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Self-Employment in Northern Ireland

1 Introduction

The following paper provides a brief discussion of Self-Employment (SE) in Northern Ireland.

2 Key Points

- Across the UK there has been a large growth in the number of people becoming self-employed;
- Self-employment is higher than at any point over past 40 years;
- The rise in total employment since 2008 predominantly among the self-employed;
- The rise is predominately down to fewer people leaving self-employment than in the past;
- In August to October 2014, Northern Ireland had 821,000 people in employment, of which 690,000 were employees and 118,000 were self-employed;
- Northern Ireland has had much greater fluctuation in its self-employment figures than the other UK regions;

- In Northern Ireland, the majority of self-employed people work in the skilled trades, with 49,800 people identifying themselves as working in this area. Of note is the spike in self-employment in some occupations in 2010 – 2011;
- Managers/Directors, Professional Occupations and Process Plant and Machine Operators all saw a large increase in self-employed workers in this period;
- In the 2013 to 2014 period the largest single group of people who were self-employed worked in construction, with agriculture and fishing a close second. Manufacturing had the lowest number at 6,700 people, or 5.81%;
- The Construction sector has the most people self-employed, with the highest number of people self-employed in the sector of 31,800 in July 2005 to June 2006;
- For Northern Ireland, in August to October 2014 women make up 22% of the self-employed (or 22,000 women out of a total of 118,000 self-employed). In Great Britain, women make up 32% of the self-employed;
- It has not been possible, with the information available, to identify why Northern Ireland has a high degree of fluctuation in its self-employment figures.

3 Self-Employment Statistics in the UK

Across the UK in most regions there has been a rise in the number of people becoming self-employed.

An ONS publication in August 2014 found the following regarding self-employment in the UK:¹

- Self-employment is higher than at any point in the past 40 years;
- The rise in total employment since 2008 is predominantly among the self-employed;
- The rise is predominately down to fewer people leaving self-employment than in the past;
- The number of over 65s who are self-employed has more than doubled in the past 5 years to reach nearly half a million;
- Self-employed workers tend to be older than employees and are more likely to work higher (over 45) or lower (8 or less) hours;
- The number of women in self-employment is increasing at a faster rate than the number of men (although men still dominate self-employment);
- The most common roles are working in construction and taxi driving and in recent years there have been increases in management consultants;
- The average income from self-employment has fallen by 22% since 2008/09; and
- Across the European Union, the UK has had the third largest percentage rise in self-employment since 2009.

The ONS points out that:²

¹ Office for National Statistics, 20 August 2014, Self-Employed Workers in the UK 2014

*Total employment in the second quarter of 2014 was 1.1 million higher than in the first quarter of 2008, just before the economic downturn that hit the UK. Of this increase, **732,000 was among people who are self-employed**³ so the rise in total employment since 2008 was predominantly among the self-employed.*

This growth in self-employment is against an international backdrop of a fall in SE. The Resolution Foundation (RF) states that:⁴

The UK was one of only a handful of developed economies in which self-employment as a share of total employment rose from 2000 to 2011, growing by 8 per cent across the period, while the OECD and EU27 averages both fell by 9 per cent.

The RF found that growth in self-employment in the UK is a result of a number of factors, including:⁵

- **Structural factors:** The workforce as a whole has grown in size resulting in an increase in the general number of people who are self-employed. The growth in self-employment began prior to the recession with no major changes to the characteristics of those who are self-employed;
- **The recession:** Greater levels of unemployment and lower vacancy rates may have acted as a push factor for encouraging people into self-employment; and
- **Fewer leavers from self-employment:** As with traditional employment, self-employment normally has a continuous rate of in-flows (people becoming self-employed) and out-flows (people leaving self-employment). With the constrained economic environment, fewer people have left self-employment due to a lack of opportunities in the traditional job market. In addition, an ageing and expanded workforce (as a result of changes to retirement ages) has resulted in people turning to or remaining in self-employment as an alternative to retirement.

