

ECONOMY AND LABOUR MARKET

Scotland's Labour Market: People, Places and Regions – Protected Characteristics

Statistics from the Annual Population Survey
2021

Key Points

Between 2019, the last calendar year prior to the Covid-19 pandemic, and 2021, the employment rate (16 to 64 years) has decreased while the unemployment rate (16 years and over) and economic inactivity rate (16 to 64 years) have increased.

Differences in labour market measures remain across regions and amongst different groups of the population who experience disadvantage such as disabled people and minority ethnic groups.

Overall

In 2021,

- 2,601,800 people (aged 16 and over) were estimated to be in employment in Scotland. The employment rate (16 to 64 year olds) was estimated at 73.2 per cent. This is lower than in 2019 (74.8 per cent) and below the UK rate of 74.7 per cent.
- 105,700 people (aged 16 and over) were estimated to be unemployed in Scotland. The unemployment rate (16 years and over) was estimated at 3.9 per cent. This is higher than in 2019 (3.5 per cent) and below to the UK rate of 4.4 per cent.
- 815,200 people (aged 16 to 64) were estimated to be economically inactive in Scotland. The economic inactivity rate (16 to 64 year olds) was estimated at 23.8 per cent. This is higher than in 2019 (22.5 per cent) and above the UK rate of 21.7 per cent.

Sex

- The employment rate for men was estimated at 75.8 per cent in 2021. The employment rate (16 to 64 year olds) for women was lower, estimated at 70.7 per cent in 2021.
- The gender employment gap (which measures the difference between the employment rates for men and women) was estimated at 5.1 percentage points in 2021. This is lower than the gap in 2019 (6.3 percentage points). The reduction was driven by a greater reduction in the employment rate for men compared with women.
- In 2021, men were estimated to have higher employment rates than women in 23 local authorities. In the remaining nine local authorities, women had higher employment rates than men.

Age

- The employment rate has decreased between 2019 and 2021 for all age groups, except for those aged 25 to 34 years.

Age and Sex

In 2021,

- the employment rate for men was higher than the rate for women for all age groups, except those aged 16 to 24.
- 11.5 per cent of people aged 16 to 24 were not in employment, education or training (NEET). This is lower than a year ago (12.4 per cent) but is still higher than in 2019 (10.3 per cent). 12.8 per cent of men aged 16 to 24 and 10.2 per cent of women aged 16 to 24 were NEET.

Disability

- In 2021, the employment rate for disabled people was estimated at 49.6 per cent. This is significantly lower than the rate for non-disabled people (80.8 per cent). The disability employment gap was 31.2 percentage points in 2021. This is lower than the gap in 2019 (32.6 percentage points).

Ethnicity

- The employment rate for the minority ethnic group aged 16 to 64 was estimated at 62.1 per cent in 2021. This is significantly lower than the rate for the white group (73.9 per cent). The ethnicity employment rate gap was 11.7 percentage points in 2021. This is lower than the gap in 2019 (16.4 percentage points).

Notes

1. All statistics and charts presented in this publication are sourced from the Annual Population Survey January to December datasets produced by the Office for National Statistics (ONS), unless otherwise stated.
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About this publication

This publication highlights key statistics for Scotland's labour market. Data is from the ONS Annual Population Survey for January to December 2021.

We present information for key indicators including: employment, unemployment, and economic inactivity. Also included are breakdowns by protected characteristics including: age, sex, disability, and ethnicity.

Where possible we provide data for each individual year and local authority area. Supporting tables provide this breakdown for all indicators.

The Annual Population Survey

The Labour Force Survey (LFS) is the main source for headline labour market indicators at Scotland level. However, the Annual Population Survey (APS) is the primary source for information on local labour markets. It combines results from the Labour Force Survey (LFS) with the English, Welsh and Scottish LFS boosted samples. This provides a larger annual sample of households. Compared with the quarterly LFS, the annual data is statistically more robust. Estimates for local areas and smaller populations are more accurate as a result.

The Scottish Government funds the boost to the LFS sample in Scotland. This takes the sample size from approximately 4,000 households to 13,000 households for the latest time periods.

The LFS and the 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.

We provide results for the calendar years 2004 to 2021, unless otherwise stated. They are based on the data released by ONS on 13 September 2022.

ONS also release quarterly data covering the periods April to March, July to June, and October to September. Data from these time periods is not included within this publication.

Important note:

In July 2022 and September 2022, APS responses for periods April 2019 to March 2020 onwards were reweighted using updated [HM Revenue and Customs \(HMRC\) Real Time Information \(RTI\) data](#). The ONS published an [article](#) providing further information on the reweighting exercise.

The UK Government and Scottish Government introduced policies in relation to the COVID-19 pandemic. Some of these policies were still in place during the period of the latest APS estimates. The impact of these policies are likely to be seen in the estimates.

Estimates for 16 to 24 year olds may differ from those previously [published](#). More timely estimates for the period April 2021 to March 2022 are available for 16 to 24 year olds in the Scottish Government's [Labour market statistics for 16 to 24 year olds: Scotland and UK publication](#).

Data from the APS was first provided in 2004. In addition to estimates for 2021, this publication includes trends over time. There are also estimates of the 32 local authority areas within Scotland.

We compare the current estimates with the year before (January to December 2020) or January to December 2019. January to December 2019 represents the last calendar year of data before the COVID-19 pandemic.

What you need to know

When interpreting results users should be aware of the potential effect of the coronavirus (COVID-19) pandemic. This is especially true when comparing time periods. Included in this release are January to December 2020 and January to December 2021. During these periods employers were able to claim Coronavirus Job Retention Scheme support for employees. Self-employed workers could make claims through the Self-Employment Income Support Scheme (SEISS).

An [ONS article](#) provides a fuller explanation of the impact of these schemes. The article also contains guidance on measuring labour market statistics.

Applying this guidance, furloughed employees are classified as employed, but temporarily away from work. All things being equal, furloughed workers will not reduce the level or rate of employment. However, the scheme will lead to an increase in the number of employees working no hours. It will also lead to a reduction in the number of hours worked. There may be a compensating effect if employees on furlough take other employment. This may be detected by an increase in the number of people with second jobs.

We expect people claiming SEISS will remain self-employed in labour market statistics. However, they may class themselves as temporarily away from work and record no hours of employment. Under the terms of the scheme, they can continue to work or take on other employment. As such, their labour market status and hours worked may have changed during the life of the scheme.

Across local areas, there was variation in the uptake of these schemes and the impact of COVID-19.

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Overview

In terms of labour market statistics, people can be classed as either economically active or inactive. An economically active person is either employed or unemployed. An economically inactive person is not actively seeking employment. They can be inactive for a number of reasons including being a student or retired.

Employment

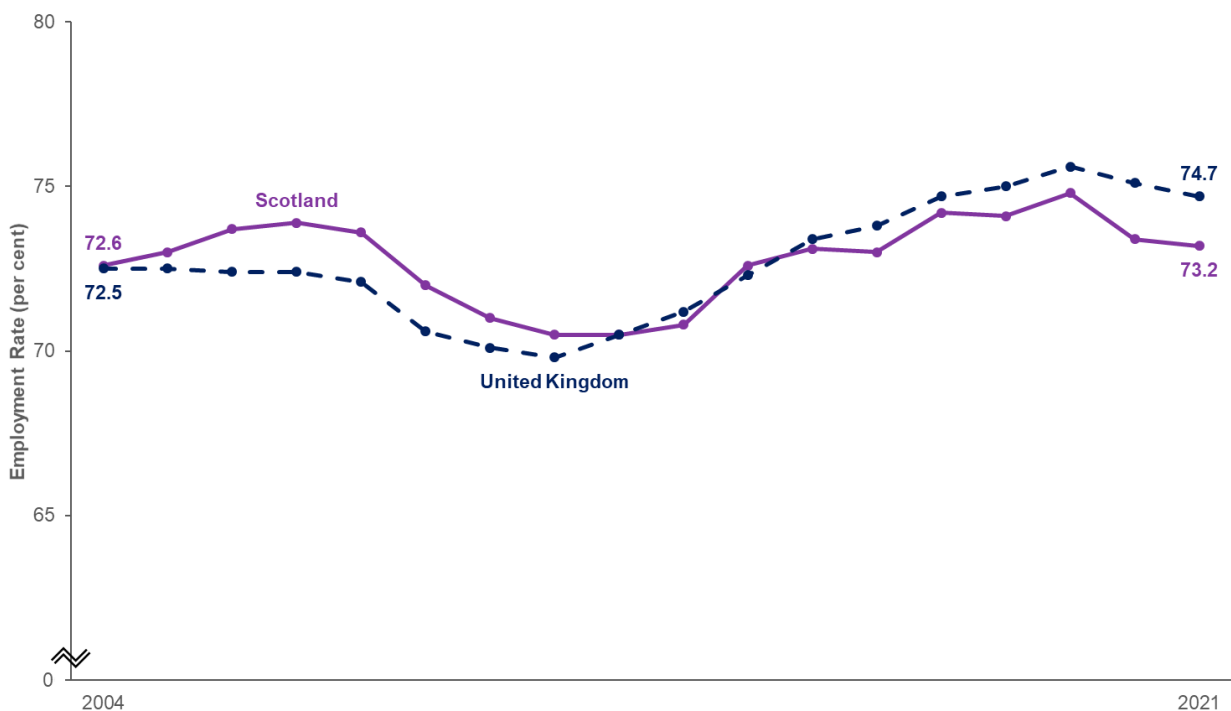
Who is classed as being in employment?

Employment measures the number of people who did at least one hour of paid work or had a job they were temporarily away from. The number of people in employment consists of those aged 16 years and over. The employment rate is the proportion of people aged between 16 and 64 years who are in employment.

The estimated employment level and rate has decreased since 2019 (pre-pandemic) for Scotland and United Kingdom. In 2021, the estimated employment rate (16 to 64 years) in Scotland was 73.2 per cent. This is lower than the United Kingdom rate of 74.7 per cent.

The employment rate for Scotland decreased from 74.8 per cent in 2019 to 73.2 per cent in 2021. While the United Kingdom employment rate decreased from 75.6 per cent to 74.7 per cent over the same period. Both the change in Scotland and the United Kingdom are statistically significant.

Chart 1: Employment rate for ages 16 to 64, Scotland and UK, 2004 to 2021



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

Local Authority area estimates

There are long-standing variations in employment rate estimates for those aged 16 to 64 across Scotland's local authorities.

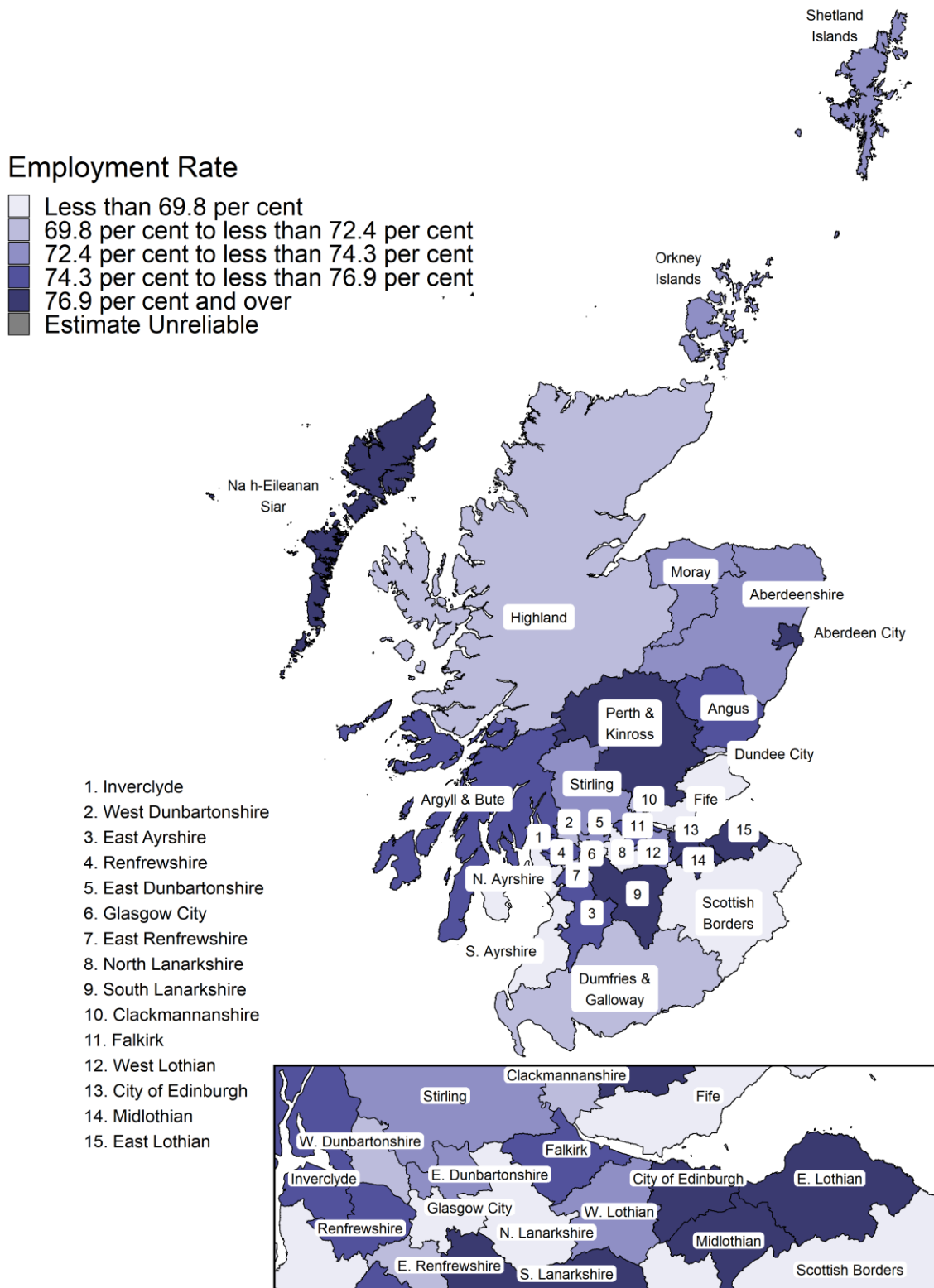
In 2021, the highest employment rate estimates were seen in:

- Midlothian (80.9 per cent)
- Na h-Eileanan Siar (80.5 per cent)
- East Lothian (79.5 per cent)

The lowest employment rate estimates were seen in:

- North Ayrshire (64.7 per cent)
- Scottish Borders and South Ayrshire (both 68.3 per cent)
- Fife (68.4 per cent)

Figure 1: Employment rate for ages 16 to 64 by local authority, 2021



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

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Unemployment

Who is classed as unemployed under the ILO definition?

