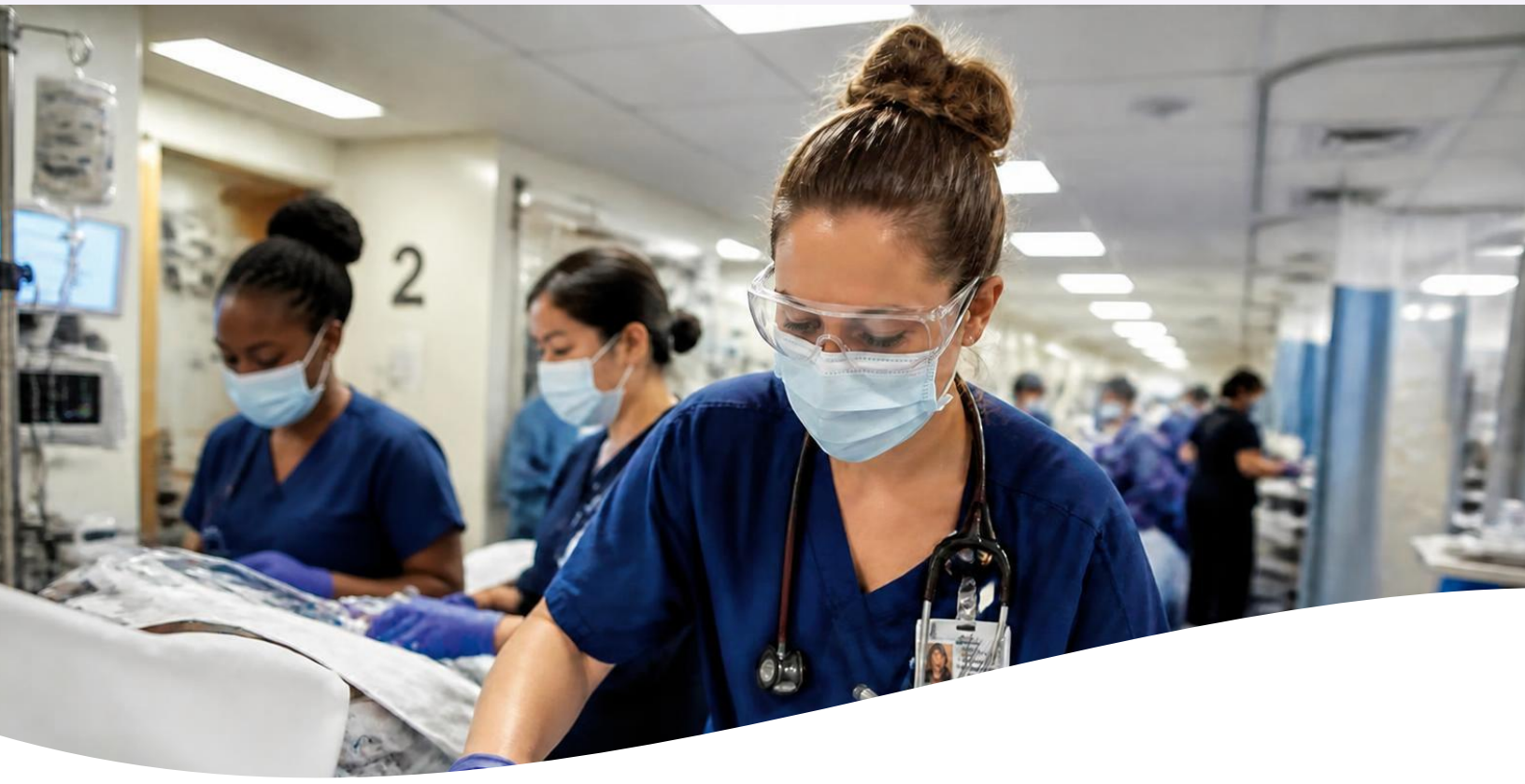
MIGRATION
POLICY
SCOTLAND

Migration and the Scottish Labour Force

Monitoring Report

NOVEMBER 2026



About Migration Policy Scotland

Migration Policy Scotland is Scotland's migration think tank, offering a home for open dialogue and informed responses to migration. We harness insights from lived and learned experience to drive work that is grounded in the realities of migration to Scotland. Our mission is to build a better migration future for everyone.