An ONS study also identifies the growth in entrepreneurial activity in the UK, encouraged and supported via government programmes such as the Enterprise Allowance Scheme and the New Enterprise Allowance.⁶

In commenting on the likelihood of self-employment rates continuing to grow, the RF states:⁷

² Ibid

³ Emphasis added

⁴ Resolution Foundation, D'Arcy C and Gardiner, L May 2014, Just the job or a working compromise, <http://www.resolutionfoundation.org/wp-content/uploads/2014/05/Just-the-job-or-a-working-compromise-FINAL.pdf>

⁵ Ibid

⁶ Office for National Statistics, 20 August 2014, Self-employed workers in the UK, http://www.ons.gov.uk/ons/dcp171776_374941.pdf

⁷ Resolution Foundation, D'Arcy C and Gardiner, L May 2014, Just the job or a working compromise, <http://www.resolutionfoundation.org/wp-content/uploads/2014/05/Just-the-job-or-a-working-compromise-FINAL.pdf>

While we are unlikely to continue to see increases on the scale of the post-recession period in coming years, it is reasonable to assume that high levels of self-employment within the workforce are here to stay.

4 Self-Employment in Northern Ireland

In order to discuss Northern Ireland's self-employment figures, it is first necessary to discuss employment here in general terms.

Table 1 below, using Labour Force Survey data, provides the most recently available figures on employment in the Northern Ireland labour market.

Table 1: Northern Ireland labour market, August to October 2011 to 2014⁸

| | Total aged 16 and over | Total persons of working age 16-64 | Employment (16+) | Employment rate (%) 16-64 |
|---------------------|------------------------|------------------------------------|------------------|---------------------------|
| Aug-Oct 2011 | 1,416,000 | 1,160,000 | 805,000 | 67.7% |
| Aug-Oct 2012 | 1,423,000 | 1,161,000 | 805,000 | 67.4% |
| Aug-Oct 2013 | 1,432,000 | 1,163,000 | 801,000 | 66.9% |
| Aug-Oct 2014 | 1,440,000 | 1,165,000 | 820,000 | 68.3% |

As can be seen above there has been a small increase in the NI employment rate since 2011 (0.6% or an additional 15,000 people in employment). It is worth noting that prior to the financial crisis in 2007, Northern Ireland had an employment rate of 68% or 787,000 people in employment. As such, the total number of people in employment has increased whilst the percentage of working age people in employment has returned to its pre-recession levels.

Table 2 provides a comparison of employment by category, including employees, the self-employed and those on government programmes.⁹

People on Government Training programmes contribute to the employment figures. In August to October 2012 there were 18,000 people on such programmes. There are no figures available for the same period in 2013 and 2014, with the available data stating that the sample size is too small for a reliable estimate.

⁸ Department for Enterprise, Trade and Investment, LFS Historical Key Data series, Table 2.1a, August to October http://www.detini.gov.uk/index/what-we-do/deti-stats-index/labour_market_statistics/labour_force_survey.htm Please note, August to October figures used as these were the most recently available.

⁹ Department for Enterprise, Trade and Investment, LFS Historical Key Data series, Table 2.6, August to October http://www.detini.gov.uk/index/what-we-do/deti-stats-index/labour_market_statistics/labour_force_survey.htm. It should be noted that the figures may not sum as a result of rounding.

Table 2: NI employment by category

| | Total in Employment | Employees | Employees percentage | Self Employed | Self-employed percentage | Government Programmes | Government Programmes percentage |
|--------------|---------------------|-----------|----------------------|---------------|--------------------------|-----------------------|----------------------------------|
| Aug-Oct 2004 | 734,000 | 604,000 | 82.29 | 118,000 | 16.08 | 9,000 | 1.23 |
| Aug-Oct 2005 | 766,000 | 629,000 | 82.11 | 122,000 | 15.93 | 10,000 | 1.31 |
| Aug-Oct 2006 | 769,000 | 639,000 | 83.09 | 119,000 | 15.47 | 8,000 | 1.04 |
| Aug-Oct 2007 | 786,000 | 664,000 | 84.48 | 108,000 | 13.74 | 11,000 | 1.40 |
| Aug-Oct 2008 | 792,000 | 662,000 | 83.59 | 117,000 | 14.77 | 11,000 | 1.39 |
| Aug-Oct 2009 | 768,000 | 648,000 | 84.38 | 113,000 | 14.71 | * | * |
| Aug-Oct 2010 | 778,000 | 640,000 | 82.26 | 127,000 | 16.32 | 8,000 | 1.03 |
| Aug-Oct 2011 | 807,000 | 675,000 | 83.64 | 122,000 | 15.12 | * | * |
| Aug-Oct 2012 | 807,000 | 683,000 | 84.63 | 103,000 | 12.76 | 18,000 | 2.23 |
| Aug-Oct 2013 | 803,000 | 676,000 | 84.18 | 115,000 | 14.32 | * | * |
| Aug-Oct 2014 | 821,000 | 690,000 | 84.04 | 118,000 | 14.37 | * | * |