Unemployed people 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

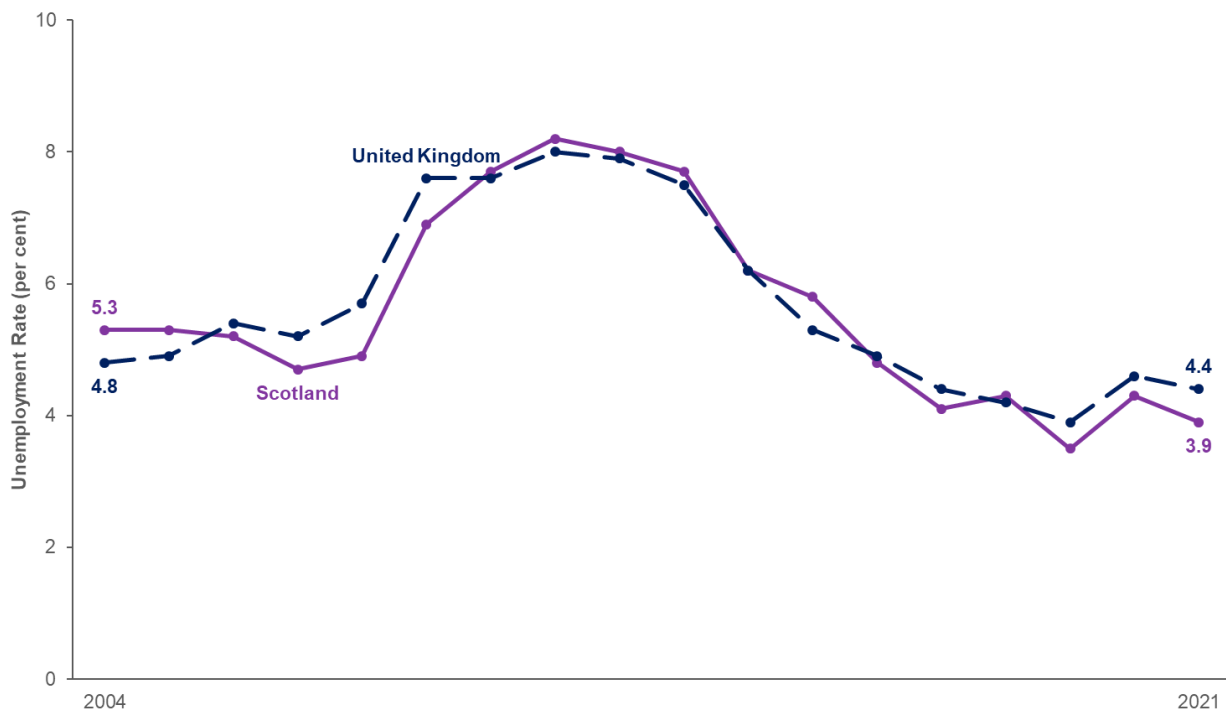
or

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

The unemployment rate in Scotland in 2021 was 3.9 per cent, below the United Kingdom rate of 4.4 per cent. Over the year, the rate had decreased in Scotland and the United Kingdom. However, both were still above the 2019 (pre-pandemic) rates of 3.5 per cent and 3.9 per cent respectively. There were 105,700 people aged 16 and over who were unemployed in Scotland, an increase of 9,900 since 2019.

The peak unemployment rate for Scotland, following the 2008 recession, was in 2011. At this time, the unemployment rate was 8.2 per cent with 221,300 people aged 16 and over unemployed. Since then, Scotland's unemployment rate has significantly decreased.

Chart 2: Unemployment rate for ages 16 and over, Scotland and UK, 2004 to 2021



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

Local Authority area estimates

Sample sizes for the unemployed cohort are small compared to the employed and inactive cohorts. Consequently, unemployment estimates for local authority areas can have large sampling variations. To improve the quality of estimates for local authorities, the Office for National Statistics developed [model based estimates](#).

The highest model based unemployment rates were seen in:

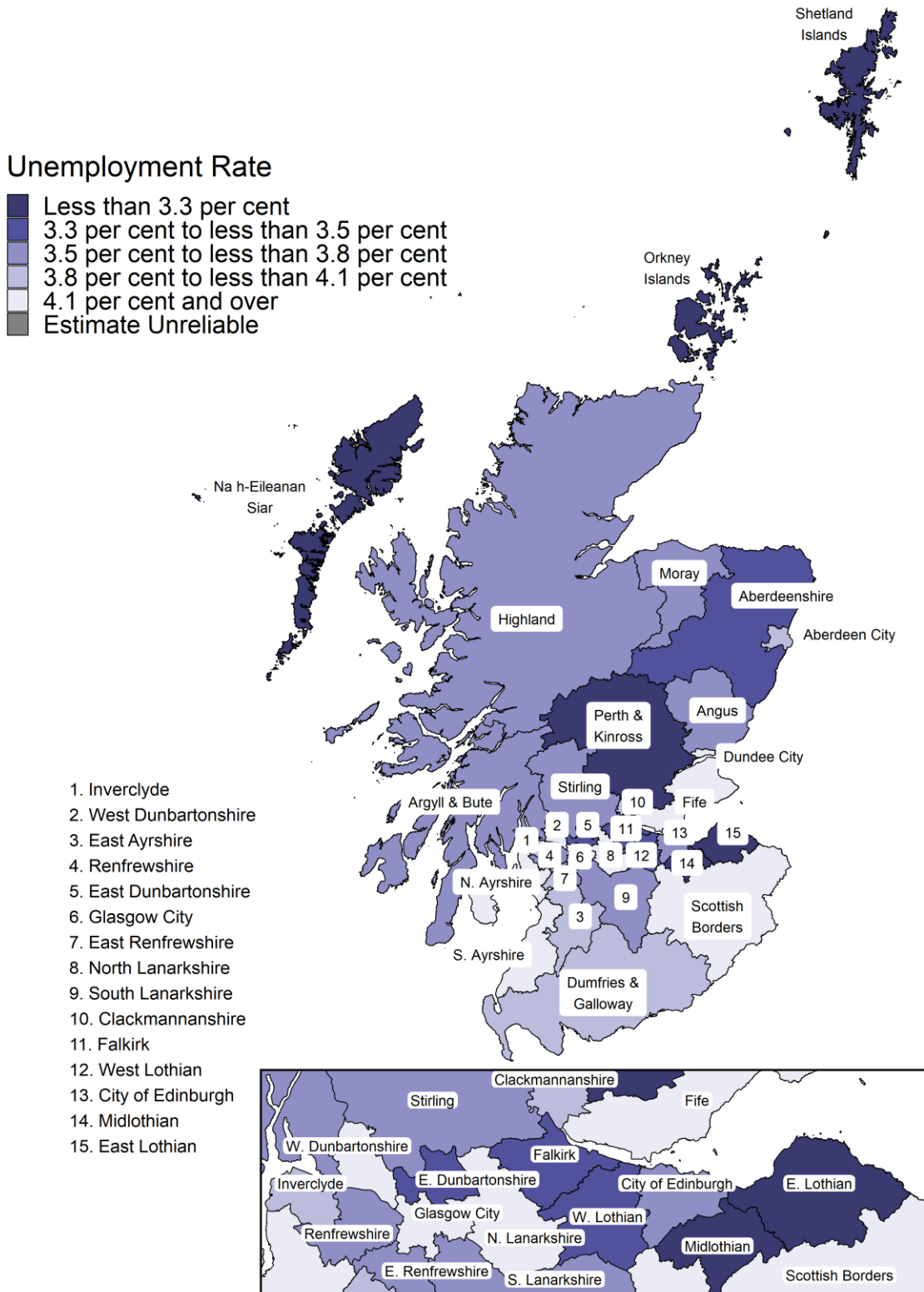
- Glasgow City (5.3 per cent)
- Dundee City (5.0 per cent)
- North Ayrshire (4.9 per cent)

The lowest rates were seen in:

- Shetland Islands (2.5 per cent)
- Midlothian (2.9 per cent)
- East Lothian and Na h-Eileanan Siar (both 3.0 per cent)

Model based unemployment rates have decreased in eight of Scotland's 32 local authority areas since 2019. Rates have remained the same in two local authority areas, and increased in the remaining 22 local authority areas.

Figure 2: Model based unemployment rates for people aged 16 or over by local authority, 2021



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

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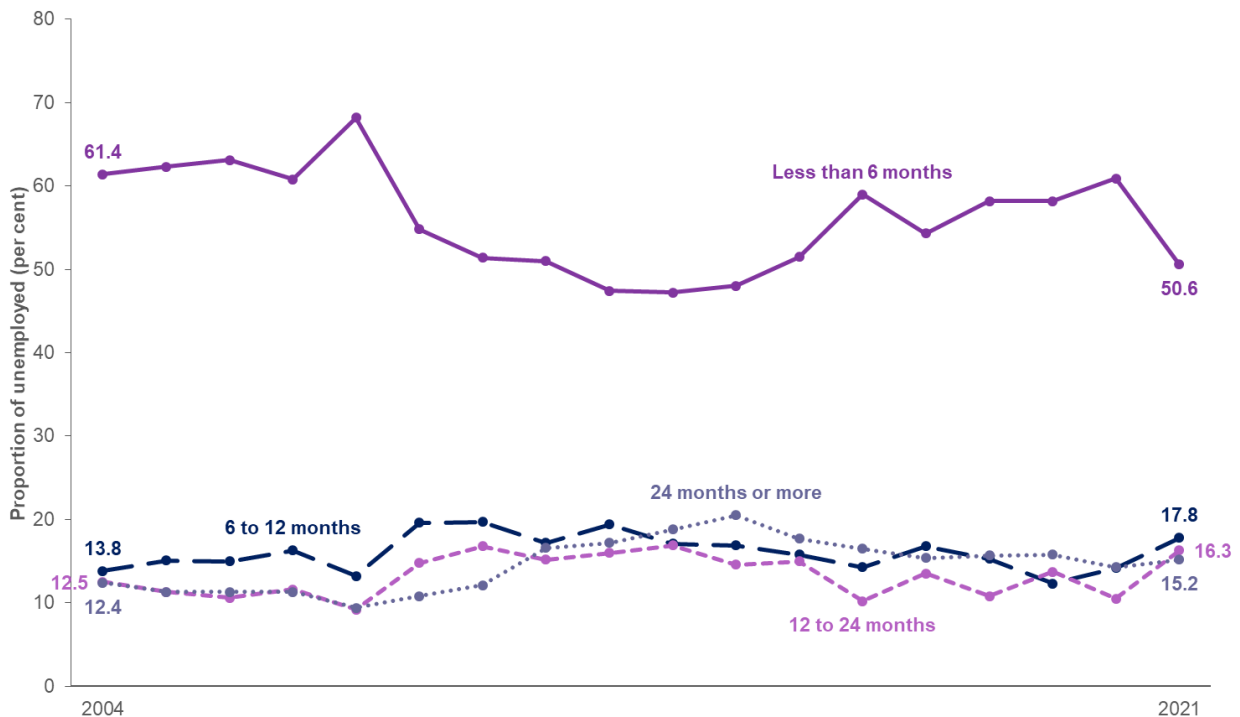
Duration of Unemployment

Of the 105,700 unemployed people in Scotland in 2021, 53,500 (50.6 per cent) were unemployed for less than six months (short-term unemployment). This proportion is lower than in 2019 when 58.2 per cent were unemployed for less than six months. This is a statistically significant change.

The remaining proportion is fairly evenly split between people unemployed for:

- 6 to 12 months (17.8 per cent)
- 12 to 24 months (16.3 per cent)
- 24 months or more (15.2 per cent)

Chart 3: Proportion of people aged 16 and over who are unemployed by duration of unemployment, Scotland, 2004 to 2021



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

In 2021, 33,400 (31.6 per cent of all unemployed people in Scotland) were unemployed for one year or more (long-term unemployment). This is 5,100 more than in 2019 (28,300 people). The proportion of unemployed people in long-term unemployment was last as high in 2015.

Economic Inactivity

Who is classed as economically inactive?

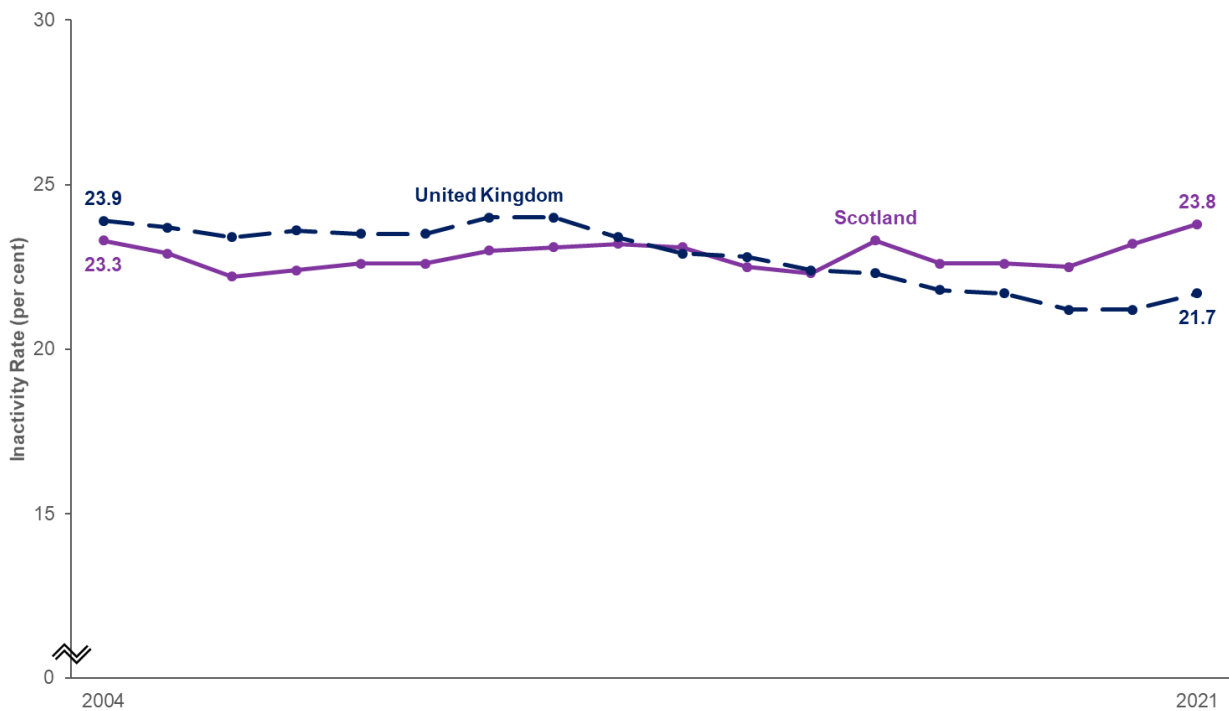
People aged 16 to 64 who are neither employed nor unemployed under ILO definitions. There are many reasons why people may be inactive, including:

- they may have a long-term illness or disability
- be studying for a qualification
- staying at home to look after their family
- have retired

Scotland's inactivity rate in 2021 was above the rate for the United Kingdom. The inactivity rate for those aged 16 to 64 in Scotland was 23.8 per cent. The rate in the United Kingdom was 21.7 per cent.

Since 2019 (pre-pandemic), the inactivity rate has increased in Scotland by 1.3 percentage points. This is a statistically significant change. Scotland's inactivity rate is now higher than in any other calendar year period since the series began in 2004. The estimate of 815,200 people in 2021 is also the largest level in the calendar series.

Chart 4: Economic inactivity rate for ages 16 to 64, Scotland and UK, 2004 to 2021



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

Local Authority area estimates

There is considerable variation in inactivity rates across Scotland's local authorities. Estimates for Orkney Islands and Shetland Islands are considered unreliable. Thus, they are not included in the analysis of inactivity rates by local authority area.

