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Labour Market

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LFS Historical Supplement

October 2008



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Contents

1

Executive Summary

Pages 1-3

2

Technical Notes

Pages 4-6

Executive Summary

1

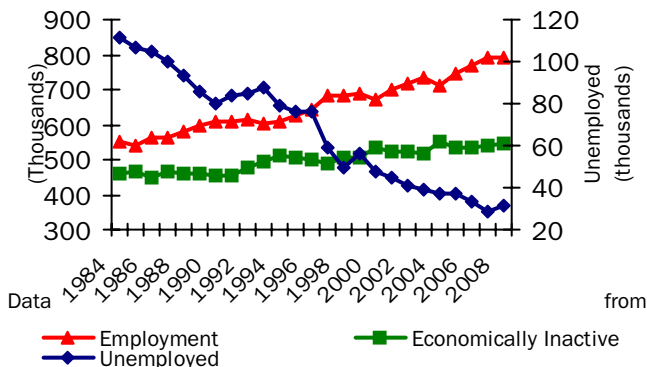
Introduction

The Labour Force Survey (LFS) is a sample survey carried out by interviewing individuals in private households about their personal circumstances and work. It is the biggest regular household survey in Northern Ireland (NI) and provides a rich source of information on the labour force using internationally agreed concepts and definitions. This publication contains historical LFS estimates and examines trends over time and changes in the NI labour market structure.

The earliest LFS data available for NI relates to 1984. At this time the survey was carried out on an annual basis with data referring to the Spring (March – May) quarter of each year. In December 1994 a quarterly survey was introduced in NI, with the results from these surveys based on seasonal quarters. Finally, as part of an EU requirement, the NI LFS moved to a calendar quarter basis in May 2006. The change from annual survey, to quarterly seasonal survey, to calendar quarters does cause some difficulties in making comparisons over time. However, the methodology and definitions used in the LFS are broadly consistent over time, allowing comparisons for the main variables to be made back to 1984 (see the Notes to Tables for more details).

Labour Market Summary of Northern Ireland

Figure 1



1984-1994 relates to 'Spring Quarters' and 1995-2008 to April-June.

Employment

During the last twenty four years there has been a steady increase in the number of people in employment in Northern Ireland (see Figure 1). In

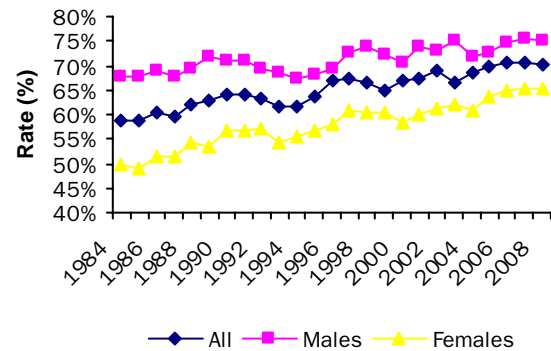
April – June 2008, there were an estimated 791,000 persons in employment and this represents an increase of 240,000 (+43%) from the estimate for Spring 1984 (551,000). During the same period the number of females in employment increased by 134,000 (+59%), whereas male employment increased by 106,000 (+33%).

Employees (+186,000 persons) accounted for the majority of the increase in employment levels between Spring 1984 and April – June 2008, with the number of part-time employees (+82% or 68,000 persons) increasing proportionately more than the number of full-time employees (+31% or 118,000 persons).

There has also been a large increase in self-employment in NI, with the numbers increasing by 56% from 78,000 in 1984 to 122,000 in 2008.

Working Age Employment Rates

Figure 2



The increase in employment levels during the last two decades has been reflected in corresponding increases in the working age employment rate (see Figure 2). The overall employment rate in April – June 2008 (70.3%) was over eleven percentage points higher than the rate in Spring 1984 (58.9%), with the increase in the female rate (+15.7 percentage points) being over double that recorded for males (+7.3 percentage points). The gap in male and female working age employment rates has therefore almost halved from 18 percentage points in Spring 1984 to 10 percentage points in April – June 2008.

