

ECONOMY AND LABOUR MARKET

Labour Market Statistics for Scotland by Ethnicity

Statistics from the ONS Annual Population
Survey,
first published 14 December 2022

Key Points

The data provided in this publication can be found in supporting tables. Where possible the tables provide data for each individual year and include additional metrics by ethnicity not commented on in this publication.

Over the year to January to December 2021, for both the white and minority ethnic groups:

- the employment rate decreased
- the unemployment rate decreased
- the economic inactivity rate increased

The difference between the employment rates of the white groups and minority ethnic groups is the ethnicity employment rate gap. In the period January to December 2021, the ethnicity employment rate gap:

- was larger for women compared to men (23.1 percentage points (pp) and -1.5 pp respectively)
- was similar for all ages except 50 to 64 year olds where the gap is much smaller than for the other age groups and shows a differing pattern (16 to 24 year olds: 19.6 pp; 25 to 34 year olds: 18.9 pp; 35 to 49 year olds: 17.9 pp; and 50 to 64 year olds: -8.4 pp)
The gap for 16 to 24 year olds is based on a minority ethnic employment rate which is from a small sample size and should be used with caution.
- was larger for non-disabled people compared to disabled people (15.9 pp and 6.4 pp respectively)

In January to December 2021, when compared to the white groups, minority ethnic groups were more likely to be:

- self-employed and other
- not in contractually secure work
- underemployed

In 2019, the ethnicity pay gap was 10.3 per cent, smaller than in 2011 (11.3 per cent) but slightly larger than the year before (10.2 per cent in 2018).

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About this publication

This publication contains Scottish labour market statistics for January to December 2021. Estimates presented are by ethnic group and from the Office for National Statistics (ONS) Annual Population Survey (APS). Estimates in Annex A use the 3-year pooled APS data for January 2019 to December 2021.

The APS combines the Labour Force Survey (LFS) and the English, Welsh, and Scottish LFS boosts. This provides a larger annual sample of households in Scotland and the United Kingdom. Compared to the quarterly LFS, the annual APS provides more statistically robust estimates. This is especially true for local areas and smaller populations such as breakdowns by ethnic groups. The APS is the National Statistics source for labour market indicators by region and age.

Important Note

Since August 2021, APS responses for periods April 2019 to March 2020 and onwards use weights derived from new populations. The new populations incorporate growth rates from HM Revenue and Customs Real Time Information (RTI). This was to allow for the different trends during the coronavirus (COVID-19) pandemic. The new weightings gave improved estimates for both rates and levels.

In July and September 2022, APS responses for the periods outlined above were reweighted again using updated [HM Revenue and Customs \(HMRC\) Real Time Information \(RTI\) data](#). The ONS have written an [article](#) which provides further information on the reweighting exercise.

The Government introduced policies in relation to the COVID-19 pandemic. Some of these policies were still in place during the period of the 2020 and 2021 APS estimates. The impact of these policies are likely to affect these estimates.

Between April 2020 and the end of September 2021 some Employees were furloughed. These employees were classed as employed, but temporarily away from work. This definition is consistent with labour market definitions as outlined by [ONS](#).

Ethnicity Definitions

Estimates for white and minority ethnic groups are presented using the variables available on the Annual Population Survey data and are consistent with ONS labour market outputs for [labour market status](#) and [ethnicity pay gap](#).

Questions on ethnic group have been asked in the APS since it started in 2004. Changes made in January and April 2011 brought the questions in line with 2011 Census data. As such, a break in the series exists before 2011 and only data from 2011 onwards is included.

Currently in the APS respondents are asked “what is your ethnic group?” and are given the following options to choose from:

- “White”
- “Mixed/Multiple ethnic groups”
- “Asian/Asian Scottish/Asian British”
- “African”
- “Caribbean or Black”
- “Arab”
- “Other ethnic group”

Other questions ask for more detail about respondent's ethnic group. It is important that results should be presented in as much detail as possible but this is often not possible due to the robustness of the sample. The problem of small estimates and samples can be overcome by combining categories. This is not ideal as it may hide inequalities that occur between separate ethnic groups.

For the purpose of the analysis presented here:

- "Minority Ethnic" includes “Mixed or Multiple”; “Asian”; “African”; “Caribbean or Black”; “Arab”, and “Other ethnic groups”. It describes all ethnic groups excluding those who answered “White” to the first question .
- “White” includes ethnic groups such as “White – Polish” and “White – Gypsy or Irish Traveller”. These ethnic groups may also suffer labour market disadvantages.

The term “Minority Ethnic” aids narrative and provides a concise terminology. The terminology used aligns with [Scottish Government guidance](#).

Following work for the 2021 Censuses in [England and Wales](#) and [Northern Ireland, Scotland's Census 2022](#), and work being undertaken by ONS to [transform the Labour Force Survey](#), the question on ethnic group will likely evolve to better represent the people living in Scotland, the United Kingdom, and other stakeholder requirements.

Introduction

This publication expands the [ethnic group section](#) of [Scotland's Labour Market: People, Places and Regions – Protected Characteristics](#) released on 21 September 2022.

In the earlier publication, estimates for Scotland showed that over the year, in both the white and minority ethnic groups:

- the employment rate decreased
- the unemployment rate decreased
- the economic inactivity rate increased

However, the percentage point (pp) change in the minority ethnic groups was larger than the pp change in the white groups for all three labour market indicators.

