

Self-employment in Northern Ireland

Labour Force Survey, April - June 2015

Date: September 2015

Geographical Area: Northern Ireland

Theme: Labour Market



Self-employment refers to those who work for themselves. This short topic paper addresses the number of self-employed in Northern Ireland during the last 10 years and describes the characteristics of this group at April - June 2015, as sourced from the Labour Force Survey (LFS). The Further Information section provides detail on sampling variability.

Key Points

- The number of self-employed workers in Northern Ireland was estimated at 112,000 in April - June 2015. This decreased by 6,000 (5%) in the period 2005 to 2015.
- Over the same period, the number of self-employed males decreased by 11,000 (11%), while the number of self-employed females increased by 5,000 (25%).
- A higher proportion of the self-employed (82%) worked full-time compared to employees (76%).
- Those with a GCE A-level or equivalent qualification, a category which includes trade apprenticeships, were more likely to be self-employed than those with other types of qualifications.
- The largest industry sector for those classified as self-employed in April-June 2015 was construction, employing just under one third (31%) of this group.
- Over two fifths (45%) of those classified as self-employed were employed in skilled trade occupations, this was the largest occupation group.
- Northern Ireland (14%) ranked sixth lowest among the UK regions in terms of self-employment rates in April - June 2015.

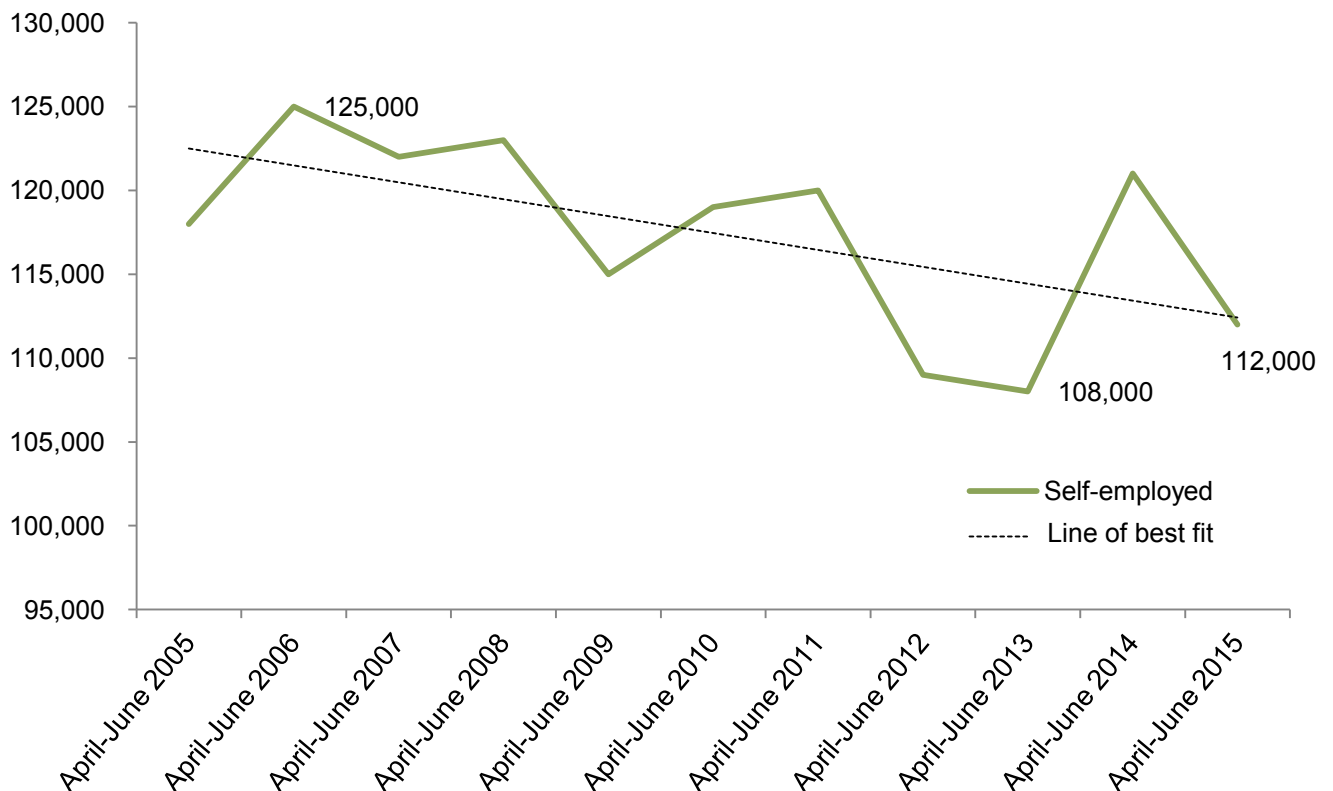
Self-employment in Northern Ireland

Definition of self-employed: The self-employed are workers who directly provide services and do not have a contract of employment and is based on the respondents view of the type of work they do.