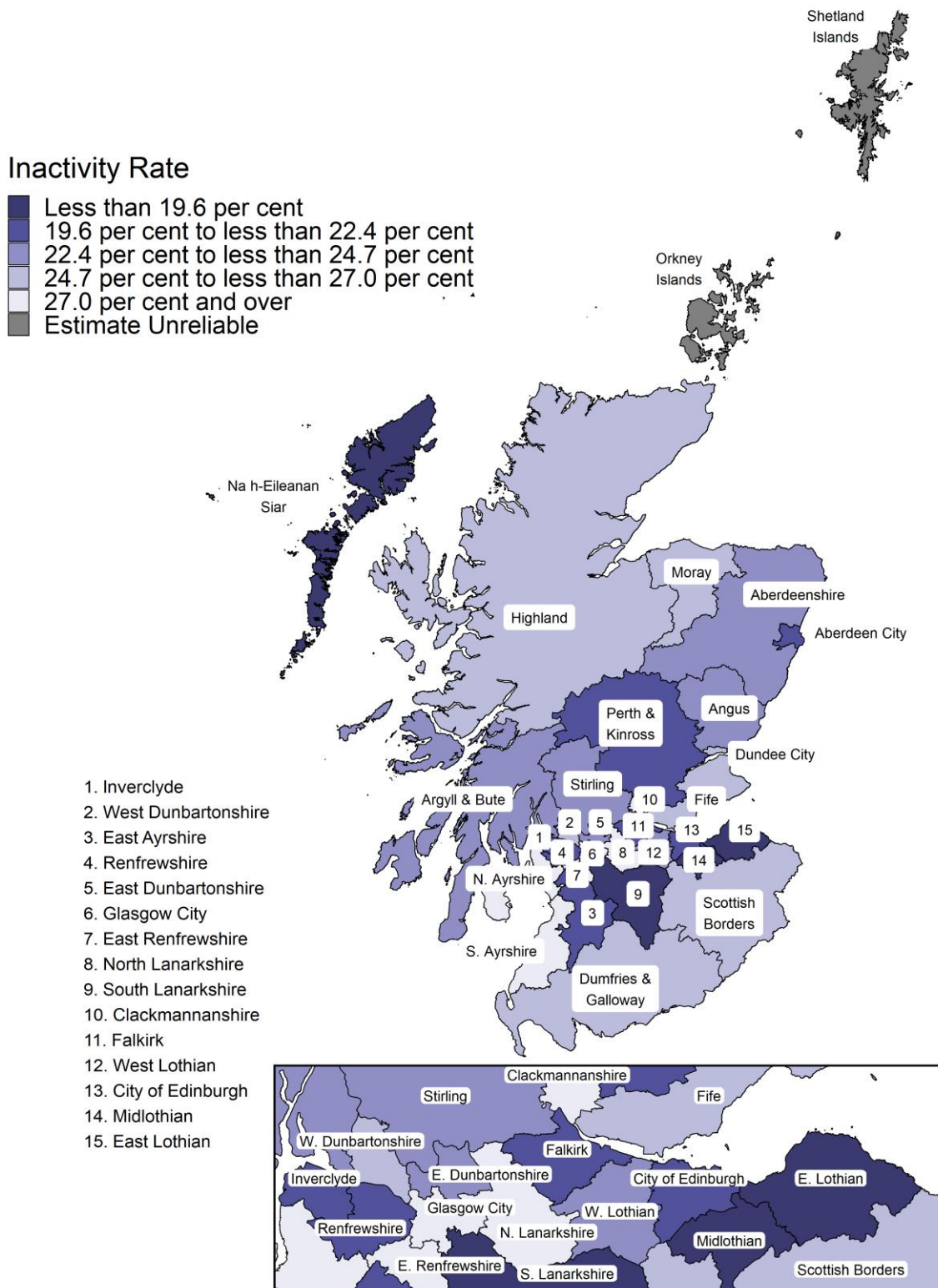
In 2021, the highest economic inactivity rates were seen in:

- North Ayrshire (30.4 per cent)
- North Lanarkshire (28.9 per cent)
- East Renfrewshire (27.6 per cent)

The lowest rates were seen in:

- Midlothian (17.3 per cent)
- East Lothian (17.4 per cent)
- Na h-Eileanan Siar (17.6 per cent)

Figure 3: Inactivity rates for ages 16 to 64 by local authority, 2021



Source: Annual Population Survey (Jan - Dec 2021)
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Source: Annual Population Survey, January to December 2021, ONS

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Reason for Inactivity

Of the 815,200 economically inactive people (aged 16 to 64) in 2021, the majority were long-term sick (241,600, 29.6 per cent) or students (210,900, 25.9 per cent).

A quarter (25.2 per cent) of all inactive people were in full time education, the majority of whom were aged 16 to 24.

Increases in inactivity levels since 2019 have been driven by increases in the number of:

- long-term sick (increasing 24,100, 1.5 percentage points)
- students (increasing 13,500, 0.3 percentage points)
- retired people (increasing 12,400, 0.8 percentage points)

A decrease of 13,900 (2.7 percentage points) was seen in the number of inactive looking after family and/or home.

Chart 5: Change in reasons for inactivity, Scotland, 2019 to 2021



Source: Annual Population Survey, January to December 2019 and 2021 datasets, ONS

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

Want to work

Of those inactive aged 16 to 64 in Scotland in 2021, 142,900 people would like to work. This is 17.5 per cent of the inactive population. This proportion has decreased significantly since 2019 when the proportion was 20.4 per cent and there were 157,800 people who would like to work. The level and proportion in 2021 are the lowest estimates in the calendar series.

Sex

Employment

In 2021, 1,277,500 women aged 16 years and over were estimated to be in employment in Scotland. This was 23,000 lower than the number of women employed in 2019 (pre-pandemic). The employment rate (16 to 64 year olds) for women was estimated at 70.7 per cent. This was 1.1 percentage point lower than 2019 (71.7 per cent).

1,324,300 men aged 16 years and over were estimated to be in employment in 2021, 39,100 less compared with 2019. The employment rate (16 to 64 year olds) for men was estimated to have decreased from 78.0 per cent in 2019 to 75.8 per cent in 2021. This represents a statistically significant decrease since 2019.

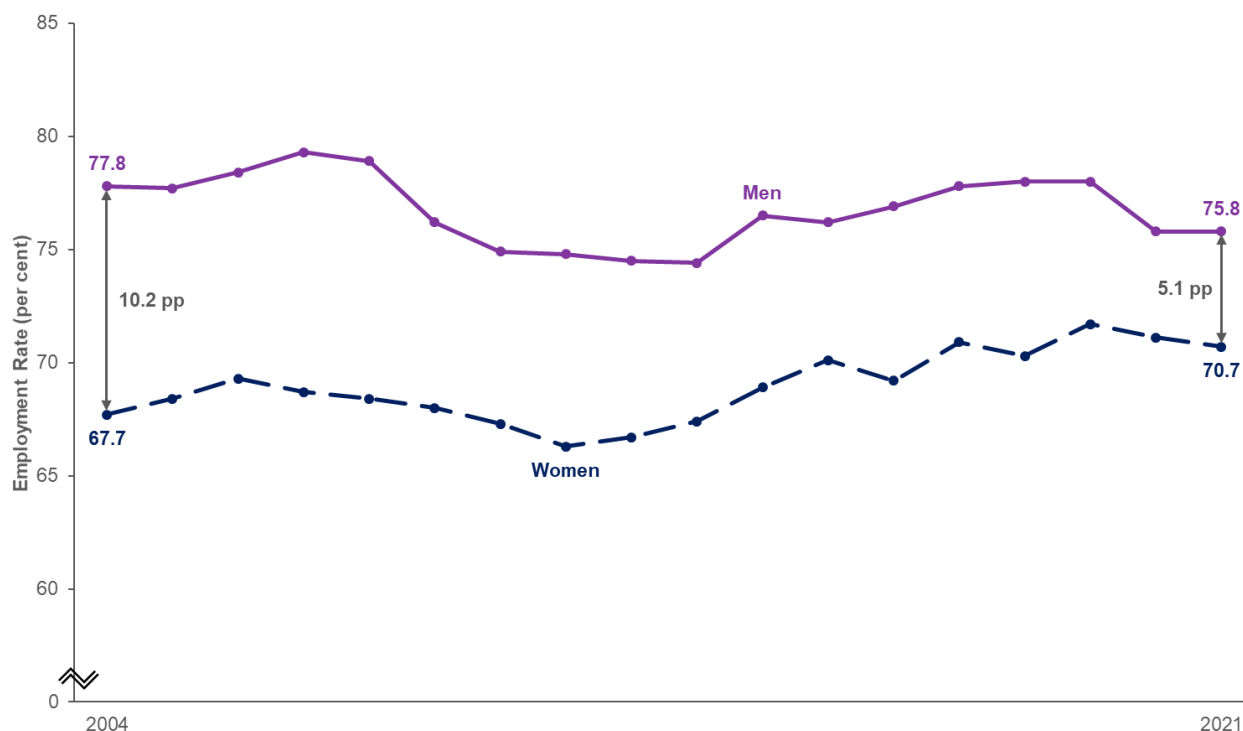
Gender Employment Gap

The gender employment gap is the difference between the employment rate for men and women aged 16 to 64. It is calculated as the employment rate for men minus the employment rate for women.

The gender employment gap increased from 4.7 percentage points in 2020 to 5.1 percentage points (pp) in 2021. However, the 2021 gap is smaller than the gap of 6.3 pp in 2019. This is the second smallest gap in the calendar series behind 2020.

The gender employment gap increased over the year due to the rate for women decreasing while the rate for men remained the same. However, the gap decreased between 2019 and 2021. This was due to the employment rate for men decreasing at a faster pace than the employment rate for women between 2019 and 2021. The decrease in the employment rate for men between 2019 and 2021 was statistically significant.

Chart 6: Employment rate for ages 16 to 64 by sex, 2004 to 2021



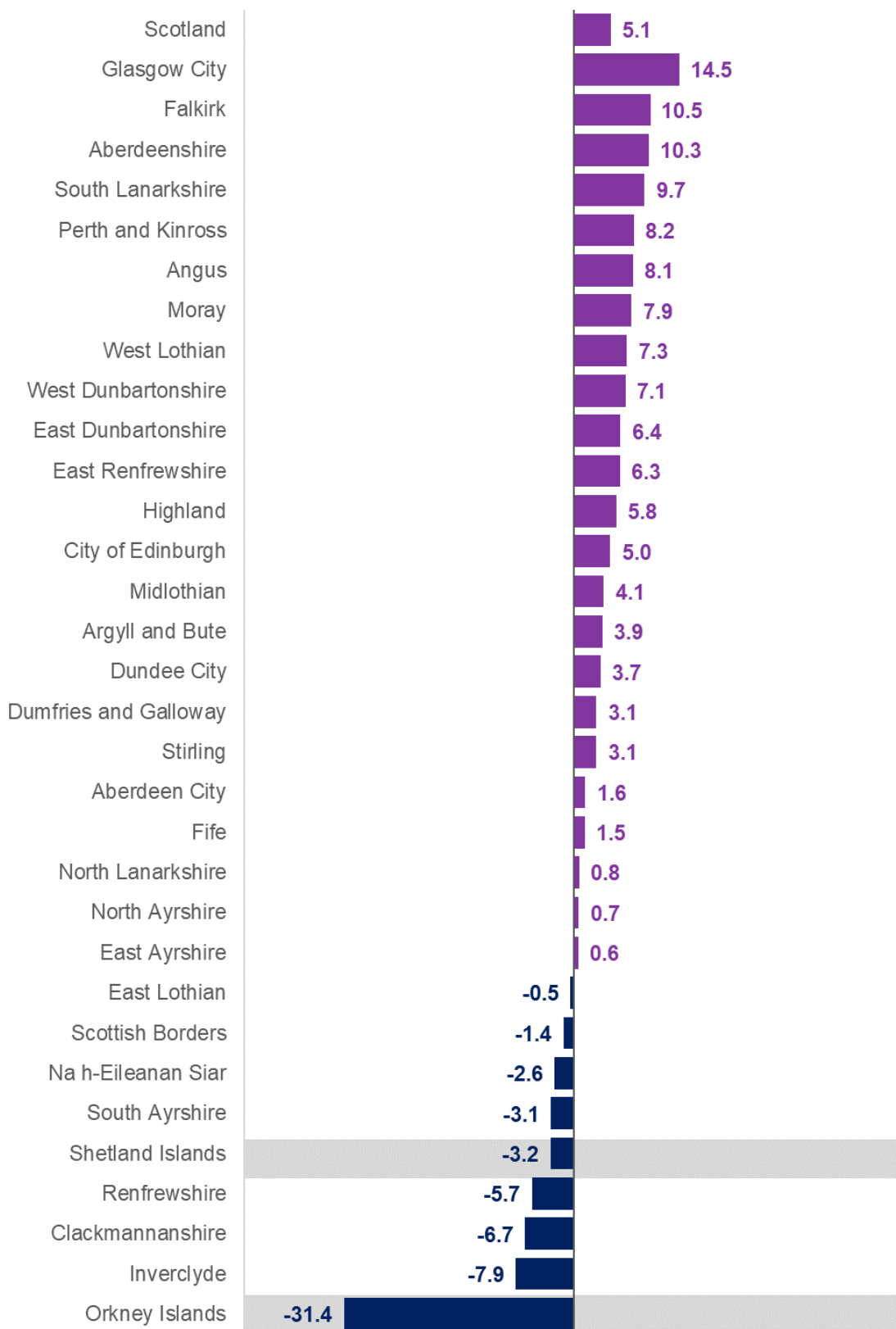
Source: Annual Population Survey, January to December datasets, ONS

Local Authority area estimates

In 2021, men were estimated to have higher employment rates (16 to 64) than women in 23 local authorities. In the remaining 9 local authority areas, women had higher rates than men.

The largest gap in favour of men was seen in Glasgow City (14.5 percentage points). Whereas the largest gap in favour of women was seen in Orkney Islands (31.4 percentage points). Although the estimates for Orkney Islands are based on small sample sizes which may be less precise and should be used with caution.

Chart 7: Gender employment rate gap by local authority, 2021



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

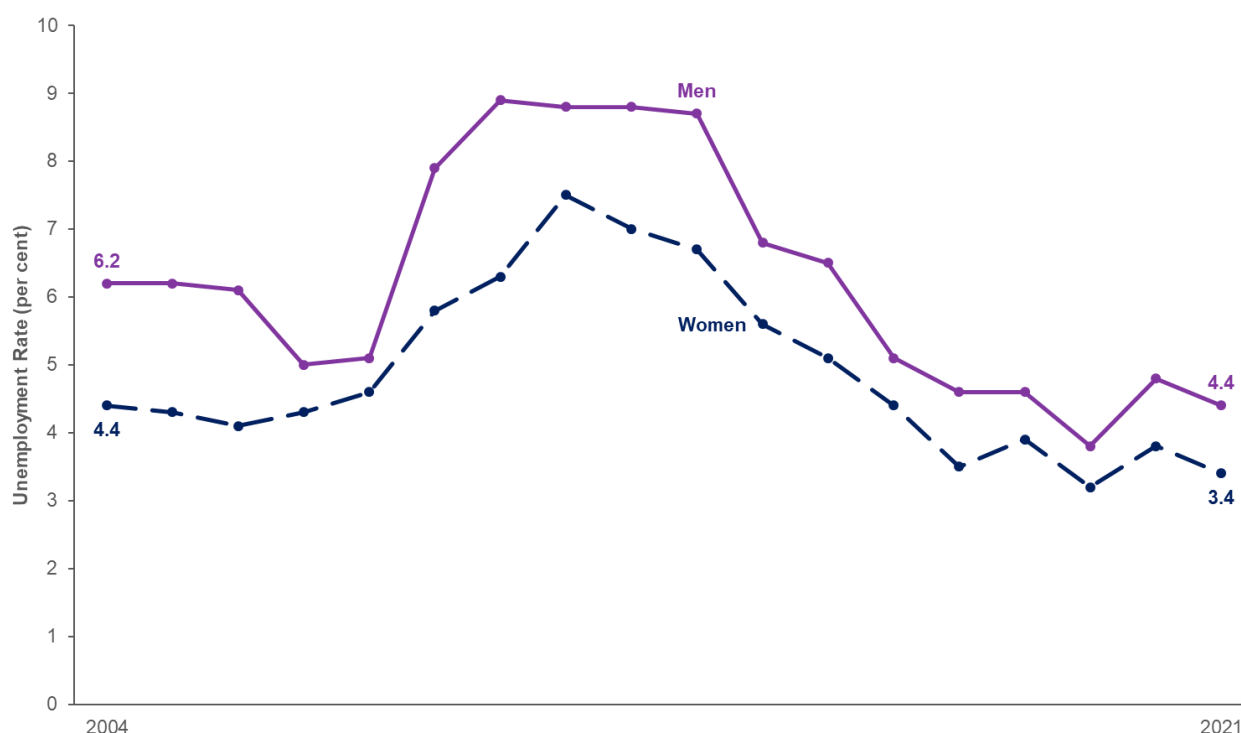
Note: A shaded background indicates estimates are based on a small sample size. This may result in less precise estimates, which should be used with caution.

Unemployment

In Scotland, the unemployment rate (aged 16 and over) for men was 4.4 per cent and 3.4 per cent for women. Over the year, the unemployment rate had decreased by 0.4 percentage points (pp) for both men and women.

Despite this decline, the unemployment rate for women had increased by 0.2 pp from 3.2 per cent in 2019 to 3.4 per cent in 2021. The unemployment rate for men had increased from 3.8 per cent to 4.4 per cent (an increase of 0.6 pp) over the same period.

