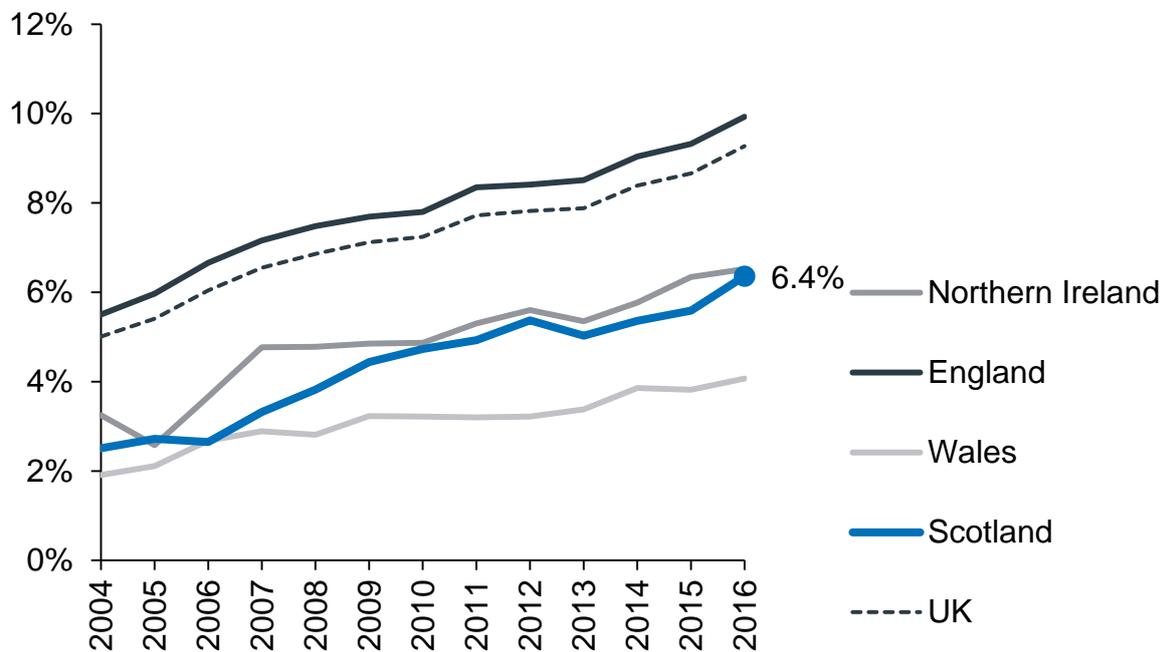
Remote and rural communities experiencing or at risk of depopulation need to attract and retain all their residents (including migrants) in order to maintain livelihoods and economies; migrants from outwith Scotland are therefore essential to addressing depopulation

1.6 Regional variations in the number of non-UK and EU nationals across the UK

Key insight: Scotland's non-UK national population make up a smaller proportion of the population than the UK average (see Figure 1.10) but Scotland has a higher than average proportion of the non-British population who are EU nationals (see Figure 1.11).

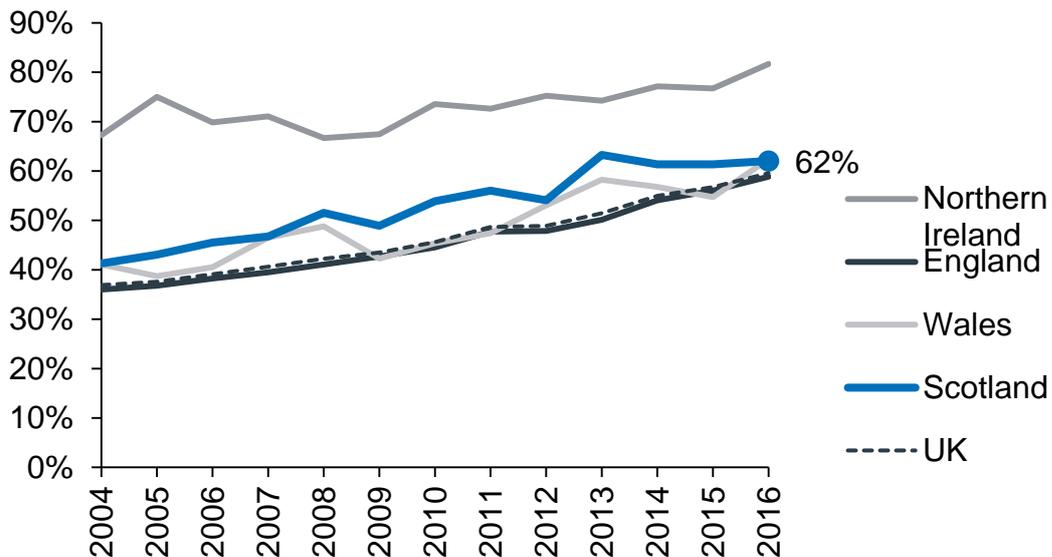
Scotland's population growth could be affected more by small changes to the inward flow of EU migrants.

Figure 1.10: Proportion of population who are non-UK nationals, UK and constituent countries, 2004 to 2016



Source: Annual Population Survey, Office for National Statistics

Figure 1.11: Proportion of non-UK population who are EU nationals



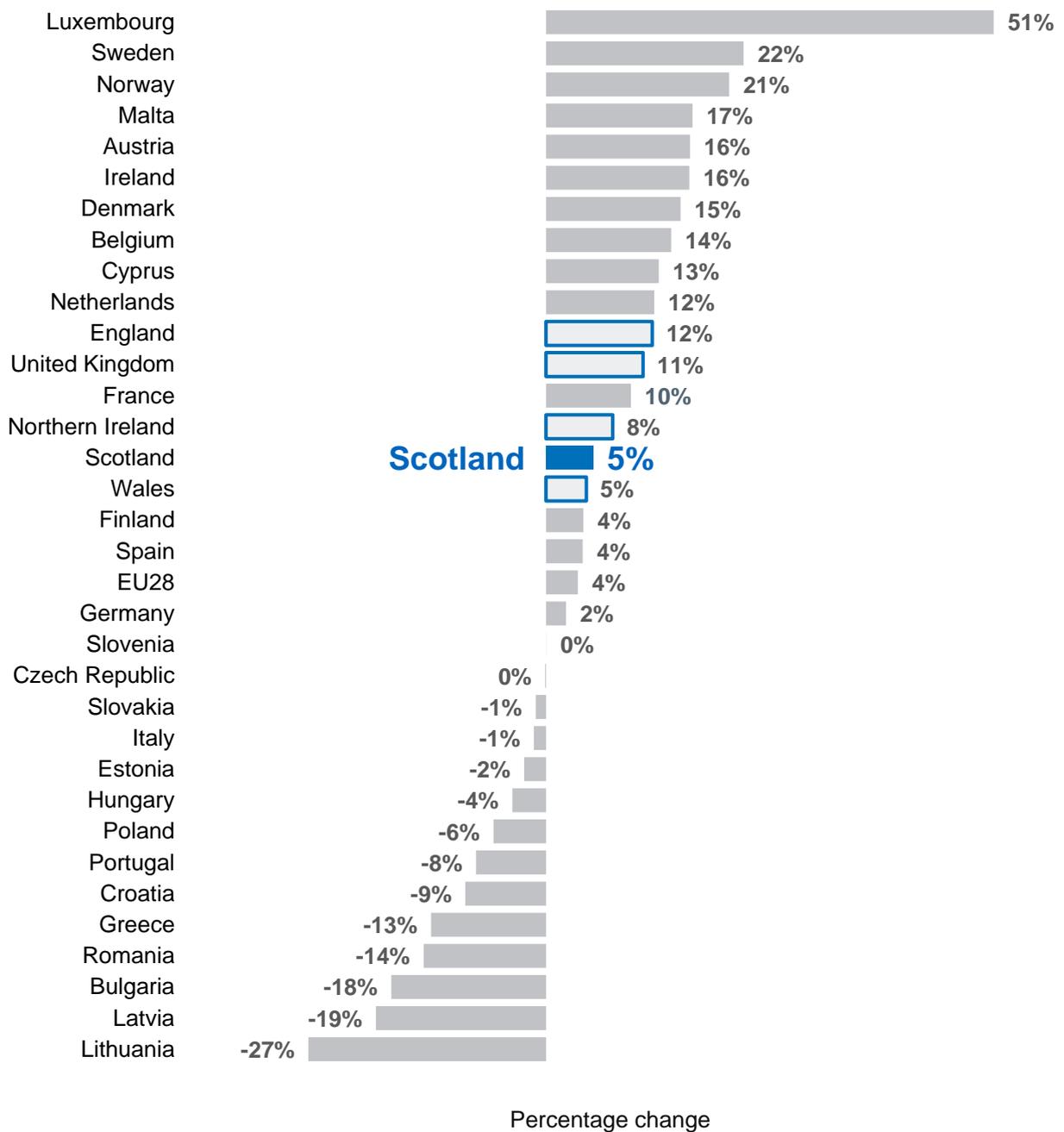
Source: Annual Population Survey, Office for National Statistics

1.7 Projected changes in Scotland's population

Key insight: Scotland's projected population growth over the next 25 years is among the lowest across comparator European and UK countries.

Scotland's population is projected to grow by 5% between 2016 and 2041, which is lower than most other European countries as well as the UK as a whole (see Figure 1.12).

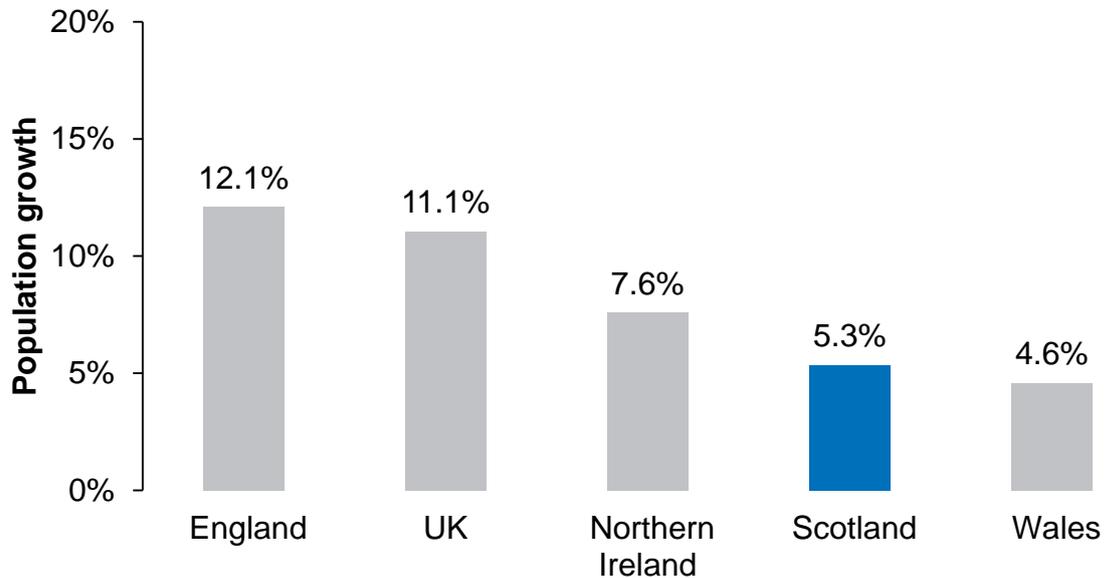
Figure 1.12: Projected population change in selected European countries and UK countries, 2016-2041



Source: National Population Projections (2016-based), National Records of Scotland

Key insight: Scotland's population is currently projected to increase by 5% between 2016 and 2041, lower than the projected increase in England (12%) and the UK as a whole (11%).

Figure 1.13: Projected population growth in the UK and constituent countries, 2016 to 2041

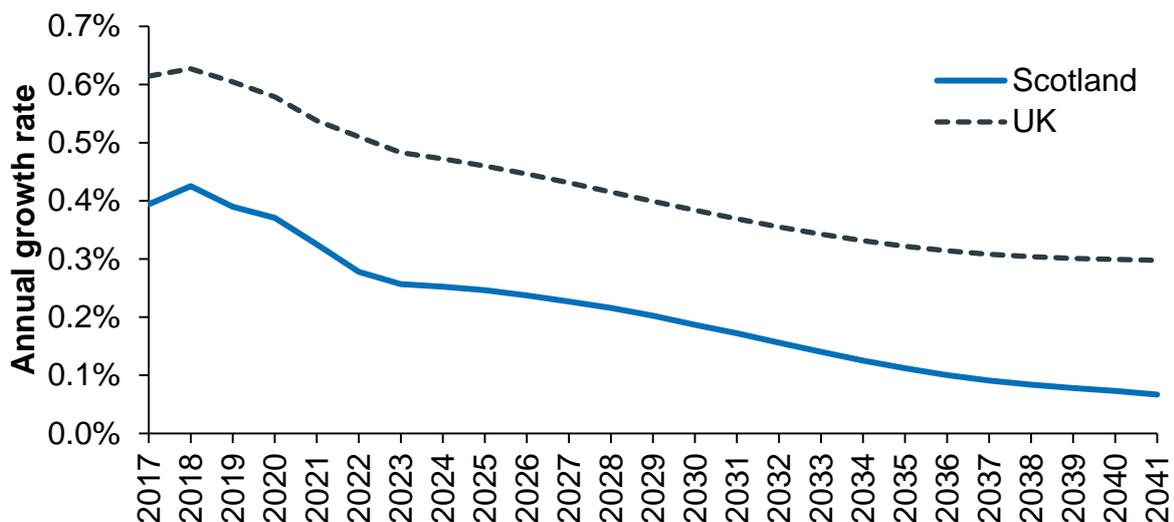


Source: National Population Projections (2016-based), National Records of Scotland

Key insight: Scotland’s population is projected to grow slower than the UK as a whole.

