

Article

UK and non-UK people in the labour market: November 2017

Estimates of labour market activity by nationality and country of birth



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1. Main points

- There were 28.55 million UK nationals working in the UK, 183,000 more than for a year earlier.
- There were 2.38 million EU nationals working in the UK, 112,000 more than for a year earlier.
- There were 1.21 million non-EU nationals working in the UK, 23,000 fewer than for a year earlier.
- The employment rate (the proportion of people aged 16 to 64 years who were in work) was 81.6% for EU nationals, higher than that for UK nationals (75.3%) and higher than that for non-EU nationals (63.6%).

2. Things you need to know about this release

This article presents an analysis of the number of UK and non-UK people, by both nationality and country of birth, who were employed, unemployed and economically inactive and resident in the UK. The estimates are sourced from the Labour Force Survey, the largest household survey in the UK and are available back to 1997. This article is published four times a year in February, May, August and November.

What these statistics should be used for

Use these statistics to understand the number of UK and non-UK people, by both nationality and country of birth, who were employed, unemployed and economically inactive in the UK. As well as showing the number of people these statistics also show employment, unemployment and economic inactivity rates for UK and non-UK people by nationality and country of birth.

What these statistics should not be used for, and why

These statistics do not measure stocks or flows of recent migrants to the UK, because they include people resident in the UK for many years (many of whom will now be UK nationals) as well as more recent arrivals. This, along with a range of other factors, means that <u>net changes in the number of non-UK workers in the UK cannot be directly compared with long-term net migration</u> for non-UK nationals.

Statistics on international migration to the UK, including a summary of migration for work are published separately in the <u>Migration Statistics Quarterly Report</u>.

The employment estimates do not relate to "new jobs" and cannot be used to estimate the proportion of new jobs that have been filled by UK and non-UK workers. This is because changes in the employment series show net changes in the number of people in work (the number of people entering employment minus the number of people leaving employment). The number of people entering or leaving employment is much larger than the net changes. Also, the estimates of the number of people in work differ from the number of jobs because some people have more than one job.

The estimates cannot be summed to obtain household population estimates for those aged 16 and over. Although estimates for the number of people in employment and the number of unemployed people are for those aged 16 and over, estimates for the number of economically inactive people are for those aged 16 to 64 years. Population estimates by nationality and country of birth (from the Annual Population Survey) are published separately in the Population of the UK by country of birth and nationality release.

About labour market statuses

Everybody aged 16 or over is either employed, employed, enployed, enployed. The employment estimates include all people in paid work including those working part-time. People not working are classed as unemployed if they have been looking for work within the last four weeks and are able to start work within the next two weeks. A common misconception is that the unemployment statistics are a count of people on benefits; this is not the case as they include unemployed people not claiming benefits.

Jobless people who have not been looking for work within the last four weeks or who are unable to start work within the next two weeks are classed as economically inactive. Examples of economically inactive people include people not looking for work because they are students, looking after the family or home, because of illness or disability or because they have retired. Foreign students studying in the UK, who are not working or seeking work, are therefore included in the economic inactivity estimates for non-UK people, although the Labour Force Survey would not include those living in halls of residence.

Making comparisons with earlier data

These estimates are not seasonally adjusted. The estimates for July to September 2017 should be compared with those for a year earlier (July to September 2016) rather than with those for the previous quarter (April to June 2017). This is because seasonality may influence quarterly movements for the different nationality and country of birth series. This means that the UK total figures published in this article differ from those published in the <u>Labour market statistical bulletin</u> because the former are not seasonally adjusted and the latter are seasonally adjusted.

Nationality and country of birth

Neither the nationality series nor the country of birth series measure stocks or flows of recent migrants to the UK, because both series include people resident in the UK for many years as well as more recent arrivals.

Nationality refers to the nationality stated by the Labour Force Survey respondent when they were interviewed. Nationality can change over time; for example, some people come to the UK as non-UK nationals and later obtain British citizenship. Some non-UK nationals, such as children of overseas nationals, were born in the UK.

In contrast, country of birth refers to the country that a person was born in and cannot change. However, not all non-UK born people are foreign nationals. The numbers of non-UK born people include British citizens who were born abroad, such as children of military personnel or other British workers stationed abroad. As reported in the Population of the UK by country of birth and nationality release, published on 24 August 2017, there were 3.6 million non-UK born people resident in the UK who were UK nationals (39% of the non-UK born population). Non-UK born people with British nationality have the same entitlements, such as access to the labour market and to the benefits system, as UK born British citizens.