Migration Policy Scotland is a charity regulated by the Scottish Charity Regulator (OSCR). SCIO number: SC050761.

Address:

Migration Policy Scotland
5 South Charlotte Street
Edinburgh,
EH2 5AN
www.migrationpolicyscotland.org.uk

Acknowledgements

The report author is Georgina Sturge, data consultant and Research Affiliate at the University of Oxford. If referring to this report our preferred citation is:

Migration Policy Scotland (Nov 2026) Migration and the Scottish Labour Force: An MPS Monitoring Report, Migration Policy Scotland. https://migrationpolicyscotland.org.uk/insight/migration-labour-force-monitoring/

This report builds on scoping work including a workshop with key stakeholders and end users. We are grateful to MPS interns Shayan Gul and Jomana Abunahla for their contribution to the scoping work. We also thank Harminder Battu, Francesca Fiori, Andrew Lauder, Orion Meyer, Rob McNeil, Lara Olszenka, Hannah Randolph and Esther Roughsedge for their input at the workshop.

This research and report were made possible by funding from Scottish Government. We are grateful for their support.

Scottish Government
Riaghaltas na h-Alba

Cover image: created with Canva AI.

Executive summary

- At the time of Scotland's 2022 census, 12% of the working population was foreign-born and around one in four (24%) foreign-born workers had arrived in the UK within the past five years. Most foreign-born workers were in full-time employment (60%).
- The size of Scotland's payroll workforce has grown slightly in recent years (using 2019 as a pre-pandemic baseline) and this growth has been entirely due to the addition of new non-EU workers.
- Before Brexit, EU nationals accounted for most non-British workers in the Scottish workforce. The number of EU nationals newly arriving for work fell steeply in 2021 and has remained low by recent historical standards since. With others having left the workforce the number of EU workers in Scotland has decreased slightly overall.
- Since the UK adopted its new immigration system in 2021, the number of non-EU workers in the Scottish workforce has sharply increased. They now account for the majority of non-UK workers in Scotland.
- Since 2019, all industrial sectors have seen a rise in the proportion of their workforce made up of foreign nationals, driven by the rise in non-EU workers. Most sectors also experienced workforce growth overall, although some shrank because the number of UK workers fell by more than the rise in non-UK workers.
- The Health and Social Work sector experienced one of the largest rises in reliance on foreign nationals, largely driven by recruitment to the care sector. Non-EU workers started to be recruited in large numbers from 2021 onwards even as UK and EU employments were still above pre-pandemic levels.
- In some other sectors, notably Accommodation and Food Services, recruitment of non-EU workers has replaced a fall in the size of the EU workforce since the pandemic.
- Labour demand in 2026 was approximately where it was in 2019, having fallen during the pandemic, risen sharply between 2021 and 2023, and then fallen afterwards.
- The occupation with the highest labour demand as of May 2026 was 'care workers and home carers.' Notably the UK's Skilled Worker visa route is now closed to care workers. Several of the occupations with the largest recent rise in demand are categorised as low-skill (for example, cleaners, coffee shop workers, and couriers). Routes for low-skilled workers to come to the UK are more limited since Brexit.
- Research on this topic could benefit from more detailed Scotland-level data on migrant employments and job vacancies, as well as from improvements in the quality of survey data.

1. The wider context

Labour demand, growth, and the domestic supply of labour and skills.

1.1 Migrant labour supply and skills demand

As of May 2026, the unemployment rate in Scotland was 4.7%, below the UK-wide level of 4.9%. Unemployment in Scotland grew more than in any other part of the UK over the previous year (by 1.3 percentage points compared with a UK-wide rise of 0.2 percentage points). Economic inactivity in Scotland stood at 21.8% of the working age population, higher than the UK-wide level of 20.9% but having decreased slightly over the past year.[1] Scotland's modest GDP growth of 0.6% in the three months to May 2026 mirrored growth across the UK as a whole.[2]

Job vacancies in Scotland have been fairly stable since they came down from a peak in 2023, with a slight increase having been observed in recent months.[3] The latest Employer Skills Survey from the Scottish Government shows improvement in the match of skills to positions, following a particularly negative picture in the previous 2022 survey. In 2024, 19% of employers had vacancies and 27% of these were skill-shortage vacancies (down from 31%).[4]

Hiring migrant workers is one way in which businesses can meet labour demand, particularly in the case of specific skill-shortages. As of 2022, as recorded in the Scottish census, 12% of the working population (including the employed and self-employed) was foreign-born and around one in four (24%) foreign-born workers had arrived in the UK within the past five years.