The annual growth rate for the UK is projected to fall from 0.61% in 2017 to 0.30% in 2041. For Scotland, the annual growth rate will fall from 0.39% to 0.07% over the same period. As Figure 1.14 illustrates, this means that by 2041, the UK population will be growing at more than three times the rate of the Scottish population.

Figure 1.14: Projected annual population growth rates for Scotland and the UK, 2017 to 2041



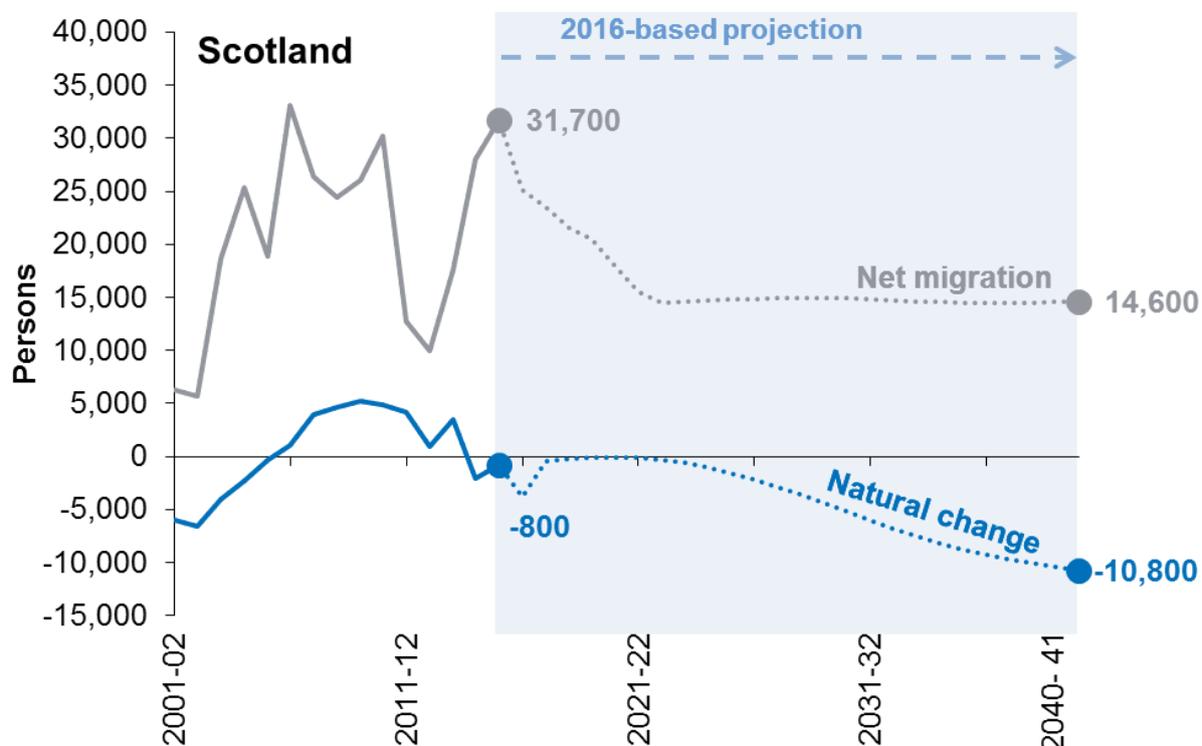
Source: National Population Projections (2016-based), National Records of Scotland

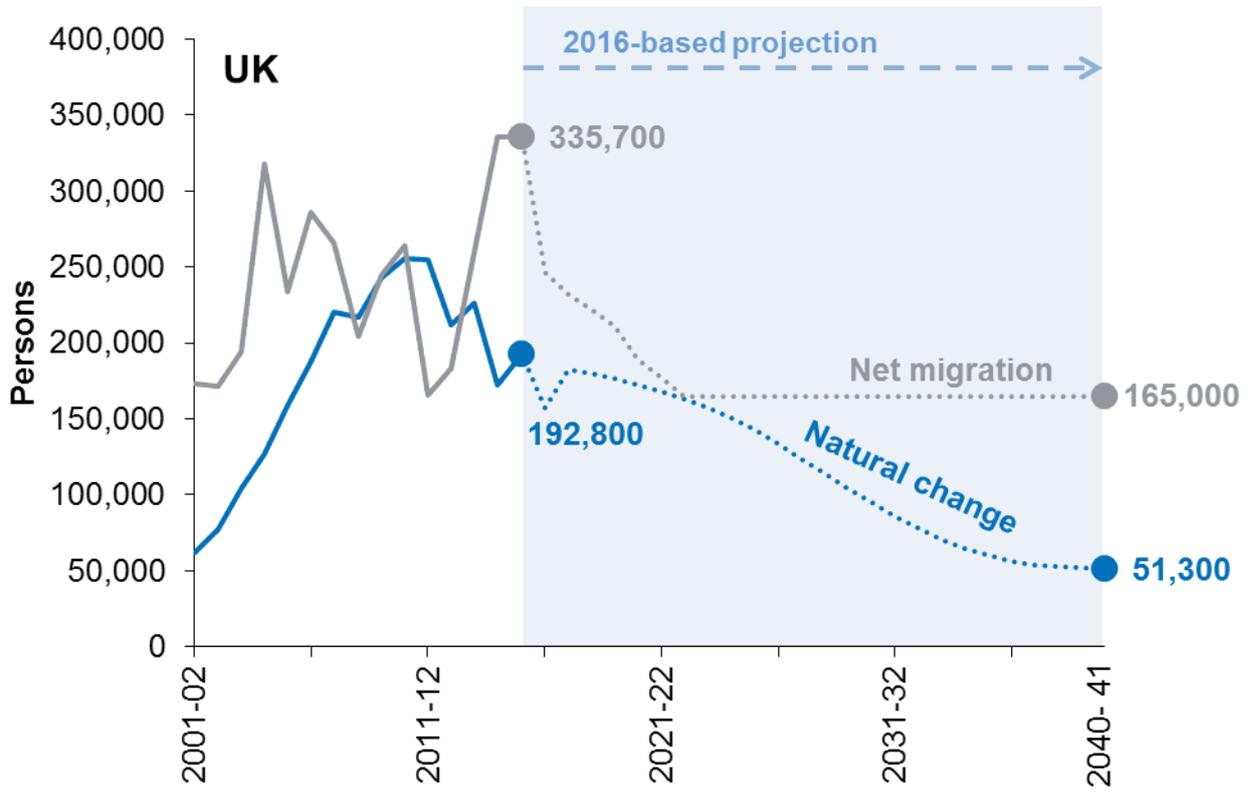
Key insight: All of Scotland’s population growth over the next 10 years will come from migration (42% from the rest of the UK and 58% from international migration), according to 2016-based projections.

If current trends continue, the 2016-based population projections show that Scotland’s population will continue to increase up to 2041. However the number of deaths are projected to consistently outweigh the number of births from 2027 onwards leading to negative natural change and slowing down the growth in Scotland’s population. Whilst the UK is also projected to see a reduction in natural change, it remains positive with more births than deaths projected over the next 25 years (see Figure 1.15). This leads to a dependency in Scotland on migration for population growth.

As Figures 1.15 and 1.16 illustrates, this is in contrast to the UK. While 54% of the increase in the UK population is projected to come from international migration, a full 100% of Scotland’s population growth is projected to come from migration (42% of which comes from the rest of the UK). If levels of net inward migration were to fall across the UK, Scotland’s population growth could be affected more than that of the UK as a whole, due to much lower levels of natural increase in Scotland.

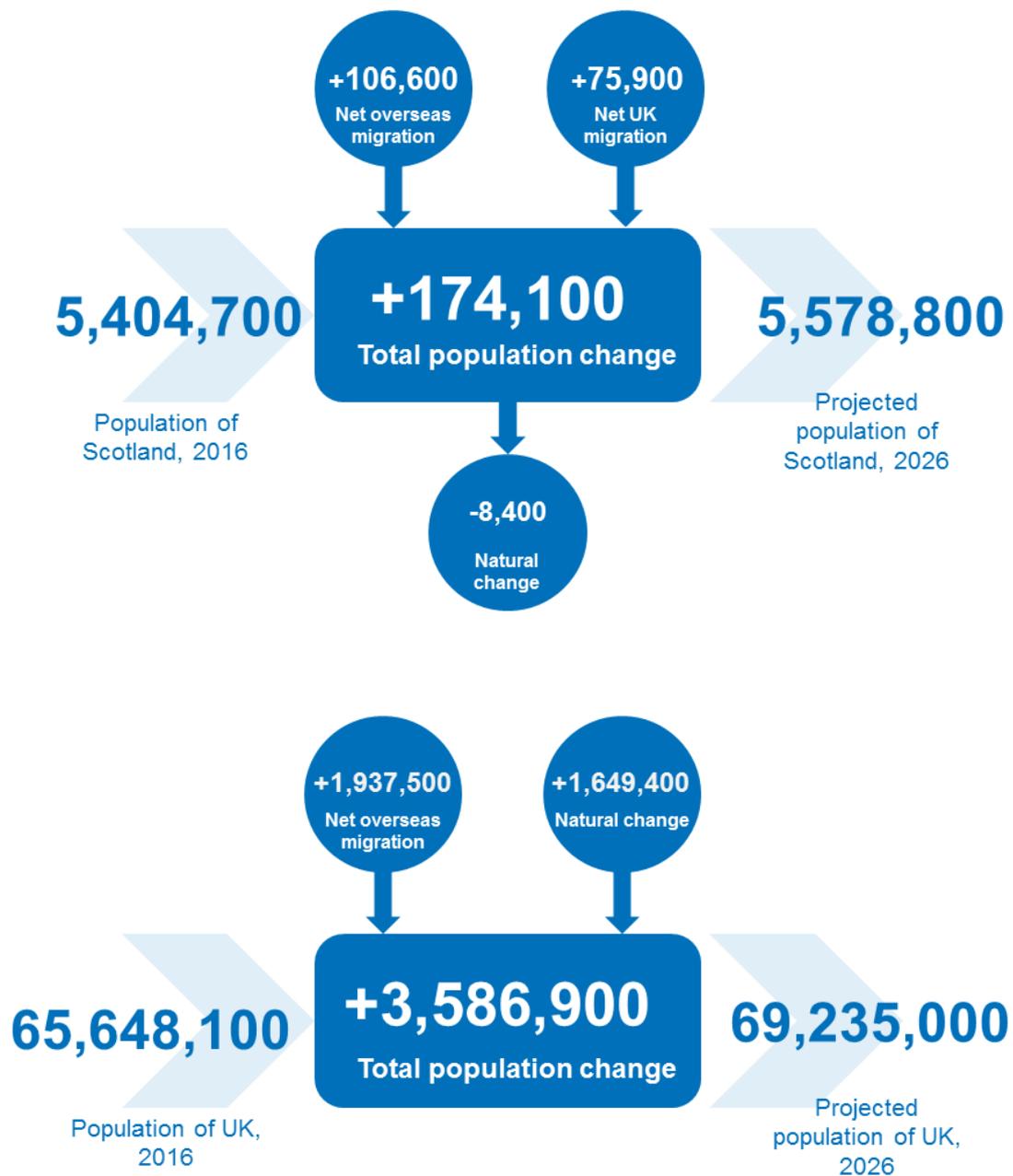
Figure 1.15: Natural change and net migration, Scotland and UK, 2001-02 to 2040-41





Source: Mid-year population estimates and National Population Projections (2016-based), National Records of Scotland, Office for National Statistics

Figure 1.16: Projected natural change and migration for Scotland and UK, 2016-2026



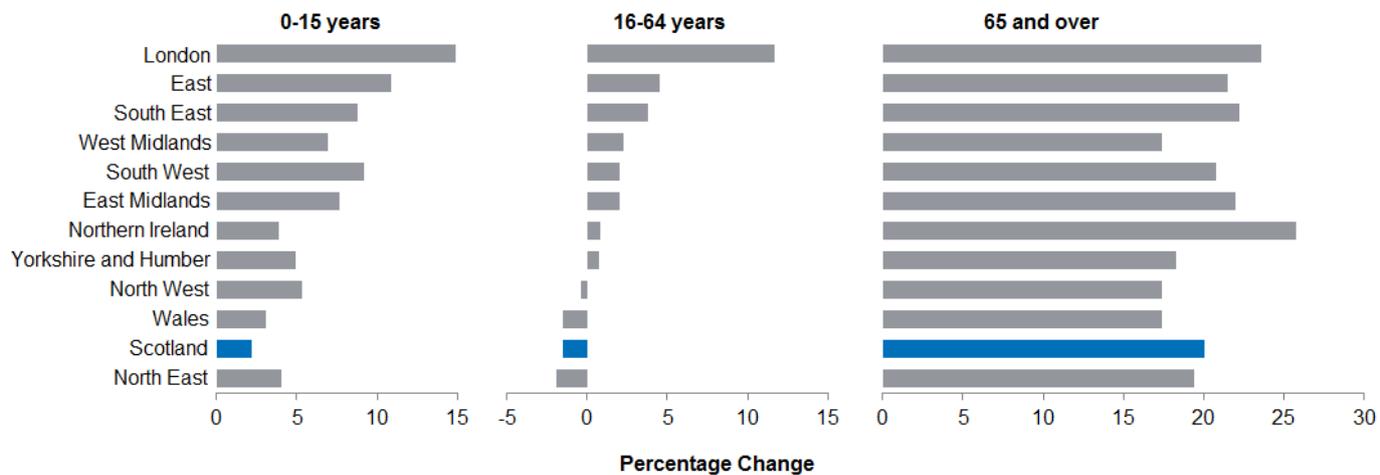
Source: National Population Projections (2016-based), National Records of Scotland

Key insight: Scotland is projected to have the second largest decrease (-1.5%) in the working age (16-64 years) population across all government office regions between 2014 and 2024.