Compared to the white groups, the minority ethnic groups had:

- a lower employment rate (minority ethnic group: 62.1 per cent; white groups: 73.9 per cent)
- a higher inactivity rate (minority ethnic group: 33.5 per cent; white groups: 23.2 per cent)
- a higher unemployment rate (minority ethnic group: 6.5 per cent; white groups: 3.8 per cent)

The estimate of the minority ethnic unemployment rate is based on a small sample size and should be used with caution.

Equality characteristics

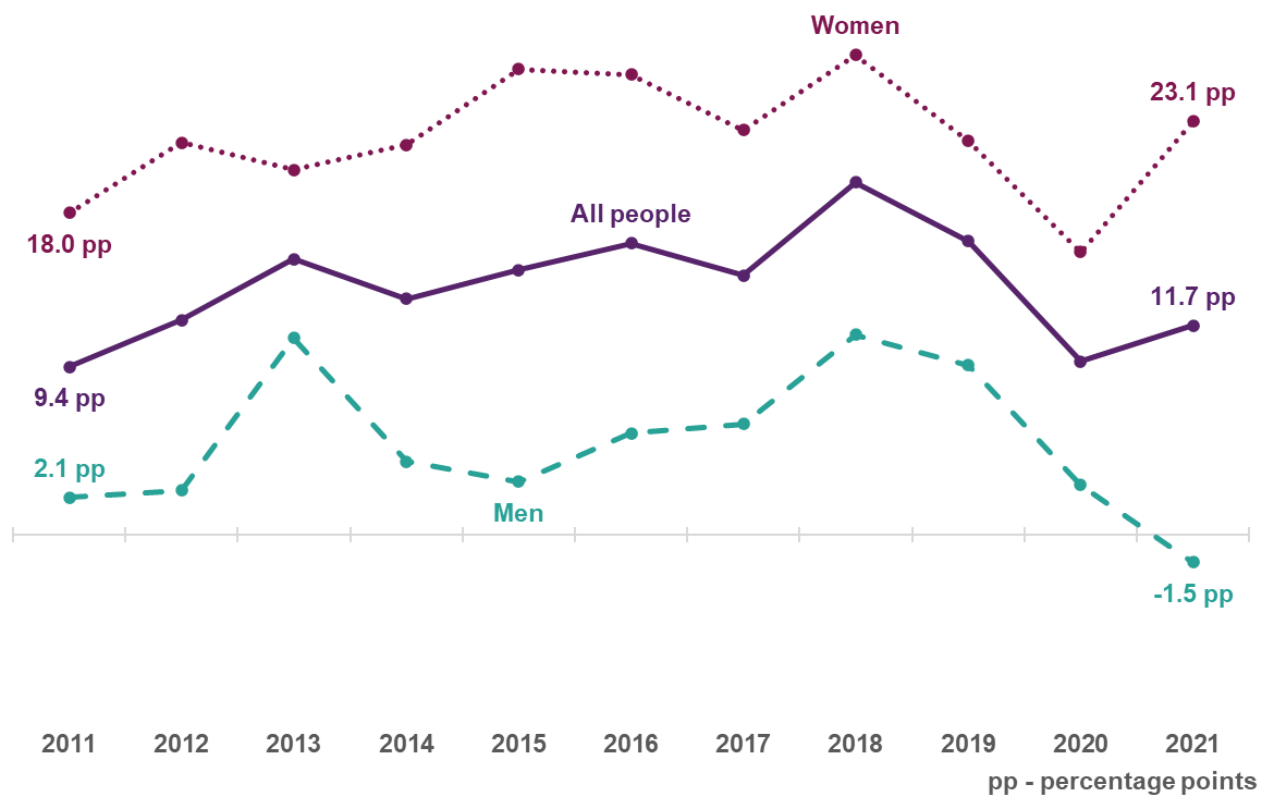
The difference between the employment rates for the white and minority ethnic groups is the ethnicity employment rate gap. It is defined as the employment rate for the white groups minus the employment rate for the minority ethnic groups. When looking at equality characteristics it can give an insight into the ways that sex, age, and disability can affect the employment rate for the minority ethnic groups compared to the white groups.

Sex

In January to December 2021, the gap between the employment rate for white men and minority ethnic men was -1.5 percentage points (pp). This was the first time since 2011 that the employment rate for minority ethnic men was higher than white men (77.3 and 75.8 per cent respectively).

In contrast, the gap between the employment rate for white women and minority ethnic women was 23.1 pp. This was the fourth largest gap since 2011 and was 7.3 pp larger than in 2020. The ethnicity employment rate gap for women in 2020 (15.8 pp) was the smallest gap since 2011. The increase in 2021 is explained by the employment rate for white women remaining unchanged (72.0 per cent in 2020 and 2021) and the employment rate for minority ethnic women decreasing (from 56.2 per cent in 2020 to 48.9 per cent in 2021).

