

## **ECONOMY AND LABOUR MARKET**

# Labour Market Statistics for Scotland by Disability

Statistics from the ONS Annual Population Survey, first published 31 May 2023

## **Key Points**

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

Over the year to January to December 2022, for both disabled and non-disabled people aged 16 to 64:

- the employment rate increased
- the unemployment rate decreased
- the economic inactivity rate decreased
- However, the percentage point (pp) increase in the employment rate for non-disabled people and the percentage point (pp) decrease in the inactivity rates for non-disabled people were larger than the pp changes for disabled people.

Compared to non-disabled people, disabled people had:

- a significantly lower employment rate (disabled people: 50.7 per cent; nondisabled people: 82.5 per cent)
- a significantly higher inactivity rate (disabled people: 46.0 per cent; nondisabled people: 15.1 per cent)
- a higher unemployment rate (disabled people: 6.2 per cent; non-disabled people: 2.8 per cent)

The difference between the employment rates for non-disabled and disabled people is the disability employment rate gap. In the period January to December 2022, the disability employment rate gap:

- was 31.9 percentage points (pp) due to the non-disabled employment rate (82.5 per cent) being significantly higher than the disabled employment rate (50.7 per cent)
- was wider for men compared to women (35.9 pp and 28.2 pp respectively)
- ranged between 23.5 pp and 35.8 pp for different age groups with 25 to 34 year olds having the narrowest gap and 35 to 49 year olds having the widest gap
- was wider for white groups compared to minority ethnic groups (32.8 pp and 22.9 pp respectively)

Since 2016, the disability employment rate gap has decreased by 5.5 percentage points from 37.4 percentage points to 31.9 percentage points.

In January to December 2022, disabled people were more likely to:

- work part-time
- not be in contractually secure work
- be underemployed

than non-disabled people.

In 2019, the disability pay gap was 16.2 per cent, wider than in any other year since the series began in 2014. The gap was narrowest in 2018 (8.3 per cent) but has nearly doubled over the year increasing by 7.9 pp.

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## **About this publication**

This publication contains Scottish labour market statistics for January to December 2022. Estimates presented are by disability and from the Office for National Statistics (ONS) Annual Population Survey (APS).

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 disability. The APS is the National Statistics source for labour market indicators by region and smaller groups of the population.

## **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 <a href="HM Revenue and Customs">HMRC</a>) Real Time <a href="Information">Information</a> (RTI) data. The ONS have written an <a href="article">article</a> which provides further information on the reweighting exercise.

The UK and Scottish Governments introduced policies in relation to the COVID-19 pandemic in 2020. Some of these policies were still in place during the periods of the 2021 and 2022 APS estimates. The impact of these policies are likely to be seen in the estimates for these years.

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.

The population totals used for the 2021 and 2022 APS estimates use projected growth rates from real-time information (RTI) data for UK, EU and non-EU populations based on 2021 patterns. The total population used for the APS therefore does not take into account any changes in migration, birth rates, death rates, and so on since June 2021, so levels estimates may be under or over estimating the true values and should be used with caution. Estimates of rates will, however, be robust.

ONS carried out the original collection and analysis of the Annual Population Survey data. ONS bear no responsibility for their further analysis and interpretation.

#### **Labour Market Transformation**

ONS are transforming the LFS. They have published a <u>Labour market</u> <u>transformation article</u> providing an update on the transformation of labour market statistics.

ONS also welcome any feedback on this latest update and their plans. Please email them at labour.market.transformation@ons.gov.uk to tell them what you think.

## **Disability Definition**

Disability questions have been asked since the beginning of the APS in 2004 but have undergone several changes since 2010. This has meant comparisons over time have become difficult to interpret. There are two sets of changes in particular that have resulted in discontinuities in time series:

- in January 2010, a rewording of the introduction to the section of the survey covering disabilities
- in April 2013, changes to the wording of the disability questions in order to bring the APS more in line with the definitions and questions used in other household surveys in the UK

Consequently the estimates from 2010 onwards are not directly comparable with those for previous years. Also, the estimates from April 2013 are not comparable with those for either the 2010-2012 or the pre-2010 periods.

The discontinuity in 2010 resulted from some differences in the reporting behaviour of respondents because of a change in the wording of the questionnaire. The discontinuity in April 2013 resulted from a further change in the reporting behaviour of survey respondents following another change to the wording of the questionnaire.