Scotland's 0-15 years population will increase by the smallest amount (+2.2%) across all regions, and the population aged 65 and over is projected to increase by 20.1% (see Figure 1.17).

Figure 1.17: Projected population change by age group and government office region, 2014-2024

(Ranked by % change in population aged 16-64 years)

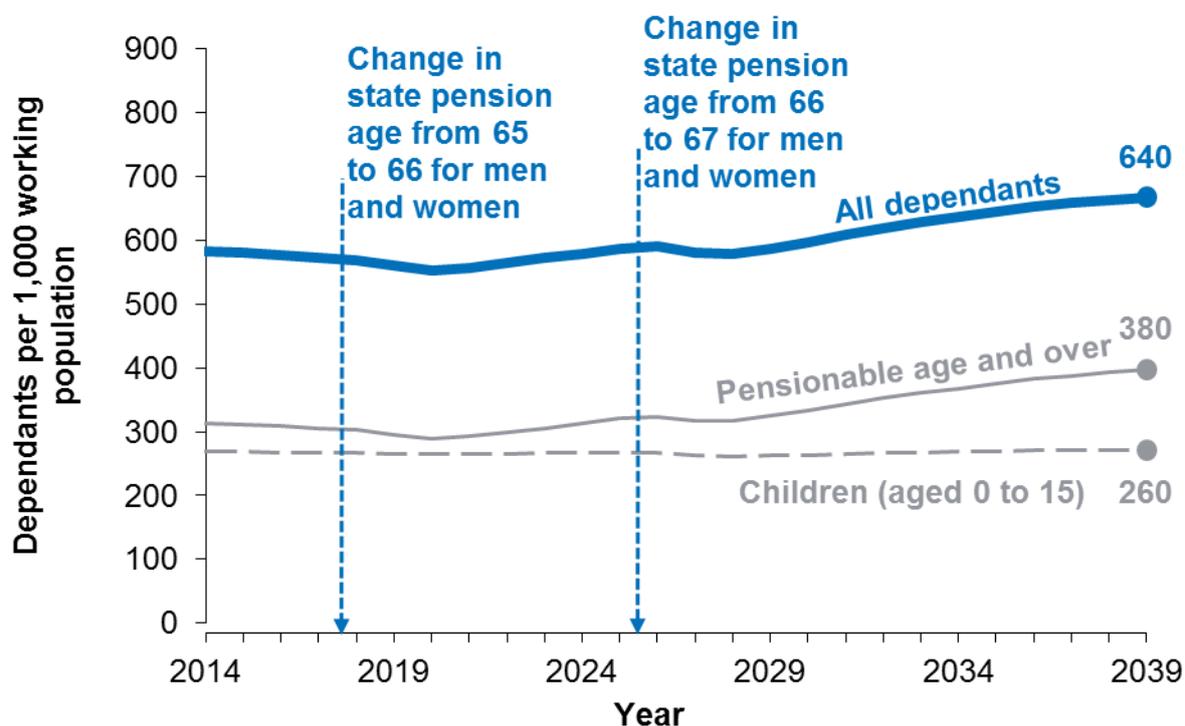


Source: National Population Projections (2014-based), National Records of Scotland
 Subnational Population Projections (2014-based), Office for National Statistics

Key insight: The number of dependants in Scotland is projected to increase over the next 25 years to 2041, due to the increasing number of people of pensionable age.

The increase in the dependency ratio is due to the increase in the number of people of pensionable age per 1,000 working age population. The dependency ratio for children is projected to decline slightly from 267 per 1,000 working age population in 2016 to 260 in 2041. For people of pensionable age, there is projected to be an increase in the dependency ratio from 307 pensioners per 1,000 working age population in 2016 to 380 in 2041. The effect of changes to the state pension age is seen through small dips in the number of dependants after both of the state pension age increases (see Figure 1.18).

Figure 1.18: Projected dependency ratios for Scotland, 2016-2041



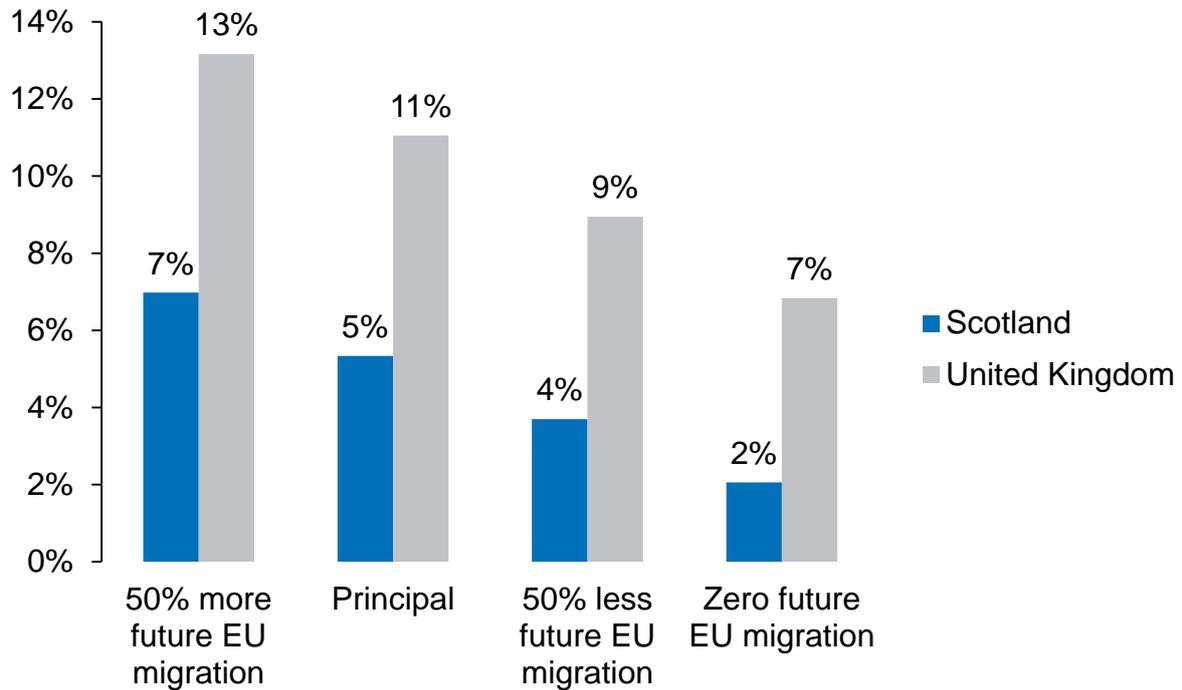
Source: National Population Projections (2016-based), National Records of Scotland

1.8 Impact of lower migration on Scotland’s population growth

Key insight: Inward migration is key to sustaining Scotland’s population growth.

Lower levels of migration from the EU will result in slower population growth for Scotland. This, coupled with the effect of an ageing population and low fertility rates, could change the demographic composition of Scotland. Latest 2016-based projections estimate Scotland’s population will grow by 5% between 2016 and 2041. However, in a situation where EU migration to Scotland falls to half of current levels, population growth is 4% over the same period, and with no EU migration, population growth is 2%. These additional variants projections are trend-based and are not policy based forecasts, but they do provide helpful illustrations of the possible effect on Scotland’s population of changes in EU in-migration (see Figure 1.19).

Figure 1.19: Change in population from 2016 to 2041, principal and alternative EU migration variant projections for Scotland and the UK

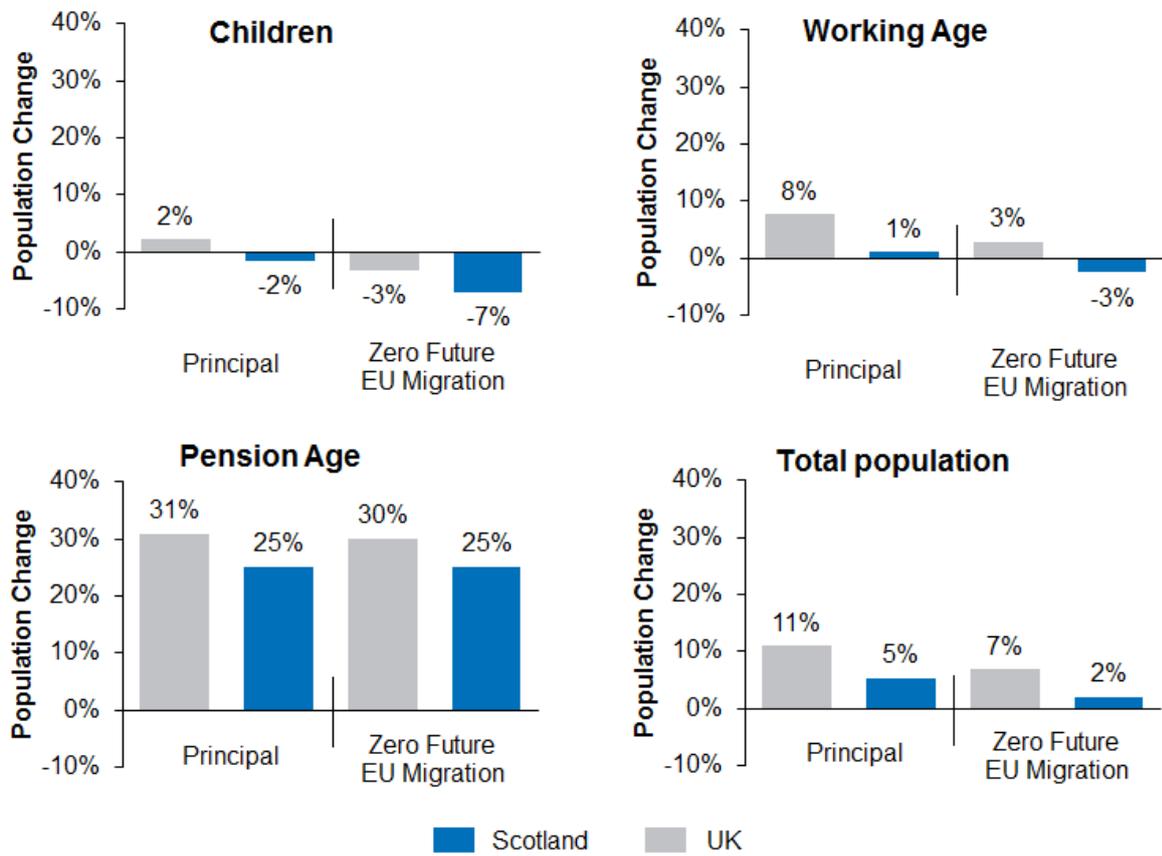


Source: National Population Projections (2016-based): Additional variants using alternative EU migration assumptions, National Records of Scotland

Key insight: If levels of EU migration decrease, the impact on the future age structure is of particular concern for Scotland.

Scotland’s working age population is projected to grow by only 1% between 2016 and 2041, with the pension age population projected to increase by 25%. In a scenario of zero future EU migration, the pension age population will still grow by 25%, but the working age population will decrease by 3%. The scenario of zero future EU migration is used for illustrative purposes but helps to emphasise Scotland’s need for continued inward migration from the EU in order to maintain the size of the working age population (see Figure 1.20).

Figure 1.20: Projected change in number of children, working age and pension age population, using current principal projection and zero future EU migration variants, 2016-2041



Source: National Population Projections (2016-based): Additional variants using alternative EU migration assumptions, National Records of Scotland

Chapter 2 – EU workers in Scotland’s key sectors

Key insights

- EU nationals have a younger age profile than non-EU nationals and the Scottish population as a whole. A larger proportion (61.1%) of EU nationals living in Scotland are under 35 years of age, compared with 54.3% of non-EU nationals and 41.5% for Scotland as a whole.
- In 2016, there were 190,000 migrant workers in Scotland. 128,000 EU nationals aged 16 and over were in employment (comprising 5.0% of the total number in employment in Scotland) and 62,000 non-EU nationals (2.4% of the total number in employment in Scotland).
- The individual country nationalities which accounted for the highest proportion of the workforce in Scotland were: Polish (61,000 in employment), Irish (14,000) and Indian (8,000).
- The employment rate for EU nationals was 76.8%, higher than the overall rate for Scotland (73.0%). Non-EU nationals had a lower employment rate, at 57.5%.
- For EU8 countries the employment rate was 82.4% compared with 70.7% for EU14, 73.3% for UK nationals and 57.5% for non-EU nationals.
- Around two-thirds of all EU nationals in employment in Scotland work in either Distribution, hotels and restaurants, Public administration, education and health or Banking, finance and Insurance. Nearly three quarters of all non-EU nationals in employment also work in these sectors.
- Over a third (36.7%) of EU nationals (aged 16-64) in Scotland have a degree level qualification or higher. This is greater than the proportion of UK nationals (16-64) in Scotland who have degree or higher qualifications (over a quarter at 27.6%) compared with 56.8% of non-EU nationals who have a degree level qualification or higher.
- 31.7% of EU nationals and 22.0% of non-EU nationals in employment who have degree qualifications were working in medium-low or low skill level occupations, compared with only 18.8% of UK nationals with a degree qualification who were in employment.