Chart 1: Ethnicity employment rate gap of people aged 16 to 64 by sex, Scotland, 2011 to 2021



Source: Annual Population Survey, January to December data, ONS

Age

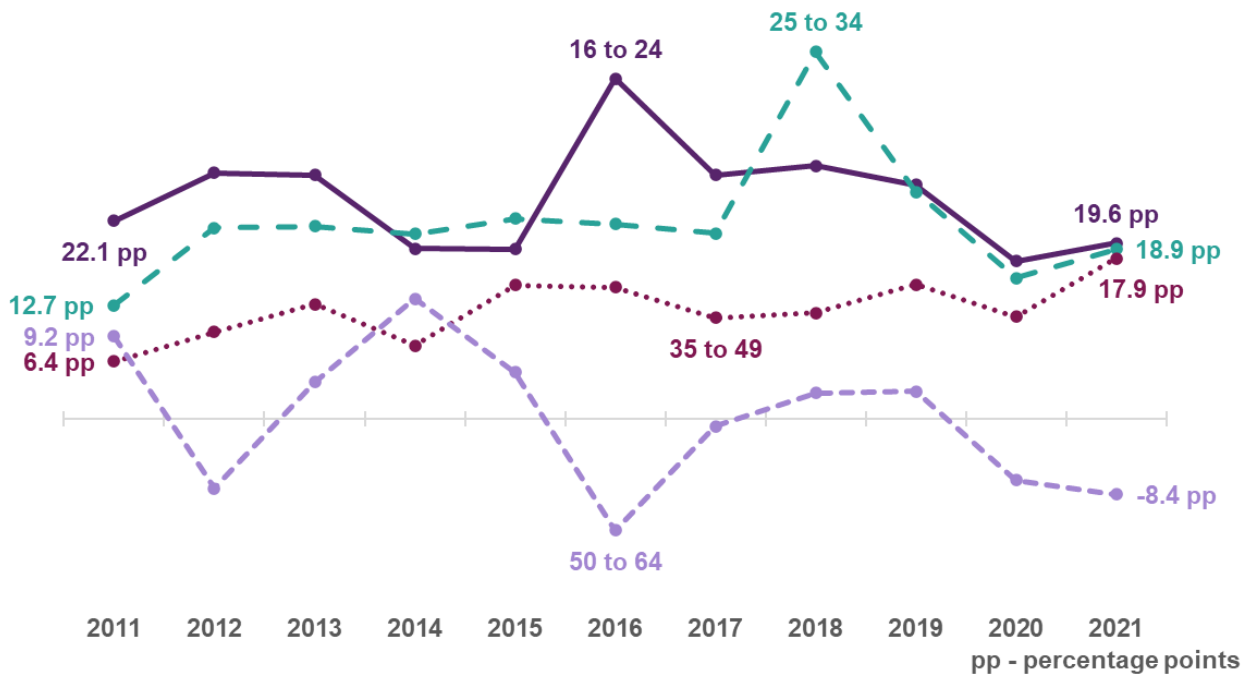
In January to December 2021, the white employment rate was higher than the minority ethnic employment rate for all ages except those aged 50 to 64. For those aged 50 to 64, the ethnicity employment rate gap was -8.4 pp. For all other age groups, the white employment rate was higher than the minority ethnic employment rate by around the same amount.

Of the remaining groups, the 35 to 49 year olds had the smallest gap at 17.9 pp and the 16 to 24 year olds had the largest gap at 19.6 pp. However, since 2011, the gap has increased in both the 25 to 34 and 35 to 49 age groups. The gap has decreased for those aged 16 to 24.

For 16 to 24 year olds, the employment rate for both the white and minority ethnic groups has been increasing since 2011 keeping the gap relatively stable. For 25 to 34 and 35 to 49 year olds, the white employment rate has been increasing slightly but the minority ethnic employment rate has been decreasing slightly. This has increased the gap.

The gap for 16 to 24 year olds is based on a minority ethnic employment rate which is from a small sample size and should be used with caution.

Chart 2: Ethnicity employment rate gap by broad age group, Scotland, 2011 to 2021



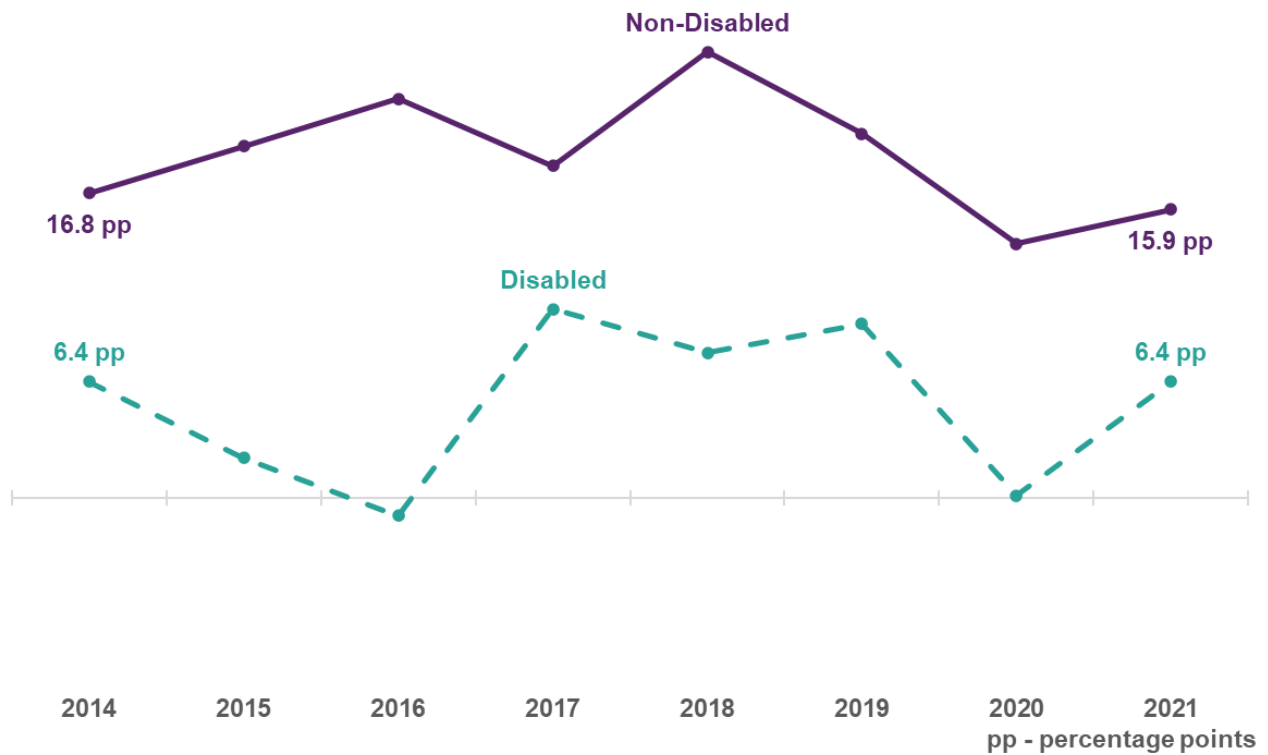
Source: Annual Population Survey, January to December data, ONS