The **self-employment rate** is the number of self-employed aged 16 and over as a percentage of those in employment aged 16 and over.

- Between 2005 and 2015, the number of self-employed workers decreased by 6,000 (5%), from 118,000 to 112,000.
- The number of self-employed workers varied in the intervening years, ranging from 108,000 (April – June 2013) to 125,000 (April - June 2006). However, the overall trend shows a decrease in the number of self employed workers, shown by the line of best fit in Figure 1.
- This decrease in the number of self-employed workers was coupled with an increase in employee numbers and total employment over the same period. As a result, the self employment rate has decreased from 16% in 2005 to 14% in 2015.

Figure 1: Self-employment numbers (16+), 2005 - 2015



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Self-employment by age, sex and working pattern

Looking in more detail at the self-employed indicates that in April – June 2015:

- the number of self-employed males in NI decreased by 11,000 (11%) between 2005 and 2015, whereas the number of self-employed females increased by 5,000 (25%) to 23,000 over the same period.
- more males were self-employed than females at April – June 2015, where 80% of self-employed workers were male (89,000) and 20% were female (23,000).
- at April - June 2015, 82% of self-employed were full-time and 18% part-time. This is similar to employees, of whom 76% were full-time and 24% part-time.
- compare to employees, a higher proportion of self-employed are aged 45 and over.
- the above trends in age, sex and working patterns of self-employed compared to employees have been broadly consistent over the last 10 years.

Figure 2: Self-employed and employees by age group (16+), April - June 2015



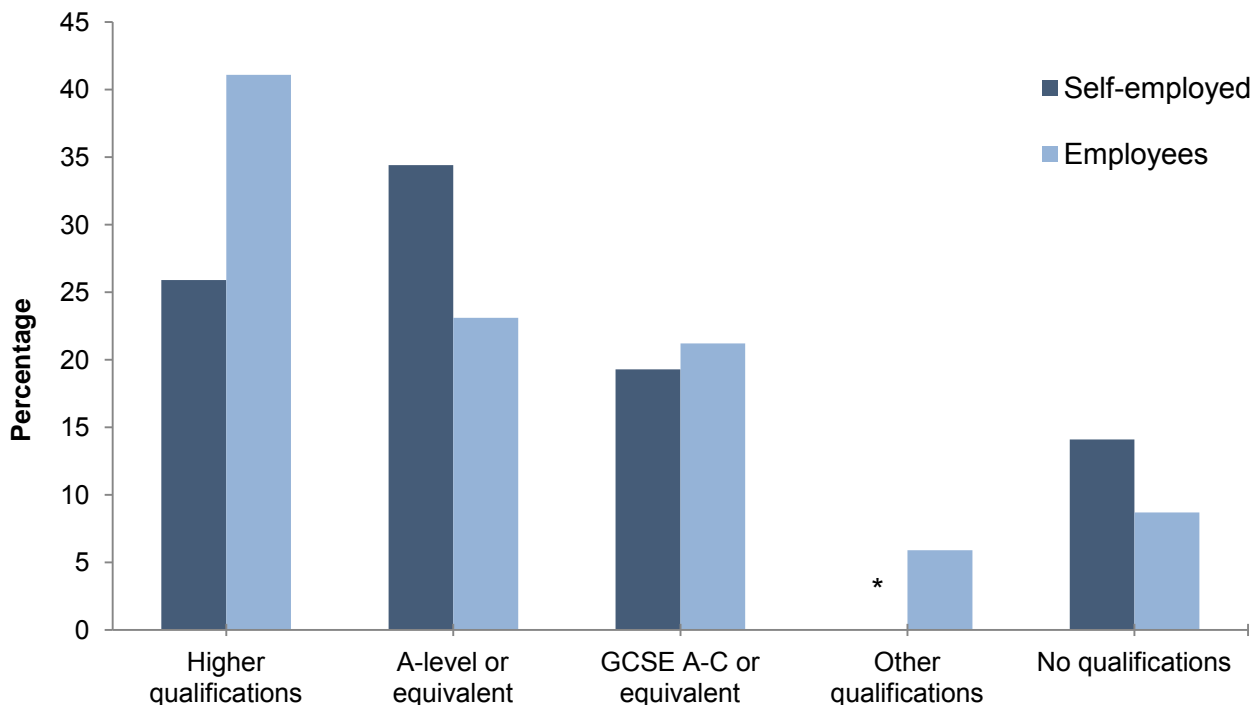
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Self-employment by qualification level