2.1 Economic activity

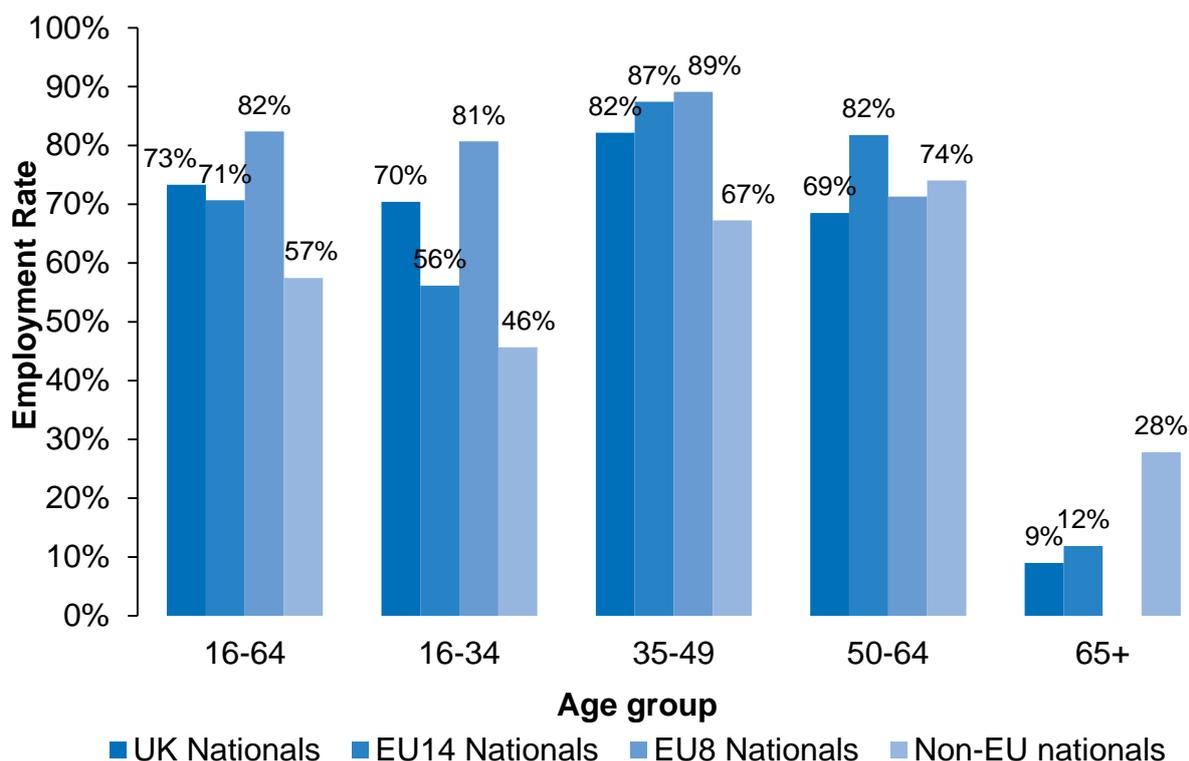
2.1.1 Employment rate

Key insight: In 2016, there were 190,000 migrant workers in Scotland, of whom around two thirds were EU nationals.

128,000 EU nationals aged 16 and over were in employment (5.0% of total employment in Scotland) and 62,000 non-EU nationals (2.4% of total employment). The individual country nationalities which accounted for the highest proportion of the workforce in Scotland in were: Polish (61,000 people in employment in Scotland), Irish (14,000) and Indian (8,000).

The employment rate for EU Nationals was 76.8%⁵, higher than the overall rate for Scotland of 73.0%. EU Nationals also had a lower unemployment rate (3.8% vs 4.8%) and a lower inactivity⁶ rate (20.2% vs 23.3%) than for Scotland as a whole. Figure 2.1 shows that EU8 nationals in Scotland had higher employment rates when compared with UK nationals across all age groups. EU14 nationals had a higher employment rate than UK nationals for all age groups except 16-34 years (see Figure 2.1).

Figure 2.1: Employment rate by age and nationality group, Scotland, 2016



Source: Annual Population Survey, Jan – Dec 2016, Office for National Statistics

Non-EU nationals had a lower employment rate than EU nationals in all age bands. For those aged 16-64 years, the overall employment rate, 57.5%, is lower than for UK and EU nationals. This is true for both females (45.4%) and males (71.0%) employment rates.

⁵ Employment, Unemployment and Economic Inactivity rate are based on International Labour Organisations definitions. Employment rate is calculated based on number in employment aged 16-64 years divided by the population aged 16-64 years. Unemployment rate is calculated based on unemployed aged 16 years and above divided by the economically active (unemployed and employed aged 16 years and above). Economic Inactivity rate is calculated based on economically inactive (aged 16-64 years divided by the population aged 16-64 years).

⁶ Reasons for economic inactivity include: students, looking after family and home, retired.

Key insight: Self-employment rates were highest amongst EU 14 nationals residing in Scotland and non-EU nationals.

In 2016, 10.7% (14,000) of EU Nationals, in employment in Scotland were self-employed, although for the EU 14 countries alone this rises to 14.1%. This compared with 12.7% of employed UK Nationals who reported self-employment.

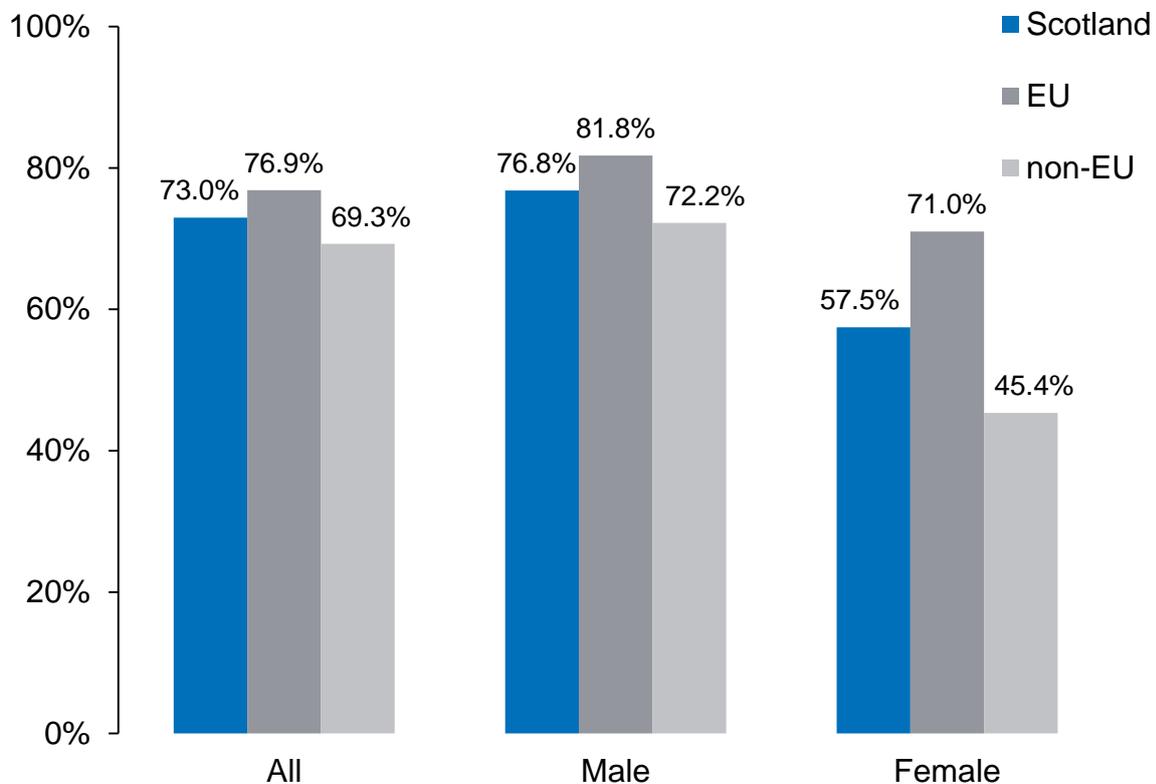
The highest rate of self-employment, by nationality group, was amongst non-EU nationals (16.7%) with just over 10,000 of the 51,000 non-EU nationals in employment in Scotland reporting themselves to be self-employed.

2.1.2 Working patterns

Key insight: For EU nationals the employment rate is higher than for Scotland as a whole, for both males and females. The proportion of migrants in employment who worked full-time and part-time are broadly consistent with Scotland as a whole.

Around three quarters of those in employment were working full-time. By gender, employment patterns were also broadly the same, whether for the whole of Scotland, for EU nationals or for non-EU nationals: around 9 in every 10 working men and around 6 in every 10 working women were in full-time employment. However, as Figure 2.2 shows, for non-EU nationals the female employment rate was considerably lower compared with the female employment rate for Scotland overall.

Figure 2.2: Employment rates by gender and nationality, 2016



Source: Annual Population Survey, Jan – Dec 2016, Office for National Statistics
Note: Scotland refers to the entire population of Scotland rather than a specific nationality group.

2.2 Sectors

2.2.1 Industry sectors of employment

Key insight: Around two thirds of EU nationals (aged 16 and over) are employed in: Distribution, hotels and restaurants; Public administration, education and health; and Banking, finance and Insurance. Around three quarters of non-EU nationals in employment in Scotland work in these three industry sectors.

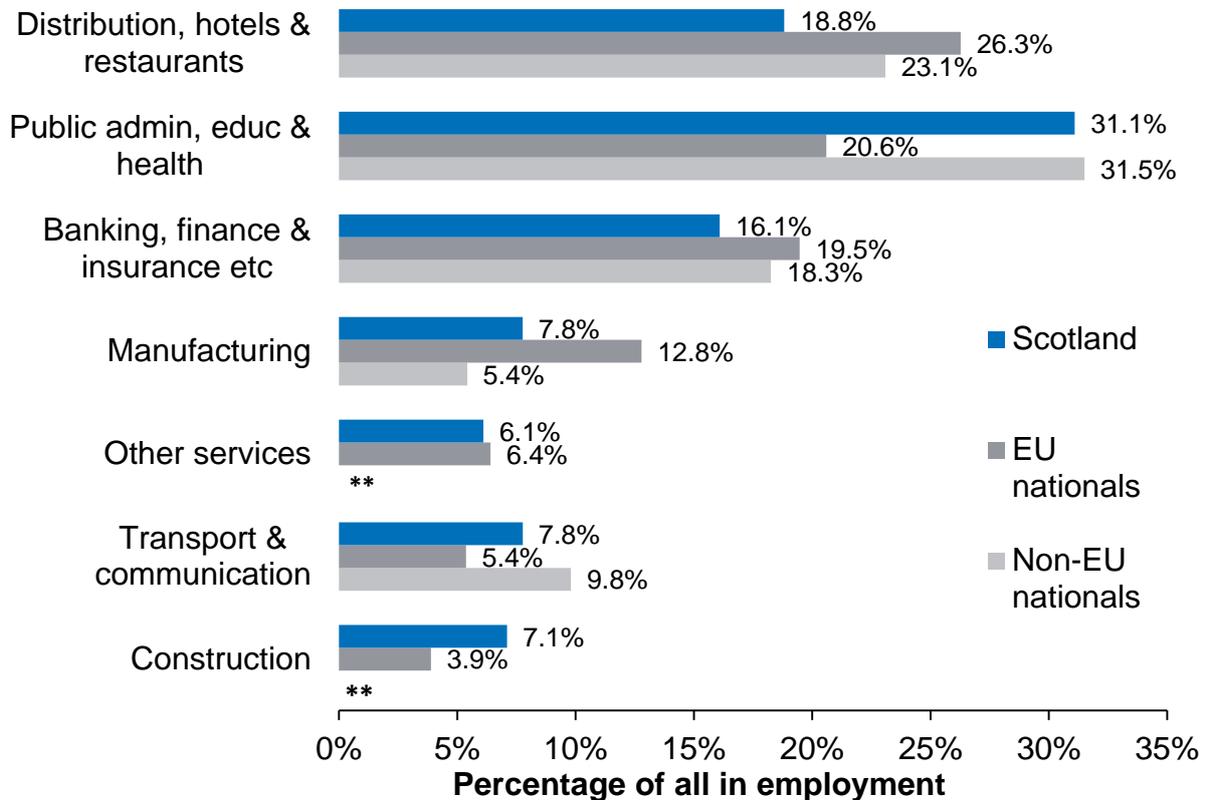
Figures presented below, and in Figure 2.3, relate to the percentage of EU nationals employed in each industry sector in 2016.

As the Annual Population Survey is a survey of private households, and therefore does not capture data for people living in communal establishment like hotels, boarding houses, hostels and mobile homes, it is likely that a number of seasonal migrant workers known to be employed in Scotland are underestimated in this source.

- There were 33,500 EU nationals employed in the Distribution, hotels and restaurants sector, 26.3% of all EU nationals in employment in Scotland. Within this sector, the number of EU nationals employed in Food and beverage services activities was 10,000 (7.6% of all EU nationals in employment) and the number employed in Accommodation was 7,000 (5.6% of all EU nationals in Employment).
- There were 26,300 EU nationals employed in the Public administration, education and health sector, 20.6% of all EU nationals in employment in Scotland. Within this sector, 11,000 were employed in Education (8.3% of all EU nationals in employment).
- There were 24,800 EU nationals employed in the Finance and business services sector, 19.5% of all EU nationals in employment in Scotland. Within this sector, 8,000 (6.4% of all EU nationals in employment) were employed in Services to Buildings and Landscape.

For non-EU nationals, the concentration of employment in these 3 broad Industry sectors was even greater, with nearly three quarters working in either Public administration, education and health, Distribution, hotels and restaurants or Banking, finance and Insurance, with, respectively, 31.5%, 23.1% and 18.3% of all non-EU nationals in employment working in these sectors (see Figure 2.3).

Figure 2.3: Percentage employed by industry sector and nationality (aged 16 and over), Scotland, 2016



Source: Annual Population Survey, Jan – Dec 2016, Office for National Statistics

Note: Agriculture & fishing and Energy & water sectors have been excluded as the estimates individually are too small to be considered statistically reliable from a sample survey.