Please note: * denotes a sample size too small for a reliable estimate. In addition, there is a discrepancy between the Total in Employment figures for Table 1 and Table 2. This appears to be a result of rounding differences in the source data tables.

Table 2 shows that the total number of people in employment fell between 2008 and 2009, with a recovery beginning after this fall. The number of employees fell from 2007, only recovering in number terms in August to October 2011. The self-employment figures show a great deal of fluctuation in comparison, with almost yearly rises and falls.

Northern Ireland’s self-employment figures reached a peak in 2010 at 127,000 people. This figure has fallen since then - for example, in 2012, 103,000 people were identified as being self-employment. The following year this had risen to 115,000, with the number of people classed as employees falling by 7,000. This variation in the self-employment figures can be seen in greater detail in Figure 1 below.

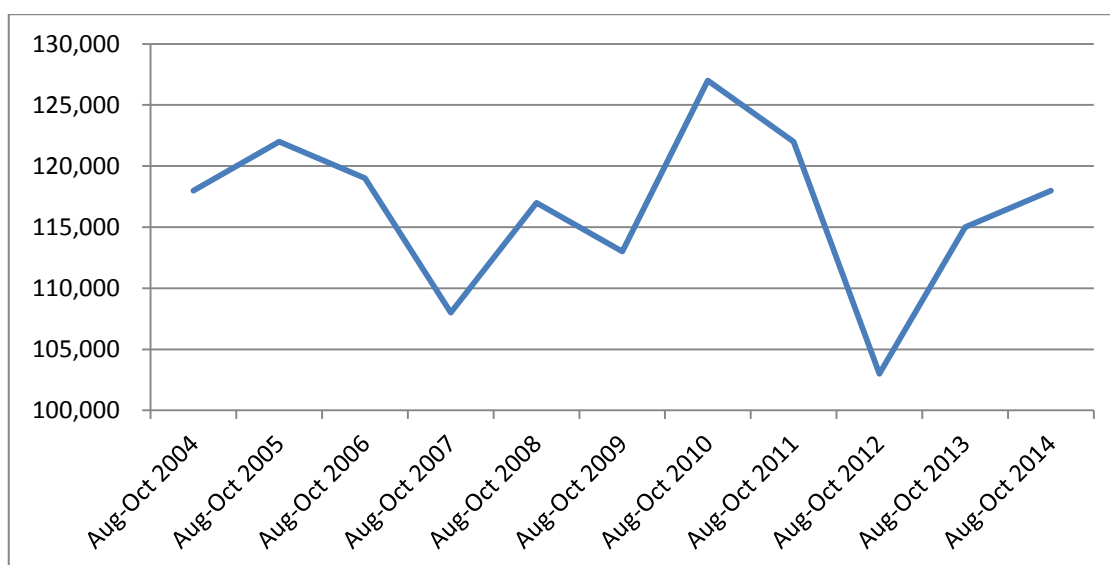


Figure 1: Northern Ireland self-employment (number)

Figure 1 shows the rises and falls in self-employment in NI throughout the ten year period described.¹⁰

Using Annual Population Survey data it is possible to compare the UK regions level of self-employed as a percentage of the total employed.¹¹

It should be noted that as Figure 2 uses Annual Population Survey data rather than LFS data there may be some differences in the data. In addition data points are based on yearly, rather than quarterly figures.