Each series can be used for different purposes. The non-UK born measure indicates that a person came to reside in the UK having been born abroad and may be useful when analysing long-term movements of people. However, immigration rules apply on the basis of nationality, not country of birth, so any indication of the impact of changes in immigration policy would tend to use measures of foreign nationality not the numbers of people born abroad. Similarly, nationality is the preferable measure to use when seeking to understand the interactions of migrants with, for example, the labour market, the benefits system, housing, education and health.

The estimates for EU nationals and for people born in the EU, since the start of the time series in 1997, are based on the current membership of the EU; for example, Poland is included in the EU series back to 1997 although Poland did not join the EU until 2004. Since the start of the time series in 1997, the following countries have joined the EU:

- Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia joined on 1 May 2004
- Bulgaria and Romania joined on 1 January 2007; transitional arrangements restricting employment from those countries were in place until 1 January 2014
- Croatia joined on 1 July 2013

3. Where to find the data

Estimates for employment, unemployment and economic inactivity for UK and non-UK workers are available at Dataset A12. A more detailed country breakdown for employment for UK and non-UK workers is available at Dataset EMP06.

4. Accuracy of the statistics

These estimates come from the Labour Force Survey, which is the largest survey of households in the UK. The sample consists of approximately 40,000 responding UK households and 100,000 individuals every quarter. The sample does not include student halls of residence and most other communal establishments, so people living in such establishments are not included in the estimates. This issue particularly impacts recently arrived and short-term non-UK nationals and non-UK born people who are likely to be undercounted in the estimates.

Surveys gather information from a sample rather than from the whole population. The sample is designed to allow for this, and to be as accurate as possible given practical limitations such as time and cost constraints, but results from sample surveys are always estimates, not precise figures. This means that they are subject to some uncertainty. This can have an effect on how changes in the estimates should be interpreted, especially for short-term comparisons. Further information is available in the Quality and methodology section of the UK labour-market statistical bulletin.

There is a trade-off between sample size and sampling variability. As the number of people available in the sample gets smaller, the variability of the estimates that we can make from that sample size gets larger. What this means in practice is that estimates for small groups (for example, South Africans working in the UK), which are based on quite small subsets of the Labour Force Survey sample, are less reliable and tend to be more volatile than estimates for larger aggregated groups (for example, the total number of non-UK people working in the UK).

Sampling variability information for estimates of UK and non-UK people in employment is available in Table 1.

Table 1: Sampling variability (95% confidence intervals) of UK and non-UK employment estimates from the Labour Force Survey

July to September, 2017

	Age group	Estimate	Sampling variability of estimate	Sampling variability of change on year
All people in employment (000s)	16 and over	32,141	± 171	± 232
All people employment rate	16 to 64	75.2%	± 0.4	± 0.5
UK nationals in employment (000s)	16 and over	28,547	± 203	± 272
UK nationals employment rate	16 to 64	75.3%	± 0.4	± 0.6
Non UK nationals in employment (000s)	16 and over	3,589	± 130	± 173
Non UK nationals employment rate	16 to 64	74.5%	± 1.3	± 1.8
UK born people in employment (000s)	16 and over	26,434	± 208	± 279
UK born employment rate	16 to 64	75.5%	± 0.4	± 0.6
Non UK born people in employment (000s)	16 and over	5,705	± 147	± 196
Non UK born employment rate	16 to 64	73.9%	± 1.0	± 1.4

Source: Office for National Statisitcs

Sampling variability information for estimates of unemployed UK and non-UK people is available in Table 2.

Table 2: Sampling variability (95% confidence intervals) of UK and non-UK unemployment estimates from the Labour Force Survey

July to September 2017

	Age group	Estimate	Sampling variability of estimate	Sampling variability of change on year
All unemployed people (000s)	16 and over	1,501	± 72	± 103
All people unemployment rate	16 and over	4.5%	± 0.2	± 0.3
UK nationals unemployed (000s)	16 and over	1,325	± 67	± 96
UK nationals unemployment rate	16 and over	4.4%	± 0.2	± 0.3
Non UK nationals unemployed (000s)	16 and over	175	± 27	± 41
Non UK nationals unemployment rate	16 and over	4.6%	± 0.7	± 1.0
UK born unemployed people (000s)	16 and over	1,220	± 65	± 93
UK born unemployment rate	16 and over	4.4%	± 0.2	± 0.3
Non UK born unemployed people (000s)	16 and over	281	± 33	± 48
Non UK born unemployment rate	16 and over	4.7%	± 0.5	± 0.8

Source: Office for National

Statistics

Sampling variability information for estimates of economically inactive UK and non-UK people is available in Table 3.