** Estimates are suppressed as they are not considered reliable for use.

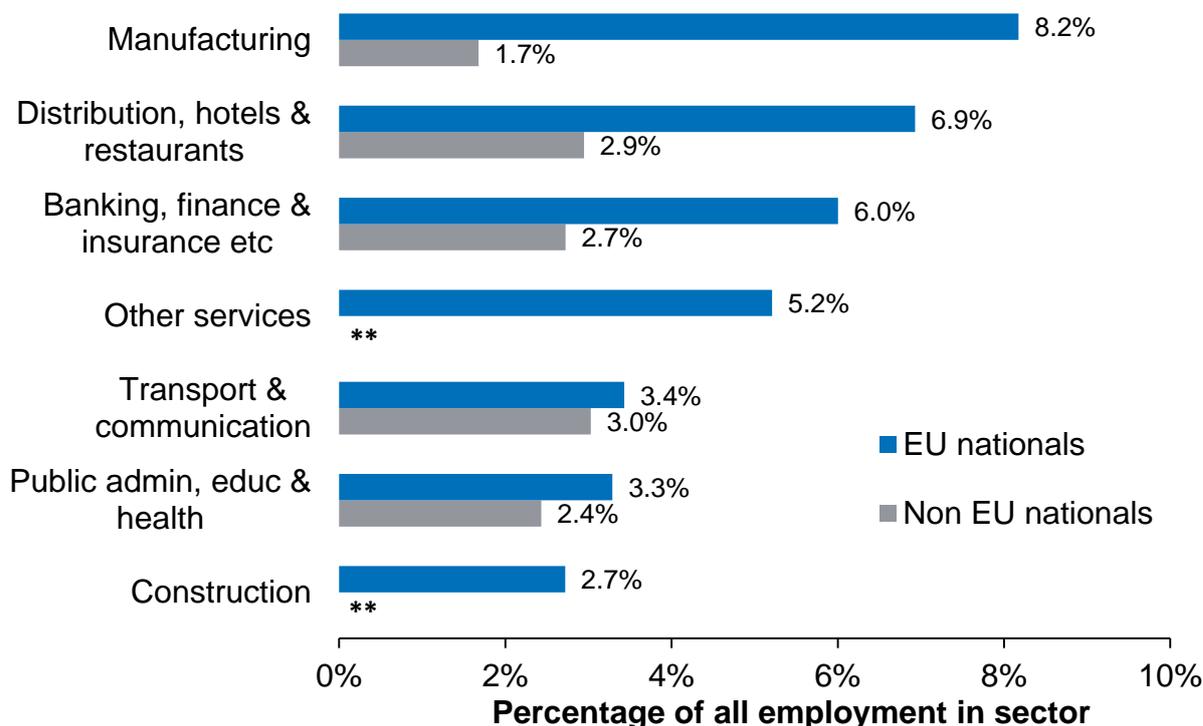
2.2.2 Concentration of EU and non-EU nationals by industry

This section refers to how dependent certain sectors are on the employment of EU nationals and other migrants.

Key insight: EU nationals (aged 16 and over) account for 5.0% of all employment in Scotland. They are most heavily represented in the Manufacturing sector, accounting for 8.2% of all employed in the sector.

Figure 2.4 illustrates the representation of migrants in the Scottish workforce across the sectors. After Manufacturing, the industry in Scotland next most reliant on the migrant workforce is Distribution, hotels and restaurants: EU migrants make up 6.9% of all employed in this sector. EU nationals are least represented in the Construction sector, where they account for 2.7% of all in employment.

Figure 2.4: EU and non-EU nationals share of sector employment in Scotland, 2016



Source: Annual Population Survey, Jan – Dec 2016, Office for National Statistics

Note: Agriculture & fishing and Energy & water sectors have been excluded for disclosure reasons.

** Estimates are suppressed as they are not considered reliable estimates for use.

With the inclusion of non-EU nationals, who accounted for 2.4% of all employment in Scotland in 2016, it was the same industries which showed the most reliance on migrant workers – 10% of all those in employment in the Manufacturing sector and in the Distribution, hotels and restaurants sector were non-UK nationals.

Looking in more detail at specific industries within the broad industry groups above, we can see a range of concentrations and dependency on EU nationals. In Education, of the 243,000 people in Scotland employed in the sector in 2016, 11,000 were EU nationals (8.3% of all EU nationals in employment, and 4.4% of all in employment in this sector). 8,000 were non-EU nationals (13.2% of all non-EU nationals in employment, and 3.3% of all in employment in this sector).

By contrast, while there were fewer (6,000) EU nationals working in Manufacture of food products (5.0% of all EU nationals in employment), they accounted for one quarter of all employment in this sector.⁷

The Health and social care sector⁸ employed 14.2% of all people employed in Scotland. 5.9% of these workers were EU and non-EU nationals: the 9,000 non-EU

⁷ 'Education' refers to 2007 Standard Industrial Classification division 85 Education. Includes primary, secondary and higher education.

⁸ It includes social work without accommodation, human health activities, residential care activities.

nationals in the sector accounted for 14.5% of all non-EU nationals in employment in Scotland.

2.2.3 Employment of EU nationals in Growth Sectors, 2016⁹

This section of the chapter examines economic statistics for the six private sector dominated growth sectors defined by the Scottish Government¹⁰, using APS data to illustrate the role that migrant workers play in these important sectors. These sectors are Food and drink, Finance and Business services, Life Sciences, Energy, Tourism¹¹ and Creative Industries. Employment estimates are shown in the summary below¹².

Food and Drink (includes crop and animal production, fishing, manufacture of food products, manufacture of beverages)

- This sector employed 81,000 people in total, 3.1% of all in employment in Scotland.
- 10,000 EU nationals were employed in the Food and Drink Growth Sector in Scotland, accounting for 7.7% of all EU nationals in employment
- EU nationals accounted for 12.3% of all in employment in this sector.

Sustainable Tourism (includes hotels/holiday accommodation, restaurants, museums, historical sites and visitor attractions, sports facilities and other amusement/recreational activities)

- This sector employed 179,000 people in total, 6.9% of all in employment in Scotland.
- 17,000 EU nationals were employed in the Sustainable Tourism Growth Sector, 13.2% of all EU nationals in employment in Scotland.
- EU nationals accounted for 9.4% of all in employment in this sector.

Creative Industries (includes advertising, visual art, crafts, fashion, performing arts, music, computer games, radio/TV and writing/publishing)

- This sector employed 136,000 people in total, 5.3% of all in employment in Scotland.
 - 10,000 EU nationals were employed in Creative Industries, 8.1% of all EU nationals in employment in Scotland.
 - EU Nationals accounted for 7.6% of all in employment in this sector.
-

⁹ Estimates are only provided for EU nationals above. Data for non-EU nationals is more limited as this group account for a smaller number and percentage of all in employment in Scotland.

¹⁰ <http://www.gov.scot/Resource/0047/00472389.pdf>. Further definitions and data can be found at <http://www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors>

¹¹ No information is included for the Energy Growth Sector in the table above, as estimates of migrants employed in this sector are too small to be used reliably from the APS.

¹² A broader range of economic data, including GVA, Export value and number of business, is published by the Scottish Government.

Financial and Business Services (includes insurance/pension funds, legal activities, accounting and tax consultancy, market research, HR provision and office admin support)

- This sector employed 217,000 people in total, 8.4% of all employment in Scotland.
 - 9,000 EU nationals were employed in Financial and Business Services, 7.1% of all EU nationals in employment in Scotland
 - EU nationals accounted for 4.2% of all in employment in this sector.
-

2.3 Skills and occupations

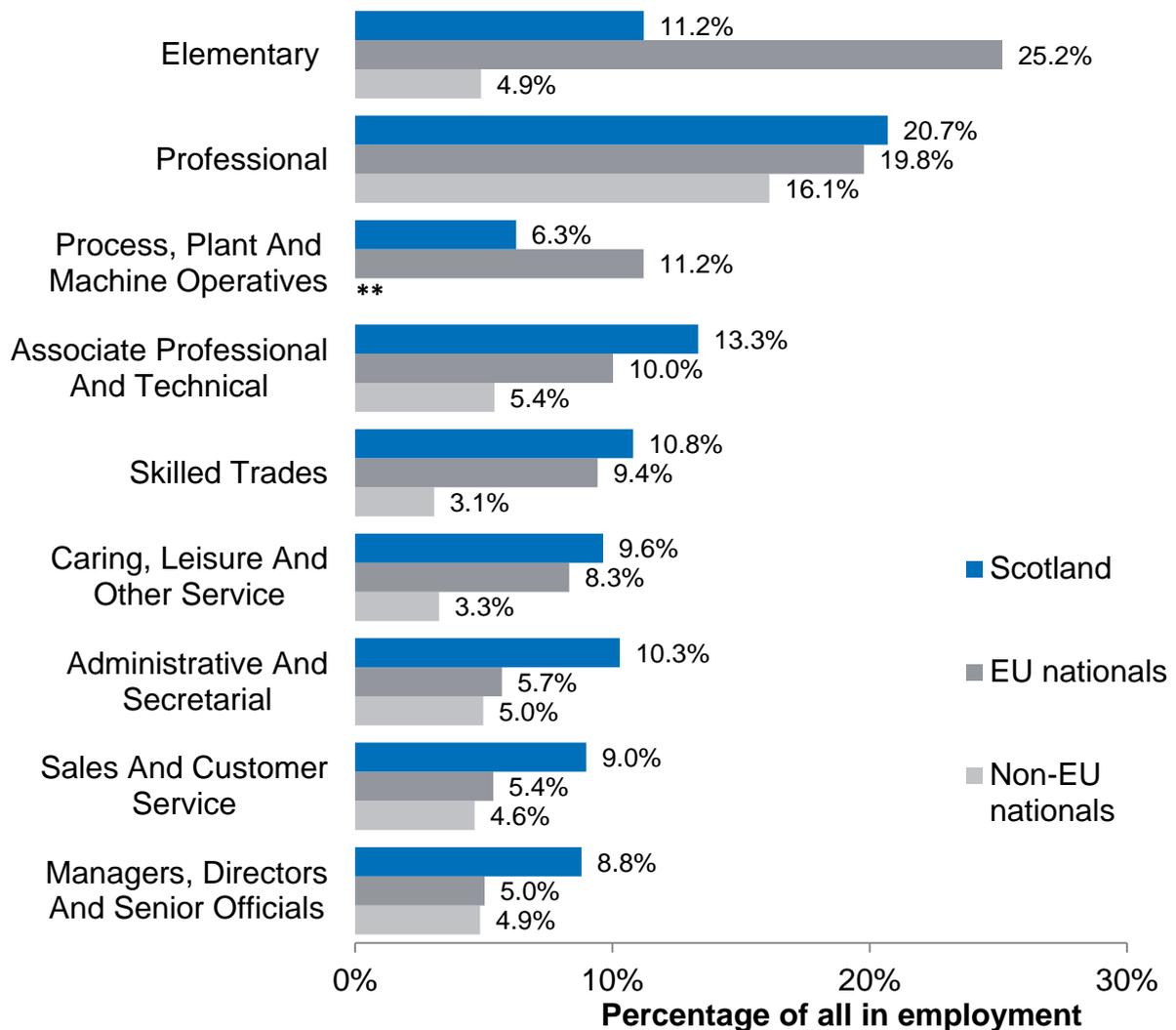
2.3.1 Employment by occupation

Key insight: Most EU nationals were employed in Elementary Occupations.

Figure 2.5 illustrates that there were 32,000 EU nationals (25.2% of all EU nationals in employment) working in Elementary Occupations, compared with 11.2% of all those in employment in Scotland. (Elementary Occupations include, for example, cleaners, hospital porters and labourers.) Professional occupations (including IT, teaching and health professionals) employed 25,000 EU nationals (19.8% of all EU nationals in employment), compared with 20.7% for all in Scotland.

For non-EU nationals, 21,000 (33.3% of all non-EU nationals in employment) were employed in Professional Occupations, a higher proportion compared with EU nationals (19.8% of all EU nationals in employment) and all in employment in Scotland (20.7%).

Figure 2.5: Proportion employed by occupation and nationality (aged 16 and over), Scotland



Source: Annual Population Survey, Jan – Dec 2016, Office for National Statistics

** Estimates are suppressed as they are not considered reliable estimates for use.

The Occupation sub-group in which most EU nationals were employed was Elementary Cleaning Occupations. There were 14,000 EU nationals (10.7% of all EU nationals in employment) working in this type of employment. The Occupation Minor Group where EU nationals had the largest presence amongst the workforce was in Elementary Process Plant Operatives: 5,000 EU nationals employed in this Occupation sub-group made up 26.9% of all employed in that occupation in Scotland.