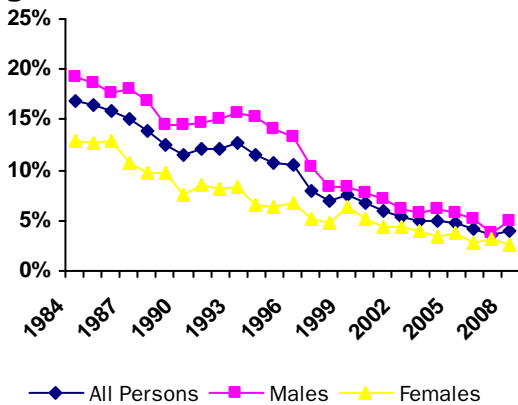
Unemployment

Unemployment in NI has fallen dramatically over the last twenty years, with the number of unemployed

persons in April – June 2008 (32,000) now less than a third of the figure for Spring 1984 (111,000). Figure 3 shows how this has translated into falling unemployment rates, with the rate for all persons falling from 16.8% in 1984 to 3.9% in 2008. During the same period the male rate fell from 19.3% in 1984 to 5.0% in 2008 and the female rate fell from 12.9% to 2.5%. There is now only a 2.5 percentage points difference in the male and female rates, compared to a difference of over six percentage points in 1984. The proportion of unemployed people classified as long-term unemployed has also fallen steadily over the last two decades. While 65.1% of the unemployed were 'long-term' in Spring 1985, this figure has fallen to 26.9% in April - June 2008.

Unemployment Rates

Figure 3



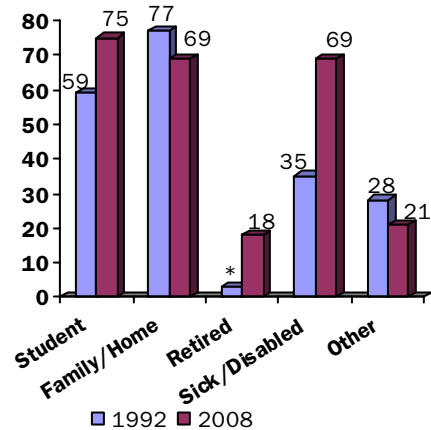
Economic Inactivity

Between Spring 1984 and Quarter 2 2008 the number of persons aged 16 and over who were economically inactive increased by 88,000 (19.1%), with the number of males increasing by 75,000 (+55.4%) and females by 12,000 (+3.8%). While some of this increase can be explained by the ageing of the population and a rise in the number of retired persons, there was also an increase of 30,000 (+11.3%) in the number of economically inactive of working age. This increase consisted entirely of a rise in the number of inactive males of working age (+44,000), as the number of inactive females of working age fell by 14,000.

Figure 4 shows a breakdown of economically inactive population who do not want to work by reason for Spring 1992 and Quarter 2 2008 (1992 is the earliest year for which this analysis is available on a consistent basis). It shows that the major increase has occurred in the sick/disabled category, with the numbers increasing from 35,000 in 1992 to 69,000 in 2008. There were also increases in the number of economically inactive students (+16,000) and in the

number of persons that have 'retired early'. In contrast there were decreases in the number inactive due to family/home commitments (-8,000) and in the number that gave 'other' reasons (-7,000).

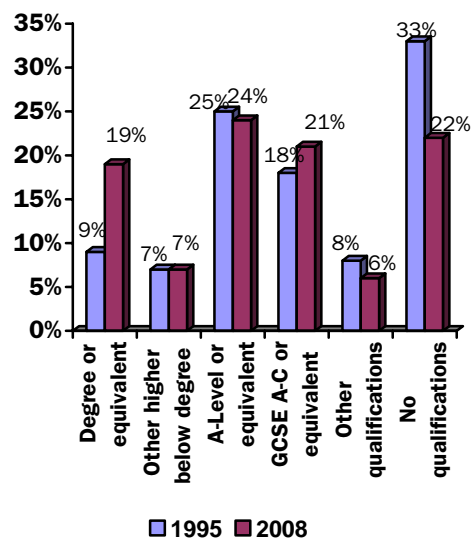
Reasons for Economic Inactivity of Those Who Do Not Want to Work (working age) Figure 4



Qualification levels

LFS results show that during the period 1995 – 2008 there has been an increase in the qualification levels of the working age population in NI (see Figure 5). While 33% of the population had no qualifications in Quarter 2 1995, this figure has fallen to 22% in Quarter 2 2008. Conversely 19% of the population held a degree or equivalent in 2008, compared to only 9% in 1995.

