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Government data reporting on self-employment trends from 2019–2024

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This Briefing Paper, prepared at the request of the Committee for the Economy, examines trends in official statistics of individuals classifying as self-employed from 2019 to 2024.

This information is provided to Members of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

Key Points

- In employment law, an individual's employment status determines their rights and their employer's responsibilities. In Great Britain and Northern Ireland, "employees" have considerably more rights and entitlements than "self-employed" individuals. Consequently, it is crucial for individuals to accurately classify their employment status in order for them to receive any benefits duly owed to them.
- Legal definitions in this area distinguish between "employees" and "workers", for purposes of determining individuals' legal rights, obligations and entitlements, such as: flexible working arrangements; maternity leave and pay; working time limits; holiday leave and pay; and, tax responsibilities.
- Definitions of "employees" and "self-employed" used for official statistics purposes are broader in scope. For example, for Labour Force Survey purposes, no distinction is drawn between "employees" and "workers".
- During the period of the coronavirus (COVID-19) pandemic, from 2020 – 2022, official governmental data recorded a decline in those classifying as "self-employed" in the United Kingdom.
- At the United Kingdom level, the Office for National Statistics (ONS) suggest that, during the same period, the biggest movement out of the self-employment category into the employee category, was driven by individuals reclassifying themselves to avail of the United Kingdom Government's Coronavirus Job Retention Scheme (the Furlough Scheme). This was available only to those who were employed/working for someone else; and were registered on a Pay As You Earn (PAYE) scheme before a qualifying date.
- At the Northern Ireland level, over the same period, the Northern Ireland Statistical Research Agency (NISRA) reported that self-employment also declined steadily. However, due to the lack of available data, it is not possible to say with any degree of certainty, that reclassification into "employee" status out of "self-employed" status to take advantage of the Furlough Scheme was a factor in this decline.

Introduction

Relying on available governmental data, this Briefing Paper highlights changes in the number of individuals reporting as “self-employed” from 2019 – 2024, in the United Kingdom as a whole and in Northern Ireland in particular. It is prepared at the request of the Committee for the Economy (the Committee).

For context-setting, Section 1 presents background information on collecting government data on employment trends in Great Britain and Northern Ireland, including a brief summary of the Labour Force Survey. It also includes an explanation of definitions underpinning the governmental data presented later in the Paper. Section 2 provides an analysis of employment related government data from the Office for National Statistics (ONS) and the Northern Ireland Statistical Research Agency (NISRA) relating to changes in self-employment from 2019 to 2024. Thereafter, Section 3 concludes, summarising key points arising.

This Paper is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice or as a substitute for it.

1 Background Information: collecting employment related data in the United Kingdom

This section presents information on the collection of employment related government data in Northern Ireland and the United Kingdom as a whole.

1.1 The Labour Force Survey

The Labour Force Survey (LFS) provides official measures of employment and unemployment in the United Kingdom.¹ LFS is an annual household survey conducted by the Office for National Statistics (ONS) in Great Britain and the Northern Ireland Statistical Research Agency (NISRA) in Northern Ireland. The ONS rely on NISRA data to produce United Kingdom-wide statistics and report on the labour force composition across Great Britain and Northern Ireland. Those data are available *via* the online [NOMIS](#) portal.

NISRA's [Northern Ireland Labour Force Survey: Background Quality Report \(2019\)](#)² explains how the ONS and NISRA LFS data are harmonised:³

Harmonisation is essential in order to make it easier to draw clearer and more robust comparisons between data sources. Questions have been harmonised where possible in the LFS since 1996 across a range of topics for example, demographic data, housing tenure and ethnicity.

So, for LFS purposes, ONS and NISRA similarly define employee and self-employed; and that is done in accord with international reporting definitions for each, as specified by the International Labour Organisation (ILO). This is to provide reliable bases for cross-country comparisons.