Chart 8: Unemployment rate for ages 16 and over by sex, Scotland, 2004 to 2021



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

Duration of unemployment

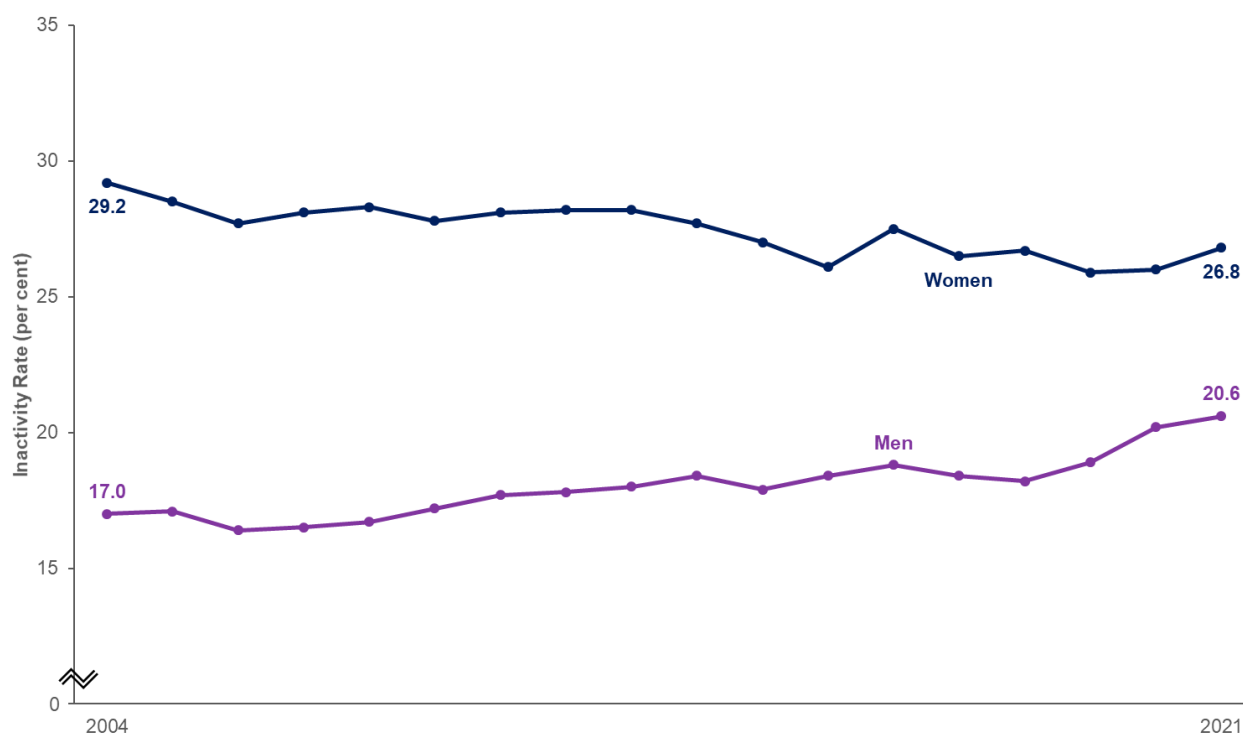
In 2021, 33,400 (31.6 per cent of all unemployed people) were unemployed for 12 months or more (long-term unemployment). This is 5,100 more than in 2019 (28,300 people). A higher proportion of unemployed men were long-term unemployed (38.3 per cent) compared to women (22.4 per cent). Men account for around seven in ten of all long-term unemployed.

Economic Inactivity

Inactivity rates are higher for women (16 to 64 years) at 26.8 per cent compared with 20.6 per cent for men. Overall women account for around three in five (57.7 per cent) economically inactive people.

The inactivity rate has increased for men and women in Scotland since 2019. The inactivity rate for women increased by 0.9 percentage points (pp), from 25.9 per cent in 2019 to 26.8 per cent 2021. Over the same period, the inactivity rate for men increased by 1.7 pp from 18.9 per cent to 20.6 per cent. The increase in the inactivity rate for men between 2019 and 2021 was statistically significant.

Chart 9: Economic inactivity rate for ages 16 to 64 by sex, Scotland, 2004 to 2021



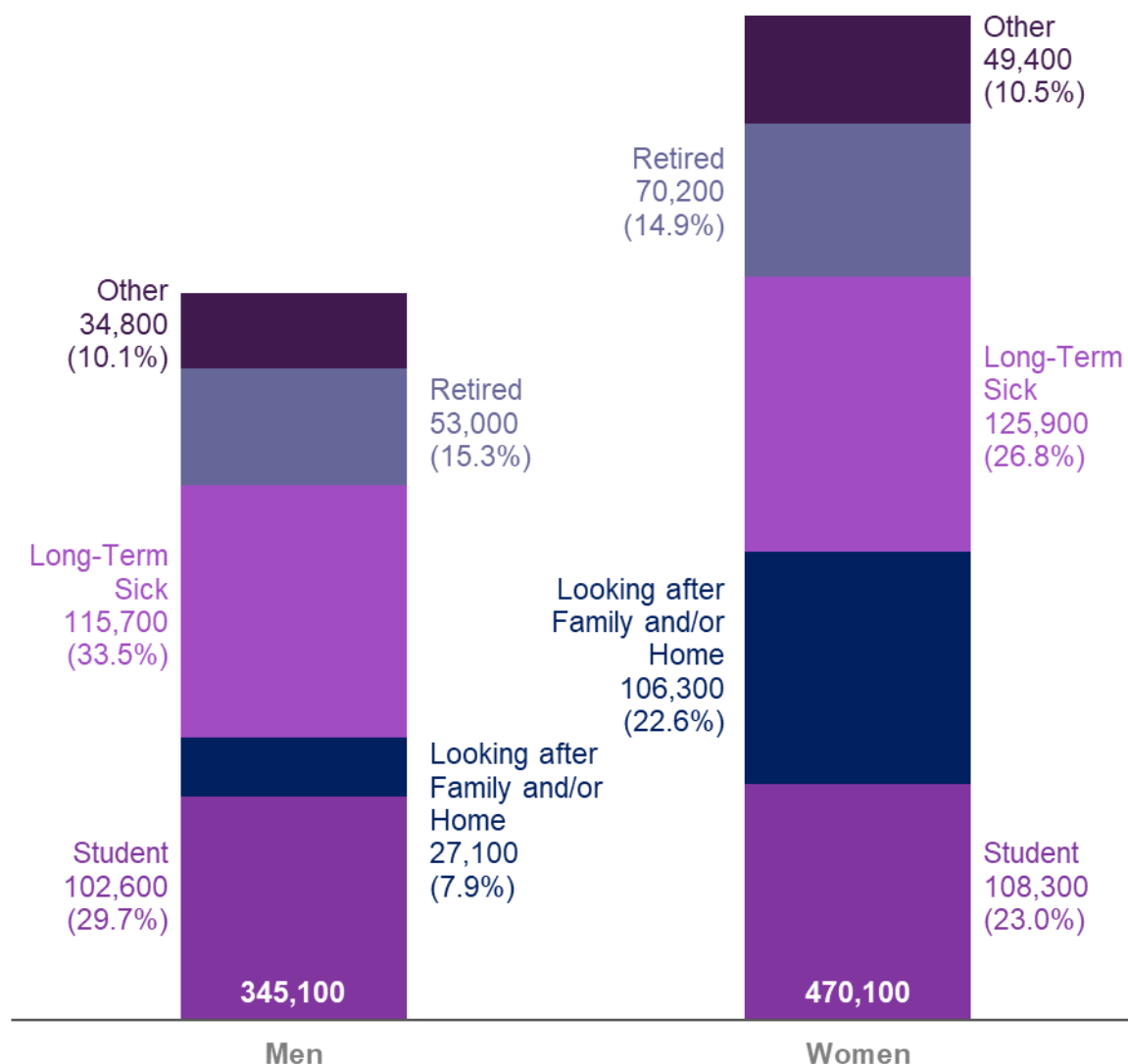
Source: Annual Population Survey, January to December datasets, ONS

Reasons for inactivity

Reasons for inactivity differ by sex. Looking after family and/or home accounted for 22.6 per cent of inactive women in 2021. Whereas, only 7.9 per cent of inactive men state this as their reason for inactivity.

One in three (33.5 per cent) inactive men stated their reason for inactivity as long-term sick. Whereas, 26.8 per cent of inactive women stated this as their reason for inactivity. In 2021, long-term sick was the main reason for being inactive for both men and women.

Chart 10: Composition of those aged 16 to 64 who were economically inactive, Scotland, 2021



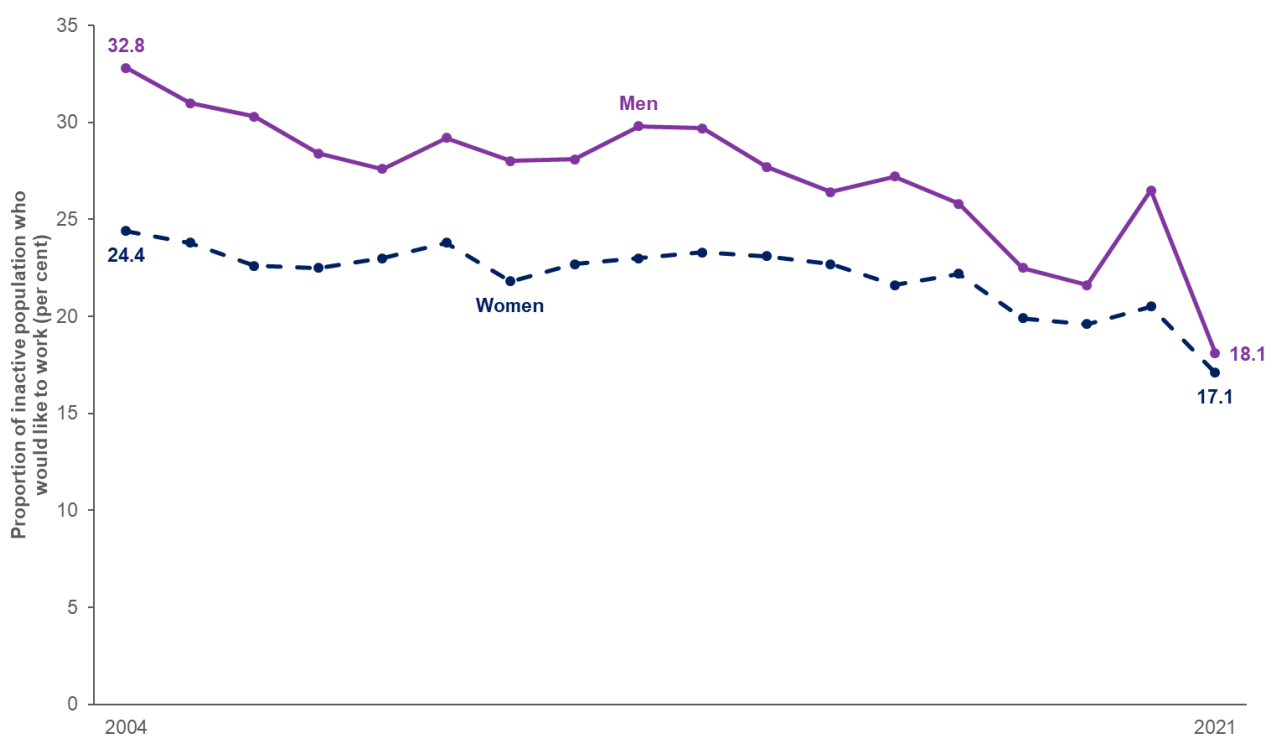
Source: Annual Population Survey, January to December 2021, ONS

Note: Discouraged and Temporary Sick are not shown in this chart due to sample size. However, they are included in the total inactivity levels for men and women.

Want to work

Since 2019, the proportion of men and women who are economically inactive and would like to work has decreased. The decrease for men was 3.5 percentage points (pp) and 2.5 pp for women. Both decreases are statistically significant. The proportion for men (18.1 per cent) has decreased to a proportion similar to that of women (17.1 per cent). The proportion of woman who are economically inactive and would like to work has been lower than the proportion of inactive men across the calendar series.

Chart 11: Proportion of economically inactive people aged 16 to 64 who would like to work by sex, Scotland, 2004 to 2021



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

Age

More information about estimates of 16 to 24 year olds is available in the About this publication section.

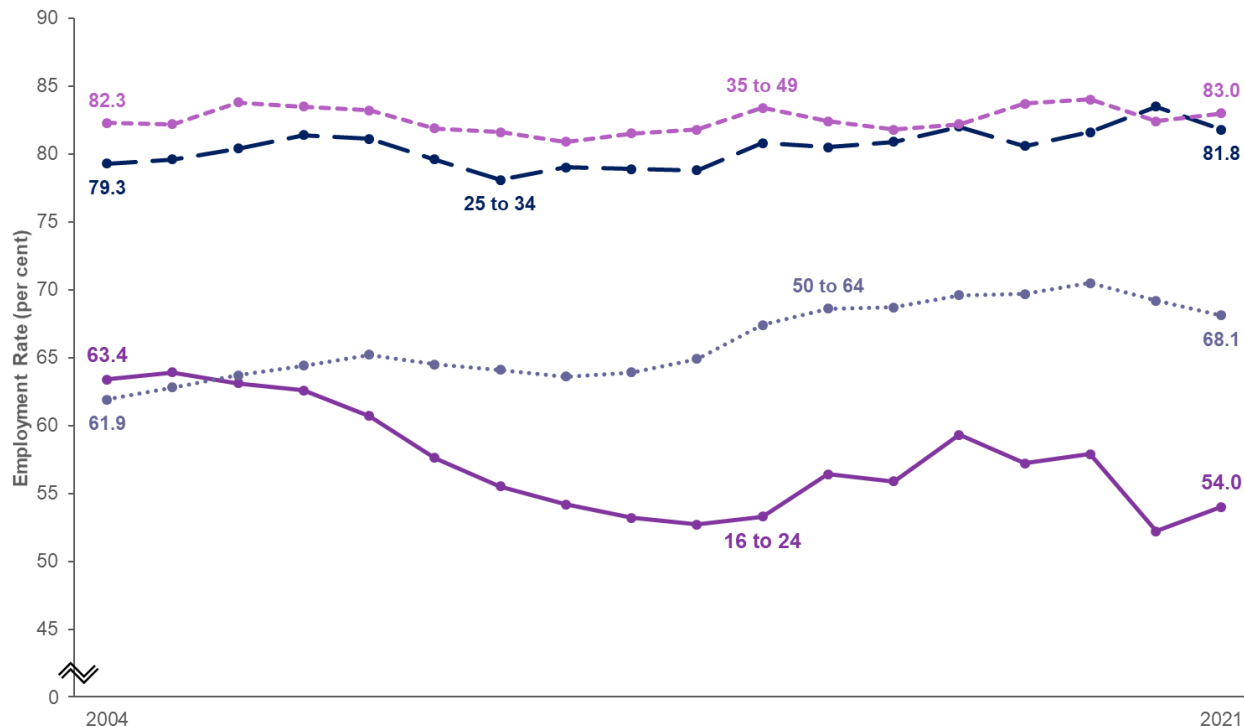
Employment

Since 2006, the employment rate for 16 to 24 year olds has been consistently lower than the employment rate for any other age group. This is due to higher numbers of people aged 16 to 24 being in education.

The employment rates for 25 to 34 year olds and 35 to 49 year olds have been fairly stable across the calendar series. However, the rates were slightly lower in the years following the 2008 recession (2009 to 2013). The estimated employment rate for 25 to 34 year olds was 81.8 per cent in 2021. This was slightly higher than in 2019 (81.6 per cent). The estimated employment rate for 35 to 49 year olds was 83.0 per cent. This was lower than in 2019 (84.0 per cent).

The estimated employment rate for those aged 50 to 64 had increased throughout the economic recovery from the 2008 recession to 70.5 per cent in 2019. However, the employment rate for 50 to 64 year olds had decreased over the last two years to 68.1 per cent in 2021.

