

Special Feature: Self-Employment

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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 2007.

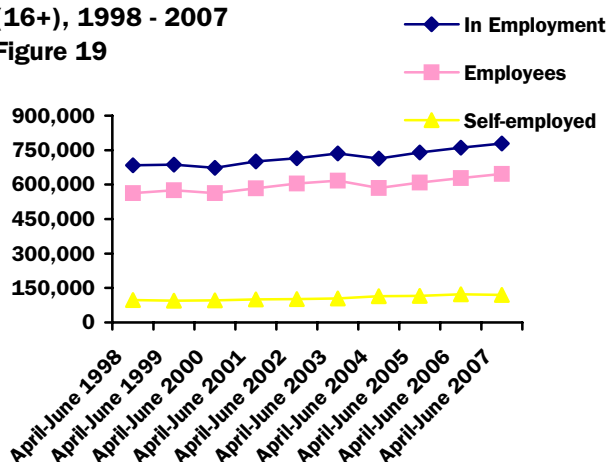
Self-employed people are defined as those who, in their main employment, work on their own account, whether or not they have employees. The division between employees and the self-employed for the LFS is based on survey respondents' own assessment of their employment status.

- **Number of self-employed people increased by 22,000 (22%) in the period 1998 to 2007.**

The numbers of self-employed in the period 1998 to 2007 increased by a larger proportion than those classified as employees. Self-employed numbers increased by 22,000 (22%) from 97,000 in 1998 to 119,000 in 2007 compared to an 83,000 (15%) increase in employee numbers over the same period. While the overall numbers increased between 1998 and 2007, 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 123,000 in April – June 2006

Employee & Self-Employment Numbers (16+), 1998 - 2007

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 (20%), while self-employed females increased by 6,000 (34%) in the period 1998 to 2007.**

The increase in self-employment numbers since 1998 was largely made up by an increase in the number of self-employed males from 81,000 in 1998 to 97,000 in 2007 an increase of 16,000 (20%). In the same period the number of self-employed females rose by 6,000 (34%) from 16,000 to 22,000.

Self-employment Numbers (16+), 1998 - 2007

Table 18

	Numbers in Self-Employment		
	Male	Female	All
April – June 1998	81,000	16,000	97,000
April – June 2000	80,000	16,000	96,000
April – June 2002	83,000	18,000	101,000
April – June 2004	94,000	21,000	115,000
April – June 2005	98,000	18,000	116,000
April – June 2006	100,000	23,000	123,000
April – June 2007	97,000	22,000	119,000

Self-employment by full and part-time status

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

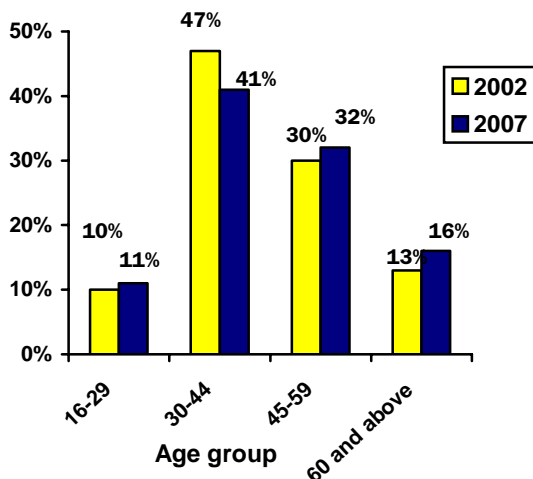
The employee and self-employed populations differ in terms of the proportions of each category who work full-time and part-time. At April – June 2007 77% of employees were full-time and 23% part-time compared to 86% full-time and 14% part-time for the self-employed. Similarly to the employee population a higher proportion of self-employed females are part-time (38%) 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 2002 and 2007. The proportion of the self-employed in each age group has remained relatively stable from 2002 to 2007. 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 2007