Individuals surveyed for the LFS by NISRA and the ONS are asked the question – “Were you working as an employee or were you self-employed?” – when

¹ [Labour Force Survey - Office for National Statistics \(ons.gov.uk\)](#)

² [NI Labour Force Survey: Background Quality Report](#) (August 2019)

³ Cited immediately above

completing the survey. No other choices are provided. The LFS output tables explain:

The division between employees and self-employed is based on survey respondents' own assessment of their employment status.⁴

LFS' use of the terms "employees" and "self-employed" is to collect data within the United Kingdom, and compile government statistics reporting on the data and related reports. It should be noted that the definitions used by the data collectors – ONS and NISRA - are broader in scope than legal definitions for those same terms. For example, for LFS purposes, no distinction is drawn between "employees" and "workers".

This Paper concentrates on LFS self-employed and employee data, so only those definitions are addressed in this Paper.

1.2 LFS Definitions

As noted, NISRA and ONS definitions for "self-employed" and "employee" are informed by ILO definitions. Table 1 below presents ILO, NISRA and ONS definitions for both terms - "employees" and "self-employed", quoting them in full:

⁴ <https://www.nisra.gov.uk/system/files/statistics/lmr-labour-force-survey-historical-tables-april-2024.xlsx> See Note 13 in Notes Tab

Table 1: Definitions specified by ILO, NISRA and ONS

	“Employees”	“Self-employed”
ILO⁵	<i>Employees are all those workers who hold the type of job defined as "paid employment jobs" Employees with stable contracts are those “employees” who have had, and continue to have, an explicit (written or oral) or implicit contract of employment, or a succession of such contracts, with the same employer on a continuous basis.</i>	<i>Self-employment jobs are those jobs where the remuneration is directly dependent upon the profits (or the potential for profits) derived from the goods and services produced (where own consumption is considered to be part of profits). The incumbents make the operational decisions affecting the enterprise, or delegate such decisions while retaining responsibility for the welfare of the enterprise.</i>
NISRA⁶	<i>Those who are in employment and paid a wage by an employer for the work that they do; this category may be further sub-divided into permanent and temporary employees.</i>	<i>Those who define themselves as working for themselves, rather than receiving a wage or salary from an employer.</i>
ONS⁷	<i>Employees are those who are in employment and paid a wage by an employer for the work that they do; this category may be further subdivided into permanent and temporary employees</i>	<i>Those people who regard themselves as self-employed, that is, who in their main employment work on their own account, whether or not they have employees.</i>

Source: ILO, NISRA and ONS

⁵ https://webapps.ilo.org/wcmstp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087562.pdf

⁶ <https://www.nisra.gov.uk/system/files/statistics/Self-employment-topic-paper.PDF>

⁷ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics>

2 Self-employed: recorded LFS data trends since 2019

This section summarises LFS recorded changes in the number of self-employed individuals both United Kingdom-wide and Northern Ireland only, from 2019 - 2024.

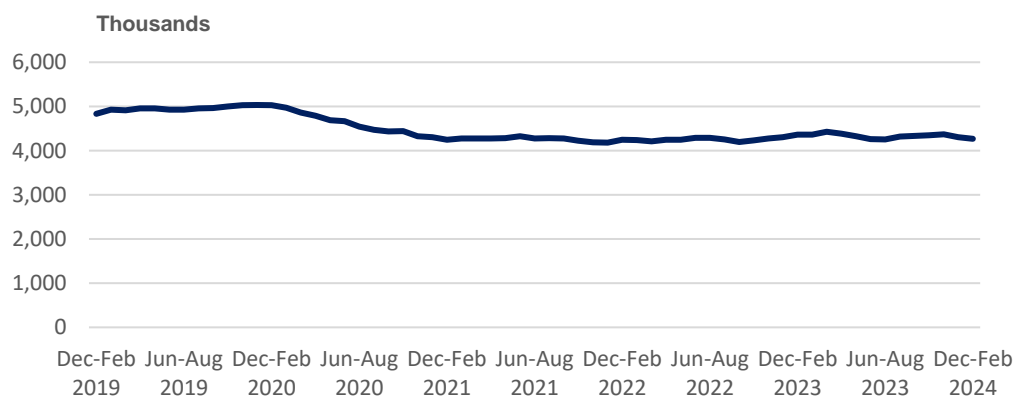
2.1 ONS analysis of United Kingdom-wide data

In July 2022, the ONS published a [report](#) examining decreases in self-employment levels during the period of the coronavirus (COVID-19) pandemic and associated lockdowns – spanning 2020-2021 – relying on data collected for the LFS. With regard to self-employed, that report noted: ⁸

After two decades of growth, there were sharp falls in self-employment during the coronavirus (COVID-19) pandemic.