Table 3: Sampling variability (95% confidence intervals) of UK and non-UK economic inactivity estimates from the Labour Force Survey

July to September 2017

	Age group	Estimate	Sampling variability of estimate	Sampling variability of change on year
All economically inactive people (000s)	16 to 64	8,728	± 150	± 201
All people economic inactivity rate	16 to 64	21.2%	± 0.4	± 0.5
UK nationals economically inactive (000s)	16 to 64	7,669	± 143	± 191
UK nationals economic inactivity rate	16 to 64	21.1%	± 0.4	± 0.5
Non UK nationals economically inactive (000s)	16 to 64	1,042	± 70	± 95
Non UK nationals economic inactivity rate	16 to 64	21.9%	± 1.2	± 1.7
UK born economically inactive people (000s)	16 to 64	7,019	± 137	± 184
UK born economic inactivity rate	16 to 64	20.9%	± 0.4	± 0.5
Non UK born economically inactive people (000s)	16 to 64	1,692	± 83	± 112
Non UK born economic inactivity rate	16 to 64	22.4%	± 0.9	± 1.3

Source: Office for National Statistics

The sampling variability information shown in Tables 1, 2 and 3 are also available at Dataset A11.

5. UK and non-UK nationals

Looking at the employment estimates by nationality, between July to September 2016 and July to September 2017 the number of:

- UK nationals working in the UK increased by 183,000 to 28.55 million
- non-UK nationals from EU countries working in the UK increased by 112,000 to 2.38 million
- non-UK nationals from outside the EU working in the UK fell by 23,000 to 1.21 million

Looking at longer-term movements in non-UK nationals working in the UK from January to March 1997 (when comparable records began) to July to September 2017:

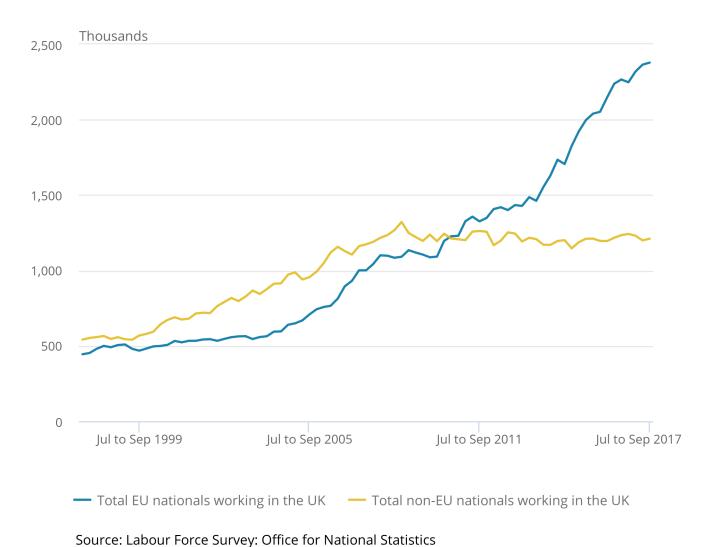
- the number of non-UK nationals working in the UK increased from 928,000 to 3.59 million
- the proportion of all people working in the UK accounted for by non-UK nationals increased from 3.5% to 11.2%
- this increase in non-UK nationals working in the UK reflects the admission of several new member states to the EU, particularly the accession of Poland and some other East European countries in 2004

Figure 1 shows the number of non-UK nationals from EU and non-EU countries working in the UK from July to September 1997 to July to September 2017.

Figure 1: Non-UK nationals (aged 16 and over) working in the UK, not seasonally adjusted

Figure 1: Non-UK nationals (aged 16 and over) working in the UK, not seasonally adjusted

July to September 1997 to July to September 2017



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Source: Labour Force Survey: Office for National Statistics

Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

As shown in Figure 1, since January to March 2009, the number of non-UK nationals from outside the EU working in the UK has been broadly flat but the number of non-UK nationals from EU countries working in the UK has continued to increase.