Figure 18



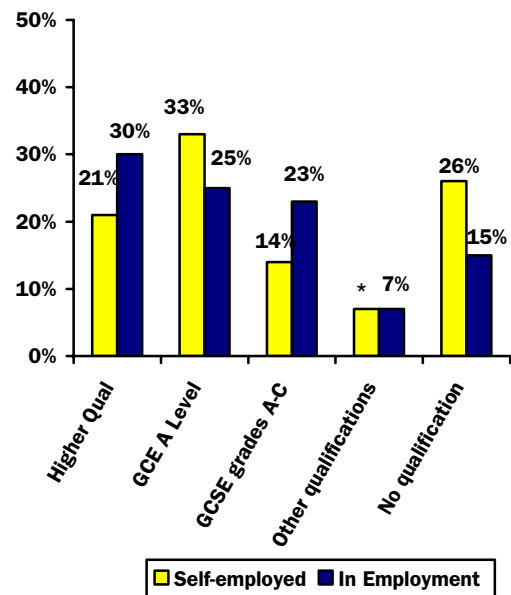
Qualifications of the Self-employed

- 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 2007

Figure 19



*Cell size too small for a reliable estimate

Industry analysis

- **One quarter (25%) of those classified as self-employed were employed in the Construction industry at April – June 2007.**

Table 19 shows how the self-employed are distributed across the various industry sections. One quarter (25%) 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 2007

Table 19

	% of Self-Employed
Agriculture, hunting & forestry	20%
Fishing	*
Mining and quarrying	*
Manufacturing	*
Electricity, gas & water supply	*
Construction	25%
Wholesale and retail trade	14%
Hotels and restaurants	*
Transport, storage & communication	*
Financial intermediation	*
Real estate, renting & business	13%
Public administration and defence	*
Education	*
Health and social work	*
Community, social & personal services	*
All industries ¹ (100%)	119,000

*Cell size too small for a reliable estimate

Percentages may not sum due to rounding

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

Occupation analysis

- **Over two-fifths (43%) 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 (43%) 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. A significant proportion of the self-employed (21%), were found to work as Managers and/or Senior officials whilst a further 9% worked in Professional occupations.

Persons in Self-Employment by Occupation Section, April – June 2007

Table 20

	% of Self-Employed
Managers and/or Senior Officials	21%
Professional Occupations	9%
Assoc. Professional and Technical	*
Administrative and Secretarial	*
Skilled Trade	43%
Personal Service	*
Sales and Customer Service	*
Process, Plant & Machine Operatives	7%
Elementary	*
All occupations ¹ (100%)	119,000

*Cell size too small for a reliable estimate

Percentages may not sum due to rounding

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

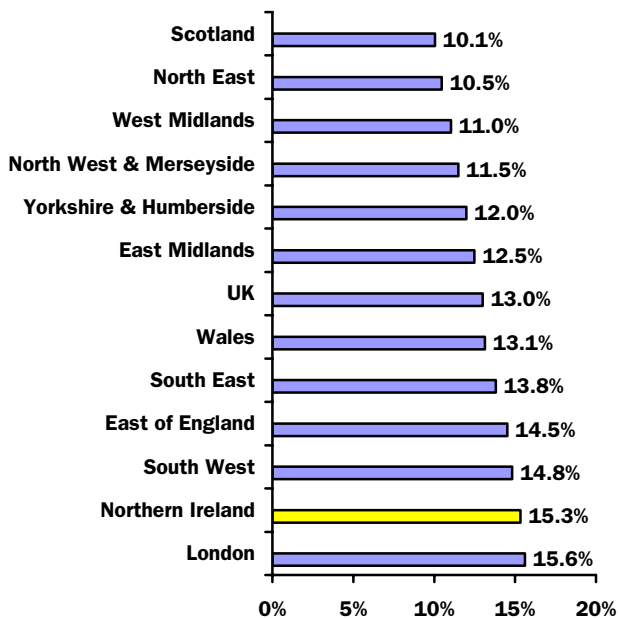
Regional comparison of self-employment

- **Northern Ireland (15.3%) ranked second highest across UK regions in terms of self-employment rates for April – June 2007.**

The self-employment rate is equal to the proportion of all those in employment that are self-employed. In April - June 2007, the self-employment rate for persons aged 16 and over varied widely throughout the U.K. Although the Northern Ireland rate of 15.3% was above the UK rate of 13.0%, it was below the highest rate of 15.6% in London. The lowest rate was in Scotland (10.1%). 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 2007

Figure 20



Conclusion

The self-employed have an important part to play in the NI labour market emphasised by the fact that NI has the second highest self-employment rate amongst the UK regions. The number of people classified as self-employed in NI has increased by 22,000 (22%) over the last 10 years compared to a 15% increase in employee numbers over the same period. As the NI economy continues to grow the increased demand for all goods and services, in particular non-essentials will enable more opportunity to become self-employed particularly outside the traditional self-employment domains of Construction and Agriculture.