Furthermore, the report stated that in December 2019, five million people were classified as self-employed in the United Kingdom (including Northern Ireland); amounting to 15.3% of total employment. In December 2021, that figure fell to 4.2 million; 13% of total employment. Figure 1 below shows this trend:

Figure 1: Self-employed United Kingdom-wide, 2019-2024⁹



Source: [Office for National Statistics – Labour Force Survey April 2024](#)

⁸ ONS (2022) *Understanding changes in self-employment in the UK: January 2019 to March 2022*: [Understanding changes in self-employment in the UK - Office for National Statistics \(ons.gov.uk\)](#)

⁹ ONS (2022) *Understanding changes in self-employment in the UK: January 2019 to March 2022*: [Understanding changes in self-employment in the UK - Office for National Statistics \(ons.gov.uk\)](#)

In relation to the noted decline, that ONS July 2022 report further stated:¹⁰

The biggest movement out of self-employment during the coronavirus (COVID 19) pandemic was driven by flows into employee status.

Moreover, an earlier ONS [blog article](#) (January 2021) offered the following explanation for the reported movement from self-employed to employee at that given time:¹¹

...workers would previously have set up companies and therefore considered themselves self-employed. However, because they paid themselves through PAYE, once the furlough scheme was created, they realised they were able to claim, and so started describing themselves as employed.

The ONS July 2022 report reiterated that explanation – that is, self-employed individuals reclassifying to employee, to take advantage of the United Kingdom Coronavirus Job Retention Scheme¹² (the Furlough Scheme) - stating:¹³

Around 500,000 workers had switched their status from self-employed to employee since the start of the coronavirus (COVID 19) pandemic, though the number who had not changed jobs had not increased.

And:

After the Furlough Scheme was created, they realised they were able to claim, and so started describing themselves as employees.

¹⁰ As cited immediately above.

¹¹ [Painting the full picture: what our statistics tell us about the labour market | National Statistical \(ons.gov.uk\)](#)

¹² <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>

¹³ ONS (2022) [Understanding changes in self-employment in the UK: January 2019 to March 2022: Understanding changes in self-employment in the UK - Office for National Statistics \(ons.gov.uk\)](#)

The Furlough Scheme was open to a United Kingdom employer if that they had a Pay As You Earn (PAYE) scheme registered before a qualifying date. In effect, this meant employees registered on a PAYE payroll notified to HMRC through an Real Time Information (RTI) submission on or before the required date were eligible.

2.2 Northern Ireland only data

NISRA has **not** conducted a similar report to the ONS July 2022 report. NISRA's [last report](#) into self-employment was in 2019, pre-dating the pandemic. Nonetheless, some observations can be made about movement from self-employed into employee in Northern Ireland, from 2019–2024, using data collected by NISRA through the monthly LFS publication and *via* the online [NOMIS](#) portal.¹⁴

The following sub-sections draw on the above-noted data, to highlight – for 2019 – 2024, Northern Ireland's reported self-employed and employees, including breakdowns – such as gender, Local Government District (LCD) and occupation - when possible.

2.2.1 Self-employed

The NISRA data record a fall in self-employment since late 2019, which is similar is that in the United Kingdom as a whole. Figure 2 below shows the total number of self-employed in Northern Ireland from 2019 - 2024. It shows that in 2019 - prior to the outbreak of the coronavirus (COVID-19) pandemic - the number of self-employed in Northern Ireland reached a peak of 139,000. Since then, however, the data show numbers falling.