Disability

In January to December 2021, the employment rate gap between the white groups and the minority ethnic groups who are disabled was 6.4 pp. This was less than half the gap when compared with non-disabled people (15.9 pp). Since 2014, the gap for non-disabled people has been consistently larger than the gap for disabled people.

The size of the gap is explained by the employment rate for white non-disabled people being far higher than the employment rate for minority ethnic non-disabled people (81.8 and 65.9 per cent respectively). The employment rate for white non-disabled people was also much higher than the employment rate for white disabled people (49.9 per cent in 2021). The employment rate for white disabled people was closer to the employment rate for minority ethnic disabled people (43.5 per cent in 2021).

Chart 3: Ethnicity employment rate gap by disability, Scotland, 2014 to 2021



Source: Annual Population Survey, January to December, ONS

Types of work

In January to December 2021, when compared to employed people in the white groups employed people in the minority ethnic groups were more likely to be:

- self-employed and other
- not in contractually secure work
- underemployed

However, the proportion of the minority ethnic groups who were self-employed and other (12.9 per cent) was similar to the proportion of the white groups (11.3 per cent). Whereas the proportion of the minority ethnic groups not in contractually secure work was almost twice the proportion of the white groups (9.3 and 4.8 per cent respectively). The proportion of hours based underemployment for the minority ethnic groups was also almost twice the proportion for the white groups (11.9 and 6.2 per cent respectively).

Self-employed and other includes people who are self-employed, on Government employment and training programmes, and unpaid family workers. Those who are self-employed make up the vast majority of the group (around 94 per cent in 2021).

Contractually secure work is defined as employees who are employed on a permanent basis.

Underemployment refers to those who are in work but would prefer to work more hours in their current job (at their basic rate of pay), in an additional job or in a new job with longer hours to replace their current job.

Chart 4: Employment by ethnicity and types of work, Scotland, 2021



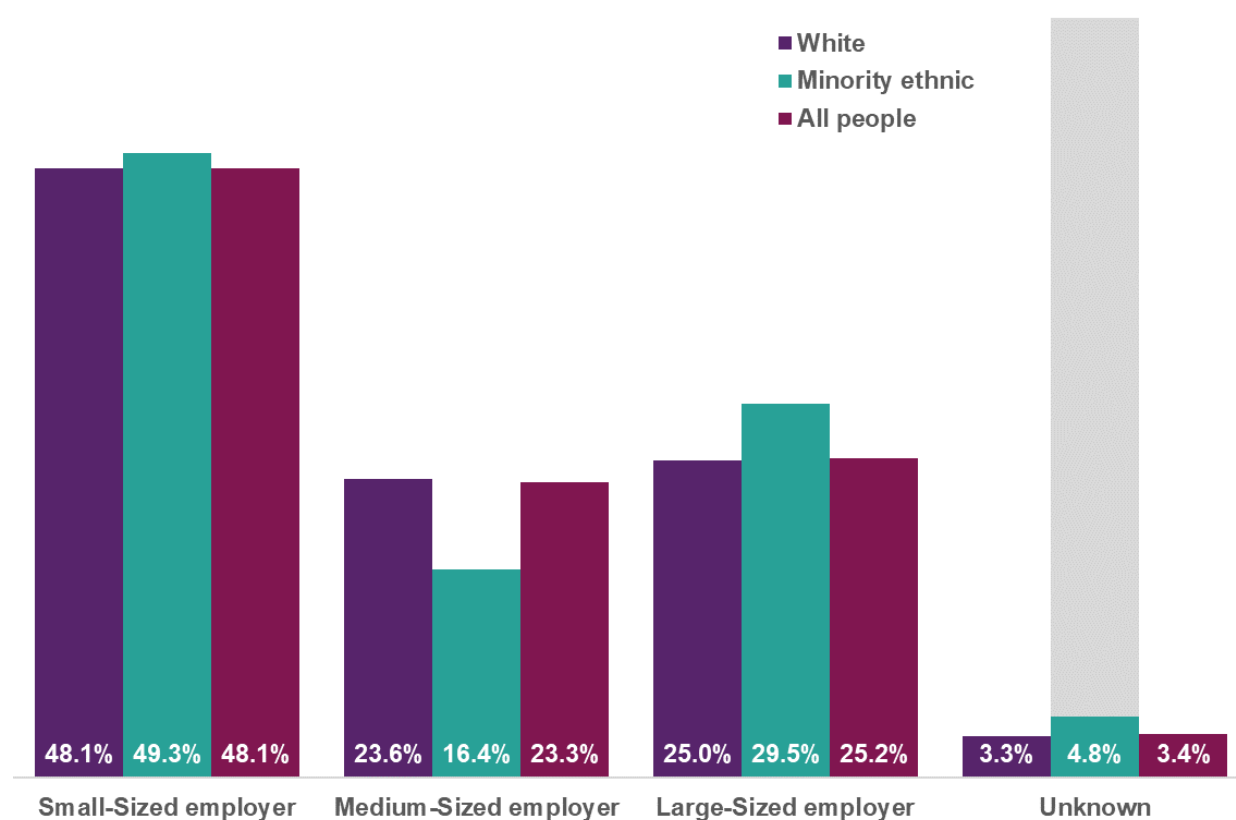
Source: Annual Population Survey, January to December, ONS