1.2 Characteristics of migrant workers

As of the 2022 Scottish census, there were around 320,000 working age foreign-born people working in Scotland, most of whom (60%) were in full-time employment (compared with a UK-born rate of 64%).[5] Foreign-born individuals were slightly more likely to be in part-time work (25% compared with 24%) or in self-employment (15% compared with 12%) than UK-born individuals, when looking at the respective working populations. Out of the full working age population, there was a slightly higher rate of economic inactivity among the foreign born (25% compared with 23% among the UK-born) which was mainly accounted for by a much higher proportion of full-time students.

Those foreign-born individuals who were working had a substantially higher average level of education than those in the UK-born working population. Sixty per cent of migrant workers in Scotland had degree-level qualifications compared with 36% of UK-born workers and 20% had only school-level qualifications compared with 31% of UK-born workers.[6]

[1] ONS, KS1: Key statistics for all regions, 19 March 2026 release.
[2] Scottish Government, Scottish Economic Bulletin - August 2026
[3] Skills Development Scotland, Economy, People and Skills July 2026, p.9
[4] Scottish Government, Employer Skills Survey 2024 – Scotland, 8 October 2025
[5] 2022 Scottish Census. Accessed via the Flexible Table Builder.
[6] Ibid.

1.3 Immigration policy

The supply of migrant workers to Scotland is heavily affected by immigration policy as decided at the UK level. In recent years there have been several major changes to policy which led first to an increase and then to a decrease in net international migration to Scotland. Net migration has been positive (more people arriving than leaving) since the early 2000s, with immigration in the 2000s and 2010s largely driven by the expansion of the EU.

Since 2021, when the UK left the EU, net international migration to Scotland has been particularly high by historical standards, reaching its highest recorded level of around 69,400 people in the year ending June 2023.[7] This was partly the result of the liberalisation of the skilled worker visa route to include low- and medium- skilled occupations including care work, partly due to changes for international students, and partly from humanitarian schemes including those for Ukrainians.

Restrictions brought in from 2023 onwards to the work and study routes have meant that immigration to Scotland has fallen substantially since the peak, mirroring the trend across the UK as a whole. In the year ending June 2025, approximately 57,600 people migrated to Scotland from abroad and 48,300 emigrated. This resulted in net migration of 9,300 which was the lowest annual figure since the year ending 2020.[8]

1.4 Data availability

Problems with the available data on the workforce and its characteristics, as well as on skills shortages and vacancies, limit the extent to which we can get a clear picture of the role and importance of migration. These challenges are outlined in detail in the appendix to this report.

[7] National Records of Scotland, Migration flows to mid-2025, 14 July 2026
[8] Ibid. Table 'International Migration, Mid 2002 To Mid 2025'

2. Migration and the Scottish workforce

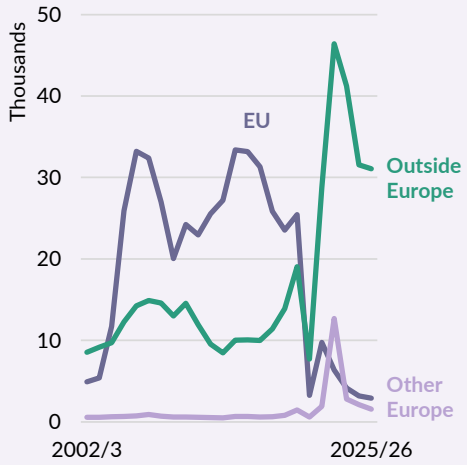
The size of the foreign national workforce and relative importance by sector.