Figure 2 also illustrates that in March 2020, at the beginning of the lockdown period, there were around 132,000 self-employed in Northern Ireland. That was already a marginal decrease in self-employment since a previous peak of 139,000 in the period July-September 2019. Moreover, a downward trend

¹⁴ NOMIS publish statistics related to population, society and the labour market at national, regional and local levels.

continued; reaching a low of 86,000 in June 2021. That represented a 35% reduction since March 2020. However, since June 2021, the number of self-employed individuals increased, again changing the direction of the trend. And in April 2024, NISRA reported the latest figure at 107,000:

Figure 2: Self-employed in Northern Ireland, December 2019 – February 2024¹⁵



Source: [NISRA Labour Force Survey Historical tables - April 2024](#)

2.2.2 Employees

Figure 3 below shows the total number of employees in Northern Ireland from 2019 - 2024. It highlights an overall steady increase in the number of employees for the period. However, during periods associated with the pandemic, there are sharp rises and falls into and out of the employee category. For example, in March 2020 - May 2020, 712,00 individuals reported as employees. That number

¹⁵ NISRA (2024) Labour Force Survey Tables: <https://www.nisra.gov.uk/publications/labour-market-report-april-2024>

rose to a 749,000 in June to August 2021. However, for the following period - September - October 2021 - the number fell to 728,000:

Figure 3: Employees in Northern Ireland, December 2019 – February 2024¹⁶



Source: [NISRA Labour Force Survey Historical tables - April 2024](#)

NISRA’s data for 2019 – 2024 appear to follow similar trends to those reported by the ONS in its July 2022 report about the United Kingdom as a whole (as discussed earlier in this Paper at sub-section 2.1). However, it is important to note that the NISRA has not carried out in-depth analysis of self-employment since 2019. Therefore, it is difficult to state with any degree of certainty, that the movement from self-employed to employee was due to individuals reclassifying to take advantage of the Furlough Scheme.

Consequently, RaiSe submitted a request to NISRA for a disaggregated breakdown of the data. However, at the time of writing, the data have not yet been made available to RaiSe¹⁷.

¹⁶ As cited immediately above.