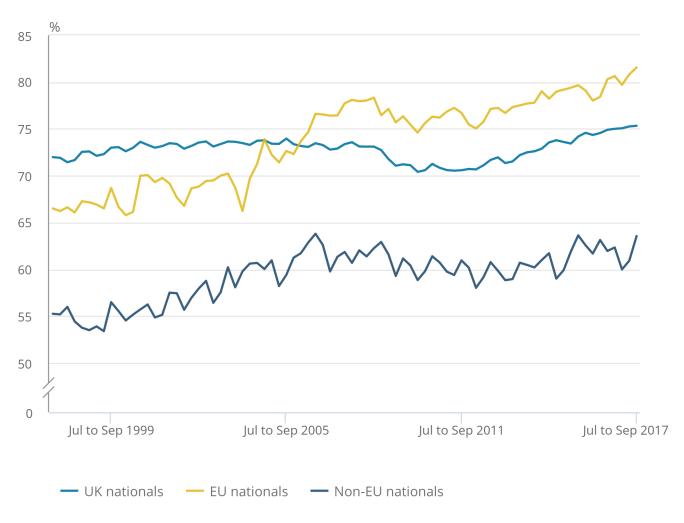
The proportion of people in the relevant population group aged 16 to 64 years in work is known as the employment rate. As shown in Figure 2, the employment rate for non-UK nationals from EU countries has been higher than that for UK nationals since the mid-2000s, reflecting higher employment rates for migrants from Poland and other East European countries within the EU.

The employment rates for non-UK nationals from outside the EU have been consistently lower than that for UK nationals, partly due to lower participation in the labour market from some population groups, for example, Pakistani and Bangladeshi nationals.

Figure 2: Employment rates (aged 16 to 64 years) for UK and non-UK nationals working in the UK, not seasonally adjusted

Figure 2: Employment rates (aged 16 to 64 years) for UK and non-UK nationals working in the UK, not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

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Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

Looking at the unemployment estimates by nationality, for July to September 2017:

- there were 1.32 million unemployed UK nationals, 136,000 fewer than for a year earlier
- there were 175,000 unemployed non-UK nationals, 57,000 fewer than for a year earlier

Unemployment rates are the proportion of the economically active population (those in work plus those seeking and available to work) aged 16 and over for the relevant population group who are unemployed.

Looking at unemployment rates by nationality, for July to September 2017:

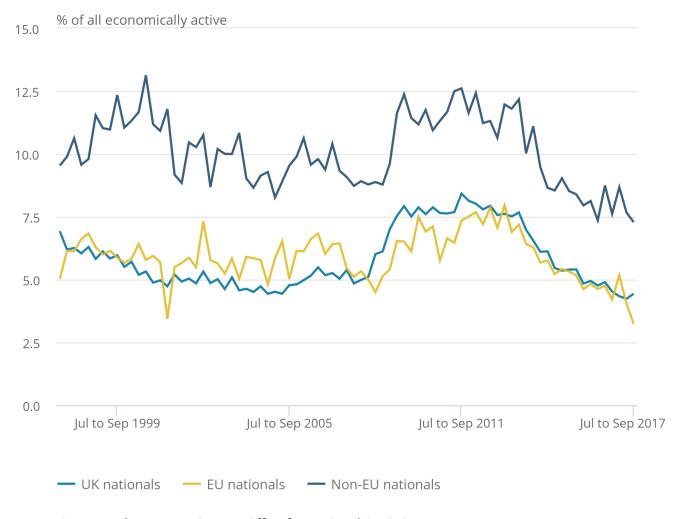
- the unemployment rate for UK nationals was 4.4%, down from 4.9% for a year earlier
- the unemployment rate for non-UK nationals was 4.6%, down from 6.2% for a year earlier

As shown in Figure 3, the unemployment rate for non-UK nationals from EU countries has been broadly similar to that for UK nationals since records began in 1997 but the unemployment rate for non-UK nationals from outside the EU has been consistently higher. The unemployment rates for non-UK nationals are more volatile than the rate for UK nationals due to a smaller sample size. This is due to sampling variability issues as explained in Section 4 of this article.