Chart 12: Employment rate for ages 16 to 64 by age group, 2004 to 2021



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

Local Authority area estimates

There are long-standing variations in employment rate estimates across Scotland's local authorities.

16 to 24 year olds

Estimates for local authority areas considered unreliable are not included. The four areas affected are:

- Clackmannanshire
- Na h-Eileanan Siar
- Orkney Islands
- Shetland Islands

In 2021, the highest employment rate estimates for 16 to 24 year olds were seen in:

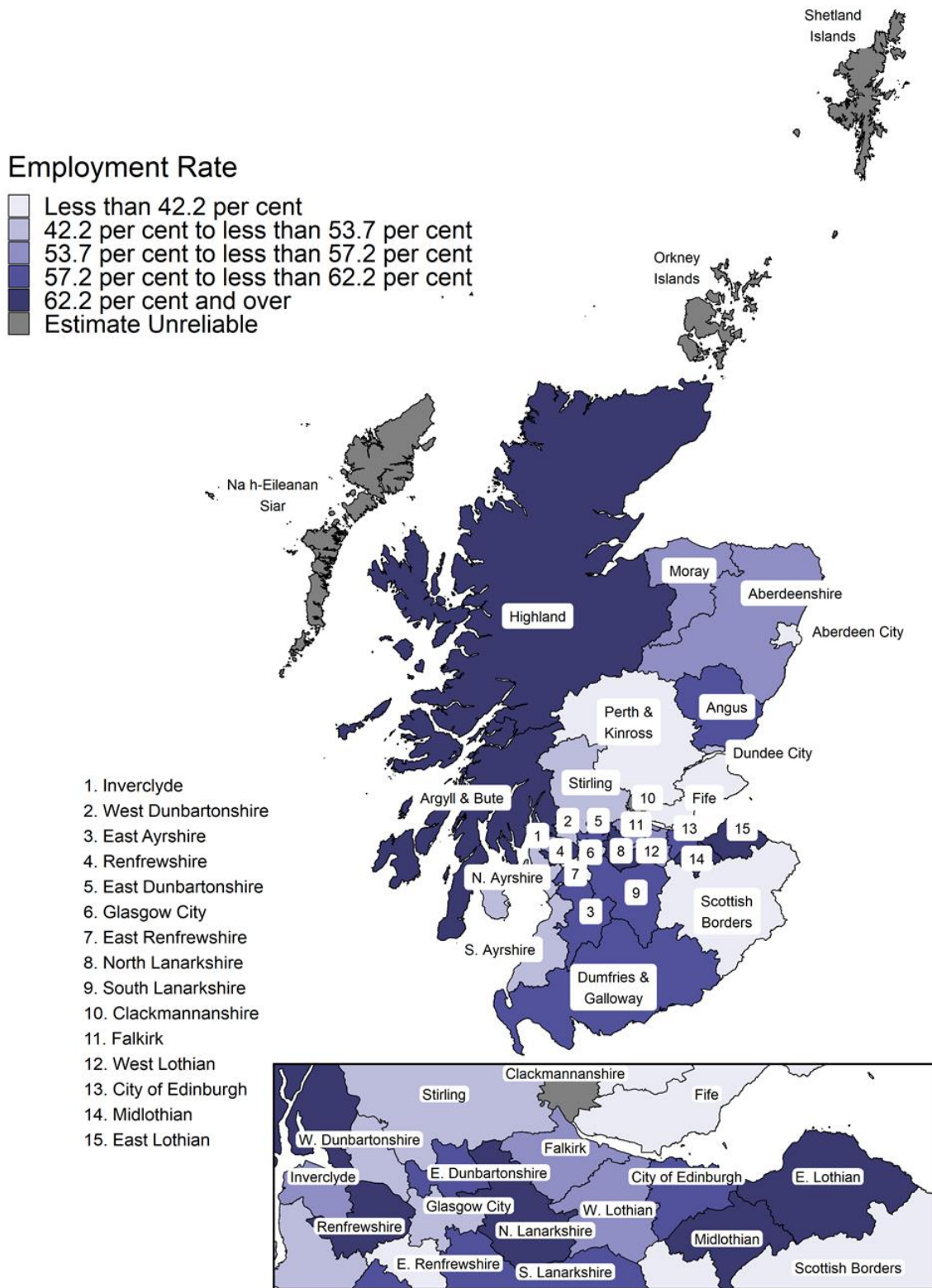
- North Lanarkshire (70.0 per cent)
- Renfrewshire (67.4 per cent)
- Highland (65.6 per cent)

The lowest employment rate estimates for 16 to 24 year olds were seen in:

- Perth and Kinross (36.2 per cent)
- East Renfrewshire and Scottish Borders (both 39.6 per cent)
- Fife (40.0 per cent)

Estimates for Highland, Perth and Kinross, East Renfrewshire, Scottish Borders and Fife are based on small sample sizes. They may be less precise and users should be cautious when quoting them.

Figure 4: Employment rate for ages 16 to 24 by local authority, 2021



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

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50 year olds and over

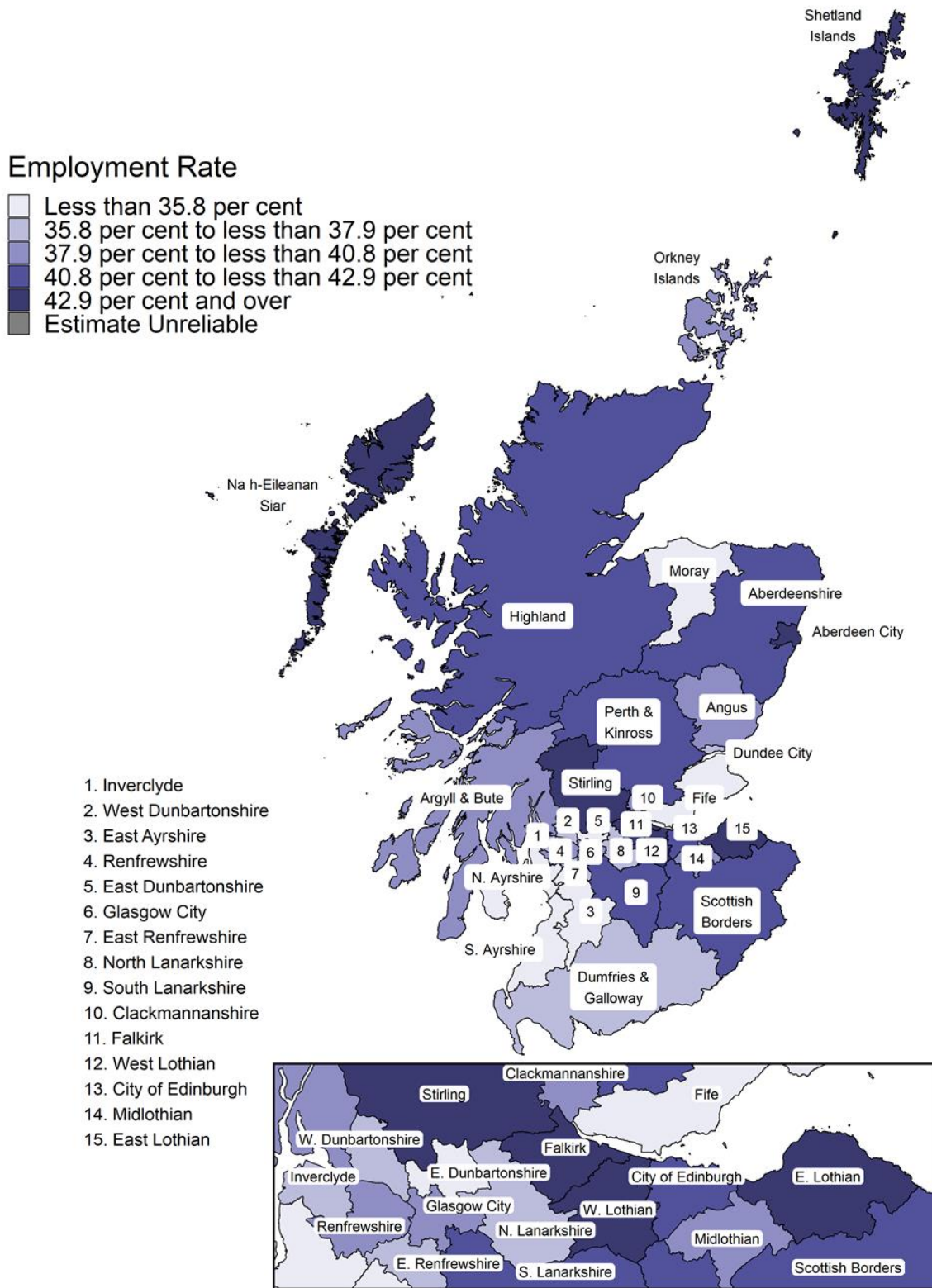
In 2021, the highest employment rate estimates for those aged 50 and over were seen in:

- Aberdeen City (50.1 per cent)
- Na h-Eileanan Siar (46.4 per cent)
- East Lothian (45.2 per cent)

The lowest employment rate estimates for those aged 50 and over were seen in:

- North Ayrshire (32.2 per cent)
- East Dunbartonshire (33.8 per cent)
- Fife (34.9 per cent)

Figure 5: Employment rate for ages 50 and over by local authority, 2021



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

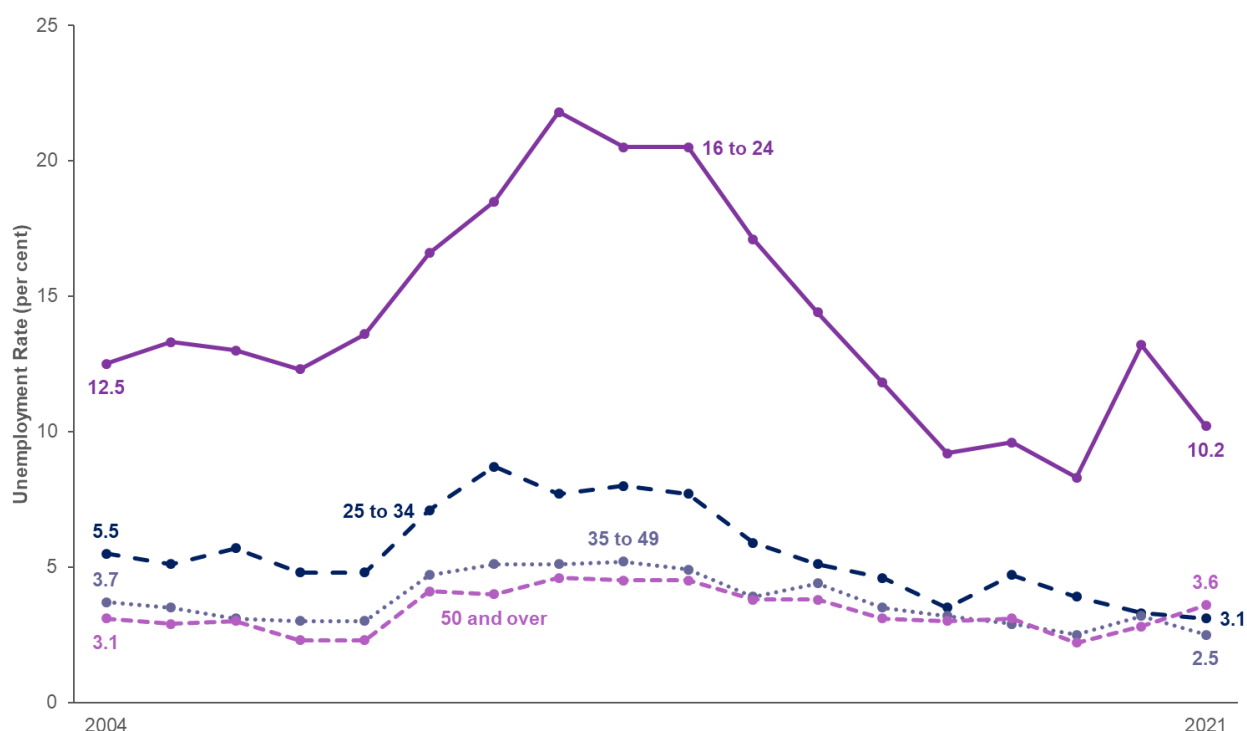
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Unemployment

Across the series, the unemployment rate for those aged 16 to 24 has been consistently higher than the unemployment rate for any other age group.

Since 2019 (pre-pandemic), the unemployment rate for those aged 16 to 24 and 50 and over had increased by 1.9 percentage points (pp) and 1.4 pp, respectively. While the unemployment rates for those 25 to 34 and 35 to 49 had decreased by 0.8 pp and 0.1 pp, respectively.

Chart 13: Unemployment rates for ages 16 and over by age group, Scotland, 2004 to 2021



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

Duration of unemployment

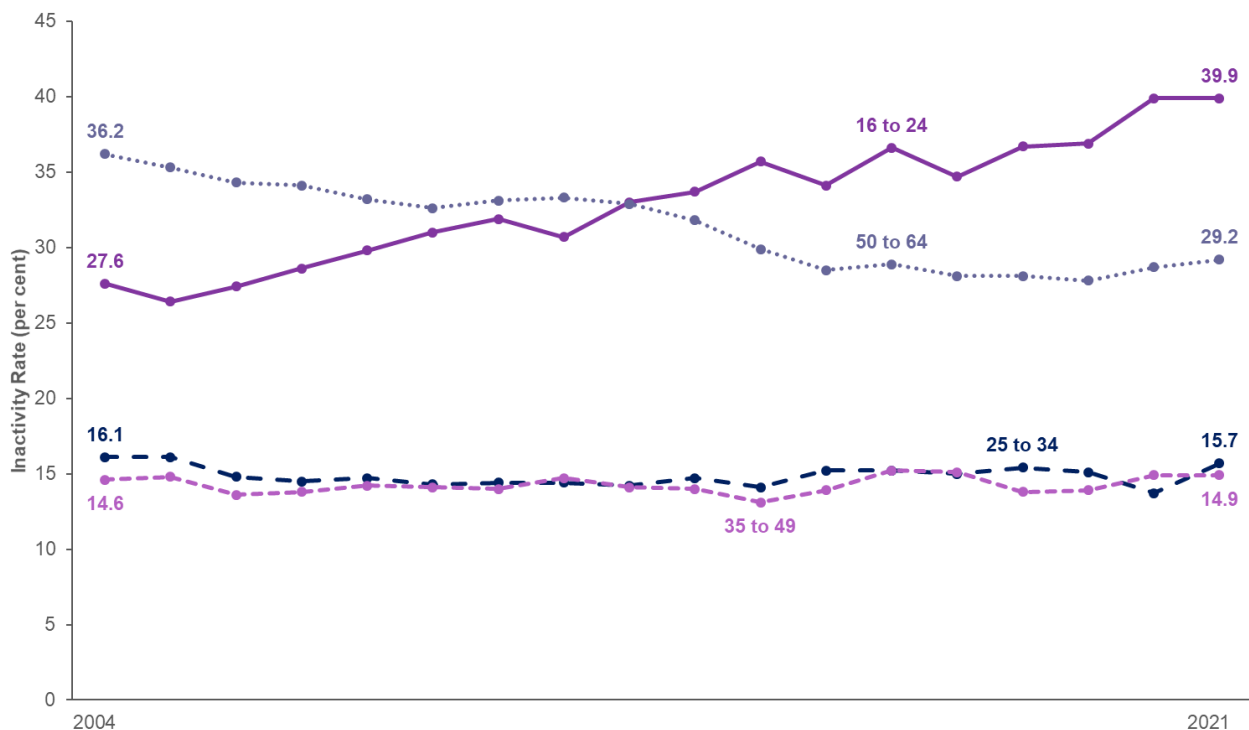
The proportion of unemployed people who were long-term unemployed increases with age. In 2021, there were 16,300 unemployed people aged 50 and over who were unemployed for 12 months or more (50.9 per cent of all unemployed people aged 50 and over).