These changes brought the APS in line with the Government Statistical Service (GSS) Harmonised Standards for questions on disability and also enabled the APS estimates to be consistent with the definitions used in the 2010 Equality Act. The 2010 Equality Act replaced the Disability Discrimination Act (DDA) 1995, for Great Britain but not for Northern Ireland. The DDA was the basis for APS estimates from 2004 to the beginning of 2013.

This harmonised definition is based on self-reported health condition. A condition will have lasted, or be expected to last, 12 months or more and reduce a person's ability to carry out normal day-to-day activities.

As a result of the discontinuity in the series we have chosen only include estimates from 2014 onwards within this publication.

Estimates are for 16 to 64 year-olds because the disability variable is not robust for those aged over 64 years. Disability status is only collected for people aged 65 years or older at their first contact resulting in less data for this population. The

weighting used does not account for the reduced sample size for this age group, making the data not fully representative of the population.

This means the working status of those aged 65 years or over is not captured. The survey's sampling method excludes communal establishments. Therefore, estimates are not representative of disabled people who reside in medical or residential care establishments.

The terminology used in this publication aligns with **Scottish Government guidance**.

## **Overview**

There is diversity within the disabled community. The number and types of impairments change from person to person. Therefore, this diversity can be hidden when looking at the overall disability employment rate. Disabled people by impairments on page 20 contains analysis looking at the employment rates for disabled people aged 16 to 64 by the number of impairments and the types of impairments disabled people may have. Disability is self-reported by individuals participating in the ONS Annual Population Survey.

## **Employment**

In 2022, an estimated 436,400 disabled people aged 16 to 64 were in employment.

The employment rate for disabled people aged 16 to 64 was estimated at 50.7 per cent, increasing from 49.6 per cent in 2021. The employment rate for disabled people is above the rate in 2019 (49.0 per cent) and has passed 50.0 per cent for the first time.

This was significantly lower than the rate for non-disabled people (82.5 per cent). The employment rate for non-disabled people increased from 80.8 per cent in 2021 to 82.5 per cent in 2022. The employment rate for non-disabled people has also passed the 2019 (pre-pandemic) rate of 81.6 per cent.

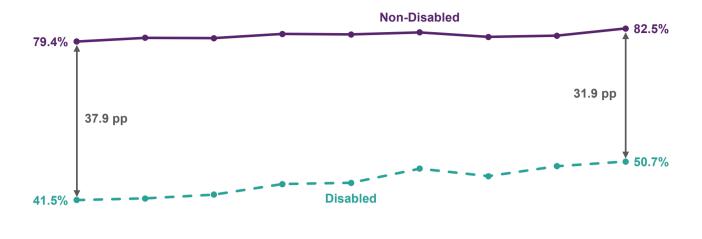
The difference between the employment rates for non-disabled and disabled people is the disability employment rate gap. It is defined as the employment rate for non-disabled people minus the employment rate for disabled people.

The disability employment rate gap was estimated at 31.9 percentage points. This represents a statistically significant gap. The disability employment rate gap has increased by 0.7 percentage points (pp) over the year. However, it has decreased by 0.8 pp since 2019 (pre-pandemic) and continues the narrowing of the gap seen prior to the pandemic.

Over the longer term, since 2016, the disability employment rate gap has decreased by 5.5 percentage points from 37.4 percentage points to 31.9 percentage points

The reduction in the disability employment rate gap from 2019 to 2022 and 2016 to 2022 was due to the employment rate for disabled people increasing by more than the employment rate for non-disabled people over the same period.

Chart 1: Employment rate for disabled and non-disabled people aged 16 to 64, Scotland, 2014 to 2022





Source: Annual Population Survey, January to December datasets, ONS Note: The disability employment rate gap is shown in chart 2

Unemployment

## In 2022, an estimated 28,900 disabled people aged 16 to 64 were unemployed. The unemployment rate for disabled people aged 16 to 64 was estimated at 6.2 per cent. This was higher than the rate for non-disabled people (2.8 per cent).

The unemployment rate for non-disabled people is the same as in 2019 (prepandemic). However, the unemployment rate for disabled people is now below the rate in 2019 (8.2 per cent) and is lower than at any time since 2014.

## **Economic Inactivity**

In 2022, an estimated 395,900 disabled people aged 16 to 64 were economically inactive. The inactivity rate for disabled people aged 16 to 64 was estimated at 46.0 per cent. This was significantly higher than the rate for non-disabled people (15.1 per cent).