Figure 3: Unemployment rates for UK and non-UK nationals (aged 16 and over), not seasonally adjusted

Figure 3: Unemployment rates for UK and non-UK nationals (aged 16 and over), not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

Source: Labour Force Survey: Office for National Statistics

Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

Looking at the estimates for economic inactivity by nationality for people aged 16 to 64 years, for July to September 2017:

- there were 7.67 million economically inactive UK nationals (of which 1.81 million were students), 13,000 more than for a year earlier
- there were 1.04 million economically inactive non-UK nationals (of which 337,000 were students), 25,000 fewer than for a year earlier

Looking at economic inactivity rates by nationality, for July to September 2017:

- the economic inactivity rate for UK nationals was 21.1%, unchanged compared with a year earlier
- the economic inactivity rate for non-UK nationals was 21.9%, down from 22.4% for a year earlier

As shown in Figure 4, the economic inactivity rate for non-UK nationals from EU countries has been lower than that for UK nationals since the mid-2000s. This reflects low economic inactivity rates among migrants from Poland and other East European countries within the EU.

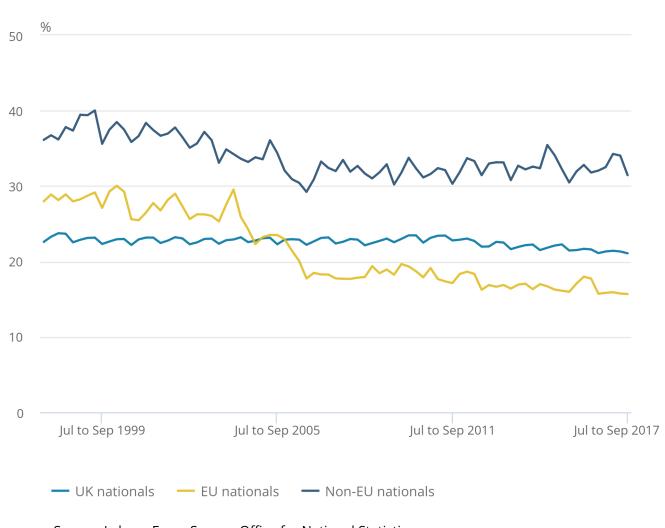
The economic inactivity rates for non-UK nationals from outside the EU have been consistently higher than that for UK nationals, partly due to lower participation in the labour market from some population groups, for example, Pakistani and Bangladeshi nationals.

As shown in Figure 4, the economic inactivity rates for non-UK nationals are more volatile than the rate for UK nationals due to a smaller sample size, although they are less volatile than the unemployment rates shown in Figure 3. This is due to sampling variability issues, as explained in Section 4 of this article.

Figure 4: Economic inactivity rates (aged 16 to 64 years) for UK and non-UK nationals, not seasonally adjusted

Figure 4: Economic inactivity rates (aged 16 to 64 years) for UK and non-UK nationals, not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

Source: Labour Force Survey: Office for National Statistics

Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

6. UK born and non-UK born people

Looking at the employment estimates by country of birth between July to September 2016 and July to September 2017, the number of:

- UK born people working in the UK increased by 146,000 to 26.43 million
- people born in the EU working in the UK increased by 44,000 to 2.40 million
- people born outside the EU working in the UK increased by 88,000 to 3.30 million

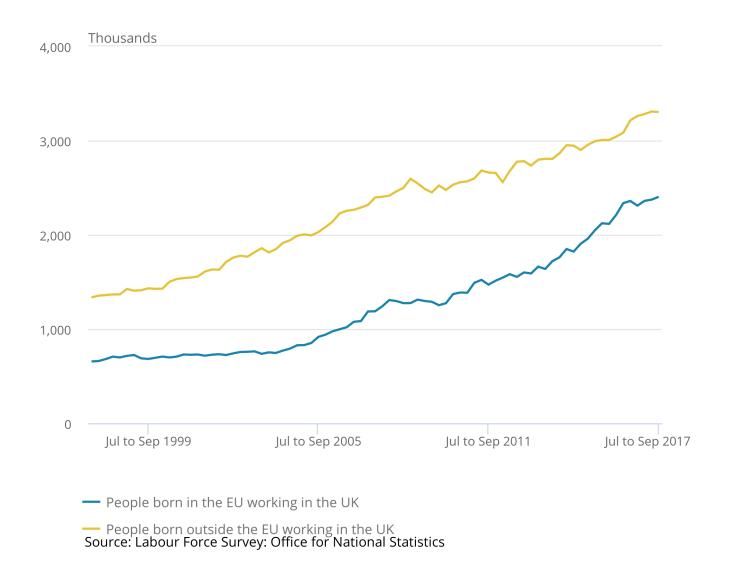
For July to September 2017, there were 5.71 million people born abroad working in the UK, but the number of non-UK nationals working in the UK was much lower at 3.59 million. This is because the estimates for people born abroad working in the UK include many UK nationals, as explained in Section 2 of this article.