2.1 Recent trends

In the year ending March 2026, 36,000 adult foreign nationals applied for a National Insurance Number (NINo) in Scotland.[9] This was down from a peak of 66,000 in 2022/23 and was the lowest number since 2012/13 (excluding 2020/21, when entry to the UK was restricted due to the pandemic).

NINo registrations give an overview of where new migrant workers are arriving from. Note that not everyone registers for a NINo – for example, they may choose not to if they do not intend to work. Between 2004/05 and 2019/20, most new registrations were of EU nationals. Since 2020/21, most (78%) new registrations have been of people from outside Europe.

NINo registrations to adult overseas nationals
Scotland, year ending March



Data from HMRC on payroll employments give a more detailed picture of how the foreign-national workforce in Scotland has changed over time. These do not show a complete picture of the workforce, as they exclude self-employment, although most workers are employees.

Between the end of 2019 and the end of 2025, the size of the non-EU payroll workforce grew by 129,000 employments or to 165% of its starting count.[10] EU employments shrank by 8% and UK employments by 2% during the same period. This means that all of the 3% total growth in payroll employments during that time was due to additional non-EU workers.

2.2 Reliance by sector

Scotland's industrial sectors experience different levels of reliance on migrant workers. As of December 2025, 'accommodation and food service activities' had the highest proportion of employments filled by non-UK nationals (24%), followed by 'administrative and support services' (23%), 'agriculture, forestry and fishing' (19%) and 'information and communication' (17%).[11]

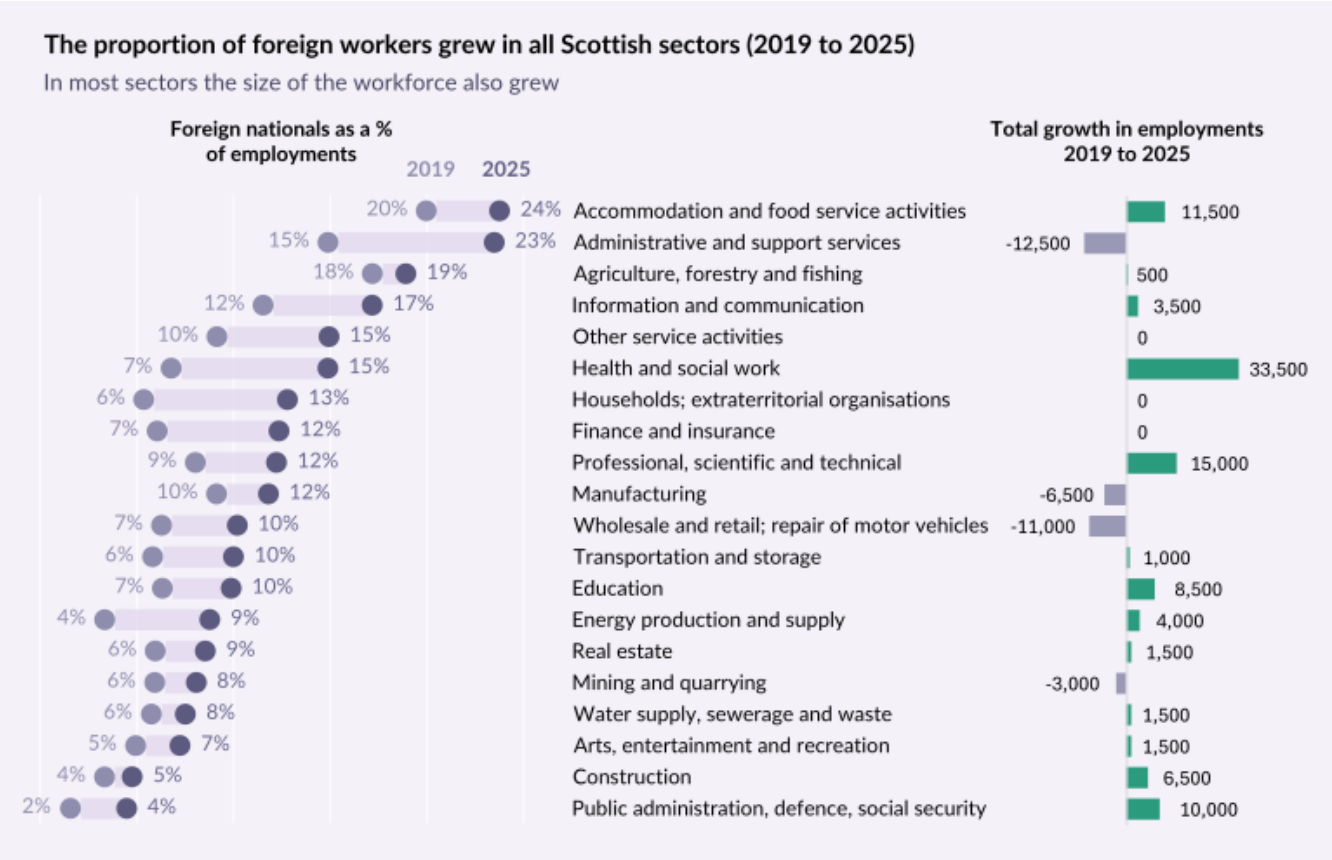
All sectors experienced a rise in the proportion of employments being filled by non-UK nationals between 2019 and 2025. The largest rises in foreign workers as a share of the workforce were in 'administration and support services' (15% to 23%) and in 'health and social work' (7% to 15%). 'Health and social work'