Highest Qualification Level (working age) Figure 5



Historical Data – Links to Other data

Table Name	Description	File Size
	<u>Historical Supplement – 1995 - 2008</u>	276 KB
Table 1	Age Distribution of All Persons in Employment	
Table 2	Self Employment by Industry	
Table 3	Qualification Levels by Gender of NI Working Age	
Table 4	Qualification Levels by Gender of those in Employment	
Table 5	Employment by Industry	
Table 6	Employment by Occupation (SOC) 1997-2000	
Table 7	Employment by Occupation (SOC 00) 2001-2008	
	<u>Labour Force Survey – Reweighted back series 1992-2008</u>	863 KB
	<u>Historical Supplement – 1984 - 1991</u>	62 KB
Table 1	Age Distribution of All Persons in Employment	
Table 2	Self Employment by Industry	
Table 3	Employment by Industry	
Table 4	Employment by Occupation	
Table 5	Qualification Levels of Those in Employment (Spring 1989-1991)	

Technical Notes

2

Background

Following the UK's accession to the European Community, the Labour Force Survey (LFS) was carried out for the first time in 1973, under the terms of an EC Regulation. The Statistical Office of the European Communities co-ordinates information from all the Labour Force Surveys carried out by member states in order to assist in such matters as the allocation of Social Fund resources.

From 1973 to 1983, the LFS was carried out biennially in both Northern Ireland (NI) and Great Britain. Following a change in the requirements of the EC Regulation, from 1984 an annual survey was conducted and results referred to the spring months of each year (the 1984 survey represents the first year for which consistent data is available in NI). In March 1992 the GB portion of the survey moved onto a quarterly cycle and in December 1994 a quarterly survey was introduced in (NI).

As part of an EU requirement, where all member states must have an LFS based on calendar quarters, the NI Labour Force Survey moved to a calendar quarter basis from May 2006 onwards. The LFS was previously based on seasonal quarters where, for example, the March – May months covered the Spring quarter, June - August was Summer and so forth. This has changed to calendar quarters where microdata is available for January – March (Q1) , April – June (Q2), July – September (Q3) and October - December (Q4).

The change from annual survey, to quarterly seasonal survey, to calendar quarters does cause some difficulties in making comparisons over time. However, the methodology and definitions used in the LFS are broadly consistent over time, allowing comparisons for the main variables to be made back to earliest available data for 1984.

The LFS is a sample survey carried out by interviewing individuals about their personal circumstances and work. It is the biggest regular household survey in NI and provides a rich source of information on the labour force using internationally agreed concepts and definitions.

The Department of Enterprise, Trade and Investment is responsible for ensuring that the survey is conducted in NI and for the analysis and interpretation of the results. However, the day-to-day management of

the fieldwork, including data collection and database creation, rests with the Central Survey Unit (CSU) of the NI Statistics and Research Agency. CSU are also in charge of the creation of a Computer Assisted Interviewing questionnaire (designed to mirror that used in GB), the sampling of addresses and the carrying out of fieldwork using a team of specialist interviewers.

Sampling

Because the LFS is a sample survey, results are subject to sampling error, i.e. the actual proportion of the population in private households with a particular characteristic may differ from the proportion of the LFS sample with that characteristic. Accordingly, although percentages in most tables are quoted to the nearest whole number, they should not be regarded as having this degree of accuracy, and indeed some apparent trends over time may be misleading due to sampling error. In general, the larger the group, the more precise (proportionately) is the LFS estimate.

The following table shows the proportions obtained from the April - June 2008 survey for some key LFS variables and indicates their sampling accuracy. The confidence intervals represent the ranges either side of the LFS proportions which are 95% certain to include the true values of the quantities estimated.

LFS Proportions Of Total Private Household Population (16+), Including 95% Confidence Intervals, April - June 2008

	LFS Estimate	Confidence Interval
Economically active	60%	+/- 1.4%
In Employment	58%	+/- 1.6%
Employees*	82%	+/- 1.6%
Self-employed*	15%	+/- 1.5%
Unemployed	2%	+/- 0.4%
Economically inactive (16+)	40%	+/- 1.4%
Unemployment rate	3.9%	+/- 0.9%

* As a percentage of all in employment.

Confidence intervals for other proportions produced in this publication may be obtained on request from addresses given at the end of this note.