As shown in Figure 5, the number of people born in EU countries working in the UK and the number of people born outside the EU working in the UK have both been generally increasing since records began in 1997. This contrasts with the figures for non-UK nationals, shown in Figure 1, which show that the number of non-EU nationals working in the UK has been broadly flat since 2009. This indicates that the continuing increase in non-EU born people working in the UK is largely due to more non-EU born workers with British nationality.

Figure 5: Non-UK born people (aged 16 and over) working in the UK, not seasonally adjusted

Figure 5: Non-UK born people (aged 16 and over) working in the UK, not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

Employment rates by country of birth, shown in Figure 6, show a similar picture to employment rates by nationality (shown in Figure 2). The employment rate for people born in EU countries has been higher than that for UK born people since the mid-2000s, reflecting higher employment rates for migrants from Poland and other East European countries within the EU.

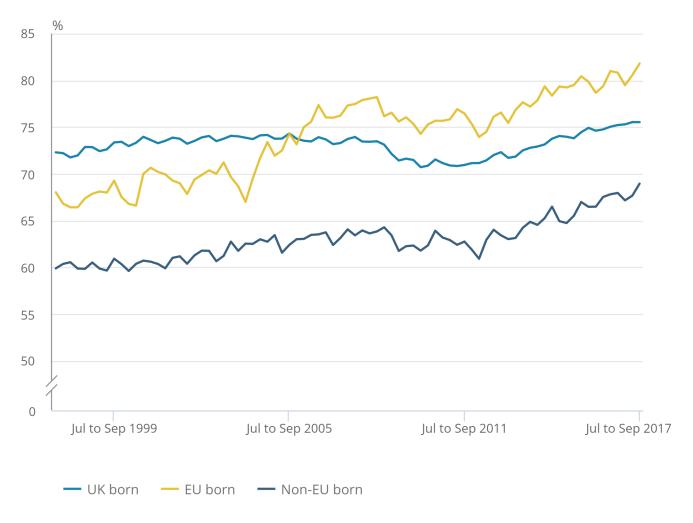
The employment rates for people born outside the EU have been consistently lower than that for UK born people, partly due to lower participation in the labour market from some population groups, for example, people born in Pakistan and Bangladesh.

Figure 6: Employment rates (aged 16 to 64 years) for UK and non-UK born people working in the UK, not seasonally adjusted

July to September 1997 to July to September 2017

Figure 6: Employment rates (aged 16 to 64 years) for UK and non-UK born people working in the UK, not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

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Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

Looking at the unemployment estimates by country of birth, for July to September 2017:

- there were 1.22 million unemployed UK born people, 142,000 fewer than for a year earlier
- there were 281,000 unemployed non-UK born people, 49,000 fewer than for a year earlier

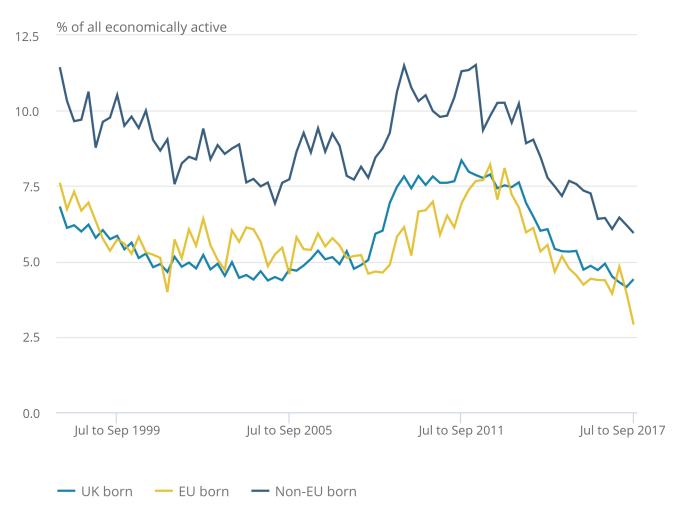
Unemployment rates by country of birth, shown in Figure 7, show a similar picture to unemployment rates by nationality (shown in Figure 3). The unemployment rate for EU born people has been broadly similar to that for UK born people since records began in 1997 but the unemployment rate for people born outside the EU has been consistently higher.