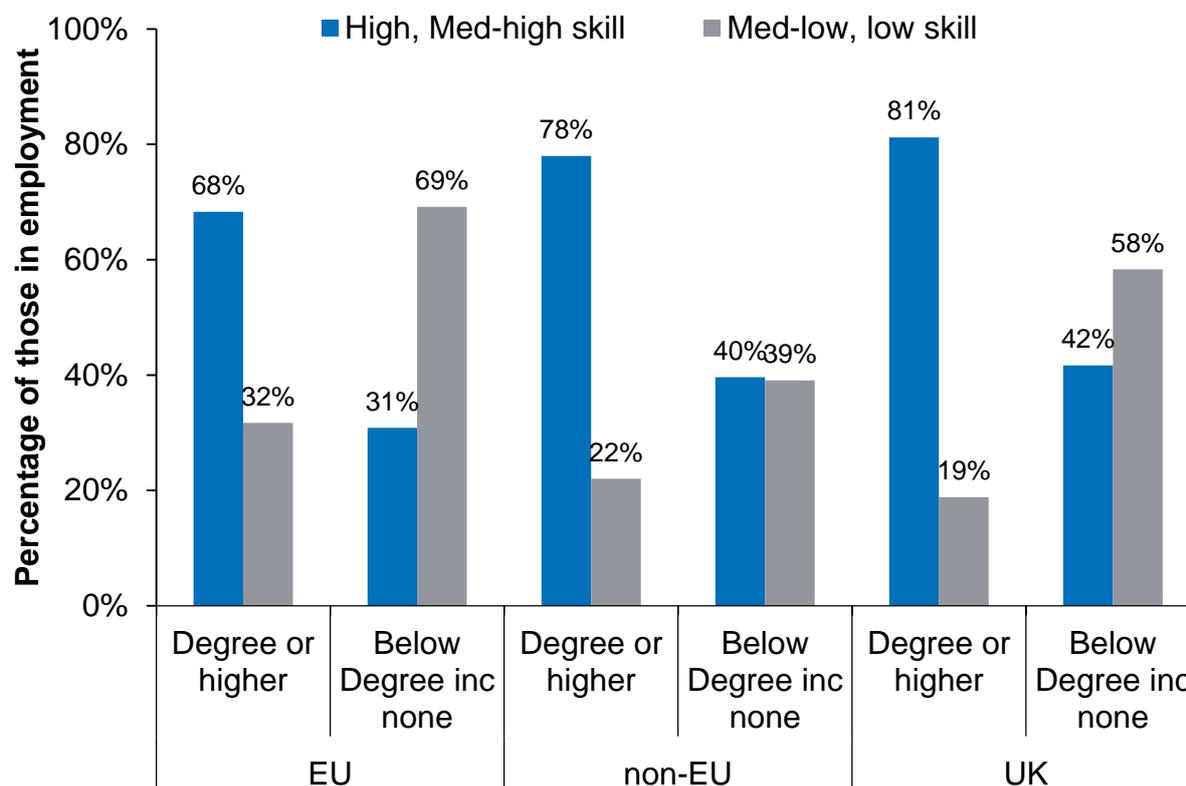
2.3.2 Qualification and Skills

Key insight: Over a third (36.7%) of EU nationals (16-64) in Scotland have a degree level qualification or higher.

The proportion of EU nationals with a degree level qualification is greater than that for UK nationals (16-64) in Scotland (27.6%) but less than the proportion of non-EU nationals of the same age group (56.8%)¹³.

Figure 2.6, below, shows that 68.3% of those EU nationals in employment who had degree qualifications were employed in high and medium high skill level occupations (for example; nurse, health associate, construction trade requiring a body of knowledge and above) compared with 78.0% of non-EU nationals in employment and 81.2% for UK nationals in employment.¹⁴

Figure 2.6: Occupation skill level by qualification and nationality, Scotland, 2016



Source: Annual Population Survey, Jan – Dec 2016, the Office for National Statistics

Notes: Includes those aged 16-64 years in employment. Excludes those currently in full-time education.

¹³ Non-UK EU nationals have a higher proportion of people whose highest qualification was “Other qualifications”, which are those that could not be easily mapped to the UK qualification levels. These are likely to encompass a range of qualification levels.

¹⁴ **Medium-High Skill** - requires a body of knowledge associated with a period of post-compulsory education but not to degree level (e.g. health associate professional occupations (e.g. nurse, midwife, paramedic and construction trades). **High Skill** - requires a degree or equivalent period of relevant work experience (e.g. teaching and functional management).

31.7% of EU nationals and 22.0% of non-EU nationals in employment and with a degree qualification were working in medium-low and low skill level occupations. In contrast, only 18.8% of UK nationals in employment and with a degree qualification were working in medium-low and low skill level occupations¹⁵.

2.3.3 Location of employment

Key insight: The Aberdeen City, City of Edinburgh and Glasgow City local authority areas are home to nearly half of all EU nationals in employment in Scotland, and around 40% of non-EU nationals.

Of these three areas, only Glasgow City has a lower proportion of EU nationals in employment (66.9%) compared with the overall employment rate for EU nationals across Scotland (78.5).

The local authority with the highest proportion of its EU nationals population in employment is Aberdeenshire: 97.2% of working age EU nationals are in employment¹⁶.

¹⁵ **Medium-Low Skill** - requires knowledge provided via a good general education as above, but will typically have a longer period of work-related training or work experience. (e.g. sales assistant, retail cashier and healthcare/personal service occupations such as auxiliary nurse or home carer). **Low Skill** - requires a general education, signalled via a satisfactory set of school-leaving examination grades.(e.g. bar staff, waiters/waitresses and elementary cleaning occupations).

¹⁶ It is not possible to provide employment rates for Non- EU nationals due to the smaller number residing in Scotland and associated lack of reliability of associated employment estimates.

Chapter 3 – Economic, social and fiscal impacts

Key insights

- EU migrants have a positive effect on the Scottish economy: each EU migrant working in Scotland contributes an additional £34,400 to GDP per year. The total contribution by EU citizens working in Scotland is approximately £4.42 billion per year.
- Scotland is becoming an increasingly diverse country, with almost one in ten of the population born outside the UK.
- Almost all migrants coming to live and work in Scotland have proficient English language skills. Migrants also bring a range of different languages to Scotland.
- Migrants are more likely than UK nationals to be living as couples with dependents, and less likely to be in single person households.
- More than 70% of EU migrants and almost half of non-EU nationals living in Scotland came to work or study.
- Economic migrants are generally young, with low healthcare needs.
- The majority of recent migrants live in the private rental sector; however, after ten years in Scotland more than 70% own their homes.
- Recent non-EEA migrants are more likely to live in the most and least deprived areas, while higher proportions of recent EEA migrants are in the six most deprived deciles than in the four least deprived.
- Higher costs of education provision for migrants are associated with translation and interpreting services, numeracy and literacy of young children who have not received a formal education, understanding of cultural differences by staff, and lack of records and assessment.
- The relationship between the number of migrants in schools and performance is not clear, although there is evidence that school performance and pupil achievement are positively correlated with the presence of pupils with English as an additional language.
- Where evidence of criminal activity exists in relation to migrants, it is generally consistent with the standard economic model of crime: strong labour market attachment tends to be associated with lower levels of criminal activity.
- Models of individual crime participation tend to show that migrants are less likely to commit crime than observably similar people born in the UK.
- People in Scotland held more positive attitudes to diversity in general in 2015 than they did in 2010, with a decline in negative attitudes across all subgroups.
- At the time of the 2011 Census, 42,000 migrants born outside the UK were living in rural Scotland. The migrant population in rural areas is swelled by approximately 22,000 seasonal workers during the summer and autumn.

3.1 Introduction

Migrants have an important role in meeting Scotland's economic and demographic needs. However, where they live and work, how they use public services, and whether and how they integrate into communities are all factors affecting their decisions about long-term settlement.

This chapter focuses on the economic and social impacts of migration. The first section describes new macroeconomic modelling that has been undertaken to investigate the contribution of EU migrants to the Scottish economy. The section begins by describing the approach to economic modelling before providing the key findings and considering how the findings compare to analyses of the economic contribution of migration undertaken elsewhere.

The chapter also focuses on existing evidence on Scotland's migrants, and their impact on public services and communities. It draws on Scotland-specific data and analysis and uses evidence from Scotland where this is available. Much of the evidence base is at the UK level, however, and this is made clear where evidence is used to provide key insights.

3.2 Migration and economic growth

3.2.1 Introduction: Approach to economic modelling

The economic impact of EU migration into Scotland is calculated using a macroeconomic model of the Scottish economy. The type of model used is known as a dynamic 'computable general equilibrium' (CGE) model. CGE models take account of the inter-dependencies between different sectors, agents (firms, households, government) and markets in the economy. Such models are regularly used to investigate the impact of economic events or policy changes by Governments and research institutes around the world. In this case, the Scottish Government's own CGE model has been used. This model has itself previously been used to model a range of economic policies and variations of this model have also been used in similar analyses by academic institutions¹⁷. A description of the model can be found on the Scottish Government website¹⁸.

EU migration is modelled as an increase in the labour supply. As such, this expands the productive capacity of the Scottish economy and ultimately leads to a new 'equilibrium', with higher levels of economic activity and employment. As a result, wages and prices in the economy adjust and this makes the economy as a whole more competitive.

¹⁷ Lisenkova, K., McGregor, P.G., Pappas, N., Swales, J., Turner, K. and Wright, R.E. (2010) *Scotland the grey: a linked demographic-computable general equilibrium (CGE) analysis of the impact of population ageing and decline*, *Regional Studies*, 44 (10), pp 1351-1368. Abstract available at <https://strathprints.strath.ac.uk/15441/>

¹⁸ A brief description of the Scottish Government CGE model can be found here: <http://www.gov.scot/Topics/Economy/Publications/Introduction-to-CGE-modelling>

The scale of increase in labour supply modelled is based on a one year inflow of EU migration into Scotland equal to around 7,800 additional employed EU nationals. This one year inflow is calculated by estimating the trend in the proportion of EU migrants participating in the Scottish labour force from 2007 to 2016. This approach to modelling migration is similar to the one adopted by PWC in their study of the impact of migrants on London, its workforce and its economy¹⁹.

As with all CGE models, a set of assumptions are made about how the economy adjusts. The key assumptions made are that:

- New entrants in the labour market work the same average number of hours and have the same productivity as the rest of the labour force;
- Regional bargaining takes place, where real wages are a decreasing function of unemployment levels; and
- The Government aims to balance its fiscal balance (and as such any fluctuations in government revenue will be reflected in changes in government expenditure). As the tax base expands, more can be collected in revenue, allowing government spending to adjust accordingly.

3.2.2 Findings on economic impact

In general terms, the increase in labour supply, increases GDP while Government Revenue also increase. In addition to these findings, the economy experiences higher exports, consumption and investment.

On average each additional EU citizen working in Scotland contributes an additional £34,400 in GDP. As there are approximately 128,400 EU citizens employed in Scotland, our analysis implies that the total contribution by EU citizens working in Scotland is approximately £4.42 billion per year. Moreover, each additional EU citizen working in Scotland contributes £10,400 in Government Revenue.

These findings are in line with previous research, which finds support that migration positively impacts regional economies²⁰. The results are comparable to the PWC

¹⁹ The modelling approach is the same as that adopted by PWC (2017) *Facing facts: the impact of migrants on London, its workforce and its economy*: <https://www.pwc.co.uk/legal/pdf/facing-facts-the-impact-of-migrants-on-london-its-workforce-and-economy.pdf>

²⁰ See: Borgy, V., Chojnicki, X., Le Garrec, G. and Schwelinus, C. (2010) *Macroeconomic consequences of global endogenous migration: a general equilibrium analysis*, *Annals of Economics and Statistics*, No 97/98, pp13-39: <http://www.jstor.org/stable/41219108>; Lisenkova, K., McGregor, P.G., Pappas, N., Swales, J., Turner, K. and Wright, R.E. (2010) *Scotland the grey: a linked demographic-computable general equilibrium (CGE) analysis of the impact of population ageing and decline*, *Regional Studies*, 44 (10), pp 1351-1368. Abstract available at <https://strathprints.strath.ac.uk/15441/>; Nana, G., Sanderson, K. and Hodgson, R. (2009) *Economic impacts of immigration: scenarios using a computable general equilibrium model of the New Zealand economy*, International Migration, Settlement and Employment Dynamics, Department of Labour, New Zealand Government: <http://www.mbie.govt.nz/publications-research/research/migrants---economic-impacts/cgm-nz-economy.pdf>; Pouliakas, K., Roberts, D., Balamou, E and Psaltopoulos, D. (2014) *Modelling the effects of immigration on regional economic performance and wage distribution: a computable general equilibrium (CGE) analysis of three European Union regions*, *Journal of Regional Studies*, Vol 48, 2, pp 318-338. Abstract available at <http://www.tandfonline.com/doi/abs/10.1080/00343404.2011.653332?journalCode=cres20>.

report on migrants in London although inevitably the magnitude of the findings differ given the differences in the economic structure between Scotland and London and the importance of finance and the higher proportion of migrants working in this sector in London which results in higher economic benefits (an additional £46,000 in GDP per migrant worker in the PWC model compared to an additional £34,400 in GDP from this analysis).

The Scottish Government CGE model does not consider complementarities in skills between migrants and native born workers, nor does account for the positive effects on innovation, productivity and entrepreneurship stemming from migration. As documented by a recent publication²¹, migration has been associated with increased levels of innovation within the economy. The findings, therefore, are likely to understate the full positive impact of EU migrants in the Scottish economy.

3.3 Migrant characteristics

3.3.1 Where Scotland's migrants come from

Key insight: Scotland's population is becoming increasingly diverse.

Scotland has become increasingly diverse in recent decades due, primarily, to the accession of the A8 countries to the EU in 2004. However, there was also a major increase in the numbers of migrants coming to Scotland from Commonwealth countries and EU 15 countries such as Germany between the Censuses of 1991 and 2011. The number of people in Scotland who had been born in China rose from 1,700 in 1991 to 15,300 in 2011. Table 3.1 uses Census data to illustrate the changing profile of migrant origin since 1991.

Table 3.1: Most common non-UK countries of birth, Scotland, 1991, 2001, 2011

	Country	Migrants to Scotland 1991	Country	Migrants to Scotland 2001	Country	Migrants to Scotland 2011
1	Republic of Ireland	23,000	Republic of Ireland	22,000	Poland	55,000
2	Germany	14,000	Germany	19,000	India	23,000
3	USA	13,000	Pakistan	13,000	Republic of Ireland	23,000
4	Pakistan	9,000	USA	11,000	Germany	22,000
5	India	9,000	India	11,000	Pakistan	20,000

Source: Scotland's Census 2011, 2001, 1991, National Records of Scotland

In 2016, there were estimated to be 457,000 people living in Scotland who were born outside the UK, representing 9% of Scotland's total population. Of the people who were not UK-born, 218,000 were born in EU countries and 239,000 in non-EU

²¹ More details regarding the Economic Impact of Migration can be found here: <http://www.gov.scot/Publications/2016/10/5974/5>

countries. The most common non-UK countries of birth for the population of Scotland are shown in Table 3.2, which also presents the data for nationality.