The inactivity rate for non-disabled people is lower than the 2019 (pre-pandemic) rate of 16.1 per cent. The inactivity rate for disabled people is also below the rate in 2019 (46.6 per cent) and is lower than at any time since 2014.

## **Local Authority areas**

In 2022, estimates for Orkney Islands and Shetland Islands were considered unreliable and have not been included.

Over the year, the employment rate for disabled people aged 16 to 64 increased in 18 and decreased in 12 of Scotland's Local Authority areas. Two areas saw a statistically significant change with Highland decreasing by 19.6 percentage points (pp) to 35.5 per cent and Fife increasing by 12.6 pp to 58.2 per cent.

The 2022 estimates for Highland is from a small sample sizes. The estimate and change on year estimate should be used with caution.

In 2022, the employment rate for disabled people was greater than 50.0 per cent in 19 of Scotland's Local Authority areas and lower than 50.0 per cent in 11 of Scotland's Local Authority areas.

The local authority areas with the highest employment rates for disabled people were:

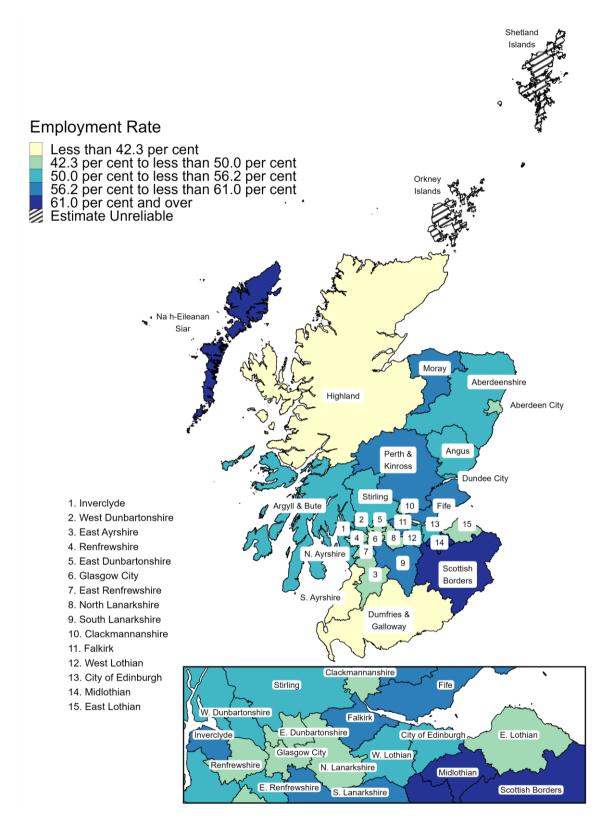
- Na h-Eileanan Siar (65.7 per cent)
- Midlothian (62.9 per cent)
- Scottish Borders (61.1 per cent)

The local authority areas with the lowest employment rates for disabled people were:

- Highland (35.5 per cent)
- Dumfries and Galloway (39.3 per cent)
- South Ayrshire (40.3 per cent)

The estimates for Na h-Eileanan Siar and Highland are from small sample sizes. These estimates should be used with caution.

Figure 1: Employment rate of disabled people, Local Authority areas, 2022



Source: Annual Population Survey, January to December 2022, ONS

Note: The estimates for Na h-Eileanan Siar and Highland are from small sample sizes. These estimates should be used with caution.

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## **Equality characteristics**

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

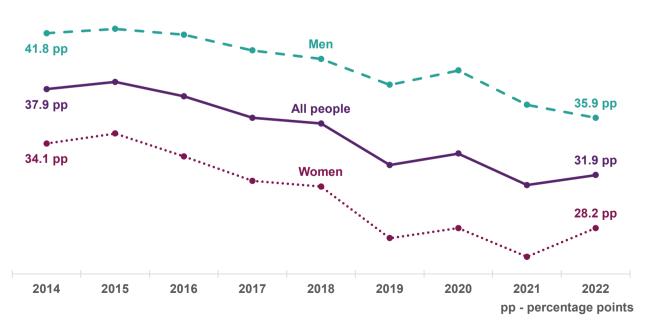
#### Sex

The disability employment rate gap for men has been consistently larger than women.

In January to December 2022, the gap between the employment rate for non-disabled and disabled men was 35.9 percentage points (pp). This was the narrowest gap since 2014.