In January to December 2021, just under half of all employed people worked for small-sized employers (48.1 per cent). A similar proportion in the white groups and the minority ethnic groups worked for small-sized employers (48.1 and 49.3 per cent respectively).

However, a larger proportion of the minority ethnic groups worked for large-sized employers compared to the white group. A larger proportion of the white groups worked for medium-sized employers compared to the minority ethnic groups. In the white groups, a similar proportion worked for medium-sized and large-sized employers (23.6 and 25.0 per cent respectively). Whereas in the minority ethnic groups, a larger proportion worked for large-sized employers compared to medium-sized employers (29.5 and 16.4 per cent respectively).

Employer size is self-reported and may not be consistent with estimates of employers size reported from business sources.

Chart 5: Employment by ethnicity and employer size, Scotland, 2021



Source: Annual Population Survey, January to December, ONS

Note: Estimates with a grey background are based on a small sample size. This may result in less precise estimates, which should be used with caution.

Small-Sized employers have less than 50 employees

Medium-Sized employers have between 50 and 249 employees

Large-Sized employers have 250 or more employees

Employers of unknown size have between 50 and 499 employees

Ethnicity Pay Gap

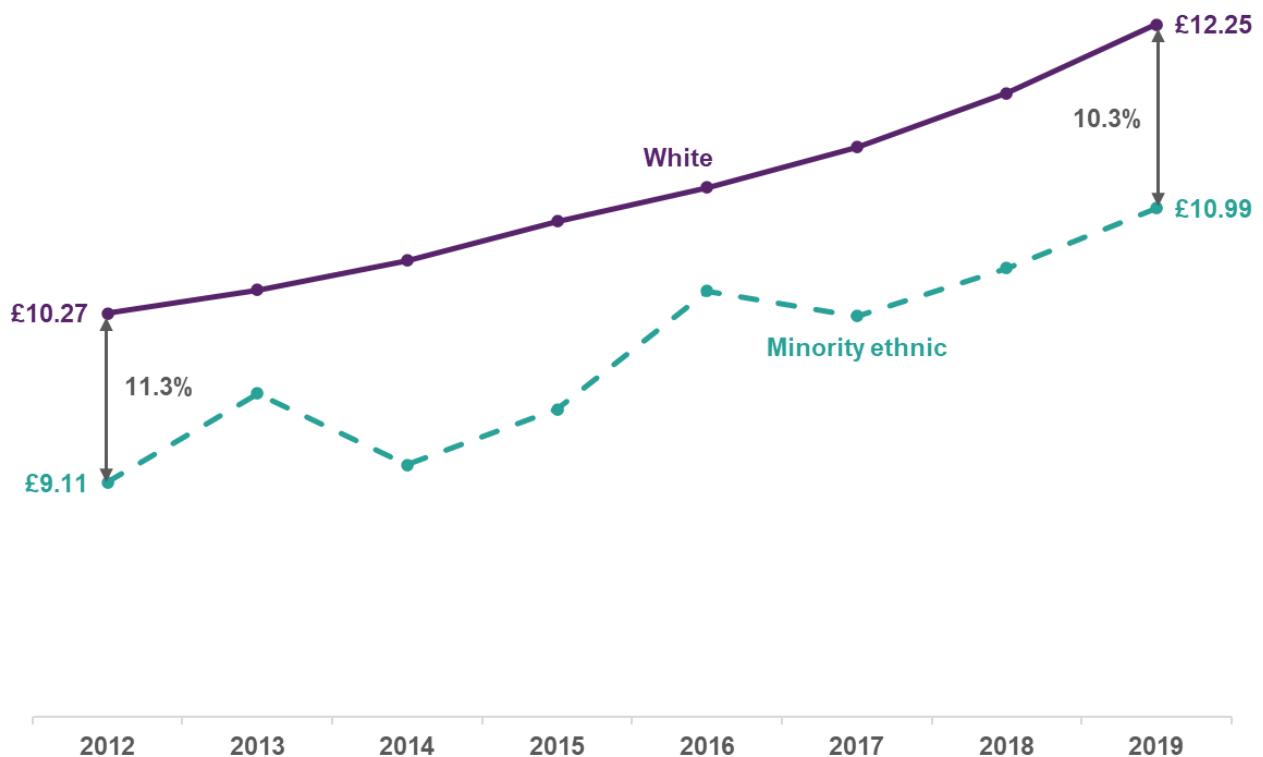
Data are only provided to 2019 for this measure. The accuracy of income weights are affected by an issue with the coding of occupations [identified by ONS](#). ONS have advised earnings information should be used with caution for later years and we have chosen to omit the data until the issue is resolved.