Analysis of the qualification levels of those in self-employment compared to employees in April – June 2015 suggests that:

- self-employed workers were more likely to have no qualifications (14%) than employees (9%).
- self-employed were less likely to have a degree or higher education (26% compared with 41% of employees).
- the single qualification level where the self-employed proportion exceeded that of employees was at GCE A-level or equivalent. This category includes trade apprenticeships which are a common requirement for entry into the skilled trade occupations.
- over the past 10 years the proportion of self-employed with no qualifications has been consistently higher than the proportion of employees.

Figure 3: Highest qualification of the self-employed and employees (16-64), April - June 2015



*Cell size too small for a reliable estimate.

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Self-employment by industry and occupation

Analysis of self-employment by industry and occupation suggests that:

- in April – June 2015, just under one third (31%) of those classified as self-employed were employed in the construction sector.
- construction has consistently had the highest numbers of self-employed over the last 10 years.

Table 1: Persons in self-employment by industry sector, April – June 2015

	Percentage (%)
Agriculture, forestry and fishing	15.0
Energy and water	*
Manufacturing	*
Construction	30.8
Distribution, hotels and restaurants	10.2
Transport and communication	*
Banking and finance	13.1
Public administration, education and health	11.8
Other services	7.7

*Cell size too small for a reliable estimate.
Percentages may not sum due to rounding.
Total excludes those who did not state their industry.

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In terms of occupation:

- close to half (45%) of those classified as self-employed were employed in skilled trade occupations.
- skilled trade occupations have consistently had the highest numbers of self-employed over the last 10 years.

Table 2: Persons in self-employment by occupation, April – June 2015

	Percentage (%)
Managers, directors and senior officials	11.2
Professional occupations	8.5
Associate professional and technical occupations	8.5
Administrative and secretarial occupations	*
Skilled trades occupations	44.9
Caring, leisure and other service occupations	7.4
Sales and customer service occupations	*
Process, plant and machine operatives	11.4
Elementary occupations	*

*Cell size too small for a reliable estimate
Percentages may not sum due to rounding
Total excludes those who did not state their occupation.

