

# Special Feature: Self-Employment

# 10

This feature looks at the number of self-employed in Northern Ireland during the last 10 years and examines in more detail the characteristics of this grouping at April – June 2008.

Self-employed people are defined as those who, in their main employment, work on their own account, whether or not they have employees. The division between employees and the self-employed for the LFS is based on survey respondents' own assessment of their employment status.

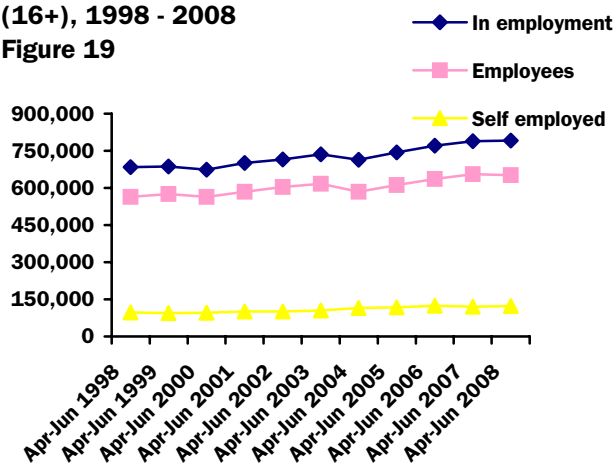
- **Number of self-employed people increased by 25,000 (25%) in the period 1998 to 2008.**

The numbers of self-employed in the period 1998 to 2008 increased by a larger proportion than those classified as employees. Self-employed numbers increased by 25,000 (25%) from 98,000 in 1998 to 122,000 in 2008 compared to an 88,000 (16%) increase in employee numbers over the same period. While the overall numbers increased between 1998 and 2008, this increase has not been regular, with decreases in numbers being recorded for some yearly intervals. The number of self-employed persons has varied between 95,000 and a peak of 124,000 in April – June 2006 during the period.

## Employee & Self-Employment Numbers

(16+), 1998 - 2008

Figure 19



## Factors affecting Employee/Self-employed status

In times of economic growth, with an expanding economy and an associated increase in the numbers of employees, the numbers of self-employed also tend to rise. This reflects increased demand for all goods and services, in particular non-essentials, and more opportunity to become self-employed.

Independent of the state of the economy there are also employees who are attracted to self-employment status, either because they find their present state unduly restrictive or they are attracted by the rewards of self-employment.

## Self-employment by Gender

- **Number of self-employed males increased by 16,000 (19%), while self-employed females increased by 9,000 (56%) in the period 1998 to 2008.**

The increase in self-employment numbers since 1998 consisted of an increase of 16,000 (19%) in the number of self-employed males and a rise of 9,000 (56%) in the number of self-employed females. Female self-employment now sits at a peak of 25,000.

## Self-employment Numbers (16+), 1998 - 2008

Table 18

	Numbers in Self-Employment		
	Male	Female	All
April – June 1998	81,000	16,000	98,000
April – June 2003	88,000	17,000	105,000
April – June 2004	94,000	21,000	115,000
April – June 2005	99,000	18,000	117,000
April – June 2006	101,000	23,000	124,000
April – June 2007	99,000	22,000	121,000
April – June 2008	97,000	25,000	122,000

### Self-employment by full and part-time status

- A higher proportion of the self-employed are full-time compared to employees.

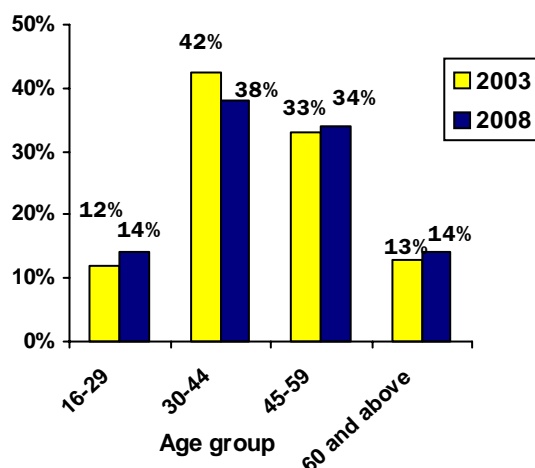
The employee and self-employed populations differ in terms of the proportions of each category who work full-time and part-time. At April – June 2008 77% of employees were full-time and 23% part-time compared to 85% full-time and 15% part-time for the self-employed. Similarly to the employee population a higher proportion of self-employed females are part-time (37%) whilst the proportion of self-employed males who are part-time is only 9%.

### Age analysis of the self-employed

Figure 18 shows how the self-employed population aged 16 and over breaks down into each of the specified age groups for 2003 and 2008. The proportion of the self-employed in each age group has remained relatively stable from 2003 to 2008. The fact that the majority of the self-employed are found in the 30-44 and 45-59 age groups indicate the need for those who are self-employed to attain a level of training and/or expertise to facilitate their role.