The disability employment rate gap for women in 2021 (26.2 pp) was the narrowest gap since 2014 but has since increased to 28.2 pp in 2022. The increase in 2022 is explained by the employment rate for both non-disabled and disabled women increasing but the employment rate for non-disabled women increased by more than the employment rate for disabled women.

Chart 2: Disability employment rate gap for people aged 16 to 64 by sex, Scotland, 2014 to 2022



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

## Age

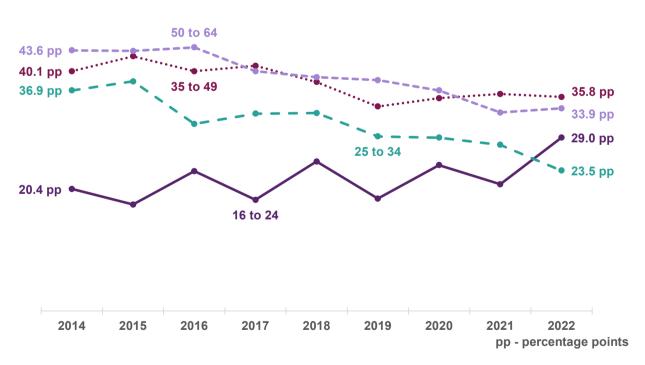
In January to December 2022, the employment rate of non-disabled people was higher than the employment rate of disabled people for all ages. Since 2014, the disability employment rate gap has been narrowing for all ages except 16 to 24 year olds where it has been widening.

The 25 to 34 year old age group has the narrowest gap at 23.5 percentage points (pp) while the 35 to 49 year old age group has the widest gap at 35.8 pp. For the first time since the series began in 2014, the disability employment rate gap for 16 to 24 year olds is not the narrowest gap by age group.

Over the year, the gap narrowed for 25 to 34 year olds but widened for 16 to 24 year olds. There was little change for 35 to 49 year olds and 50 to 64 year olds.

The largest widening of the gap was for 16 to 24 year olds (7.9 pp) and was caused by a significant increase in the employment rate of non-disabled people (5.6 pp) and a decrease in the employment rate of disabled people (-2.2 pp). The only other decrease in employment rate was for disabled 50 to 64 year olds, which contributed to the slight widening of the gap for this age group.

Chart 3: Disability employment rate gap by broad age group, Scotland, 2014 to 2022



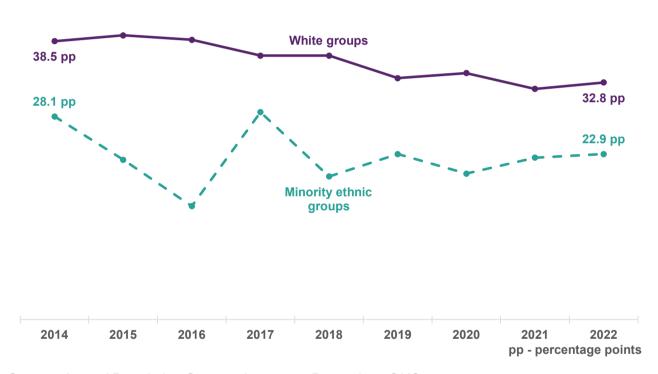
Source: Annual Population Survey, January to December data, ONS

## **Ethnicity**

In January to December 2022, the disabled employment rate gap for white groups was 32.8 pp. This was wider than the gap for minority ethnic groups (22.9 pp). Since 2014, the gap for the white groups has been consistently wider than the gap for the minority ethnic groups.

The gap is narrower for both the white and minority ethnic groups than it was in 2014. However, the gap has widened over the year to 2022 for both groups. In both groups, the gap has widened because the employment rate for non-disabled people has increased by a larger amount than the employment rate for disabled people.