¹⁷ Email dated 09/04/2024 from NISRA to RaiSe

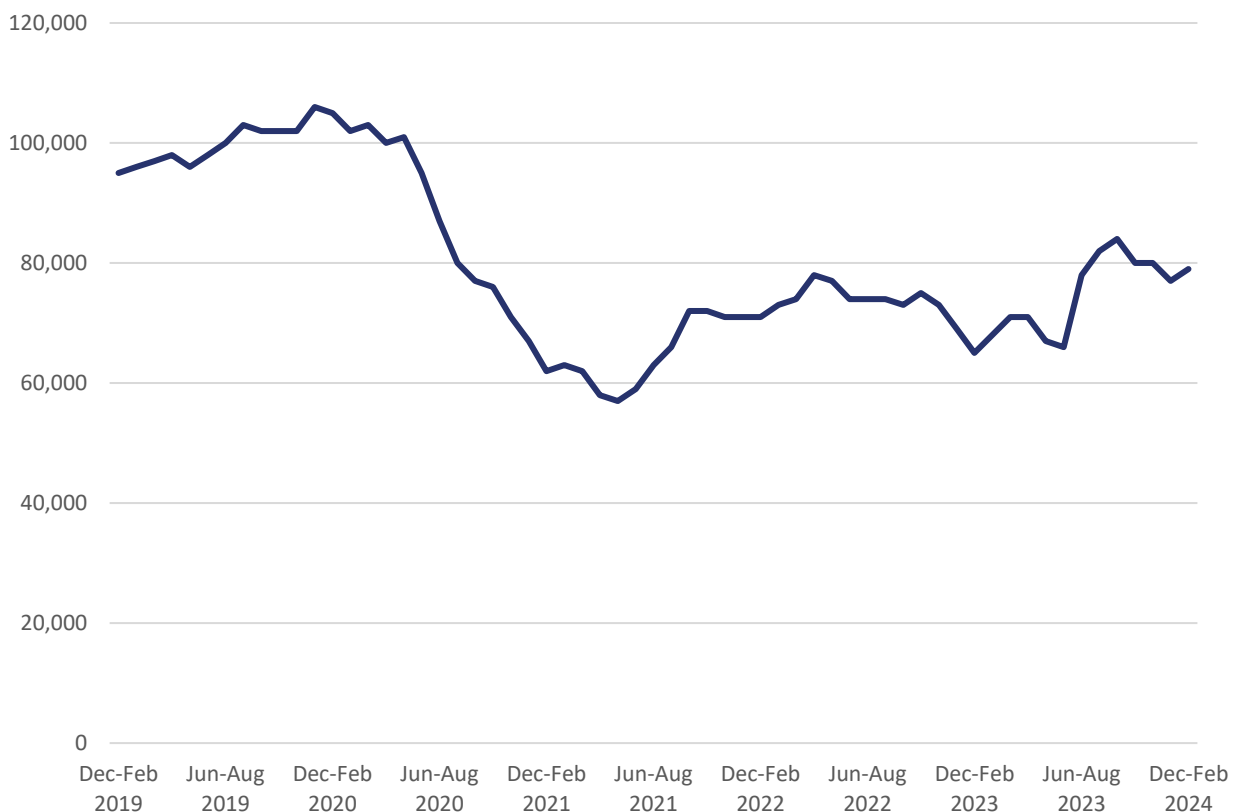
2.2.3 Male self-employed

Over the five-year period between 2019 - 2024, male self-employment in Northern Ireland accounted for 73% of total self-employment on average; with a variation of between approximately 78% and 65%. As such, male self-employment followed a similar trend to that of total self-employment.

Moreover, prior to the outbreak of the pandemic in March 2020, the number of male self-employed in Northern Ireland reached a pre-pandemic peak of 106,000 in the period November to January 2020. Since that point, male self-employment began to fall, with around 102,000 male self-employed by the beginning of lockdown in March 2020. That trend continued over the months that followed, reaching a low of 57,000 in the period April to June 2021.

Since that noted low, the numbers of self-employed males increased again, with the latest figure sitting at 79,000. However, the current figure remains 25% below the pre-pandemic peak in the period November to January 2020, as illustrated below in Figure 4:

Figure 4: Male self-employed in Northern Ireland, December 2019 – February 2024

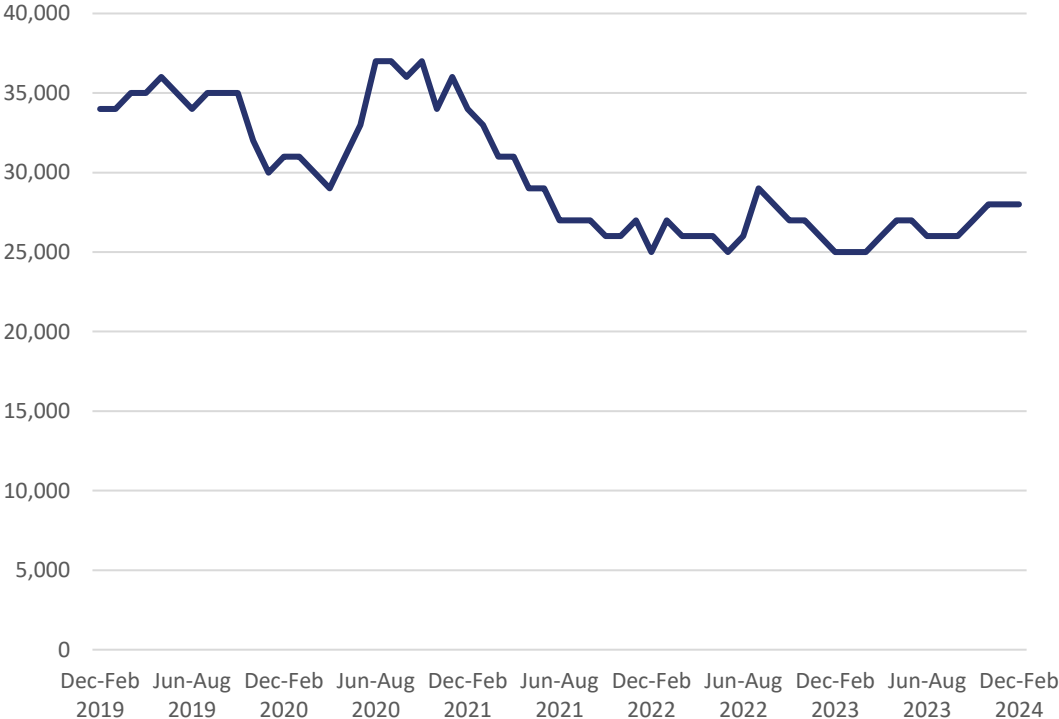


Source: [NISRA Labour Force Survey Historical tables - April 2024](#)