Economic Inactivity

The economic inactivity rate for 16 to 24 year olds has been increasing over time. This is mainly due to increases in the proportion of 16 to 24 year olds in full-time education. The inactivity rate for those aged 50 to 64 had been decreasing over time. However, the inactivity rate for this age group has increased since 2019.

The inactivity rate for 25 to 34 year olds has remained around 15 per cent over time. However, there was a reduction in the inactivity rate for 25 to 34 year olds in 2020. This was due to an increase in the employment rate for this age group in 2020. For those aged 35 to 49, the inactivity rate remained relatively constant, at around 14 per cent, over time.

Chart 14: Economic inactivity rate for ages 16 to 64 by age group, Scotland, 2004 to 2021



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

Age and Sex

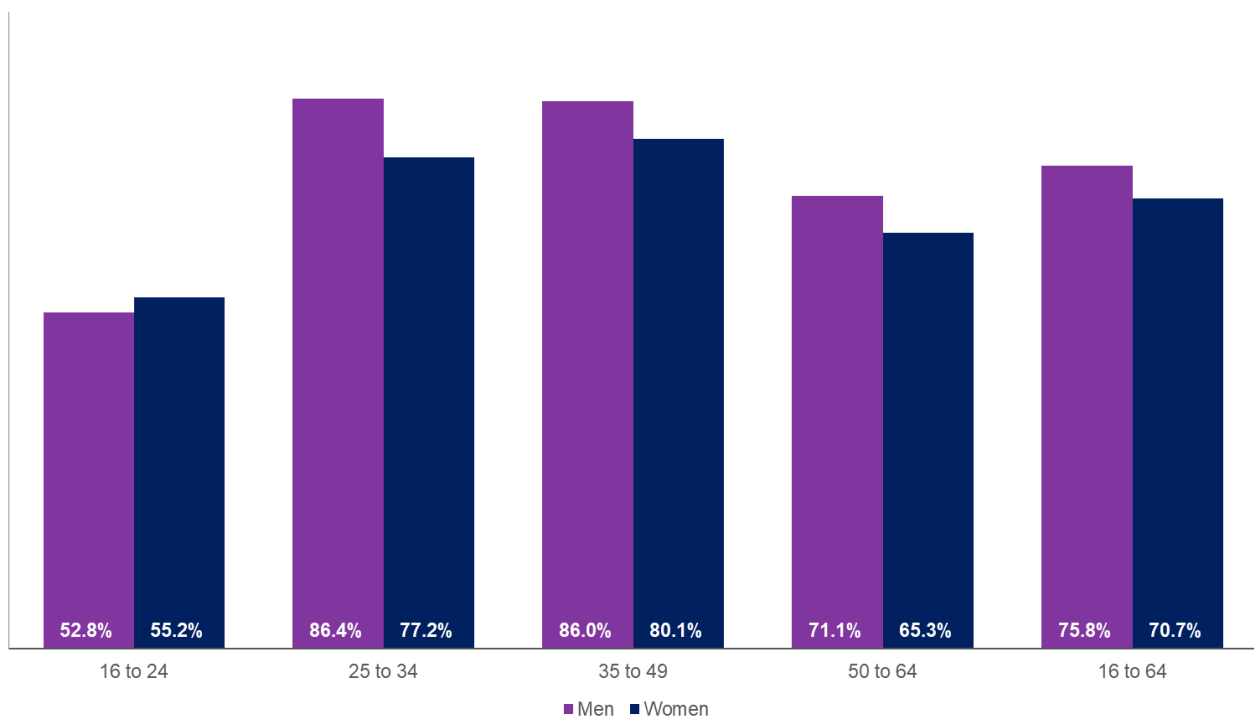
More information about estimates of 16 to 24 year olds is available in the About this publication section.

Employment

In 2021, the employment rate for men was higher than for women in all age groups, except those aged 16 to 24.

For both men and women, the employment rate was lowest for those aged 16 to 24. The highest employment rates for men and women were for those aged 25 to 34 and 35 to 49.

Chart 15: Employment rates for 16 to 64 year olds by sex and age group, Scotland, 2021



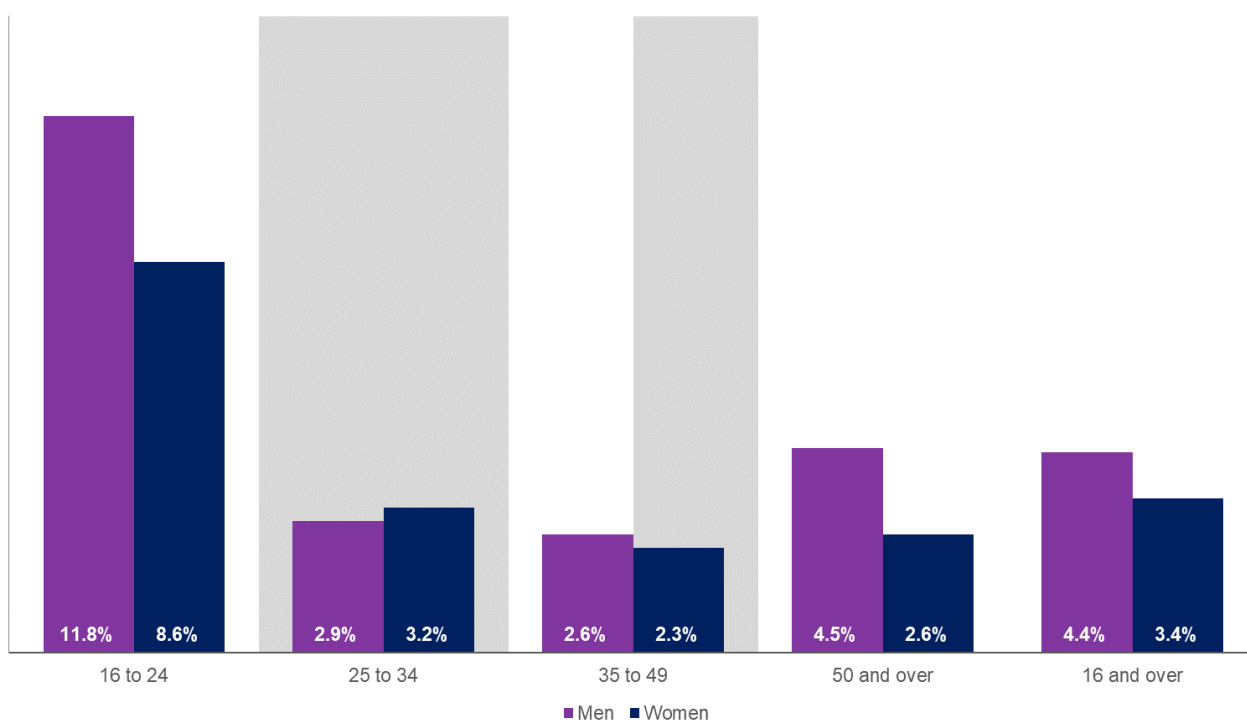
Source: Annual Population Survey, January to December 2021, ONS

Unemployment

In 2021, the unemployment rate for men was higher than for women in all age groups, except those aged 25 to 34. However, the estimates for 35 to 49 year old women and men and women aged 25 to 34 are based on small sample sizes. They may be less precise and users should be cautious when quoting them.

For both men and women, the unemployment rate was highest for those aged 16 to 24.

Chart 16: Unemployment rates for those aged 16 years and over by sex and age group, Scotland, 2021



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

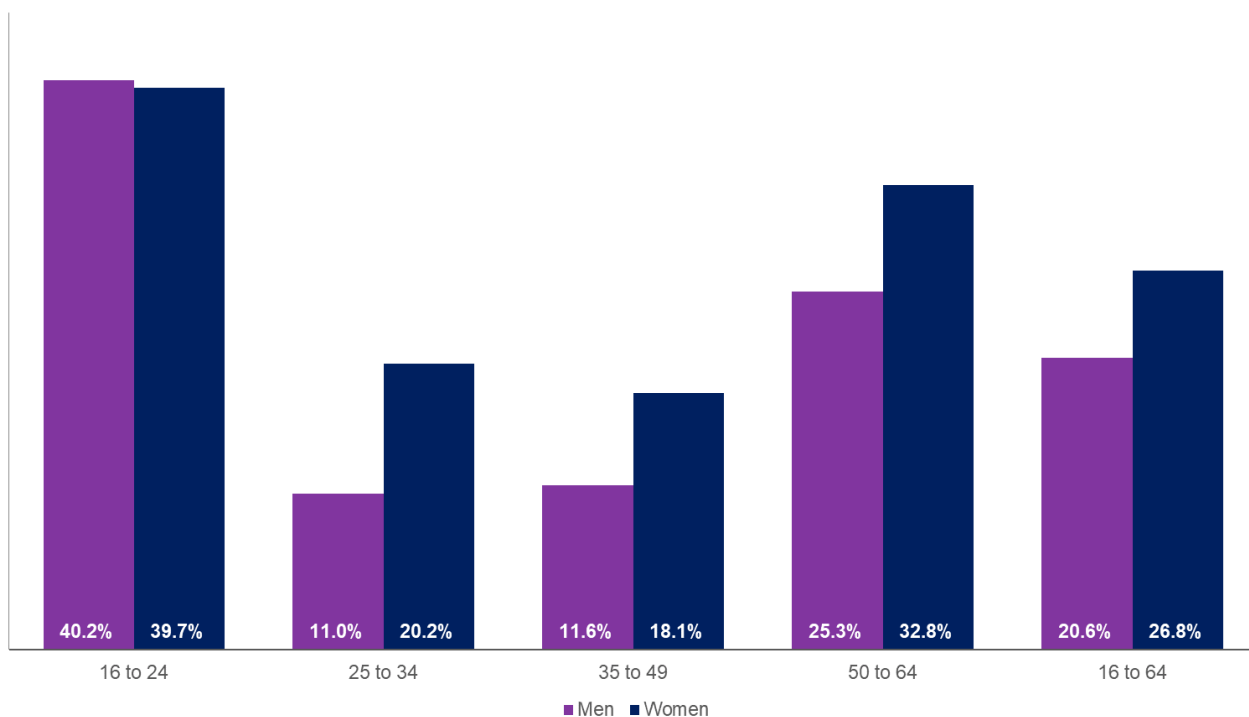
Note: A shaded background indicates estimates are based on a small sample size. This may result in less precise estimates, which should be used with caution.

Economic Inactivity

In 2021, the inactivity rate for men was lower than for women in all age groups, except those aged 16 to 24.

For men and women, the inactivity rate was highest for those aged 16 to 24 followed by those aged 50 to 64.

Chart 17: Economic inactivity rates for 16 to 64 year olds by sex and age group, Scotland, 2021



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

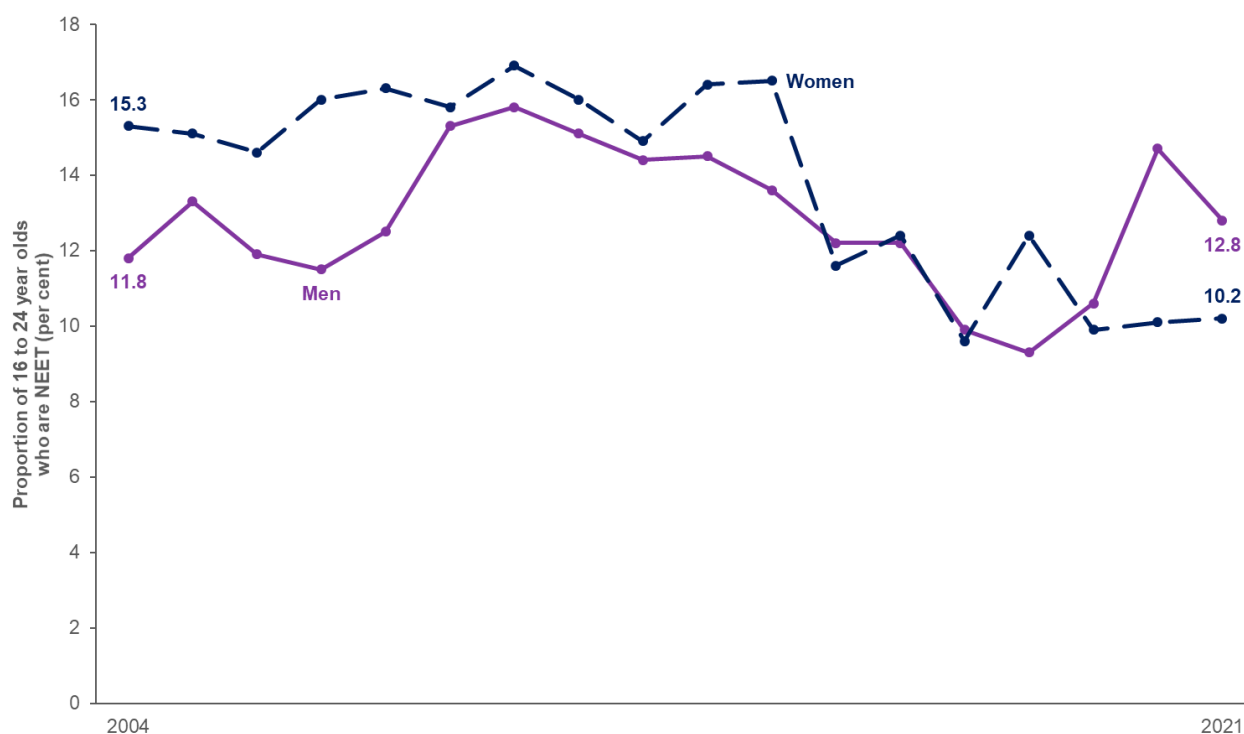
Not in Employment, Education or Training (NEET)

Estimates for women aged 16 to 24 who were not in employment, education or training (NEET) in 2020 and 2021 are based on small sample sizes and should be used with caution.

In 2021, 11.5 per cent of people aged 16 to 24 years were NEET. This is lower than a year ago (12.4 per cent) but is still higher than the proportion of 10.3 per cent in 2019 (pre-pandemic).

The proportion of 16 to 24 year olds who are NEET has typically been higher for women than men. However, the proportion of men aged 16 to 24 who are NEET has been higher than the proportion for women since 2019.

Chart 18: Proportion of 16 to 24 year olds who are not in employment, education or training (NEET) by sex, Scotland, 2004 to 2021



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

Disability

We define disability based on the Equality Act 2010. Level and rate estimates for employment, unemployment and inactivity by disability are all based on those aged 16 to 64 years. There is more information in the Concepts and Definitions section.