The ethnicity pay gap is median hourly pay for minority ethnic employees subtracted from median hourly pay for white employees expressed as a percentage of median hourly pay for white employees.

The median hourly pay for the white employees has been steadily increasing since 2012 to £12.25 in 2019. Similarly, the median hourly pay for the minority ethnic employees has increased since 2012 to £10.99 in 2019. Despite being higher than in 2012, the median pay for the minority ethnic employees has seen years where median hourly pay has decreased. The median pay for white employees has increased in every year in the series.

Although there are fluctuations in the ethnicity pay gap, the gap has decreased from 11.3 per cent in 2012 to 10.3 per cent in 2019. This was a 1.0 percentage point decrease over the period since 2012 but 0.1 pp larger than in 2018.

Chart 6: Median hourly pay by ethnicity, Scotland, 2012 to 2019



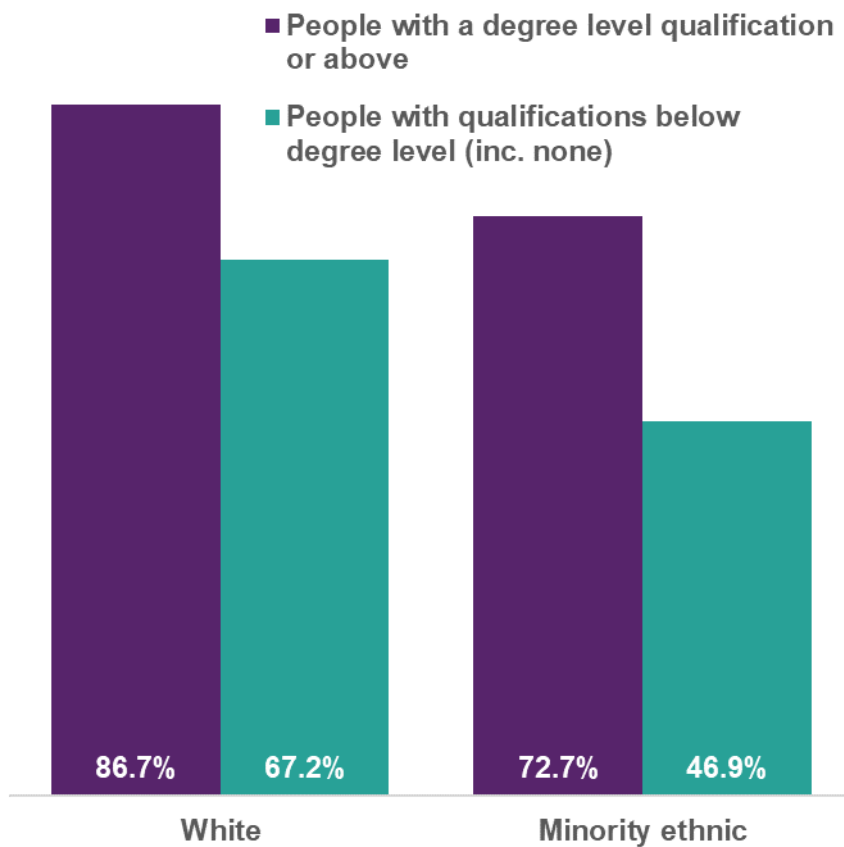
Source: Annual Population Survey, January to December data, ONS

Highest qualification

In January to December 2021, people in the white groups with a degree level qualification or above had a higher employment rate than people in the minority ethnic groups with a degree level qualification or above (86.7 and 72.7 per cent respectively). Similarly, people in the white groups with qualifications below degree level (including none) had a higher employment rate compared to people in the minority ethnic groups with qualifications below degree level (including none) (67.2 and 46.9 per cent respectively).

The ethnicity employment rate gap was larger for those with qualifications below degree level compared with those with a degree level qualification or above. Although the employment rate for the white groups with qualifications below degree level (including none) was lower than the employment rate for the minority ethnic groups with a degree level qualification or above, they are relatively close.

Chart 7: Employment rate by ethnicity and highest qualification attained, Scotland, 2021



Source: Annual Population Survey, January to December 2021, ONS

Annex A: Economic Indicators by Detailed Ethnicity

When looking at detailed breakdowns of Scotland's labour market it is not always possible to publish estimates from the APS. This is due to small sample sizes affecting their robustness. As such, estimates for detailed ethnic groups use the 3-year pooled APS dataset for the period January 2019 to December 2021. In addition, we've grouped "unemployment" and "economic inactivity" as "out of work". In these instances, we've also labelled "employment" as "in work".