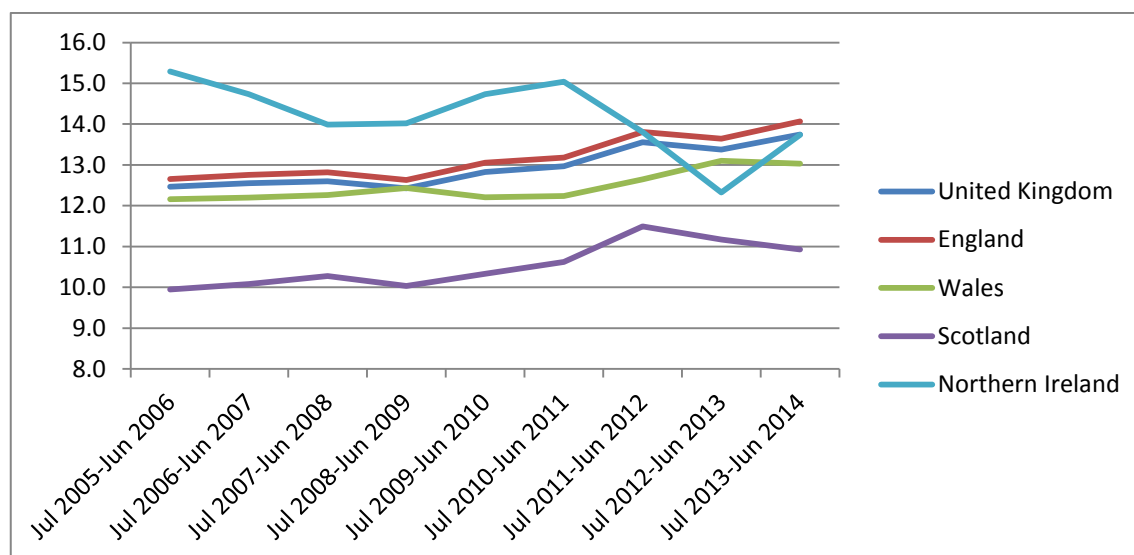


Figure 2: UK Regions Self-employment, as a percentage of total employment

The fluctuation in NI's self-employment figures is still clearly visible using the APS data, with a steep drop from 2010/2011 to 2011/12. Self-employment reaches its lowest point in the data series in 2012-2013 at 12.3% but increases subsequently.

In general, and as previously stated, the UK as a whole has seen an increase in the percentage of people who are self-employed.¹²

England has had a steady rise in self-employment (mirrored closely by the UK as a whole). Wales and Scotland have also had some increases in their level of SE throughout the data series. However, Scotland has had a percentage fall in its self-employment from 2011 to 2012 and Wales has a slight fall between 2013-2013 and 2013-2014 (0.1%).

Whilst there appears to be a fall in self-employment as a percentage of overall employment levels, the **number** of people self-employed in these areas has actually increased, as can be seen in table 3 below.

¹⁰ Ibid

¹¹ NOMIS, Annual Population Survey, Advanced Query database, <https://www.nomisweb.co.uk/>

¹² Resolution Foundation, D'Arcy C and Gardiner, L May 2014, Just the job or a working compromise, <http://www.resolutionfoundation.org/wp-content/uploads/2014/05/Just-the-job-or-a-working-compromise-FINAL.pdf>

Table 3: Number of self-employed people in the UK regions (APS)¹³

| | United Kingdom | England | Wales | Scotland | Northern Ireland |
|-------------------|----------------|-----------|---------|----------|------------------|
| Jul 2005-Jun 2006 | 3,501,600 | 2,989,300 | 156,200 | 241,100 | 114,900 |
| Jul 2006-Jun 2007 | 3,562,800 | 3,044,700 | 157,700 | 249,300 | 111,200 |
| Jul 2007-Jun 2008 | 3,606,500 | 3,081,800 | 159,900 | 256,700 | 108,200 |
| Jul 2008-Jun 2009 | 3,514,800 | 3,005,900 | 158,000 | 246,800 | 104,100 |
| Jul 2009-Jun 2010 | 3,589,900 | 3,077,200 | 153,900 | 249,000 | 109,900 |
| Jul 2010-Jun 2011 | 3,642,200 | 3,116,000 | 153,400 | 256,500 | 116,300 |
| Jul 2011-Jun 2012 | 3,823,600 | 3,279,000 | 160,500 | 277,100 | 106,900 |
| Jul 2012-Jun 2013 | 3,816,500 | 3,285,600 | 167,800 | 267,600 | 95,500 |
| Jul 2013-Jun 2014 | 3,988,200 | 3,441,100 | 171,000 | 268,100 | 108,100 |