Employment

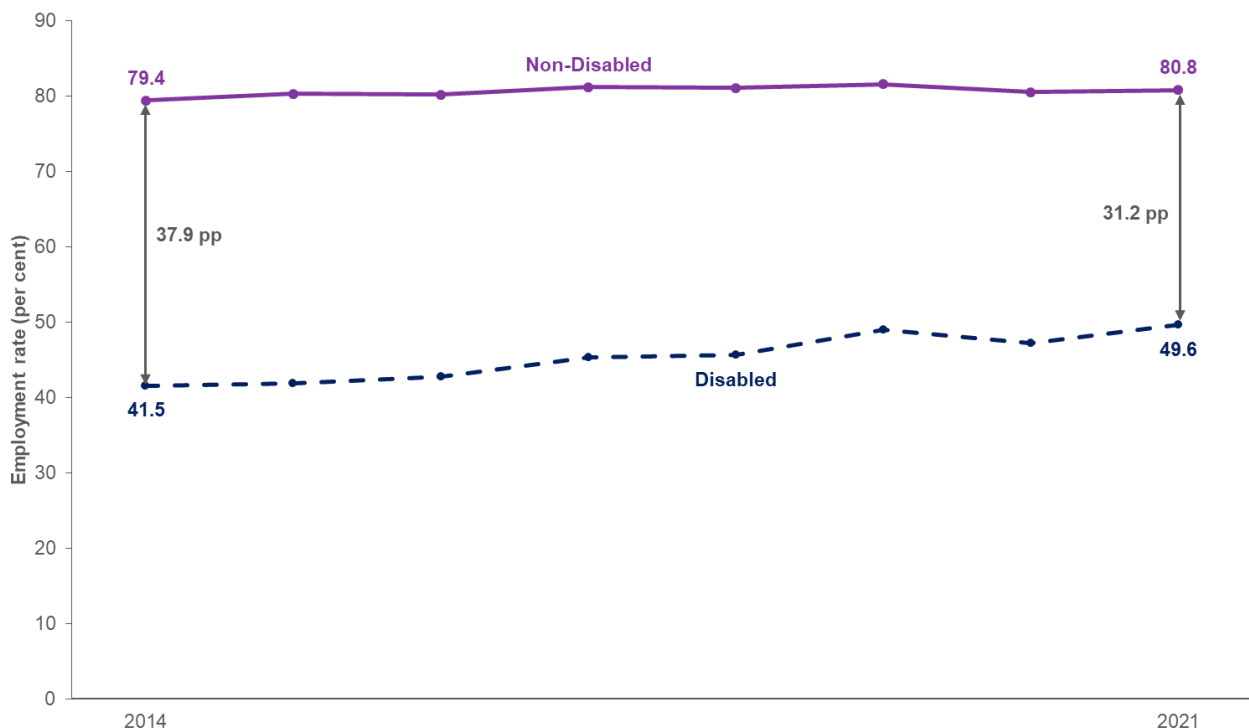
In 2021, an estimated 407,400 disabled people aged 16 to 64 were in employment. The employment rate for disabled people aged 16 to 64 was estimated at 49.6 per cent. This was significantly lower than the rate for non-disabled people (80.8 per cent). Therefore, the disability employment rate gap was estimated at 31.2 percentage points. This represents a statistically significant gap.

Disability employment rate gap

The difference between the employment rate for disabled and non-disabled people aged 16 to 64. It is calculated as the non-disabled employment rate minus disabled employment rate.

The disability employment gap has decreased by 2.2 percentage points (pp) over the year. Since 2019 (pre-pandemic), it has decreased by 1.4 pp.

Chart 19: Employment rate for disabled and non-disabled people aged 16 to 64, Scotland, 2014 to 2021



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

The employment rate for non-disabled people increased from 80.5 per cent in 2020 to 80.8 per cent in 2021. However, the employment rate for non-disabled people

remains below the 2019 (pre-pandemic) rate of 81.6 per cent. Whereas, the employment rate for disabled people increased from 47.2 per cent in 2020 to 49.6 per cent in 2021 and is now above the rate in 2019 (49.0 per cent).

The reduction in the disability employment gap from 2019 to 2021 was due to the employment rate for disabled people increasing. While the employment rate for non-disabled people decreased over the same period.

The disability employment rate gap was lower for women aged 16 to 64 (26.2 percentage points (pp)) than men (36.8 pp). The gap was lower for women than men across all age bands.

The disability employment rate gap was lowest for those aged 16 to 24 and highest for those aged 35 to 49.

Chart 20: Disability employment rate gap for ages 16 to 64 by sex and age group, Scotland, 2021



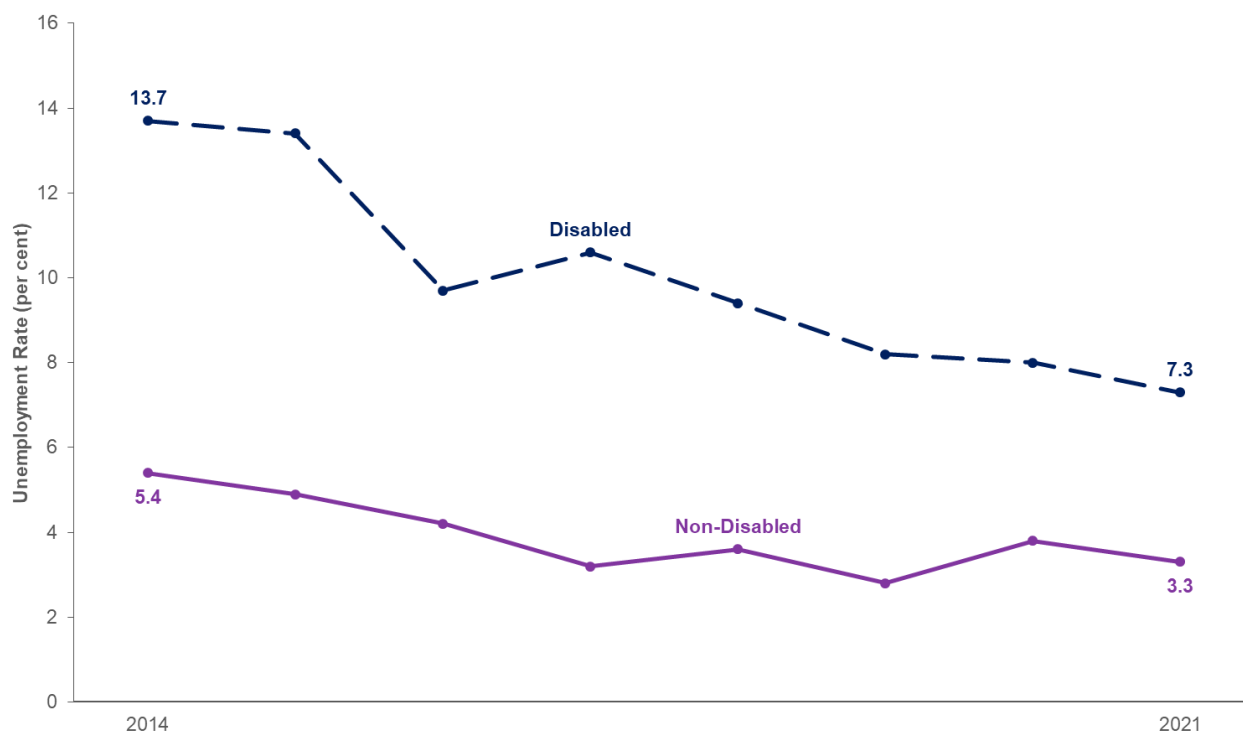
Source: Annual Population Survey, January to December 2021, ONS

Unemployment

In 2021, an estimated 32,000 disabled people aged 16 to 64 were unemployed. The unemployment rate for disabled people aged 16 to 64 in Scotland is higher than for non-disabled people. This is true for all years in the calendar series. However, the unemployment rates have generally been decreasing over time.

In 2021, the unemployment rate for disabled people was estimated at 7.3 per cent. This is lower than the year before (8.0 per cent) and lower than 2019 (8.2 per cent). While the unemployment rate for non-disabled people was estimated at 3.3 per cent. This is lower than the year before (3.8 per cent) but higher than in 2019 (2.8 per cent).

Chart 21: Unemployment rate for disabled and non-disabled people aged 16 to 64, Scotland, 2014 to 2021



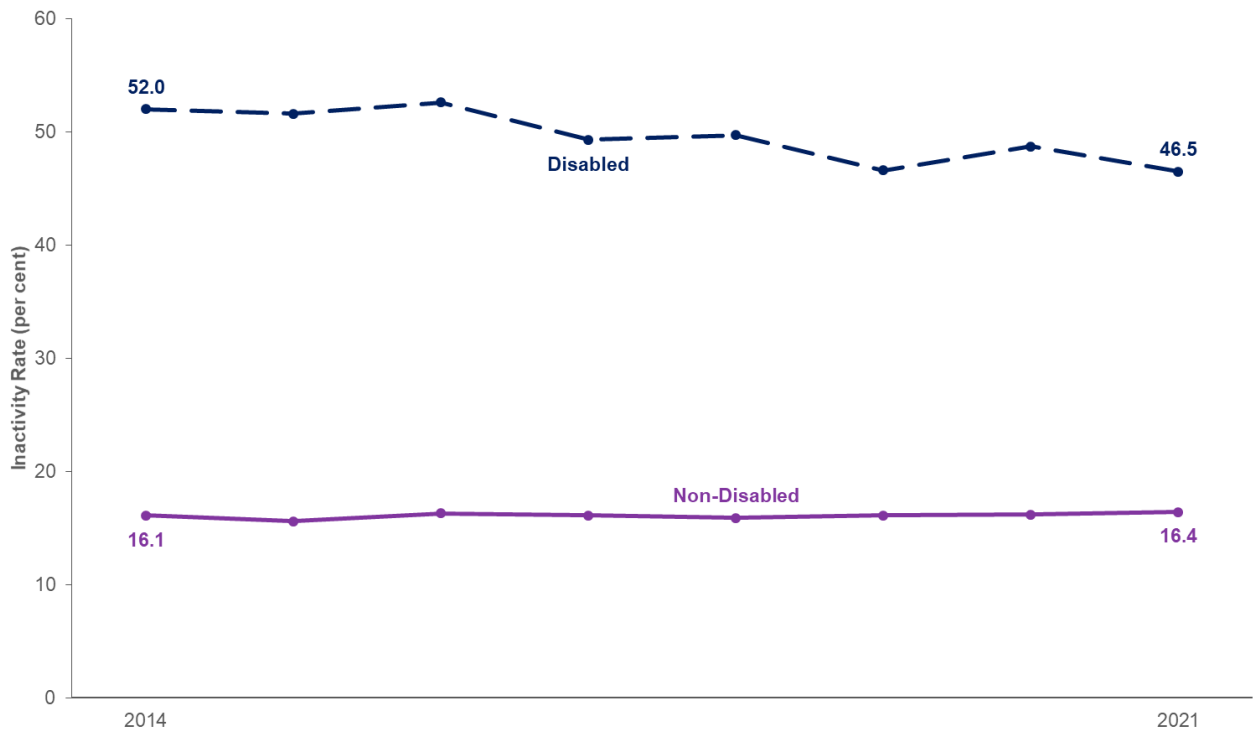
Source: Annual Population Survey, January to December datasets, ONS

Economic Inactivity

In 2021, an estimated 381,400 disabled people aged 16 to 64 were economically inactive. The economic inactivity rate for disabled people aged 16 to 64 was estimated at 46.5 per cent. This was significantly higher than the inactivity rate for non-disabled people (16.4 per cent).

The inactivity rate for disabled people in 2021 was lower than the year before (48.7 per cent). However, it was close to the rate seen in 2019 (46.6 per cent). Whereas, the inactivity rate for non-disabled people remained relatively constant over the same period.

Chart 22: Inactivity rate for disabled and non-disabled people aged 16 to 64, Scotland, 2014 to 2021



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

Ethnicity

Respondents are asked questions about their ethnicity in the labour force survey interview. “Minority Ethnic” describes all ethnic groups excluding those who answered “White” to the first question. There is more information in the Concepts and Definitions section.

There will also be variation between the individual ethnic groups included within the combined ‘Minority ethnic’ group which should be considered.

Employment

The minority ethnic group aged 16 to 64 has consistently had a lower employment rate than the white group.

The employment rate for the minority ethnic group aged 16 to 64 was estimated at 62.1 per cent in 2021. This is significantly lower than the rate for the white group (73.9 per cent). Therefore, the ethnicity employment rate gap was estimated at 11.7 percentage points (pp). This represents a statistically significant gap.

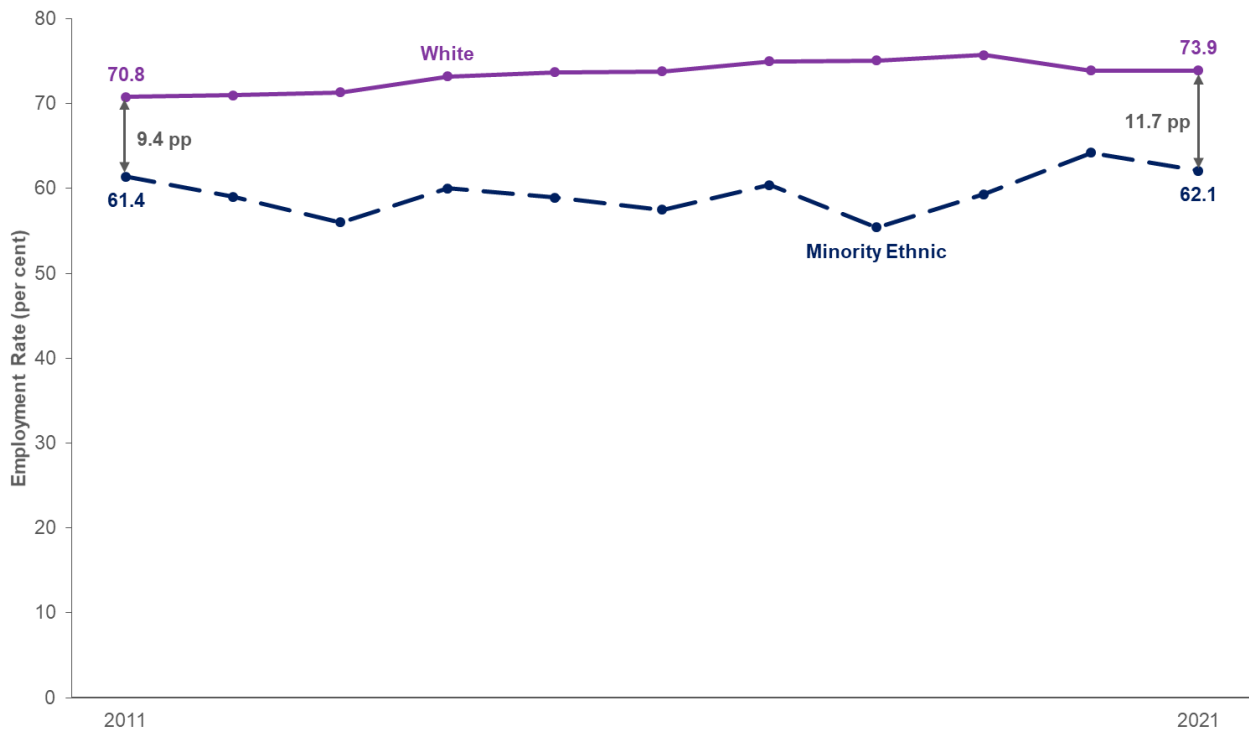
Minority ethnic employment rate gap

This is the difference between the employment rates of the minority ethnic and white groups aged 16 to 64 years. It is calculated as the white employment rate minus minority ethnic employment rate.

Although the minority ethnic employment gap had increased by 2.0 pp over the year, it had decreased by 4.7 pp since 2019. The reduction in the gap was driven by the employment rate for the minority ethnic group increasing, while the employment rate for the white group decreased.

The employment rate for the white group remained constant over the year. However, it decreased from 75.7 per cent in 2019 to 73.9 per cent in 2021. This was a statistically significant decrease. The employment rate for the minority ethnic group decreased from 64.2 per cent in 2020 to 62.1 per cent in 2021. However, the employment rate for the minority ethnic group in 2021 was still above the 2019 rate of 59.3.