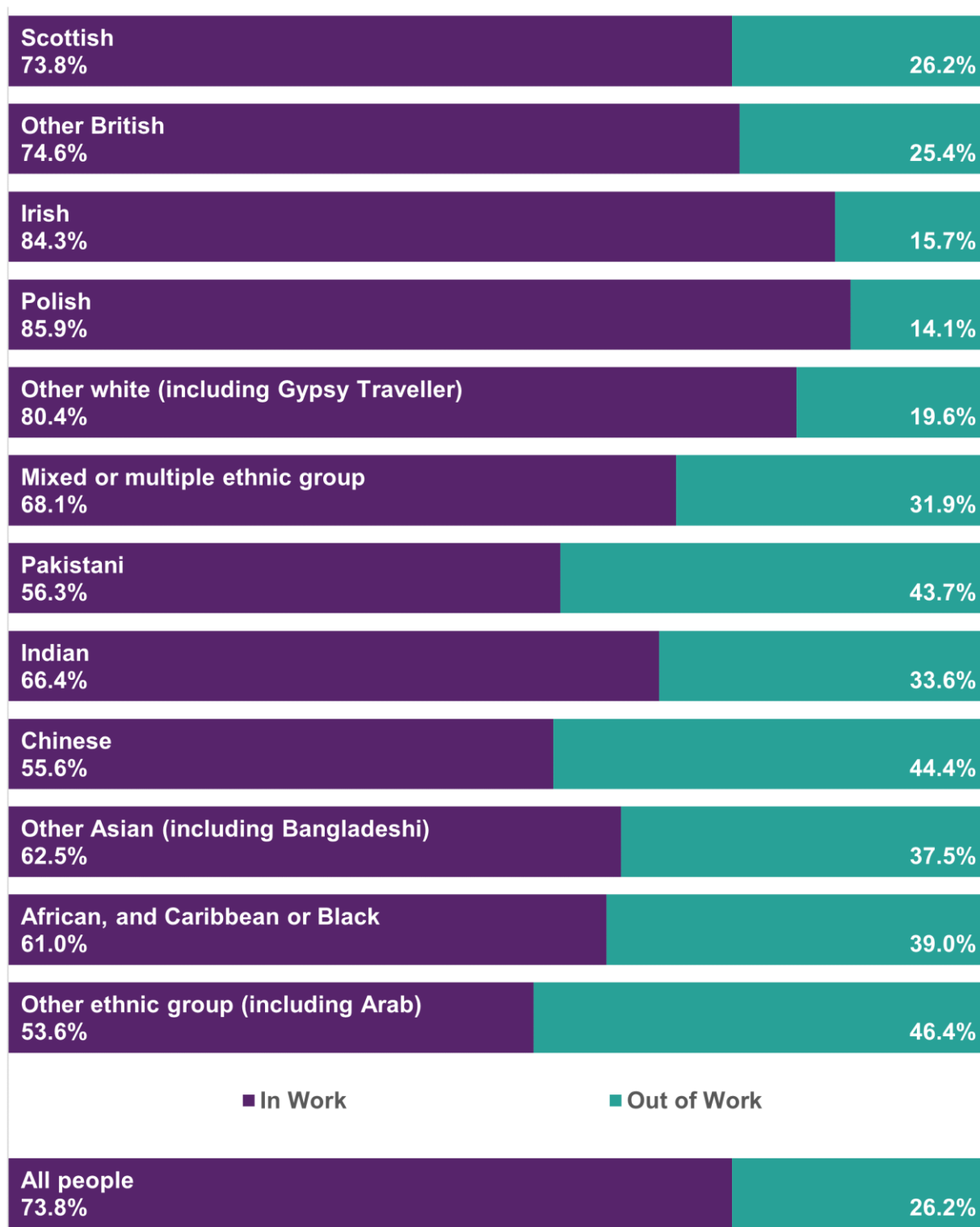
Between January 2019 to December 2021, the ethnic groups with the highest proportion of people (16 to 64 year olds) in work was estimated as:

- Polish at 85.9 per cent
- Irish at 84.3 per cent
- Other white (including Gypsy Traveller) at 80.4 per cent
- Other British at 74.6 per cent
- Scottish at 73.8 per cent

The ethnic groups with the lowest proportion of people in work was estimated as:

- Other ethnic group (including Arab) at 53.6 per cent
- Chinese at 55.6 per cent
- Pakistani at 56.3 per cent
- African, and Caribbean or Black at 61.0 per cent
- Other Asian (including Bangladeshi) at 62.5 per cent

Chart A1: Proportion of people aged 16 to 64 in and out of work by detailed ethnicity, Scotland, January 2019 to December 2021



Source: Annual Population Survey, 3-Year Pooled Data, January 2019 to December 2021, ONS

Further Information

Reliability of estimates

Estimates from the ONS Annual Population Survey for January 2011 to December 2011 through to January 2021 to December 2021 are presented. The sample size in this dataset is around 11,500 households in Scotland for the latest time period.

The Labour Force Survey (LFS) and the Annual Population Survey (APS) are sample surveys. As such, these estimates are subject to an associated sampling error that decreases as the sample size increases. It is the nature of sampling variability that the smaller a group is the (proportionately) less precise an estimate is. The Office for National Statistics (ONS) have published a detailed guidance note on this. Shading is one method used by ONS to indicate where estimates should be used with caution. The National Statistics marking for the APS reflects the larger sample size for headline estimates of Labour Market indicators for smaller groups of the population of Scotland.