Chart 4: Disability employment rate gap for people aged 16 to 64 by ethnicity, Scotland, 2014 to 2022



Source: Annual Population Survey, January to December, ONS

## Types of work

## **Key metrics**

In January to December 2022, disabled people who were in employment were more likely to:

- work part-time
- not be in contractually secure work
- be underemployed

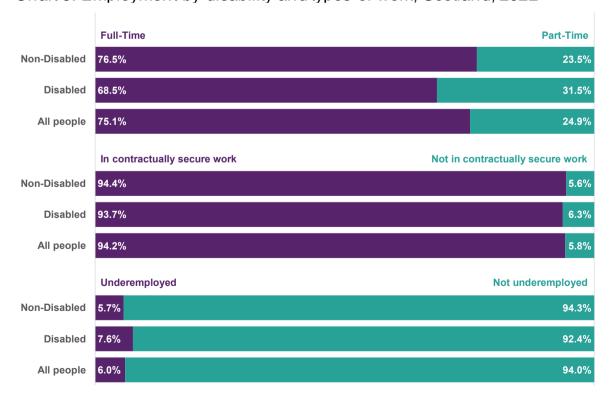
than non-disabled people who were in employment.

However, the proportion of disabled people who were not in contractually secure work (6.3 per cent) was similar to the proportion of non-disabled people (5.6 per cent). Whereas nearly one in three disabled people were working part-time (31.5 per cent) compared to nearly one in four non-disabled people (23.5 per cent). The proportion of hours based underemployment for disabled people was also larger than the proportion for non-disabled people (7.6 and 5.7 per cent respectively).

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 5: Employment by disability and types of work, Scotland, 2022



Source: Annual Population Survey, January to December 2022, ONS

## **Industry**

For both disabled and non-disabled people aged 16 to 64 years in employment, a larger proportion work in public administration, education and health in comparison to other industries. However, the proportion of disabled people is over 4.0 percentage points larger than the proportion of non-disabled people (34.0 and 38.1 per cent respectively).

The proportion of disabled people working in distribution, hotels and restaurants, and transport and communication is also larger than the equivalent proportion of non-disabled people working in those industries.

34.0% ■ Non-Disabled Public administration, education and health 38.1% ■ Disabled 17.4% Distribution, hotels and restaurants 18.3% 17.0% Banking and finance 15.6% 12.9% Manufacturing and construction 10.8% 7.9% Transport and communication 8.4% 5.4% Other services 4.9% 5.4% Agriculture, energy and water 4.0%

Chart 6: Employment by disability and industry, Scotland 2022

Source: Annual Population Survey, January to December 2022, ONS

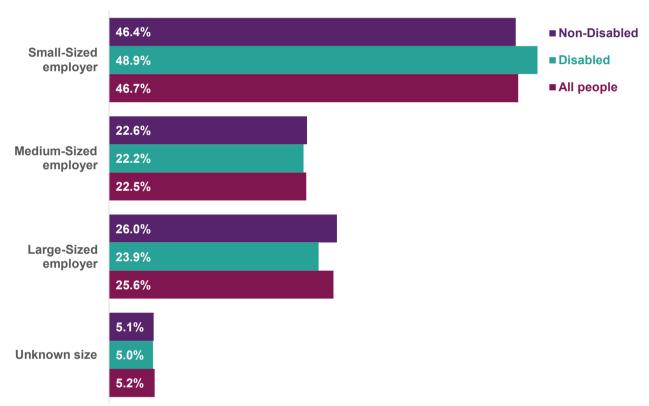
### **Employer size**

In January to December 2022, a higher proportion of disabled people (48.9 per cent) in employment worked for small-sized employers than non-disabled people (46.4 per cent).

Over a quarter of non-disabled people in employment worked for large-sized employers (26.0 per cent) compared with under a quarter of disabled people (23.9 per cent). A similar number of people in employment, both disabled and non-disabled, worked for medium-sized employers.

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

Chart 7: Employment by disability and employer size, Scotland, 2022



Source: Annual Population Survey, January to December 2022, ONS Note:

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

## **Disability Pay Gap**

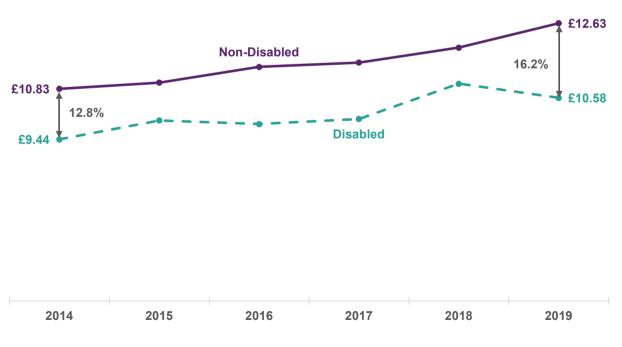
Data are only provided to 2019 for this measure. The accuracy of income weights are affected by an issue with the coding of occupations <u>identified by ONS</u>. ONS have advised earnings information should be used with caution for later years and we have chosen to omit the data until the issue is resolved.