### Self-employed by age group (16+), 2002 and 2008

Figure 18



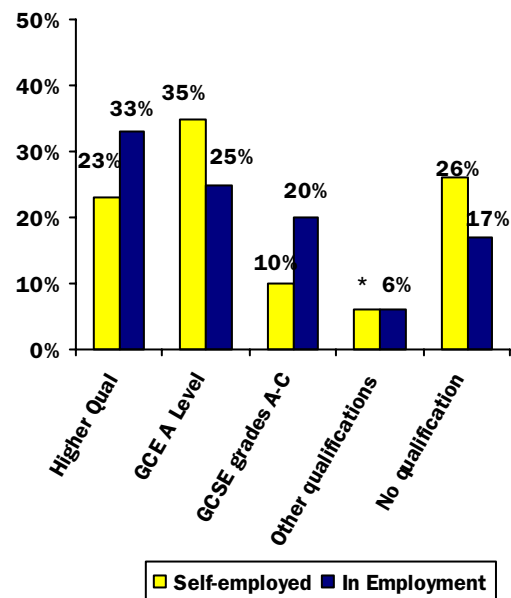
### Qualifications of the Self-employed

- Those with a GCE A-level or equivalent qualification, a category which includes trade apprenticeships, are more likely to be self-employed than those with other types of qualifications.

Figure 19 shows the distribution of the highest qualifications held by self-employed persons aged 16 and over. It shows that the self-employed are more likely to have no qualifications than all those in employment. It also highlights the fact that the self-employed are less likely to have a degree or higher education. The single qualification level where the self-employed proportion exceeded that of the employed was at GCE A-Level or equivalent. This can be easily explained in that this category includes trade apprenticeships which are a common requirement for entry into the skilled trade occupations.

### Highest qualification of self-employed and those in employment (16+), April – June 2008

Figure 19



\*Cell size too small for a reliable estimate

## Industry analysis

- **One quarter (27%) of those classified as self-employed were employed in the Construction industry at April – June 2008.**

Table 19 shows how the self-employed are distributed across the various industry sections. Over one quarter (27%) of those classified as self-employed were employed in the Construction industry at April – June 2007. Other major sectors of employment for the self-employed were Agriculture, hunting and forestry (20%) and the Wholesale and retail trade (14%). In sectors where the public service dominates such as Education and Health the numbers of self-employed are too small for a reliable estimate.

### Persons in Self-Employment by Industry Section, April – June 2008

**Table 19**

	% of Self-Employed
Agriculture, hunting & forestry	16%
Fishing	*
Mining and quarrying	*
Manufacturing	*
Electricity, gas & water supply	*
Construction	27%
Wholesale and retail trade	17%
Hotels and restaurants	*
Transport, storage & communication	*
Financial intermediation	*
Real estate, renting & business	11%
Public administration and defence	*
Education	*
Health and social work	*
Community, social & personal services	7%
All industries <sup>1</sup>	100% (122,000)

\*Cell size too small for a reliable estimate  
Percentages may not sum due to rounding

<sup>1</sup>Total excludes those on college based government training and employment programmes and those who did not state occupation.

## Occupation analysis

- **Almost one half (46%) of those classified as self-employed were employed in Skilled Trade occupations.**

Table 20 shows that there were only four occupational groups where there were sufficient numbers of persons aged 16 and over working as self-employed to quote reliable estimates. Over two-fifths (46%) of those classified as self-employed were employed in Skilled Trade occupations. Skilled Trade occupations comprise metal, vehicle, electrical, construction, building, textile, printing and food preparation trades. One sixth of the self-employed (16%), were found to work as Managers and/or Senior officials whilst a further 10% worked in Professional occupations.

### Persons in Self-Employment by Occupation Section, April – June 2008

**Table 20**

	% of Self-Employed
Managers and/or Senior Officials	16%
Professional Occupations	10%
Assoc. Professional and Technical	*
Administrative and Secretarial	*
Skilled Trade	46%
Personal Service	7%
Sales and Customer Service	*
Process, Plant & Machine Operatives	*
Elementary	*
All occupations <sup>1</sup> (100%)	122,000

\*Cell size too small for a reliable estimate  
Percentages may not sum due to rounding

<sup>1</sup>Total excludes those on college based government training and employment programmes and those who did not state occupation.

## Regional comparison of self-employment

- **Northern Ireland (15.5%) ranked highest across UK regions in terms of self-employment rates for April – June 2008.**

The self-employment rate is equal to the proportion of all those in employment that are self-employed. In April - June 2008, the self-employment rate for persons aged 16 and over varied widely throughout the U.K, with the Northern Ireland rate of 15.5% above the UK rate of 12.9%. The lowest rate was in the North East (9.3%). The variation in self employment rates by region depends partly on the industry mix in the region. Southern England has a concentration of construction and those service industries in which workers are more likely to be self-employed, than in manufacturing industries, on which the North East is reliant. The relatively high percentage of self-employed in Northern Ireland may be partly due to the greater importance of agriculture (which has a high self-employment rate).

**Self-employment rates (16+) for UK regions, April – June 2008**  
**Figure 20**