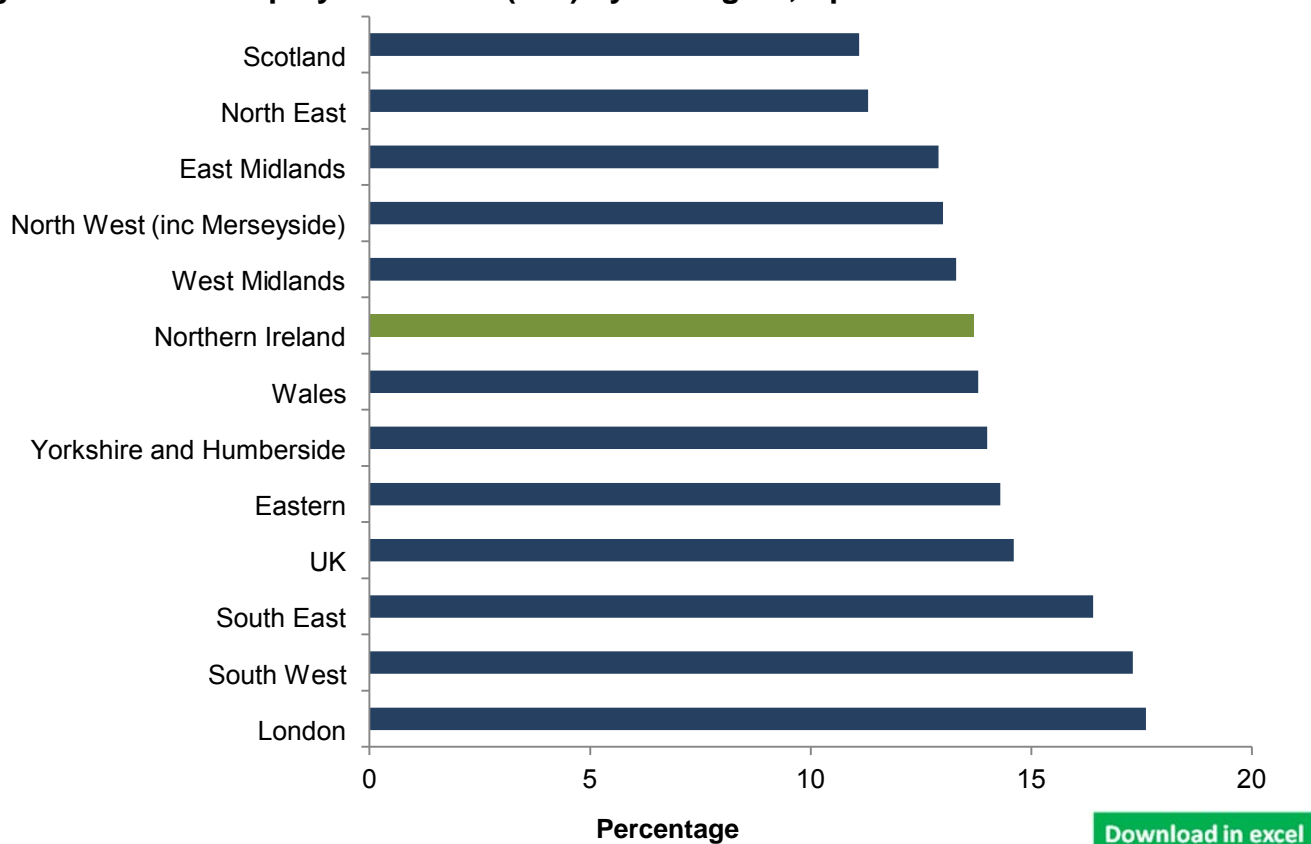
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Comparison with United Kingdom regions

In April - June 2015, the self-employment rate in NI (13.7%):

- was lower than the UK rate of 14.6%.
- ranked sixth lowest among the regions in terms of self-employment rates. The variation in self-employment rates by region depends partly on the industry mix in the region.
- was down 2.0 percentage points since April – June 2005. This compares to an increase of 2.0 percentage points in the UK rate over the same period, from 12.5% (April – June 2005) to 14.6% (April – June 2015).

Figure 4: Self-employment rates (16+) by UK region, April - June 2015



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FURTHER INFORMATION

The Labour Force Survey (LFS) is a voluntary sample survey carried out by interviewing individuals in households. It is the most comprehensive source of information on their circumstances and work. Figures taken from the LFS are subject to sampling error that decreases as the sample size increases. Estimates are not seasonally adjusted.

Table 3: Confidence interval of 16+ self employed, April – June 2015

	Value	Confidence interval	Lower limit	Upper limit
Self-employed	112,000	14,000	98,000	126,000

Where data is provided for two fixed periods in time, the changes over time show the differences in self-employment between those two points. They do not state the total number of people that have entered and left self-employment between these two periods in time. There are people that will enter and leave self-employment in between these periods that cannot be accounted for.

Industry group is based on the Standard Industrial Classification (SIC) 2007 sectors.

Occupational group is based on the Standard Occupational Classification (SOC) 2010 major groups.

More labour market and economic statistics can be found at:

www.nisra.gov.uk/elms

You can also contact Economic and Labour Market Statistics as follows:

Andrew Mawhinney

Economic & Labour Market Statistics, NISRA

Netherleigh

Massey Avenue

Belfast BT4 2JP

Tel: (028) 9052 9668

Fax: (028) 9052 9658

Textphone: (028) 9052 9304

Email: statistics@dfpni.gov.uk