The disability pay gap is calculated as median hourly pay of non-disabled employees minus median hourly pay of disabled employees expressed as a percentage of median hourly pay of non-disabled employees.

The median hourly pay for non-disabled employees has been steadily increasing since 2014 to £12.63 in 2019. Similarly, the median hourly pay for disabled employees has increased since 2014 to £10.58 in 2019. Despite being higher than in 2014, the median pay for disabled employees has seen years where median hourly pay has decreased. The median pay for non-disabled employees has increased in every year in the series.

Although there are fluctuations in the disability pay gap, the gap has widened from 12.8 per cent in 2014 to 16.2 per cent in 2019. The gap in 2019 was 3.4 percentage points wider than in 2014 and 7.9 pp wider than in 2018.

Chart 8: Median hourly pay for employees aged 16 to 64 by disability, Scotland, 2014 to 2019



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

## **Highest qualification**

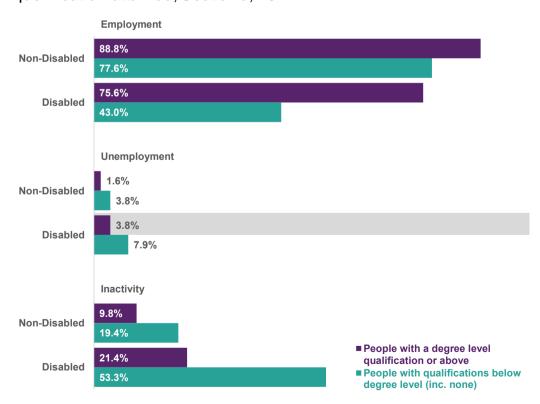
In January to December 2022, people with a degree had a higher employment rate than people without. This was the same for non-disabled people (88.8 and 77.6 per cent respectively) and disabled people (75.6 and 43.0 per cent respectively).

However, the difference between disabled people with a degree and disabled people without a degree was nearly three times the size of the difference amongst non-disabled people. The employment rate for non-disabled people without a degree was also higher than the employment rate for disabled people with a degree (77.6 per cent and 75.6 per cent respectively).

For disabled people, the unemployment rate for people without a degree was more than twice the unemployment rate for disabled people with a degree (7.9 and 3.8 per cent respectively). The unemployment rate for non-disabled people without a degree was also more than twice the unemployment rate for non-disabled people with a degree (3.8 and 1.6 per cent respectively) but the difference wasn't as large.

Similarly, the inactivity rate of disabled people without a degree was more than twice the inactivity rate of disabled people with a degree (53.3 and 21.4 per cent respectively). Amongst non-disabled people, there was less than 10.0 percentage points between people without a degree and people with a degree (19.4 and 9.8 per cent respectively).

Chart 9: Economic status for 16 to 64 year olds by disability and highest qualification attained, Scotland, 2022



Source: Annual Population Survey, January to December 2022, 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.

## Disabled people by impairments

In this section, we've grouped unemployment and economic inactivity as "out of work". In these instances, we've labelled employment as "in work".

## **Number of impairments**

In January to December 2022, only 36.0 per cent of disabled people with three or more impairments were in employment compared to 59.9 per cent of disabled people with less than three impairments. Amongst disabled people in work, those with three or more impairments consists of 27.5 per cent with the remaining 72.5 per cent having less than three impairments. However, when looking at disabled people out of work just over half (50.2 per cent) have three or more impairments and the remaining 49.8 per cent have less than three impairments.

## **Types of impairments**

Over half (52.4 per cent) of disabled people self-report their main long-term impairment as either a mental health or musculoskeletal impairment. Both types of impairment are equally represented with 26.3 per cent of disabled people self-reporting a musculoskeletal impairment as their main impairment and 26.2 per cent of disabled people self-reporting a mental health impairment.