As shown in Figure 7, the non-UK born unemployment rates are more volatile than the rate for UK born people due to a smaller sample size. This is due to sampling variability issues, as explained in Section 4 of this article.

Figure 7: Unemployment rates for UK and non-UK born people (aged 16 and over), not seasonally adjusted

Figure 7: Unemployment rates for UK and non-UK born people (aged 16 and over), not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

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- 2. Since 1997, an additional 13 countries have joined the EU; see Section 2 of this article for details.

Looking at the economic inactivity estimates by country of birth for people aged 16 to 64 years, for July to September 2017:

- there were 7.02 million economically inactive UK born people (of which 1.69 million were students), virtually unchanged compared with a year earlier
- there were 1.69 million non-UK born people (of which 465,000 were students), 13,000 fewer than for a year earlier

Economic inactivity rates by country of birth, shown in Figure 8, show a similar picture to economic inactivity rates by nationality (shown in Figure 4). The economic inactivity rate for people born in EU countries has been lower than that for UK born people since the mid-2000s. This reflects low economic inactivity rates among migrants from Poland and other East European countries within the EU.

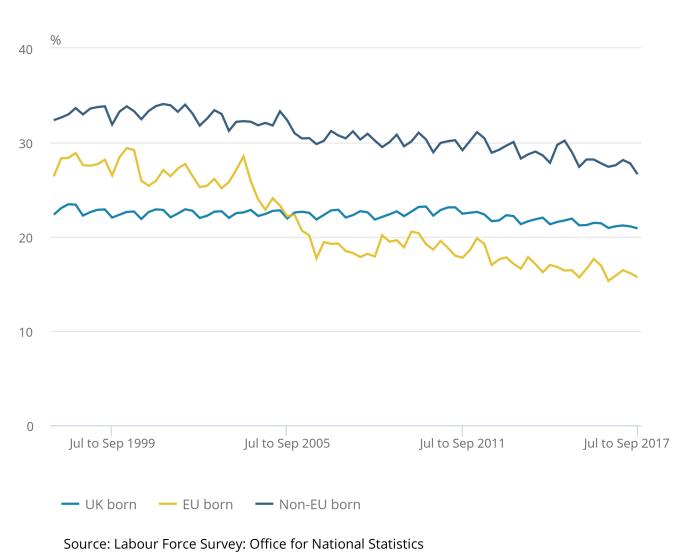
The economic inactivity rates for people born outside the EU have been consistently higher than that for UK born people, partly due to lower participation in the labour market from some population groups, for example, people born in Pakistan and Bangladesh.

As shown in Figure 8, the non-UK born economic inactivity rates are more volatile than the rate for UK born people due to a smaller sample size, although they are less volatile than the unemployment rates shown in Figure 7. This is due to sampling variability issues, as explained in Section 4 of this article.

Figure 8: Economic inactivity rates (aged 16 to 64 years) for UK born and non-UK born people, not seasonally adjusted

Figure 8: Economic inactivity rates (aged 16 to 64 years) for UK born and non-UK born people, not seasonally adjusted

July to September 1997 to July to September 2017



Source: Labour Force Survey: Office for National Statistics

Notes:

- 1. The EU series are based on the current membership of the EU; for example, Poland is included in the EU series throughout the entire time series back to 1997, although Poland did not join the EU until 2004.
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7. Quality and methodology

The <u>Labour Force Survey Quality and Methodology Information report</u> contains important information on:

- the strengths and limitations of the data and how it compares with related data
- · uses and users of the data
- how the output was created
- · the quality of the output including the accuracy of the data

Performance and quality monitoring reports for the Labour Force Survey are also available.

8. Links to related statistics

The <u>UK labour market statistical bulletin</u> is published every month.

The Migration Statistics Quarterly Report is published four times a year.

The Population of the UK by country of birth and nationality release is published annually.

An article on International immigration and the labour market was published on 12 April 2017.