[9] Department for Work and Pensions, National Insurance Number Registrations of Adult Foreign Nationals. Accessed via Stat-Xplore.
[10] HMRC, Payrolled employments in the UK by nationality, region and industrial sector, from July 2014 to December 2025, Table 15. Figure is the difference between end of December 2019 and end of December 2025. The end of 2019 has been chosen to represent a baseline before switch to the UK's new immigration system in 2021 but also before the pandemic, which distorted the labour market in 2020.
[11] These figures represent the monthly average for the year ending December.

also saw the largest rise in the number of foreign employments (33,500) which was equal to total growth in the sector over the same period.

Most sectors grew their workforces between 2019 and 2025. A notable exception was 'administrative and support services', where the total workforce shrank and underwent significant 'churn' in the form of UK and EU workers leaving the sector (either for other sectors or to retire or otherwise become economically inactive) and a higher-than-before proportion of new hires being non-EU.

Several other sectors experienced the partial replacement of UK with non-EU workers ('mining and quarrying', 'manufacturing', 'wholesale and retail; repair of motor vehicles', and 'other service activities'). It is not possible to say from these figures alone why employers either chose or were not able to hire from the domestic workforce at the same rate as before. Possible explanations include a change in the type of skills in demand, a change in domestic skills supply, and a smaller UK workforce in general.



Source: HMRC, Payrolled employments in the UK by nationality, region and industrial sector, from July 2014 to December 2025, Table 15. Note: Shows the monthly average in 2019 and 2025; growth in employments rounded to nearest 500.

The origin of foreign workers in each industrial sector has also changed over time. In all sectors, the number and share of non-EU workers increased between 2019 and 2025, while in nearly half, the number of either EU workers or UK workers decreased. A worker's nationality is relevant to their hiring conditions: for example, non-EU nationals – and new EU arrivals – hired on Skilled Worker visas must meet a salary threshold, while employers must meet sponsorship requirements which do not apply for UK nationals or settled residents.

3. The link with skills demand

Demand for workers by sector and skill type.

3.1 Reliance by sector

There are two main ways of gauging the demand for workers with specific skills in different industries: one is via intelligence gathered from employers, for example, through Scotland's Employer Skills Survey; the other is data on job postings which are an indicator of vacancies per sector or for specific roles. In general, it is hard to tell whether vacancies are a sign of shortages in a sector or of an intention to expand the workforce. In 2024, Scottish employers indicated that just over a quarter (27%) of their vacancies were skill-shortage vacancies, meaning they were "hard to fill due to a lack of skills, knowledge, or experience among applicants."[12]

In the year ending May 2026, the occupation with the highest average number of vacancies was 'care workers and home carers', which has been at the top or second-to-top spot since 2020. Demand for care workers peaked in 2022 when vacancies in Scotland peaked overall but still remains notably high. The other occupations with high average numbers of vacancies were largely low- or middle-skill occupations; for example, 'sales and retail assistants' and 'delivery drivers and couriers.'