Chart 23: Employment rate for minority ethnic and white groups aged 16 to 64, Scotland, 2011 to 2021



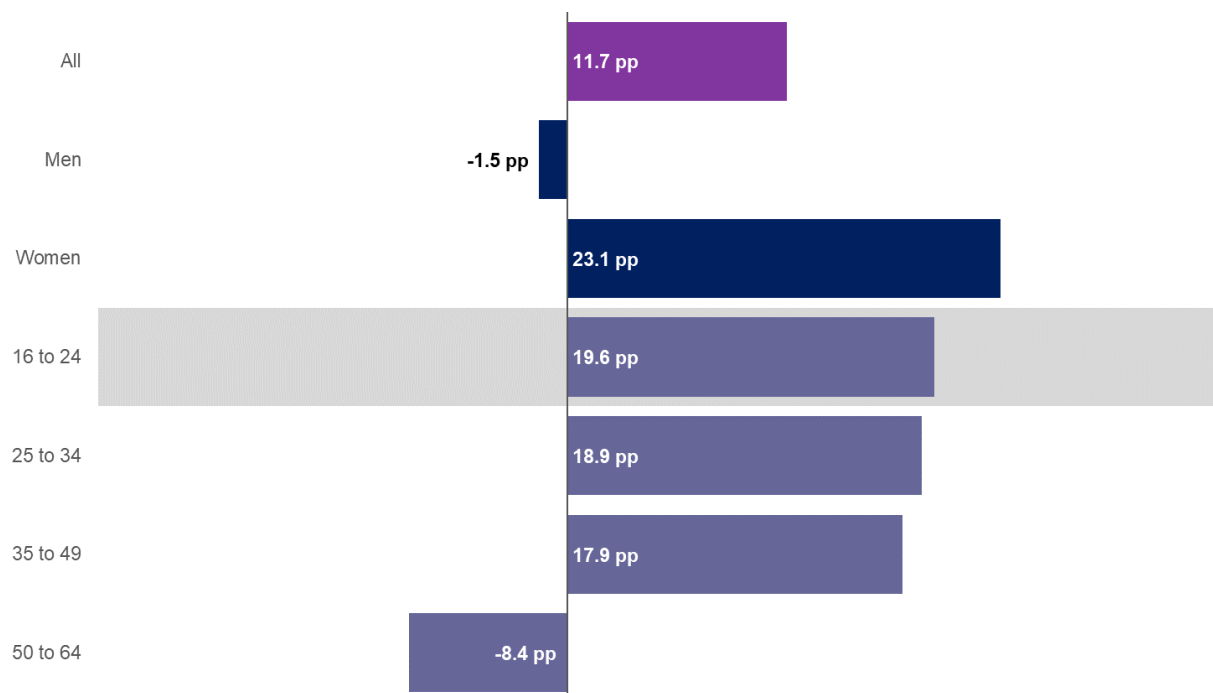
Source: Annual Population Survey, January to December datasets, ONS

Across the series, the ethnicity employment rate gap for women aged 16 to 64 has been consistently higher than the gap for men. In 2021, the ethnicity employment rate gap for women was estimated at 23.1 pp. While the gap for men was estimated at -1.5 pp. A negative ethnicity employment rate gap is where the rate for the minority ethnic group is higher than the rate for the white group.

In 2021, the ethnicity employment rate gap was largest for those aged 16 to 24 (19.6 pp) followed by those aged 25 to 34 (18.9 pp). The gap for 35 to 49 year olds was 17.9 pp and the gap for those aged 50 to 64 was -8.4 pp.

Estimates for 16 to 24 year olds are based on small sample sizes. They may be less precise and users should be cautious when quoting them.

Chart 24: Ethnicity employment rate gap for people aged 16 to 64 by sex or age, Scotland



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

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

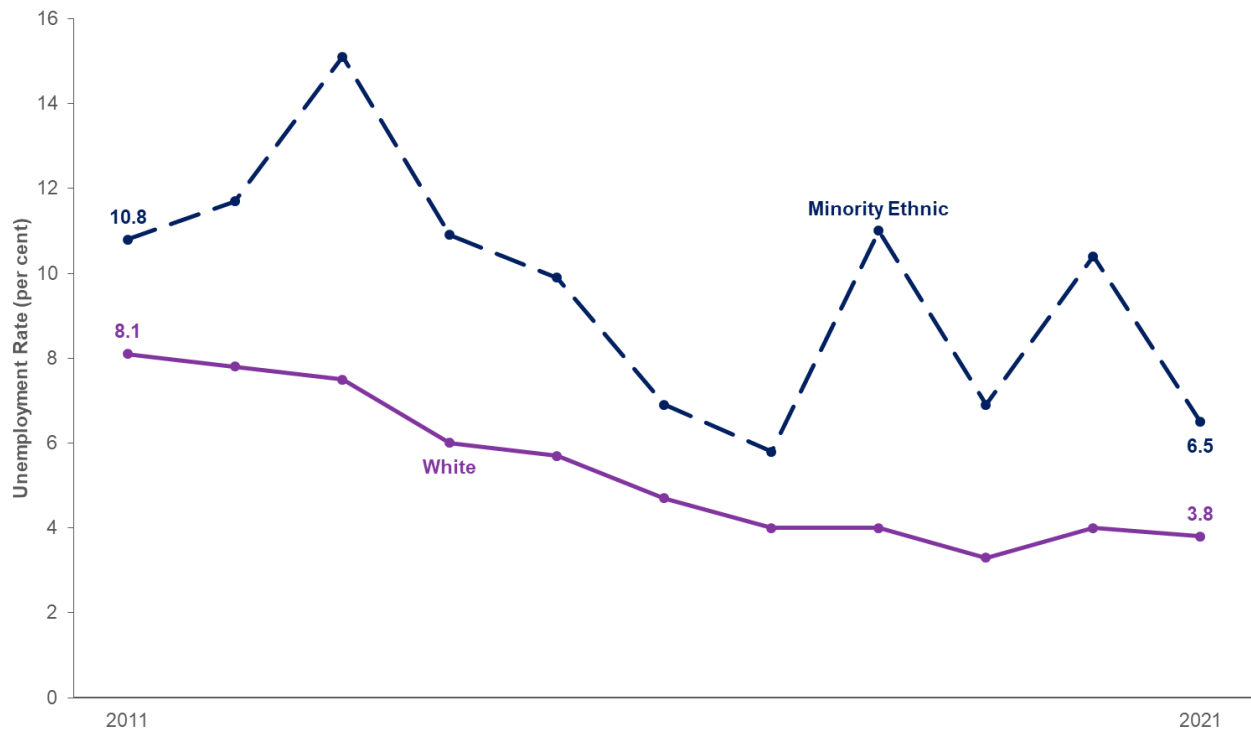
Unemployment

The unemployment rate for the minority ethnic group aged 16 and over in Scotland has been consistently higher than the rate for the white group.

In 2021, the unemployment rate for the minority ethnic group was estimated at 6.5 per cent. This is lower than the year before (10.4 per cent) and lower than 2019 (6.9 per cent). While the unemployment rate for the white group was estimated at 3.8 per cent. This is slightly lower than the year before (4.0 per cent) but higher than in 2019 (3.3 per cent).

The 2021 unemployment rate estimate for the minority ethnic group is based on a small sample size. It may be less precise and users should be cautious when quoting it.

Chart 25: Unemployment rate for white and minority ethnic groups aged 16 and over, Scotland, 2011 to 2021



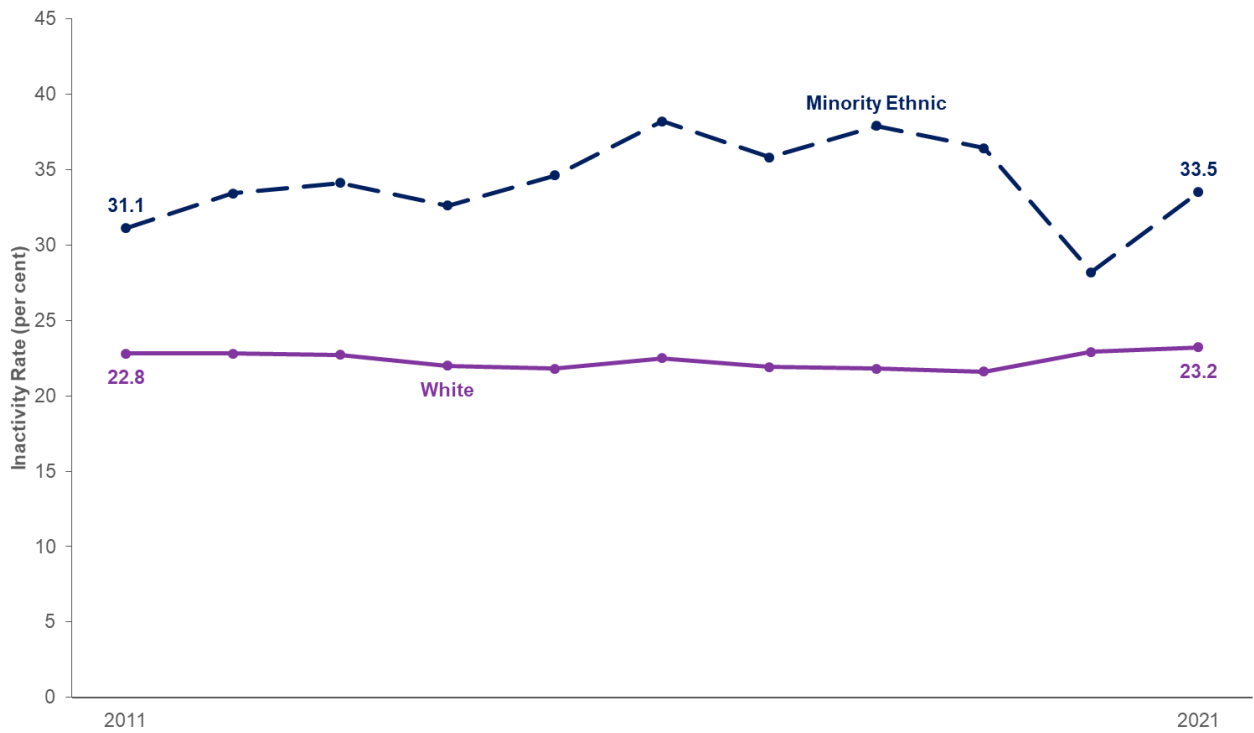
Source: Annual Population Survey, January to December datasets, ONS

Economic Inactivity

In 2021, the economic inactivity rate for the minority ethnic group aged 16 to 64 was estimated at 33.5 per cent. This was higher than the economic inactivity rate for the white group (23.2 per cent).

The minority ethnic inactivity rate in 2021 was higher than the year before (28.2 per cent) but lower than the rate seen in 2019 (36.4 per cent). Whereas the inactivity rate for the white group was higher than the year before (22.9 per cent) and 2019 (21.6 per cent). The increase in the rate for the white group since 2019 is statistically significant.

Chart 26: Inactivity rate for white and minority ethnic groups aged 16 to 64, Scotland, 2011 to 2021



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

Other protected characteristics

The [Equality Act 2010 \(UK legislation\)](#) covers protected groups not included in this publication. For religion, we provide estimates for employment in the accompanying tables. We are working to include further analysis on protected characteristics in future releases.

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.

Economic activity rate: The number of people who are in employment or unemployed expressed as a percentage of the relevant population.

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.

Model Based Unemployment: In 2003, ONS developed a statistical model to improve small area estimates of unemployment. Supplementary information from the claimant count is included in the estimates. Claimant count is a count of the number of people claiming Jobseeker's Allowance and Universal Credit claimants in the "searching for work" conditionality group. As it is an administrative measure, information is known for all areas. It is also highly correlated with unemployment. The model is said to borrow strength from the claimant count. The model also includes a socio-economic indicator and a random area effect.

More information about the methodology can be found in the [ONS Model Based Unemployment Guidance](#).

Not in Employment, Education or Training (NEET): People who are:

- not classed as a student
- not in employment
- not participating in a government training programme

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

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: Questions on ethnic group have been asked in the APS since its start 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.

When asked "what is your ethnic group?" respondents have 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. Yet it is often not possible to publish detailed estimates due to the robustness of the sample. As such, “Minority Ethnic” includes all ethnic groups excluding those who answered “White” to the first question.

The favoured term for "Minority Ethnic" is “Mixed or Multiple; Asian; African; Caribbean or Black; and Other ethnic groups”. Choosing the term “Minority Ethnic” aids narrative and provides a concise terminology. The ethnic groups defined as "Minority Ethnic" are minority populations in Scotland.

In Scotland, minority ethnic groups may suffer labour market disadvantages compared to white groups. “White” includes ethnic groups such as “White – Polish” and “White – Gypsy or Irish Traveller”. Such groups may also suffer disadvantages in the labour market.

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

Quality and methodology information

Relevance

The labour market in Scotland can be measured by both the Labour Force Survey (LFS) and the Annual Population Survey (APS). The APS is the primary source for information on local labour markets. It combines results from the LFS with the English, Welsh and Scottish LFS boosts. This provides a larger annual sample of households. Compared with the quarterly LFS, the annual data is more robust. Estimates for local areas and smaller groups of the population are more accurate as a result.

The Scottish Government funds the boost to the LFS sample in Scotland. This takes the sample size from approximately 4,000 households to 13,000 households for the latest time period.

The data presented in this bulletin is available in the [supporting tables and charts](#), statistics.gov.scot and some is available on [Nomis](#).

This statistical bulletin is likely to be used by other public sector organisations, businesses, academia and private individuals to identifying the key trends for Scotland in the headline labour market statistics by protected characteristics.

The LFS is the main source for headline labour market indicators at a Scotland level. The data for the labour market indicators from the LFS are updated monthly. The latest LFS data is published by the Scottish Government each month in the [Labour Market Trends release](#). The APS, which is published quarterly, allows for a more detailed commentary on smaller areas and groups of the population in Scotland. This release uses data from the APS to provide more detailed information on the labour market in Scotland by protected characteristics.

The statistics in this release are used by the Scottish Government to monitor the headline statistics for the Scottish labour market by protected characteristics. This release is also used to monitor progress against some of the targets in the Scottish Government's [A Fairer Scotland for disabled people - employment action plan](#).

Related publications from this source are updated on the [Scottish Government's Labour Market Statistics collections page](#), including the quarterly [Labour Market Statistics for 16-24 years olds: Scotland and UK publication](#).

Publications have also been produced on the following topics: Disabled people in the labour market in Scotland and Non-UK nationals in Scotland's workforce. This source is also used to provide ad-hoc data queries for Scottish Government policy colleagues and for external stakeholders.

Wider context

In 2007, the Scottish Government introduced the [National Performance Framework](#) (NPF). It sets out the government's ambitions for society and the values that guide

its approach. The framework sets out 11 National Outcomes that describe the kind of Scotland it aims to create. The framework measures Scotland's progress against the National Outcomes using a set of National Indicators. The set of 81 National Indicators includes:

- Economic participation
- Pay gap
- Gender balance in organisations

National Indicators which can be broken down by equality characteristics are published on the [Equality Evidence Finder](#)

Accuracy

Estimates of employment, unemployment and economic inactivity are available from both the LFS and the APS. This release presents estimates from the APS. Estimates from the LFS are based on a rolling quarter and are updated monthly. LFS sample sizes are too low to produce reliable estimates for many protected groups, such as ethnicity and disability status.

Estimates from the APS are based on a rolling twelve month period, updated each quarter. The APS has a bigger sample size than the LFS so it is used to produce estimates for geographies and sub-groups of the population in Scotland. At Scotland level, the APS is a more robust measure than the LFS, but it is less timely and slower to adapt to changes in the labour market.

The data presented in this release is based on sample surveys. As such, these estimates are subject to an associated sampling error. The sampling error decreases as the sample size increases. It is the nature of sampling variability that the smaller a group is, the (proportionately) less precise the estimate is. For example, estimates for small groups of the population are subject to a higher degree of variability than those for larger groups.

The Office for National Statistics (ONS) have published a detailed guidance note on sampling variability. 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 by protected characteristics for Scotland. Confidence intervals also give an indication of the margin of error surrounding these estimates.

The [background tables and charts](#) published provide confidence limits for rates and proportions. Statistically significant changes are highlighted throughout the text. In some instances estimates are not available. This occurs when the estimate has:

- a sample of 2 or less individual responses

or

- a sample of between 3 and 10 individual responses and a coefficient of variation greater than 20 per cent

In some instances estimates are from a small sample size and may be less precise. In this instance they should be used with caution. This occurs when the estimate has:

- a sample of between 3 and 10 individual responses and a coefficient of variation equal to or less than 20 per cent

or

- a sample of between 11 and 25 individual responses

An article outlining the approach taken by ONS is available:

[Measuring and reporting reliability of Labour Force Survey and Annual Population Survey estimates - Office for National Statistics](#)

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How to access background or source data

Results are provided for January to December 2004 through to January to December 2021. This is based on data released by the Office for National Statistics (ONS) on 13 September 2022.

Supporting data for indicators at local authority level are available in the [Scotland's Labour Market- People Places and Regions – Protected Characteristics – Background Tables](#)

Data and charts provided in this publication are also available in the [Scotland's Labour Market- People Places and Regions – Protected Characteristics – Charts](#)

Annual Population Survey information is also 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](#).

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