As can be seen above, the number of people who are self-employed in England, Wales and Scotland has been increasing relatively steadily for a number of years, although with some variability:

- **England:** Following a fall between 2007-2008 and 2008-2009, England has had a steady increase, adding 435,200 people to its self-employment figures by 2013-14;
- **Wales:** Wales had a fall in its self-employment figures in 2008-2009, with a recovery beginning in 2011-2012; and
- **Scotland:** As with England, Scotland had a fall in its self-employment numbers in 2008-2009 with its figures rising then falling again in 2012-2013.

Northern Ireland, however, has had much greater fluctuation in its self-employment figures which can be seen in both the percentage changes and in the base numbers.

It should be noted that Northern Ireland's self-employment figures increase from 2012-2013.

The RF study found that for the UK, almost 30% of the growth in SE in the UK is a result of the raising of the retirement age, longer life expectancy and low-levels of pension savings resulting in people staying in work longer. It goes on to state that:¹⁴

because self-employed people tend to be older than employees, this disproportionately affects this group. Self-employment might be growing as an alternative or complement to retirement, rather than as an alternative to being an employee.

¹³ NOMIS, Annual Population Survey, Advanced Query database, <https://www.nomisweb.co.uk/>

¹⁴ Ibid

In addition, David Blanchflower, a labour market economist and former Bank of England rate-setter, stated in a Guardian article that:¹⁵

Particularly after a prolonged downturn, there is a well-documented pattern of people failing as jobseekers and then moving into self-employment status, often out of desperation rather than anything more positive.

4.1 Occupations of the self-employed in Northern Ireland

Table 4 below details the Standard Occupational Classifications (SOC) for the self-employed in Northern Ireland, using Annual Population Survey data.¹⁶

Table 4: SOC for self-employed people in Northern Ireland

| | Managers/ Directors | Professional Occupations | Associate professional and technical occupations | Administrative and secretarial | Skilled Trades | Caring, Leisure and other service occupations | Sales and customer service occupations | Process plant and machine operators | Elementary occupations |
|-----------------------|------------------------|-----------------------------|--|--------------------------------------|-------------------|---|---|--|---------------------------|
| Jul 2007- Jun 2008 | 18,200 | 12,200 | 8,800 | 2,000 | 52,800 | 7,100 | 3,000 | 5,500 | 5,300 |
| Jul 2008- Jun 2009 | 13,400 | 12,500 | 7,500 | 2,800 | 56,300 | 4,700 | 2,300 | 6,700 | 2,900 |
| Jul 2009- Jun 2010 | 13,600 | 13,000 | 9,300 | 2,600 | 57,200 | 6,700 | 1,700 | 8,000 | 2,800 |
| Jul 2010- Jun 2011 | 20,800 | 16,400 | 8,400 | 3,000 | 49,500 | 9,500 | 1,000 | 8,900 | 3,100 |
| Jul 2011- Jun 2012 | 18,900 | 16,700 | 11,000 | 2,700 | 42,900 | 7,100 | 900 | 7,400 | 3,700 |
| Jul 2012- Jun 2013 | 19,500 | 10,700 | 7,000 | 1,800 | 46,000 | 6,800 | 1,500 | 5,800 | 3,400 |
| Jul 2013- Jun 2014 | 19,900 | 13,700 | 6,400 | 1,700 | 49,800 | 10,100 | 1,300 | 8,100 | 3,800 |

The majority of self-employed people work in the skilled trades, with 49,800 people identifying themselves as working in this area. Of note is the spike in self-employment in some occupations in 2010 – 2011.

Managers/Directors, Professional Occupations and Process Plant and Machine Operators all saw a large increase in self-employed workers in this period.

For example, Managers/Directors had an increase of 7,200 people in comparison with the same period in the previous year (13,600). This is an increase of over 50% on the previous year's figures.