Highest average monthly vacancies in 2026

Occupation	2026	Since 2019
Care workers and home carers	1,134	
Sales and retail assistants	890	
Delivery drivers and couriers	884	
Kitchen and catering assistants	883	
Cleaners and domestics	866	
Chefs	785	
Other administrative occupations	769	
Metal working production & fitters	708	
IT user support technicians	671	
Business sales executives	635	
All occupations		

Biggest change in vacancies since 2019

Occupation	Change since 2019
Delivery drivers and couriers	420
Cleaners and domestics	394
Chefs	277
Heavy and large goods vehicle drivers	272
Vehicle technicians & mechanics	200

Occupation	% change since 2019
Coffee shop workers	291%
Dental nurses	286%
Higher level teaching assistants	175%
Launderers, dry cleaners and pressers	173%
Sports coaches, instructors & officials	137%

Source: ONS, Labour demand volumes by Standard Occupation Classification (SOC 2020), UK. Note: All annual values are the monthly average for the year ending May. Dots show the highest point on each line chart. Only occupations with more than 100 monthly vacancies on average in the year ending May 2026 are shown.

3.2 How does migrant labour supply match up with demand?

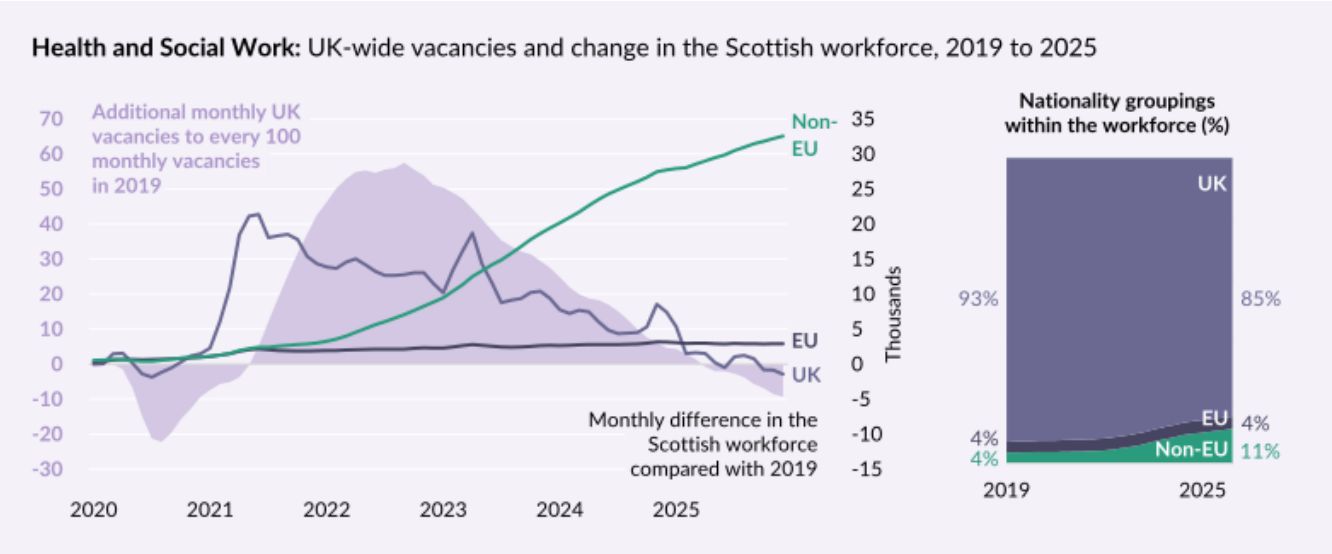
The payrolled employments data which gives us an indication of the size of the migrant workforce in Scotland (as used in section 2.2), is only available by industry sector. This means we cannot map the supply of workers into specific occupations against demand as indicated by the vacancy figures above. It

[12] Scottish Government, Employer Skills Survey 2024 – Scotland, p.18

is possible to compare sector-level employments in Scotland with *UK-level* data on sector-level demand. Note that in some cases, demand patterns across the UK may not exactly mirror those in Scotland.