When looking at specific long-term impairment and the proportion of disabled people in and out of work with these impairments as their main impairment. The main self-reported impairments with the highest proportion of disabled people in work are:

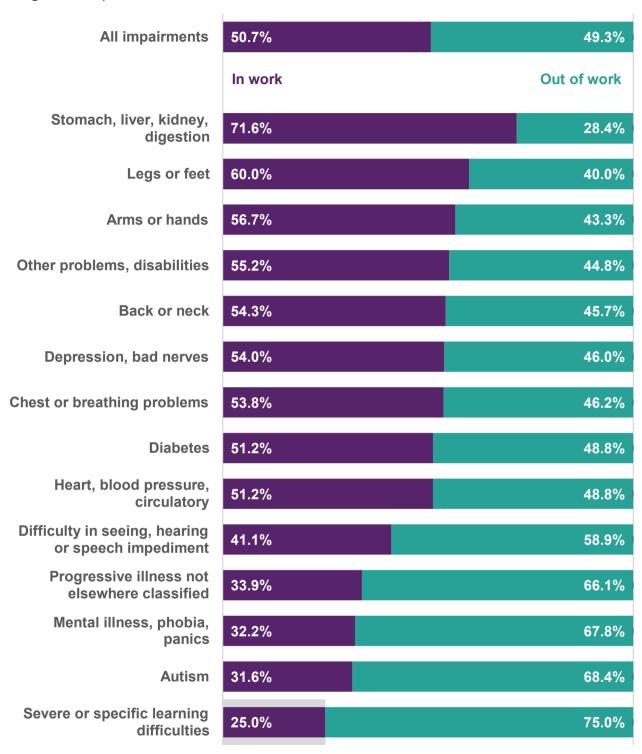
- stomach, liver, kidney, or digestive problems (71.6 per cent in work; 28.4 per cent out of work)
- problems or disabilities (including arthritis or rheumatism) connected with legs or feet (60.0 per cent in work; 40.0 per cent out of work)
- problems or disabilities (including arthritis or rheumatism) connected with arms or hands (56.7 per cent in work; 43.3 per cent out of work)

The main self-reported impairments with the lowest proportion of disabled people in work are:

- severe or specific learning difficulties (25.0 per cent in work; 75.0 per cent out of work)
- autism (31.6 per cent in work; 68.4 per cent out of work)
- mental illness, or suffering from phobia, panics or other nervous disorders (32.2 per cent in work; 67.8 per cent out of work)

It should be noted that the estimate of disabled people in work with main impairment severe or specific learning difficulties is based on a small sample size which may result in less precise estimates and should be used with caution.

Chart 10: Proportion of disabled people aged 16 to 64 in and out of work by main long-term impairment, Scotland, 2022



Source: Annual Population Survey, January to December 2022, ONS Note:

<sup>1.</sup> 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.

<sup>2.</sup> Disabled people in employment are defined as "in work"; unemployed and economically inactive disabled people are defined as "out of work"

## **Further Information**

### Reliability of estimates

Estimates from the ONS Annual Population Survey for January 2014 to December 2014 through to January 2022 to December 2022 are presented. The sample size in this dataset is around 11,100 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 <u>Fair Work action plan:</u> <u>becoming a leading Fair Work nation by 2025</u> and <u>A Fairer Scotland for Disabled People: employment action plan</u>. This also informs the <u>Equality Data Improvement Programme</u>.

A range of labour market statistics for Scotland, including disability, are available on the <u>Scottish Government website</u>.

#### Intersectional employment outcomes

The <u>Equality and Human Rights Commission</u> 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 with a disability in combination with other characteristics including sex, age and ethnicity.

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 <u>Using intersectionality to understand structural inequality in Scotland: evidence synthesis</u> 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 disabled employment, economic activity and economic inactivity rates, the reference population is those aged 16 to 64. For disabled unemployment, the reference population is the active population aged 16 to 64.

**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 definition of unemployment used for these estimates is people aged 16 to 64:

 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 to 64 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**: A detailed description of disability is provided <u>above</u>.

**Ethnicity**: 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.

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.

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 <u>Scottish Government guidance</u>.

**Industry**: Industry classification is also based on survey respondents' own assessment of their industry of employment. Information from the Quarterly

Workforce Jobs (QWFJ) series or the Business Register Employment Survey (BRES) are the preferred sources for estimates of the numbers in employment or employees by Industry. However, the Annual Population Survey provides further characteristic breakdowns for those in employment in different industry sectors than is available from QWFJ or BRES. Information by Industry Sector is based on Standard Industrial Classification 2007.

BRES can be found on nomis.

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

Further information on <u>classifications and harmonisation</u> is available on the ONS website.

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## How to access background or source data

Results are provided for January 2014 to December 2014 through to January 2022 to December 2022 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**

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