2.2.4 Female self-employed

Over the five-year period between 2019 and 2024, female self-employment in Northern Ireland accounted for 27% of total self-employment on average; with a variation of between approximately 35% and 24%. Prior to the outbreak pandemic, the number of females in self-employment in Northern Ireland reached a peak of 36,000 in the period April – June 2019. By the beginning of the lockdown period in March 2020, the numbers began to fall to around 31,000. However, after that initial fall, female self-employment began to rise again; reaching 37,000 between June and November 2020. However, since then, numbers fell throughout 2022 and 2023; reaching a low of 25,000 in January 2023. However, the current figure (February 2024) of 28,000 shows something of a recovery albeit 22% below the pre-pandemic peak, as illustrated in Figure 5 below:

Figure 5: Female self-employed in Northern Ireland, December 2019 – February 2024¹⁸



Source: [NISRA Labour Force Survey Historical tables - April 2024](#)

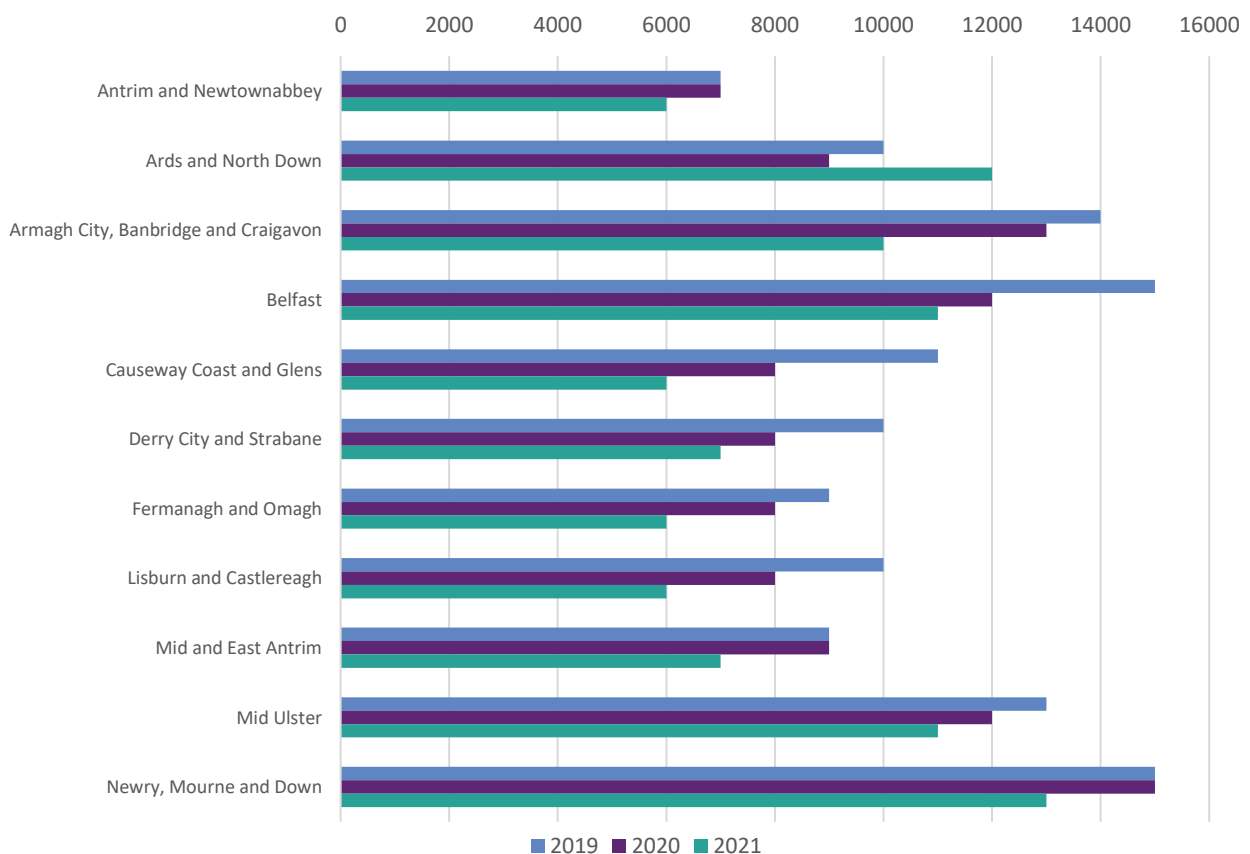
¹⁸ As cited above.