Demand for workers in the Health and Social Work (HSW) sector has been particularly high across the UK since 2021. As outlined in the previous section, 'care workers and home carers' remained the most in-demand specific occupation in Scotland as of May 2026. The chart below shows how demand in this sector changed between 2019 and the end of 2025, measured in terms of job vacancies.

The peak in HSW job vacancies was between 2022 and 2023, during which time the number of UK workers in the sector was declining in Scotland. Note the previous increase in UK employments in 2021, which may be partly explained by re-deployments to the health sector during the pandemic. Two brief spikes in UK recruitment followed the rise in demand but ultimately it was *non-EU* workers who had filled most of the new vacancies in Scotland by the end of 2025, also causing their share of the workforce to rise from 4% to 11%.



Source: ONS, VACS02: Vacancies by industry; HMRC, Payrolled employments in the UK by nationality, region and industrial sector, from July 2014 to December 2025, Table 15.
Notes: Vacancies (the shaded area on the left-hand chart) are at the UK level; employments (the lines) are at the Scotland level. Vacancies have been indexed to their monthly average in 2019. Employments are shown as a three-month rolling average, by nationality grouping. Only payroll employments are shown; self-employment is excluded.

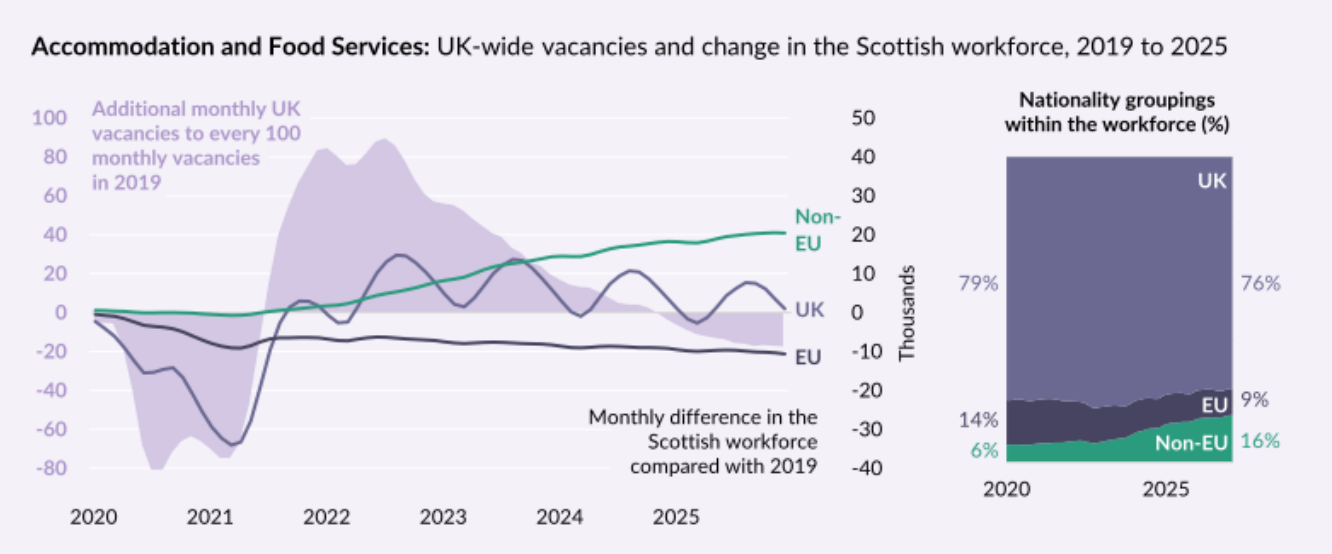
Looking at the Accommodation and Food Service (AFS) sector, we can see both similarities and differences to the patterns above. As in the case of the HSW sector, demand dropped during the pandemic before rising steeply in the years following, albeit with an earlier peak between 2021 and 2022 (see the chart below).

UK employments fell during the pandemic, when many hospitality venues were closed or experienced reduced footfall for long periods of time due to lockdowns. From 2022 onwards, UK employments returned almost to their previous level, along with the return of a seasonal trend of employments rising each year during the summer months.