Table 3.2: Most common non-UK countries of birth and nationalities, Scotland, 2016

Country	EU		Country	Non-EU	
	By country of birth	By nationality		By country of birth	By nationality
Poland	81,000	91,000	India	29,000	17,000
Republic of Ireland	26,000	22,000	Pakistan	24,000	11,000
Germany	20,000	8,000	China	20,000	14,000
Latvia	11,000	11,000	USA	18,000	12,000
Italy	9,000	9,000	Australia	13,000	8,000

Source: Annual Population Survey (APS), Office for National Statistics

3.3.2 Languages

Key insight: Almost all migrants coming to live and work in Scotland have proficient English language skills. Migrants also bring a range of different languages to Scotland.

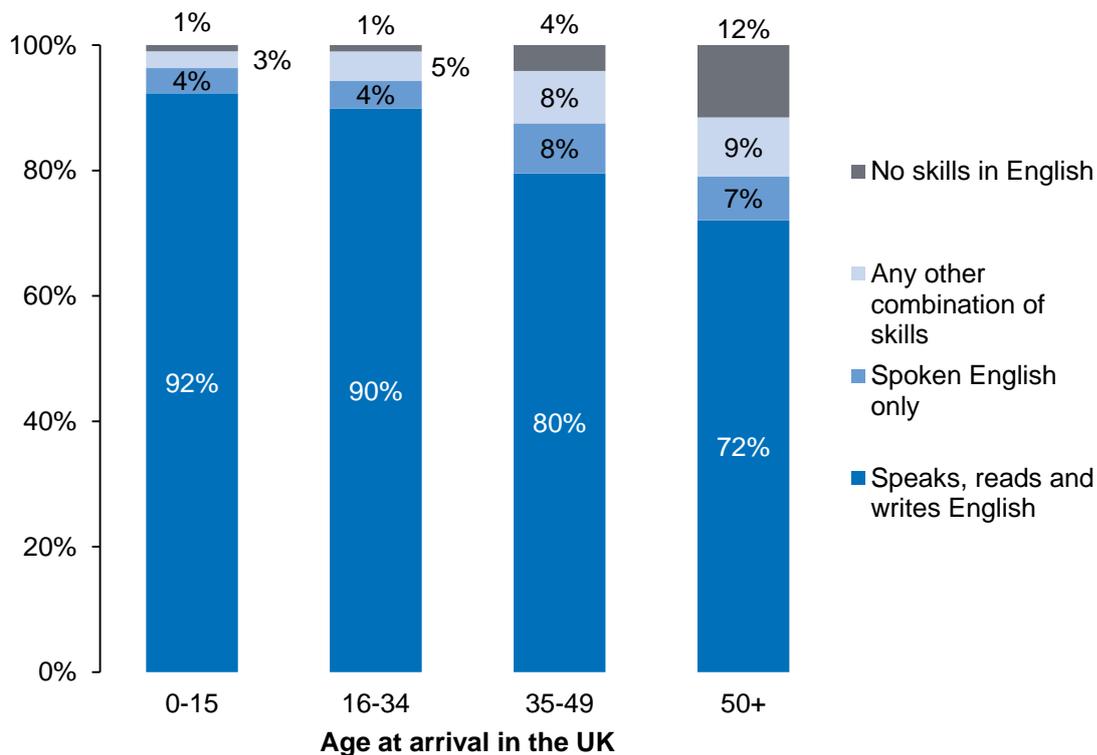
The increasing diversity of Scotland's population has meant an increase in the number of languages spoken in Scottish homes. Information from the 2011 Census indicates that 58% of all migrants to Scotland born outside the UK spoke languages other than English, Scots or Gaelic in the home. Polish, Urdu, Punjabi and Chinese were the languages most likely to be spoken by Scotland's migrants²².

However, Census 2011 data also indicate that 89% of non-UK-born migrants aged 3 and above (a total of almost 327,000 people) could 'speak, read and write in English'²³. As Figure 3.1 indicates, those who had arrived at younger ages were more likely to have English language skill than those who arrived when they were older. The latter only represent a small proportion of all migrants: 8,000 arrived in the UK aged 50 and over, and fewer than 1,000 of them had no skills in English.

²² Scotland's Census 2011, National Records of Scotland, Table AT_096_2011.

²³ Characteristics of Migrants in Scotland: Analysis of the 2011 Census, Scottish Government <http://www.gov.scot/Resource/0050/00508715.pdf>

Figure 3.1: English language skills and age at arrival, all non-UK migrants aged 3 and over



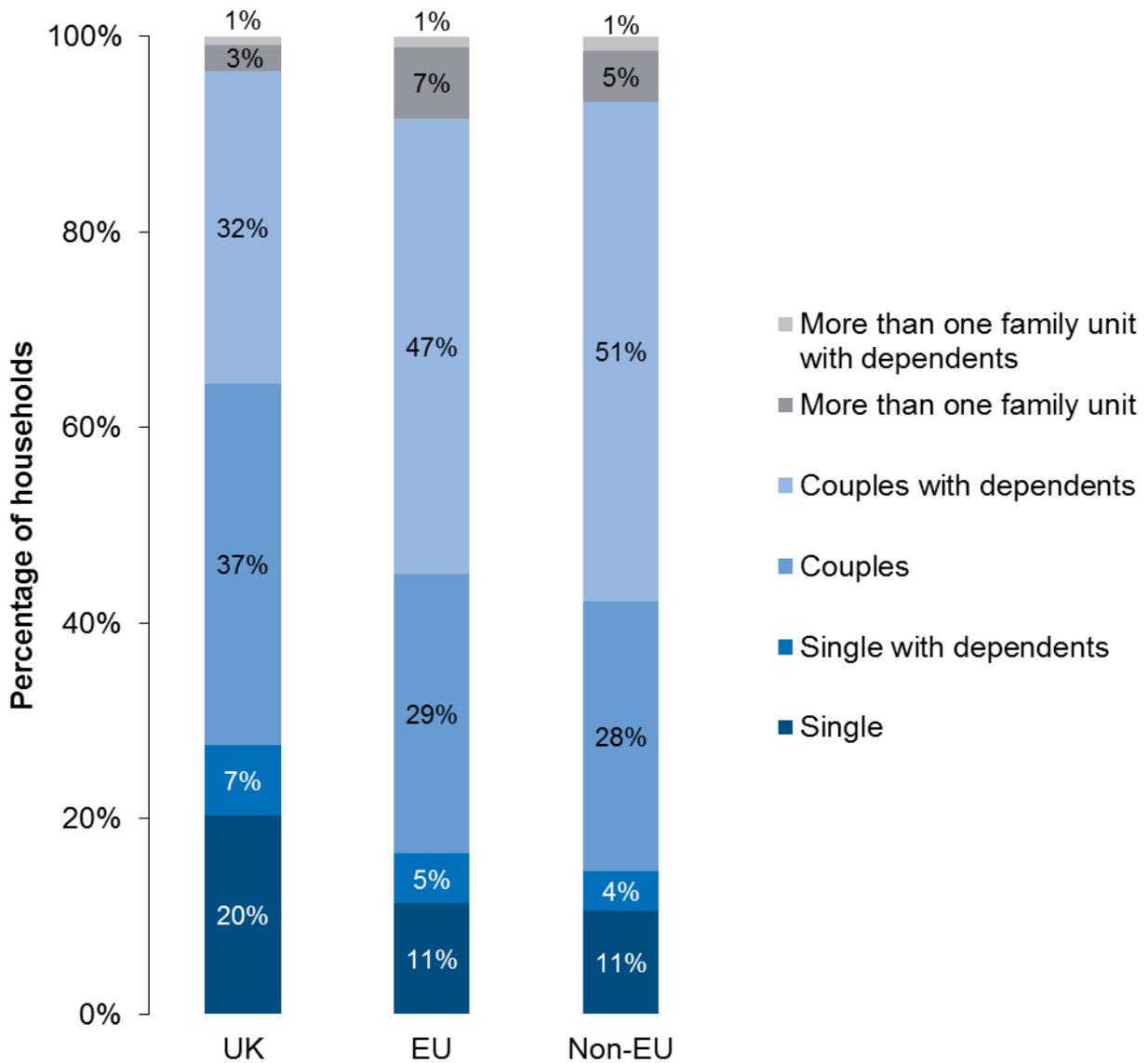
Source: Scotland's Census 2011, National Records of Scotland, Table AT_095_2011

3.3.3 Household composition

Key insight: over three quarters of EU and non-EU nationals live as couples or couples with dependents

Data from 2016 indicate that migrants in Scotland are less likely than UK nationals to be living in single person households and more likely to be couples, or couples living with dependents (approximately three quarters of EU and non-EU nationals are in this group). This evidence suggests that Scotland is attracting the migrant families the country needs to increase the population and address the challenges of an ageing population, and needs to continue to do so (see Figure 3.2).

Figure 3.2: Household composition: UK nationals and EU and non-EU migrant groups, Scotland, 2016



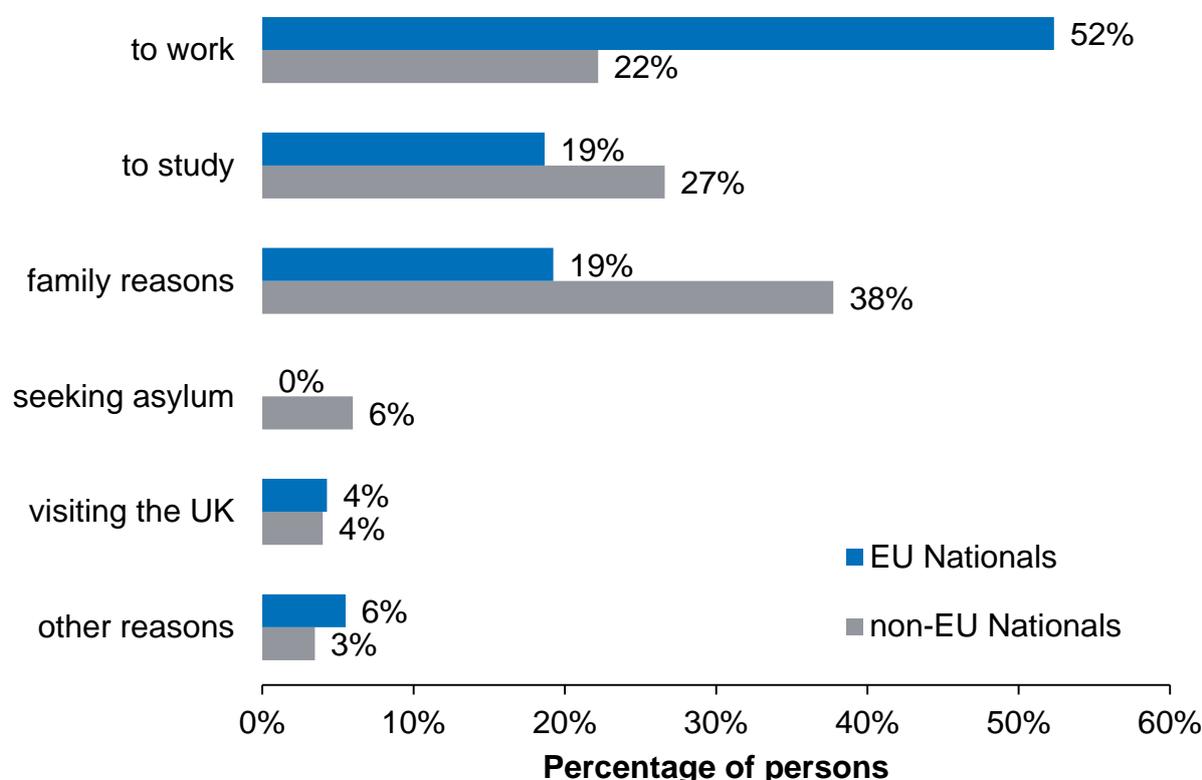
Source: Labour Force Survey, Office for National Statistics

3.3.4 Reasons for coming to the UK

Key insight: the majority of migrants came to Scotland to work or study.

In 2016, 71% of EU nationals and 49% of non-EU nationals (aged 16 years and above) living in Scotland came to either work or study. A further 38% of non-EU nationals and 19% of EU nationals came for family reasons (see Figure 3.3).

Figure 3.3: Reasons for coming to the UK: EU and non - EU nationals, Scotland, 2016



Source: Annual Population Survey, the Office for National Statistics

3.4 Migrants’ impact on public services

3.4.1 Impact on health and social care services

Key insight: economic migrants are generally young, with low healthcare needs.

There is little research looking directly at the impact of migration on public services. The focus of much of the research that does exist is on migrants’ access to and use of services. In relation to demand for health services, there is little evidence of increased demand for health services resulting from migration into Scotland²⁴. However, individual research studies have focused mainly on economic migrants who are, in general, young, and have low healthcare needs. Where evidence exists in relation to increased demand for health services resulting from migration (at the

²⁴ Scottish Parliament Equal Opportunities Committee (2010) *Fifth official report: Inquiry into migration and trafficking*: <http://archive.scottish.parliament.uk/s3/committees/equal/reports-10/eor10-05-00.htm>

UK level), it is associated with social deprivation, poor language skills and, possibly, lack of knowledge of the health system, rather than migration per se²⁵. Existing evidence indicates relatively low rates of GP registration among migrants. Uncertainty over entitlement to treatment, differences in provision and approaches to treatment in Scotland/UK and in their country of birth, language barriers, and difficulties taking time off work for appointments all contribute to low levels of trust and willingness to access health services by migrants²⁶. Qualitative research exploring the experiences of the children of East European migrant workers in Scotland identified that migrants take an active role in making decisions about the use they make of health services, especially in relation to children's health, and often seek confirmation from doctors in their country of birth, or reassurance from members of their family or diaspora²⁷.