Confidence Intervals

Confidence limits can be used to assess the range of values that the true value lies between. 95 per cent confidence intervals for rates are included in all tables and charts.

What does the 95 per cent confidence limit mean?

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

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

Statistical Significance

Statistical significance is based on 95 per cent Confidence Intervals. Statistical significance means that the change was large enough that it is unlikely to have resulted only from the variable nature of the sample.

Quality Assurance

Annual Population Survey microdata is collected and produced by the ONS. Scottish Government statisticians receive early access to perform quality assurance checks.

When producing estimates for this publication, Scottish Government statisticians conduct in-depth quality assurance.

These checks include:

- analysis of the sample size obtained in the collection process
- production of estimates from the microdata using statistical software and relevant coding
- cross checking of coding between team members

Further checks relate to:

- coherence across all data tables
- crosschecking historical time series data with previously published results
- benchmarking the results against other relevant data sources

Context

These statistics are produced by Scottish Government Labour Market Statisticians. Labour Market Statistics is located within the Labour Market and Employability Statistics Unit, part of the Office of the Chief Economic Advisor. Labour Market Statistics are used for policy monitoring, research, services planning and delivery.

The APS is used to measure a number of indicators in the Scottish Government [National Performance Framework](#) (NPF). The estimates help to measure progress towards high level outcomes, Education and Fair Work and Business.

The APS was also used to provide statistics for the [A Fairer Scotland for All: An Anti-Racist Employment Strategy](#). Another [analytical paper](#) was published alongside the strategy. This also informs the [Equality Data Improvement Programme](#).

A range of labour market statistics for Scotland, including disability, are available on the [Scottish Government website](#).

Intersectional employment outcomes

The [Equality and Human Rights Commission](#) define intersectionality as “an analytical tool used for the purpose of equality and human rights monitoring to show the distinct forms of harm, abuse, discrimination, and disadvantage experienced by people when multiple categories of social identity interact with each other”. For this paper, intersectionality is considered by looking at the employment outcomes of those from a minority ethnic background in combination with other characteristics including sex, age and disability.

Scottish Government researchers have undertaken a literature review on the concept of intersectionality, including what it is, and how it can be applied to

policymaking and analysis in the [Using intersectionality to understand structural inequality in Scotland: evidence synthesis](#) publication.

Concepts and Definitions

Rates: Rates represent the proportion of the population or subgroup with a certain characteristic. They allow changes in the labour market to be interpreted in a wider context by accounting for changes in the population or the number of people who are economically active. Rates can be calculated for different age groups.

For headline employment, economic activity and economic inactivity, the reference population is those aged 16 to 64. For unemployment, the reference population is the active population aged 16 and over. Thus, people aged 65 and over who continue to be economically active are included in the base while those who are economically inactive will not.

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

Economically inactive: People not in employment and who do not meet the criteria for unemployment. This group includes:

- 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
- those who do not want a job

For example, students not working or seeking work and those in retirement.

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

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. The number of people in employment is measured via the Labour Force Survey and consist of those aged 16 and over. Employment measures the number of people who did at least one hour of paid work or had a job they were temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programs are also included. This is in accordance with the International Labour Organisation (ILO) definition.

Employment rate: The proportion of people aged between 16 and 64 years who are in employment.

Unemployment: The ILO definition of unemployment covers people who are 16 years and over:

- without a job, have been actively seeking work in the past four weeks and are available to start work in the next fortnight

or

- out of work, have accepted a job and are waiting to start it in the next two weeks

Unemployment rate: The proportion of economically active people aged 16 and over who are employed.

Sex: Sex is self-reported by respondents participating in the Annual Population Survey (APS). Analysis is based on “sex” rather than “gender”. No documentation is asked for by the interviewer or provided by the respondent.

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. A condition will have lasted 12 months or more and have a substantial impact on a person's ability to carry out normal day-to-day activities. The 2010 Equality Act superseded the Disability Discrimination Act (DDA) 1995, for Great Britain but not Northern Ireland. The DDA was the basis of the published APS estimates prior to 2013.

Ethnicity: A detailed description of ethnicity is provided [above](#).

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

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

Contractually secure employment: Contractually secure employment is currently based on responses to questions asking about whether employees aged 16 and over are employed on a permanent basis.

Median hourly pay: Pay information is self-reported and relates to employees only.

Further information on [classifications and harmonisation](#) is available on the ONS website.

Tell us what you think

We are always interested to hear from our users about how our statistics are used, and how they can be improved.

Please consider answering our short [feedback survey](#) on how you found this publication.

An Official Statistics Publication for Scotland

Official and National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. Both undergo regular quality assurance reviews to ensure that they meet customer needs and are produced free from any political interference.

Correspondence and enquiries

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How to access background or source data

Results are provided for January 2011 to December 2011 through to January 2021 to December 2021 based on the data released by the Office for National Statistics (ONS).

Annual Population Survey data for employment, unemployment, and economic inactivity for Scotland, alongside a range of other labour market indicators, are also made available on the [Scottish Government Open Data Platform](#).

ONS also release rolling quarterly Annual Population Survey datasets covering the periods April to March, July to June, and October to September. The data for these time periods have not been used or presented within this publication. The data for these time periods are available on [nomis](#).

Complaints and suggestions

If you are not satisfied with our service or have any comments or suggestions, please write to:

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