The more structural change to the Scottish AFS workforce has been a gradual decline in the number of *EU* employments and a rise in *non-EU* employments. EU employments fell during the pandemic and continued to fall slowly afterwards, without returning to their previous level. This likely reflects the fact

that the switch to the UK's new immigration system in 2021 reduced the opportunity to hire EU workers into low-skilled occupations, which make up a large share of employments in the AFS sector.

From 2021 onwards, non-EU employments began to steadily rise, substituting the lost EU workers and expanding the AFS workforce overall by 2025. As of 2025, non-EU workers made up 16% of the AFS workforce compared with 6% in 2019.



Source: ONS, VACS02: Vacancies by industry; HMRC, Payrolled employments in the UK by nationality, region and industrial sector, from July 2014 to December 2025, Table 15. Notes: Please see previous chart.

3.3 Implications of a changing workforce

Increased reliance on non-EU workers across the Scottish economy raises potential issues for employers and sectors more broadly which were not such a concern before Brexit. In some industries, particularly HSW – and specifically for the care worker occupation within that – there has been a substantial rise in the number of workers on sponsored work visas. Sponsoring employers must be licensed to sponsor and can only recruit into eligible roles, at specific skill levels and salary thresholds.

Non-EU employees are also often subject to different rules and requirements to UK and EU employees (if the latter have settled or pre-settled status). If recruited on a Skilled Worker visa – the main work route since Brexit – employees are 'tied' to their employer and role unless they can find another sponsor. Research at the UK level has found widespread evidence of migrant exploitation in this type of scenario.[13]

These risks may be less present in industries such as AFS, where many low-skilled occupations are not eligible for visa sponsorship: non-EU migrants taking these roles may be, for example, the dependants of migrant workers or students, who are not subject to the same restrictions. Since July 2025, employers are no longer able to recruit care workers from overseas on Skilled Worker visas, although they can still hire foreign nationals from within the UK using this visa route until 2028. While this may reduce the proportion of care workers in potentially exploitative situations, it reintroduces a hiring barrier and a much reduced labour pool which could make recruitment more difficult for employers.

[13] See, for example, the Migration Advisory Committee's 2023 Annual Report and the Independent Chief Inspector of Borders and Immigration's Inspection of the immigration system as it relates to the social care sector (2023).

Appendix: Data availability and limitations

The fullest and most robust source of data on the economic activity of migrants is the Scottish Census. At the individual level, this contains information on employment status, qualifications, hours worked, industry, and occupation, which can be broken down by migrant status and aggregated at various geographies. Given that the census only occurs every ten years, however, it is not useful for analysing change in the short term.

In between censuses, researchers used to rely on the UK Labour Force Survey (LFS), which contains many of the same variables. Currently, the LFS cannot be used to analyse the composition of the Scottish workforce because it has suffered a decline in quality which means small area and small population estimates are in danger of being inaccurate or very uncertain. Other surveys such as the Annual Survey of Hours and Earnings (ASHE) provide useful insight into the workforce however the sub-sample of migrant workers within ASHE is too small in Scotland to be useful for detailed analysis (for example, by sector).

There are some UK level publications which shed more light on skill shortages and the role of migrants in the workforce – for example, Home Office research on skilled workers and the Migration Advisory Committee's skills shortage research project – but most do not include disaggregated data for Scotland. If the Home Office were to include full breakdowns for Scotland in these kinds of analytical report, it could greatly improve our insight.

The 'administrative' statistics used in this briefing – NINo registrations, payrolled employment data, and job postings – are currently the best source of information available on the role of migration in the Scottish labour force. This data could also be improved further in several ways, such as by the Office for National Statistics making *vacancies data by sector* and *payrolled employments data by occupation* publicly available at the Scotland level, as well as by publishing data on *self-employment by sector* (and occupation) in Scotland for a fuller picture of the workforce.

Address: Migration Policy Scotland 5 South Charlotte Street Edinburgh, EH2 5AN.
www.migrationpolicyscotland.org.uk
info@migrationpolicyscotland.org.uk

MPS is a Charity registered in Scotland: SC050761

© Migration Policy Scotland 2026