This trend in regards Managers and Directors is replicated in the rest of the UK. The ONS states that:¹⁷

¹⁵ The Guardian, 6 May 2014, Clark, C, Self-employment surge across UK hides real story behind upbeat job figures <http://www.theguardian.com/society/2014/may/06/self-employment-uk-job-figures-analysis>

¹⁶ NOMIS, Annual population survey - workplace analysis, Advanced Query database, <https://www.nomisweb.co.uk/>

The nature of self-employment is such that many people manage their business and are therefore likely to state they are in a managerial role despite the level of responsibility they may have.

The UK had an increase in self-employed managers during this period from 502,000 in 2009 to 739,000 in 2014, an increase of 237,000 (a 47.2% increase).¹⁸

4.2 Self-employment in Industrial Sectors

This section of paper examines the industrial and business sectors in which self-employment is concentrated.

The table below, using Annual Population Survey data for Standard Industrial Classifications (SIC), details the number of self-employed people in each sector and the percentage they make up of self-employment.¹⁹

Table 5: Northern Ireland self-employment by SIC industrial sector, July 2013 to June 2014²⁰

| | Agriculture and Fishing | Energy and Water | Manufacturing | Construction | Distribution, hotels and restaurants | Transport and Communications | Banking, Finance and insurance | Public Administration | Other services | Total |
|------------------|-------------------------|------------------|---------------|--------------|--------------------------------------|------------------------------|--------------------------------|-----------------------|----------------|---------|
| Number | 22,800 | - | 6,700 | 25,000 | 17,400 | 7,500 | 10,200 | 15,100 | 9,400 | 114,100 |
| Percentage of SE | 19.98 | - | 5.81 | 21.66 | 15.08 | 6.50 | 8.84 | 13.08 | 8.15 | 99.1 |

In the 2013 to 2014 period the largest single group of people who were self-employed worked in construction, with agriculture and fishing a close second. Manufacturing had the lowest number at 6,700 people, or 5.81%.

Table 5 provides a snapshot of self-employment during 2013 to 2014. Figure 4 below, using APS data, provides a broader picture of the industries in which people who are self-employed work.²¹

¹⁷ Office for National Statistics, 20 August 2014, Self-employed workers in the UK, http://www.ons.gov.uk/ons/dcp171776_374941.pdf

¹⁸ Ibid

¹⁹ NOMIS, Annual Population Survey – Workplace analysis, <https://www.nomisweb.co.uk/query/construct/components/kwcellComponent.asp?menuopt=43&subcomp=>

²⁰ Please note, the period July 2013 to June 2014 was used as this was the most recent data available. There is a slight variation in the figures for Table 3, although this may be a result of rounding errors and a lack of data for the Energy and Water sectors.

²¹ NOMIS, Annual Population Survey – Workplace analysis, <https://www.nomisweb.co.uk/query/construct/components/kwcellComponent.asp?menuopt=43&subcomp=>