Publication Threshold

It is the nature of sampling variability that the smaller the group whose size is being estimated, the (proportionately) less precise that estimate is. LFS estimates of under 8,000 are not published in this supplement as they are likely to be unreliable. This revised publication threshold came into effect from 1 September 1999 and estimates below this threshold contained in earlier publications should, therefore, be treated with caution.

Grossing To Population Totals

Most of the results presented in this report are expressed in terms of percentages, following the grossing of sample numbers to population levels. Each individual participating in the survey is given a weight or "grossing factor" which is related to that person's age and sex. In this way the final grossed results give the population total for NI and reflect the distributions by sex and age shown by the population figures.

Re-weighting of LFS data to updated population estimates

LFS data back to 1992 has been revised in order to incorporate the latest population estimates. The magnitude of the revisions are relatively small, with the revisions to the seasonally adjusted unemployment rate and the working age employment rate falling within +/- 0.02 percentage points. The procedures being applied to the NI LFS results are consistent with those applied by the Office for National Statistics to other UK regions. Details of the 're-weighting' methodology used to adjust key LFS estimates was published in the May 2008 edition of Labour Market Trends and can be accessed via the link below:

<http://www.statistics.gov.uk/ccj/article.asp?id=1992>

Definitions

Working age

This refers to ages 16 to 59 for women and 16 to 64 for men.

In Employment

The LFS defines employment as those aged 16 and over who did at least one hour's paid work in the reference week (either as an employee or self-employed); those who had a job which they were temporarily away from (on holiday for example); those participating in government training and employment programmes; and those doing unpaid family work.

Employment Rate

The percentage of people aged 16 and over who are in employment.

Employees/Self-employed

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

Unpaid Family Workers

The separate identification of this group in the LFS is in accordance with international recommendations. It comprises persons doing unpaid work for a business they own or a business that a relative owns.

Full-time/Part-time

The classification of employees, self-employed, those on government work-related training programmes and unpaid workers in their main job as full-time or part-time is on the basis of self-assessment.

Unemployment

The International Labour Organisation (ILO) measure of unemployment refers to people without a job who were available to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained. This definition of unemployment is in accordance with that adopted by the 13th International Conference of Labour Statisticians, further clarified at the 14th ICLS, and promulgated by the ILO in 1987.

Unemployment Rate

The percentage of economically active people who are unemployed.

Duration of Unemployment

Duration of unemployment is defined as the shorter of the following two periods:

- (a) duration of active search for work; and
- (b) length of time since employment.

The short-term unemployed are those people who have been unemployed for less than 1 year, while the long-term unemployed are defined as those who have been unemployed for 1 year or more.

Educational Attainment Categories

Degree or higher = degree or degree equivalent and above incl. First degree, Postgraduate Diplomas and Professional qualifications.

Other higher below degree = other Higher Education below degree level incl. HND/HNC/ BTEC (Higher), teaching and nursing qualifications.

A level or equivalent = incl. Trade Apprenticeships, vocational level 3

GCSE A-C or equivalent = incl. vocational level 2.
Other qualifications = incl. vocational level 1 and below.

Industry

The classification of respondents' industry of employment is based on the 1980 Standard Industrial Classification (SIC80) for all years up to autumn 1995. This classification was then replaced by the 1992 Standard Industrial Classification (SIC92), with all LFS data from spring 1994 onwards based on the SIC92 breakdown. Some relatively minor revisions were made to SIC92 in 2003 and it was renamed SIC03, however these revisions do not effect the LFS time series in a material way.

Occupation

Respondents occupation is classified by KOS (Condensed Key Occupations for Statistical Purposes) for spring 1984 to spring 1990. However, from spring 1991 onwards KOS was replaced by the more up-to-date 1990 Standard Occupational Classification (SOC), which itself has been superseded from the spring 2001 quarter by the SOC 2000 classification.

Further Information

Further information about the survey can be obtained by:

writing to:
Department of Enterprise,
Trade and Investment,
Statistics Research Branch,
Netherleigh, Massey Avenue,
Belfast BT4 2JP

telephoning: (028) 9052 9585

textphone: (028) 9052 9304

fax: (028) 9052 9459

e-mailing: joanne.henderson@detini.gov.uk

Publication now available on visiting web site:

www.statistics.detini.gov.uk