



Northern Ireland  
Assembly

## Research and Information Service Briefing Note

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# Measuring Employment and Unemployment

## 1 Introduction

The following paper briefly discusses the main measures of employment and unemployment in Northern Ireland.

## 2 The Labour Force Survey

As stated in its latest available publication:<sup>1</sup>

*The 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.*

The LFS provides information on a number of labour market factors, including:

- Employment;
- Unemployment;

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<sup>1</sup> DFP, May 2013, Labour Force Survey January – March 2013 <http://www.detini.gov.uk/deti-stats-index/stats-surveys.htm>

- Economic activity; and
- Economic inactivity.

The LFS has been carried out since 1973, with it becoming a quarterly survey in December 1994. The Department for Enterprise, Trade and Investment (DETI) commissions the LFS with the NI Statistics and Research Agency (NISRA) carrying out the survey and publishing the results.

The sample for the January – March 2013 LFS consisted of 2,299 addresses. These are chosen at random from the Valuation & Lands Agency list of domestic properties.

Only private household addresses were eligible since the LFS is a survey of the private household population. Every selected address is interviewed on five successive occasions.

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 one decimal place, 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 table below details the confidence intervals for each of the measures. This determines the relative accuracy of the survey.

**Table 1:** LFS Confidence Intervals

	LFS Estimate	Percentage Confidence Interval
Economically active	61	+/- 1.8
In Employment	56	+/- 1.7
Employees*	86	+/- 1.7
Self-employed*	14	+/- 0.9
Unemployed	5	+/- 0.8
Economically inactive (16+)	39	+/- 1.7
Unemployment rate	8.1	+/- 1.4

\* As a percentage of all in employment.

As mentioned previously, the smaller the sample size, the less accurate the results. As a result, the LFS does not publish estimates of less than 8,000 as they are likely to be unreliable.

The data gathered from the sample is weighted based on population data including age and sex in order to reflect the distributions by age and sex by population figures.

A number of definitions are used in order to provide standardised measures. Those of note are:

- **Working age:** Ages 16 to 64 for both men and women;
- **In employment:** 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;
- **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; and
- **Unemployment rate:** The percentage of economically active people who are unemployed.

The Northern Ireland Labour Force Survey measure follows International Labour Organisation (ILO) guidelines and is the official Northern Ireland measure of unemployment.<sup>2</sup>

### 3 Quarterly Employment Survey

As taken from the Background to the Quarterly Employment Survey:<sup>3</sup>

*The Quarterly Employment Survey (QES) is conducted by the Department of Finance & Personnel to provide short-term employee jobs estimates for Northern Ireland as a whole.*

*Statistics Research Branch currently publish the QES results in the monthly Labour Market Statistics Bulletin and in the quarterly QES Supplement. Updated QES results are released in mid-March, June, September and December of each year and details of the publication dates which are notified at least twelve months in advance.*

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<sup>2</sup> DETI, Labour Market – Unemployment, <http://www.detini.gov.uk/deti-stats-index/stats-labour-market/stats-labour-market-unemployment.htm>

<sup>3</sup> DETI, Quarterly Employment Survey, <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-qes.htm>

*Each quarter the QES sample of approximately 5,500 companies is asked to supply the Department with employment data for each of their business activities. This information is then collated by Statistics Research Branch and from which employee jobs estimates are produced. Employee job estimates are produced by gender, working pattern (full/part-time) and industrial activity at the two-digit SIC level for Northern Ireland as a whole. Public & Private Sector totals are also available. Seasonally adjusted figures are also available at broad sector level (i.e. manufacturing, construction, services and other industries) and at public and private sector level.*

*The sample for inclusion in the survey is drawn twice a year from the Inter Departmental Business Register (IDBR) (following completion of the Census of Employment and incorporation of these results on the register system). The selection is actually taken in two parts so that there is an element which is effectively full coverage and also an element which is a statistical sample. The full coverage includes all public sector units, all private sector units with 25 or more employees and all private sector units with more than one industry activity and the sample is a stratified random sample of small businesses with less than 25 employees. The IDBR is a dynamic register, which is continuously updated to reflect the most recent information (i.e. it takes account of company births, deaths, mergers, etc.). The QES sample is 'topped up' every quarter by new 25+ openings identified from IDBR and the IDBR is also used to estimate the number of employees in small businesses that have recently opened.*

Further information on the methodology used by the QES can be found at:

[http://www.detini.gov.uk/quarterly\\_employment\\_survey\\_summary\\_methodology\\_guide\\_june\\_2011\\_.pdf](http://www.detini.gov.uk/quarterly_employment_survey_summary_methodology_guide_june_2011_.pdf)

The QES counts the number of jobs not the number of people with jobs.

## 4 Census of Employment

The Census of Employment is carried out every two years in Northern Ireland (the most recent publication being September 2012). It provides:<sup>4</sup>

*...the most recent information on sub-Northern Ireland (e.g. District Council) and industry characteristics of non-agricultural businesses.*

The units surveyed are drawn from the IDBR with approximately 55,000 units selected in September 2011, with an 85% response rate. Employment for non-respondents was estimated on previous returns and/or information held by the IDBR.

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<sup>4</sup> DETI, The Northern Ireland Census of Employment, <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-census-of-employment.htm>

The survey counts the number of jobs, not the number of persons with jobs.

Information provided by the CES includes:

- Employee jobs;
- Employee jobs by District Council;
- Private/public sector split; and
- Employee jobs by sex, working pattern and sector.

The CES is carried out via postal enquiry.

## 5 Claimant Count

The second main indicator of unemployment (after the LFS), the Claimant Count is a measure of the number of persons claiming unemployment related benefit (Jobseekers Allowance).<sup>5</sup>

There is a large degree of overlap between the claimant count and ILO unemployment. However claimants of unemployment related benefits may not appear in the ILO measure if they state that they are not seeking, or are not available to start work.

The claimant count is a by-product of administrative records of people claiming<sup>6</sup> benefits. Each claimant gives their National Insurance number, address, sex, date of birth and marital status to the Job Benefit office. Details are also collected on the start and end dates of each claim and on the reason for ceasing a claim.

These details provide data on the number of claimants for one particular day each month as well as the numbers joining and leaving the count each month. Analysis of the claimant count is available in detail, for example by age and duration of claim.

The publication of claimant count figures is normally five weeks after the date to which they refer. This allows deletion of records of those who ceased claiming but whose details remain on the system. It also allows the addition of new claimants who started claiming before the date but whose records were not on the system at that point.

Claimant count rates at national level and for Government Office regions are calculated by expressing the number of claimants who are resident in each area as a percentage of workforce jobs plus the claimant count. Workforce jobs are the sum of employee jobs, self-employment jobs, the Armed Forces and Government supported trainees.

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<sup>5</sup> DETI, Differences between the ILO Unemployment and Claimant Count, [http://www.detini.gov.uk/unemployment\\_measures.pdf](http://www.detini.gov.uk/unemployment_measures.pdf)

<sup>6</sup> Ibid