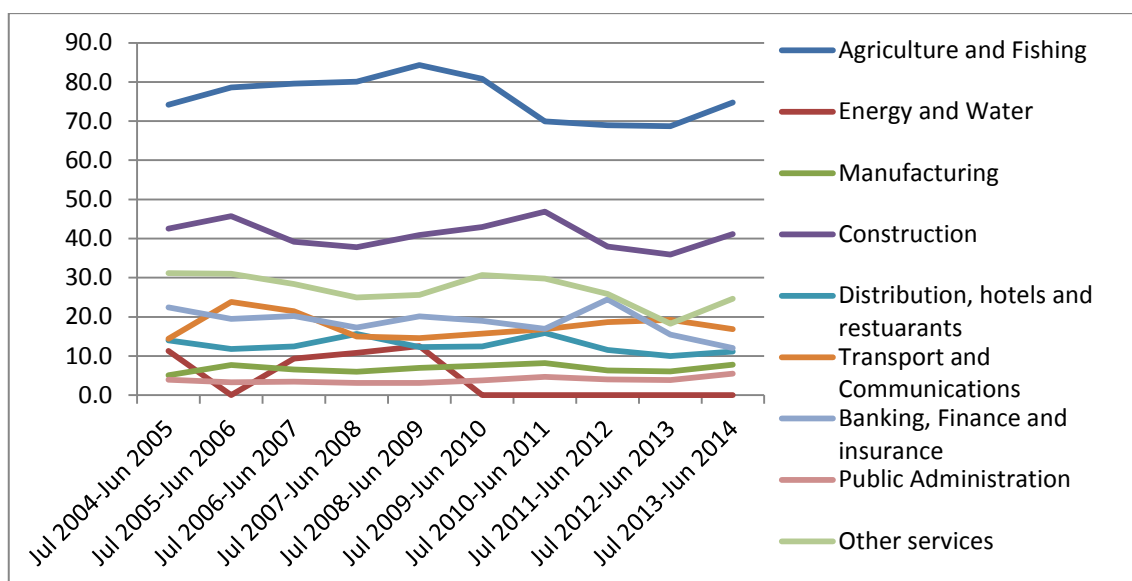


Figure 4: Industrial sectors in which self-employed people work, NI (%)

It should be noted that for Energy and Water there are only four data points available as a result of the group sample size being disclosive with some data therefore not available.

Agriculture and Fishing has the highest concentration of self-employed workers. In July 2008 to June 2009 this reached a peak in the data series of 84.3% (or 26,000 people).

The Construction sector has the most people self-employed, with the highest number of people self-employed in the sector of 31,800 in July 2005 to June 2006. Of note is that this is not the highest percentage of self-employment in the sector. This occurs in July 2010 to June 2011, with a high of 46.9% (the equivalent of 28,500 people). The reason for the disparity is the fall in the total number of people working in the sector. In July 2005 to June 2006 there were 70,300 people employed in construction and in July 2010 to June 2011 there were 60,800.

Agriculture and Fishing has the greatest range in its data, with a difference of 15.6 percentage points between its highest level of self-employment (84.3% in 2008 to 2009) and its lowest (68.7% in 2012 to 2013).

Seven of the nine industrial sectors show a peak in self-employment in the latter half of the data series:

- Agriculture and Fishing (2008 to 2009): 84.3%;
- Energy and Water²² (2008 to 2009): 12.5%;
- Manufacturing (2010 to 2011): 8.2%;
- Construction (2010 to 2011): 46.9%;

²² Please note, Energy and Water does not include a number of data points - as such this figure represents available data only.

- Distribution, Hotels and Restaurants (2010 to 2011): 15.9%;
- Banking, Finance and Insurance (2011 to 2012): 24.5%; and
- Public Administration (2013 to 2014): 5.5%

4.3 Gender

This section of the paper will briefly examine the gender breakdown of those who are self-employed.

Using Labour Force Survey data, Table 6 below details the breakdown between male and female levels of self-employment.

Table 6: Northern Ireland self-employment by gender²³

| | All Self-employed | Male Self-employed | % | Female Self-employed | % |
|--------------|-------------------|--------------------|-------|----------------------|-------|
| Aug-Oct 2005 | 122,000 | 104,000 | 85.25 | 18,000 | 14.75 |
| Aug-Oct 2006 | 119,000 | 97,000 | 81.51 | 23,000 | 19.33 |
| Aug-Oct 2007 | 108,000 | 88,000 | 81.48 | 20,000 | 18.52 |
| Aug-Oct 2008 | 117,000 | 96,000 | 82.05 | 21,000 | 17.95 |
| Aug-Oct 2009 | 113,000 | 94,000 | 83.19 | 19,000 | 16.81 |
| Aug-Oct 2010 | 127,000 | 97,000 | 76.38 | 30,000 | 23.62 |
| Aug-Oct 2011 | 122,000 | 95,000 | 77.87 | 27,000 | 22.13 |
| Aug-Oct 2012 | 103,000 | 82,000 | 79.61 | 21,000 | 20.39 |
| Aug-Oct 2013 | 115,000 | 85,000 | 73.91 | 30,000 | 26.09 |
| Aug-Oct 2014 | 118,000 | 92,000 | 77.97 | 26,000 | 22.03 |

As can be seen above, the vast majority of the self-employed are men, although in recent years the number of women who are self-employed has begun to increase.