2.2.5 Self-employed at Local Government District

This sub-section relies on statistics NISRA published on its website in response to a user’s request for self-employed data at Local Government District (LCD) level. It therefore is limited to the scope of that request – that is, those annual figures from 2019 to 2021, including a period prior to the pandemic and the first two years when lockdowns were intermittently in place.

These data reveal the number of self-employed individuals from 2019 – 2021, decreased in each LGD. Notably, Causeway Coast and Glens saw a 45% reduction in the number of people registering as self-employed over that period. However, an exception to this is noted for Ards and North Down, where numbers increased over the same period by 20%; with 12,000 self-employed in 2021, as reflected in Figure 6 below:

Figure 6: Self-employment by Local Government District (LGD) - 2019 to 2021¹⁹



Source: NISRA - User requested data - [TbILFS2097](#)

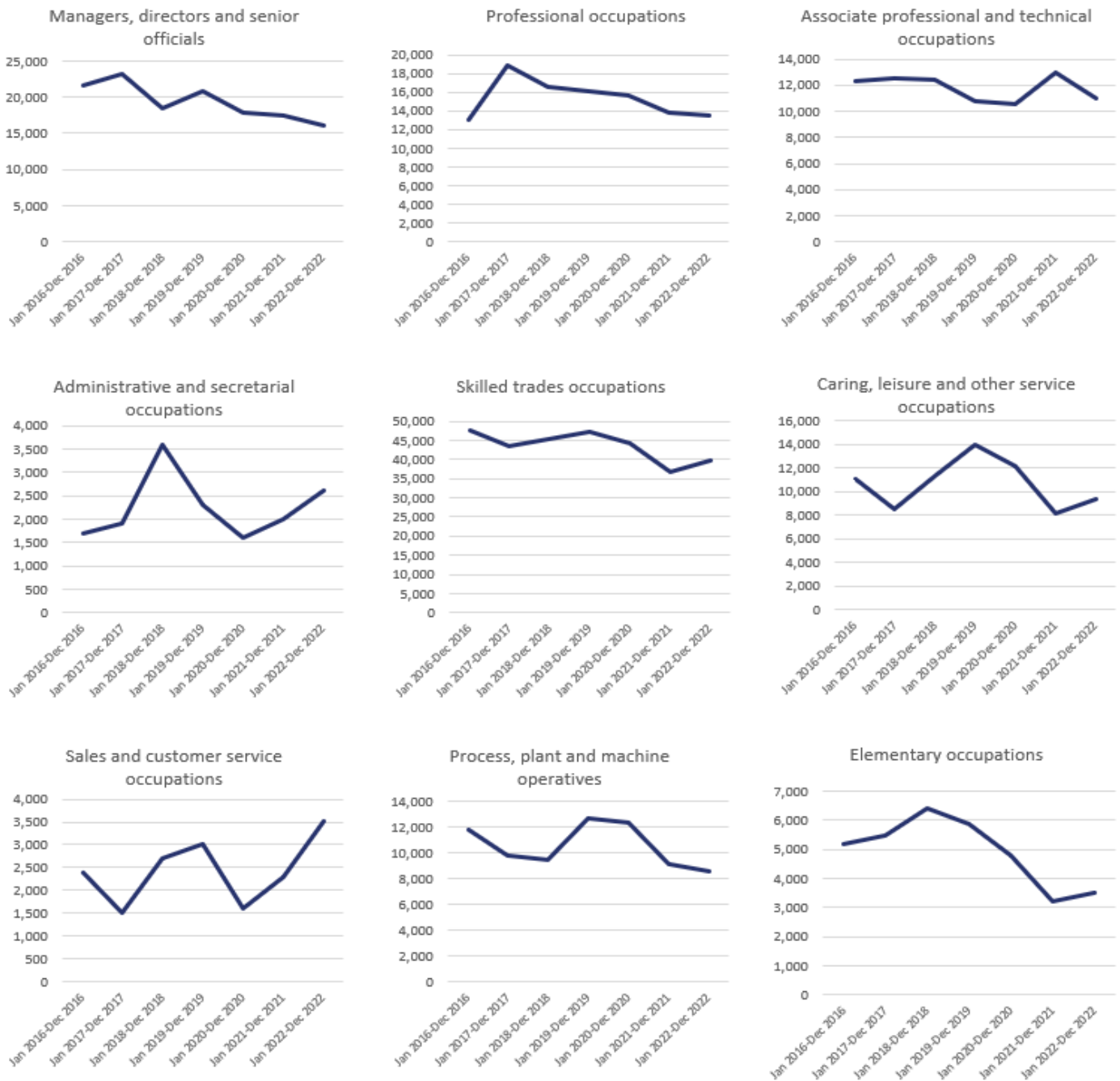
¹⁹ NISRA - User requested data - [TbILFS2097](#)