There is evidence that migrants' health can deteriorate with length of stay in the UK; for example, in relation to alcohol use, smoking behaviour and eating habits²⁸.

3.4.2 Impact on housing services

Key insight: The longer that migrants are in Scotland, the more likely they are to own their homes and the less likely they are to live in deprived areas.

There are lower rates of home ownership among migrants, and greater representation in the rental sector. Scotland's Census 2011 indicated that 75% of migrants who had been living in Scotland for less than two years were in private rented and a further 11% were in social rented accommodation. At the time of the 2011 Census, 71% of migrants who had been living in Scotland for ten years or more were owner occupiers.

The distribution of recent²⁹ EEA and non-EEA migrants across areas of most and least deprivation is indicated in Figure 3.3 using the Scottish Index of Multiple Deprivation (SIMD). Recent migrants from non-EEA countries were most likely to live in the most and least deprived areas, while there were higher proportions of recent EEA migrants in the six most deprived deciles than in the four least deprived.

The pattern is very different for established migrants, with progressively higher percentages in each of the less deprived deciles.

²⁵ George, A., Meadows, P., Metcalf, H. and Rolfe, H. (2011) *Impact of migration on the consumption of education and children's services and the consumption of health services, social care and social services*, NIESR, December 2011:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257236/impact-of-migration.pdf

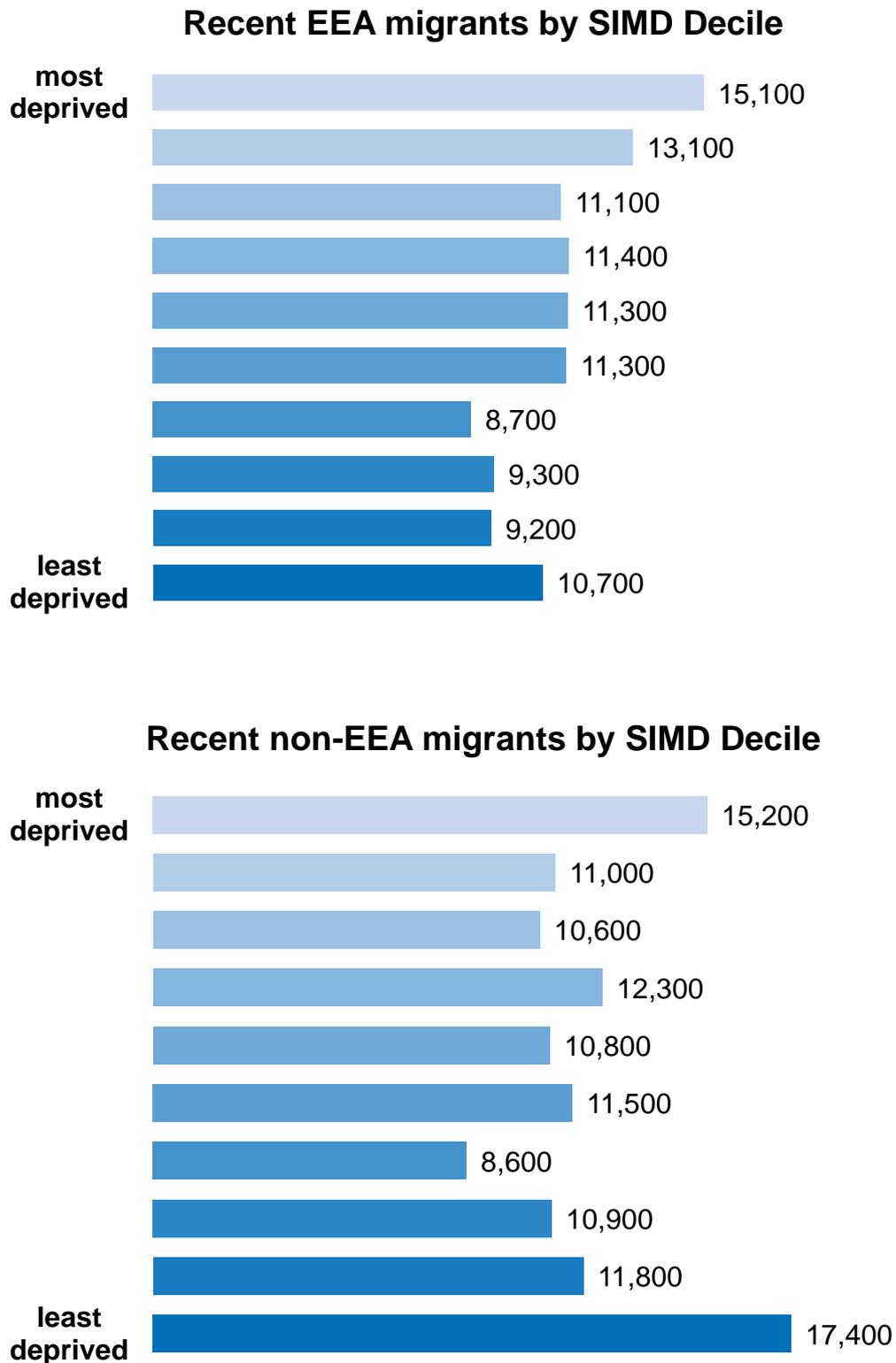
²⁶ Ibid.

²⁷ Sime, D. (2014) 'I think that Polish doctors are better': newly arrived migrant children & their parents' experiences and views of health services in Scotland, *Health and Place*, 30, 86-93

²⁸ George *et al*, op. cit.

²⁹ Migrants who arrived in Scotland between the Censuses of 2001 and 2011.

Figure 3.4: What kind of areas do migrants live in?



Source: Scotland's Census 2011 , National Records of Scotland, Table AT_089b_2011

3.4.3 Impact on education services

Key insight: the costs of education provision for migrants may be higher, but there appear to be advantages associated with mixing migrants and UK national children in the school environment.

The majority of evidence on migrants' use of education services is at the UK level. The main focus of research has been the impact of recent migration, particularly from Eastern Europe, on schools in the UK. Data limitations have restricted the scope, scale and robustness of the research, although in Scotland, at least, the way data are collected and reported has been improved in recent years.

In Scotland, a number of localised, qualitative studies provide evidence on the impact of migration on education services, although findings are likely to be place- and context-specific. However, where evidence does exist, it supports the findings from UK studies that higher costs of education provision for migrants are associated with translation and interpreting services, numeracy and literacy of young children who have not received a formal education, understanding of cultural differences by staff, and lack of records and assessment³⁰. The authors quote specific examples, including an estimate by Edinburgh City council from 2008 that the cost of an English as an Additional Language teacher to provide support to 50 pupils was approximately £33,000 per annum³¹.

The relationship between the number of migrants in schools and performance is not clear, because schools receiving the highest number of migrant children are in some of the most deprived areas. These schools already experience high levels of churn, so it is not possible to determine whether, or to what extent, migration is having any additional impact³². Evidence suggests that school performance and pupil achievement appear to be positively correlated with the presence of pupils with English as an additional language, although 'the causal mechanism is unclear'³³. A study in Glasgow found that migrants had had a number of positive effects on schools and education services in study areas: as well as the development of international links, opportunities for learning between cultures and extracurricular activities, there were felt to be advantages and benefits relating more broadly to teaching practice and schools' openness to learning from one another³⁴.

³⁰ George *et al*, op.cit.

³¹ Ibid.

³² Ibid.

³³ Ibid.

³⁴ Kay, R. and Morrison, A. (2012) *Evidencing the Social and Cultural Benefits and Costs of Migration in Scotland*, University of Glasgow, Centre for Russian, Central and East European Studies, COSLA Strategic Migration Partnership: http://www.gla.ac.uk/media/media_271231_en.pdf

3.4.4 Impact on crime and justice services

Key insight: migrants are less likely to commit crime than similar people born in the UK.

The evidence base on the relationship between migration and crime/justice has been strengthened in recent years, although research relates to the UK as a whole, rather than Scotland. Where evidence of criminal activity exists in relation to migrants, it is generally consistent with the standard economic model of crime: groups with poor labour market opportunities are more likely to be associated with property crime³⁵. Models of individual crime participation tend to show that migrants are less likely to commit crime than observably similar people who were born in the UK³⁶.

Migrants are less likely to be victims of crime than people born in the UK although, as time in the country increases, migrant experiences of crime tend to mirror those of the UK-born population³⁷.

In neighbourhoods with a higher share of migrants in the local population, there is lower reported crime and self-reported victimisation than in similar neighbourhoods with lower migration densities. This appears to indicate some measure of protection from crime for local populations living in areas with higher rates of migrants³⁸.

3.5 Integration and culture

3.5.1 Public attitudes

Key insight – attitudes to discrimination in general are changing in Scotland.

The Scottish Social Attitudes Survey 2015 investigated the extent and character of discriminatory attitudes in Scotland. Findings suggest that the trend is towards people in Scotland holding more positive attitudes to diversity in general in 2015 than they did in 2010, with a decline in negative attitudes across all subgroups. For example, 40% agreed that ‘people from outside Britain who come to live in Scotland make the country a better place,’ a significant increase from 2010, when only 33% held that view. However, people were still concerned about the impact of migration on the labour market, with around a third agreeing that ‘people who come to Scotland from Eastern Europe take jobs away from other people in Scotland’ and around a quarter saying the same for people from ethnic minorities³⁹.

³⁵ Bell, B. and Machin, S. (2011) *The impact of migration on crime and victimisation*, LSE consulting https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257233/lse-consulting.pdf

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Scottish Government (2016) *Scottish Social Attitudes 2015: attitudes to discrimination and positive action*: <http://www.gov.scot/Resource/0050/00506463.pdf>

3.5.2 Impact on communities – rural Scotland

Key insight: many migrants in rural Scotland are seasonal workers.

Rural Scotland accounts for 98% of the land mass of Scotland and includes 93 inhabited islands. One in five of Scotland's population lives in rural areas. It is difficult to estimate the number of migrants in rural Scotland, because many are seasonal workers and are highly mobile. However, at the time of the Census in March 2011, more than 42,000 non-UK-born migrants were living in accessible rural or remote rural locations. In addition, Scottish Government analysts have used Agricultural Census data to estimate that the total number of seasonal workers in summer and autumn is likely to be in the region of 22,000⁴⁰.

Evidence relating to migrants in rural areas is mainly qualitative and explores migrant experiences. However, several recent studies have focused on factors affecting decisions about long-term settlement, and have drawn in evidence on migrant experience to highlight the range of influencing factors.

Motivations for migrating are key to understanding relations migrants have/develop with the place they migrate to (as well as where they are from). If people are migrating for economic reasons, their primary interest is in earning as much as possible as quickly as possible and they are less likely to be focused on establishing relationships in their temporary home. If their primary interest is in travelling and learning about other cultures, they are likely to engage in a variety of boundary-spanning activities (such as language classes and social activities)⁴¹.

Recent qualitative research endorses a theme of the wider literature on migration: that decision-making in relation to both migration and settlement is open-ended and ongoing and can involve negotiations within families and households. While employment was a key motivating factor, settlement decisions were most often based on a combination of material and emotional considerations, balancing experiences of and aspirations for the past, present and future. Relationships and emotional and material forms of support and security they can offer, were often key to decisions regarding initial migration to rural destinations, as well as influencing decisions about longer-term stays⁴².

Those migrants who attended English for Speakers of Other Languages (ESOL) classes gained not only language skills but also opportunities for wider social interactions and information about local culture, signposting to services and sometimes tailored assistance with specific needs and challenges⁴³. This study

⁴⁰ Annual Census of Agriculture, RESAS, June 2017:

<http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/PubFinalResultsJuneCensus>

⁴¹ De Lima, P. (2012) Boundary crossings: migration, belonging/'un-belonging' in rural Scotland, in Hedberg, C and do Carmo, R (eds) *Translocal ruralism: mobility and connectivity in European rural space*, New York, Springer.

⁴² Flynn, M. and Kay, R. (2017) Migrants' experiences of material and emotional security in rural Scotland: implications for longer-term settlement, *Journal of Rural Studies*, 52, 56-65: https://ac.els-cdn.com/S0743016716302054/1-s2.0-S0743016716302054-main.pdf?_tid=eddd00a4-b7f8-11e7-9588-00000aabb0f02&acdnat=1508766723_0e07cb3c044ae2af7f98819b23c37c09

⁴³ Ibid.

notes findings from an earlier study that migrants experience strong pressures to assimilate to 'dominant cultural norms' and, in the absence of co-ethnic groups within reasonable distance, struggle to maintain a sense of belonging that incorporates multiple places and cultures⁴⁴. However, the study itself found that migrants' daily lives often involved quite extensive networks and interactions with their co-nationals and other Central and Eastern European migrants. This was not necessarily a universally positive experience, as it could become 'burdensome and claustrophobic'⁴⁵.

A study conducted in 2009 found that service providers in rural areas often lack the necessary experience, skills and resources to address the requirements of growing and culturally diverse migrant populations. Issues of distance and lack of economies of scale also pose challenges for service delivery in rural areas⁴⁶.

⁴⁴ De Lima, op. cit.

⁴⁵ Flynn and Kay, op. cit.

⁴⁶ De Lima, P. and Wright, S. (2009) Welcoming migrants? Migrant labour in rural Scotland, *Social Policy and Society*, 8:3, 391-404.



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