In August to October 2014 women make up 22% of the self-employed (or 22,000 women out of a total of 118,000 self-employed).

In Great Britain, women make up 32% of the self-employed.

²³ Department for Enterprise, Trade and Investment, NISRA, Labour Force Survey Historical Data series, http://www.detini.gov.uk/index/what-we-do/deti-stats-index/labour_market_statistics/labour_force_survey.htm

The ONS states that:²⁴

Work in skilled trades in male-dominated industries such as construction have suffered more from the effects of the economic crisis than the service sector and professional occupations that self-employed women tend to work in. This can help to explain why the number of women in self-employment has been increasing at double the rate that it has for men. The top three occupations for self-employed women are cleaners and domestics, child-minders and related occupations and hairdressers and barbers.

5 Discussion

The impact of high levels of SE can be varied.

On an individual basis advantages such as being independent and in control of business decision must be weighed up against constraints such as financial insecurity (as can be seen by the fall in income for the self-employed in recent years). The Resolution Foundation also identified that only 30% of self-employed people have a pension, as opposed to 52 per cent of employees.²⁵

On a macroeconomic level, high levels of self-employment works to reduce unemployment as can be seen in the UK's current employment figures in which of the 1.1 million increase in employment since 2008, 732,000 people were self-employed.²⁶

Blanchflower (2000) argues that:²⁷

Governments...frequently see self-employment as a route out of poverty and disadvantage and for this reason offer aid and assistance for small businesses. The justification for these actions are usually that it is argued that self-employment will help promote invention and innovation and thus create new jobs; new firms may also raise the degree of competition in the product market bringing gains to consumers; greater self-employment may also go along with increased self-reliance and well-being. Unfortunately economists have little evidence on whether these hypothetical benefits exist in practice.

More recently, Blanchflower found that there was a high degree of correlation between high levels of unemployment and an increase in self-employment as seen in Great

²⁴ Office for National Statistics, 20 August 2014, Self-employed workers in the UK, http://www.ons.gov.uk/ons/dcp171776_374941.pdf

²⁵ Resolution Foundation, D'Arcy C and Gardiner, L May 2014, Just the job or a working compromise, <http://www.resolutionfoundation.org/wp-content/uploads/2014/05/Just-the-job-or-a-working-compromise-FINAL.pdf>

²⁶ Office for National Statistics, 20 August 2014, Self-Employed Workers in the UK 2014

²⁷ National Bureau of Economic Research, Blanchflower D, 2000, Self-employment in OECD countries,

Britain. Indeed in research from 2004, Blanchflower found (following a literature review) that SE rates were higher in poor countries and that over time rates decline.²⁸

The UK is an exception to this, experiencing near continuous growth since 1956.²⁹ In a recent article for the Independent, Blanchflower states that:³⁰

As the unemployment rate fell in the 1990s the self-employment rate also fell. During the recession it rose. In the most recent period as unemployment started to fall so did the self-employment rate. As unemployment rises, self-employment rises potentially as an alternative to unemployment. This is a push. Benefit claimants are pushed into low-paying self-employment.

It should be noted, however, that Northern Ireland has had an increase in its unemployment rate, alongside a decline in its SE rate (although in recent years NI's unemployment rate has begun to fall).³¹

It has not been possible, with the information available, to identify why Northern Ireland has a high degree of fluctuation in its self-employment figures. The Committee may wish to ask the Department if it has carried out any research into this issue.

²⁸ NBER Working Paper Series, February 2004, Blanchflower, D, Self-Employment: More may not be better, <http://www.nber.org/papers/w10286.pdf>

²⁹ Ibid – it may also be noted that Blanchflower's work included consideration of data on Northern Ireland's self-employment data, separate to that of GB.

³⁰ The Independent, 15 December 2014, Blanchflower, D, Reasons to be concerned by the rise of self-employment <http://www.independent.co.uk/news/business/comment/david-blanchflower/david-blanchflower-reasons-to-be-concerned-by-the-rise-of-selfemployment-9924635.html>

³¹ As can be seen in Northern Ireland's Labour Force Survey data, available here: http://www.detini.gov.uk/index/what-we-do/deti-stats-index/labour_market_statistics/labour_force_survey.htm