2.2.6 Self-employment by occupation

This sub-section relies on ONS data, available via the NOMIS platform (mentioned earlier in this Paper at sub-section 2.2).

That data records a fall in the number of self-employed in all occupations from 2020 to 2022. The largest percentage decrease was in: caring, leisure and other service occupations; process, plant and machine operatives; and, elementary occupations. Conversely, there was an increase in sales and customer service occupations, despite a significant fall in the early months of lockdown March -June 2020. Notably, the number of self-employed in sales and customer services exceeded the levels prior to the pandemic. While the majority of occupations saw some increase during 2022; the downward trend during 2022 continued for managers, directors and senior officials, professional occupations and process, plant and machine operatives, as highlighted in Figure 7 below:

Figure 7: Self-employment by occupation in Northern Ireland, 2016 to 2022²⁰



Source: [ONS – NOMIS - annual population survey - regional - occupation \(SOC2020\) by sex by employment type](https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?opt=3&theme=&subgrp=)

²⁰ <https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?opt=3&theme=&subgrp=>

3 Concluding Remarks

Official governmental statistics for the United Kingdom as a whole and Northern Ireland in particular both show a decline in self-employment from 2019–2024. In the United Kingdom, the ONS reported that during the pandemic, the biggest movement out of self-employed was flows into the employee category.

The ONS maintain some previously self-employed individuals at that time reclassified as employees, to take advantage of the Furlough Scheme. However, due to the lack of available NISRA data or other Northern Ireland-related data for this area, it is not possible to comment on what that decline was attributable to – including whether it was, or was not, due to reclassifications from self-employed to employee status as a result of the Furlough Scheme.

However, the available governmental data for Northern Ireland shows a small recovery in the numbers of people self-identifying as self-employed since June 2021. Nevertheless, in 2024, numbers remain 19% lower than the figures recorded around March 2020. In terms of gender, the rate of increased self-employed numbers has been faster amongst males. While for females, the numbers have more modestly increased, and have levelled out in 2024.

At Northern Ireland LGD level, all LGDs saw a decrease in 2020, with the trend continuing into 2021, with one notable exception in Ards and North Down. Breaking down self-employment into occupation also mirrors this falling trend across all occupations from March 2020. However, the recovery by occupation varied depending on the occupational area, with some areas (sales and customer services) seeing rapid recovery as Covid-19 restrictions eased. Other occupations (managers) have seen a continued fall in the most recent data.