

Data Management and Analysis Group

ILO unemployment

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Briefing on ILO unemployment (2000/2001)

This briefing report presents a range of data and analysis on the subject of ILO unemployment. The report summarises available data and highlights key issues. If you would like more detailed information, please contact the Data Management and Analysis Group who will be happy to advise further.

Summary of Key Findings

- During Sept-Nov 2001, around 259,000
 Londoners were ILO unemployed a rate of 6.9%. London has one of the highest regional unemployment rates across GB second only to that of the North East.
- ILO unemployment rates in London peaked during the last recession at almost 15% (1993).
 Since then, rates have fallen to between 6-7% during 2001. The last two quarters' data have shown successive increases in ILO unemployment - suggesting that the downward trend may have bottomed out.
- ILO unemployment rates across Inner London are relatively high. During 2000/2001, they averaged 9.4% compared to 5.4% for Outer London, and 5.3% for GB. Within London, rates were highest in Hackney (16.4%) and Newham (13.5%). Hackney has the highest ILO unemployment rate of all English local authority areas¹.
- During 2000/2001, ethnic minority workers in London were more than twice as likely as White workers to be unemployed (13.5% vs 5.1%).
 Within the ethnic minority population, ILO rates ranged from 5.9% for Indian workers up to 24.1% for Bangladeshi workers.
- Youth unemployment rates² in London are high. During 2000/01, of those young people active in the labour market, around 1 in 7 were ILO unemployed (14.3%). Rates were very high across the ethnic minority population where the rate averaged 26.5% compared to 10.3% for the White population.
- An analysis of ILO rates from 1985-2000 indicates that - despite the downward trend in unemployment in recent years - the gap between white and ethnic minority ILO unemployment rates has widened.
- Disabled people in the labour force are more likely to be unemployed than non-disabled people. During 2000/2001, ILO rates for disabled Londoners were between 12.0% and 15.0% twice that of non-disabled Londoners (6.5%).

Introduction

This briefing presents a range of data on ILO unemployment in London. The analysis aims to

- (i) Present the latest data
- (ii) Profile groups within the population who are the most likely to experience unemployment
- (iii) Discuss differences between ILO unemployment and claimant count measure

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What is ILO unemployment?

The International Labour Organisation (ILO) is an agency of the United Nations and ILO unemployment is an internationally agreed measure of unemployment. ILO unemployment measures those people who are out of work and want a job. To qualify as ILO unemployed, people must have actively sought work in the last 4 weeks and be able to start work in the next 2 weeks. People who are out of work but have found a job and are waiting to start it in the next 2 weeks are also counted as ILO unemployed.

ILO unemployment rates (%)

The ILO unemployment rate is the percentage of the economically active population (those employed, self employed and unemployed) who are ILO unemployed. Put another way, the ILO rate measures the proportion of the labour force that are unemployed. LFS data relates to where people live (not where they work) so all ILO rates are 'residence based' unemployment rates.

How is it measured?

In the UK, the Labour Force Survey (LFS) is used to measure ILO unemployment. The LFS is a large quarterly survey which provides a wide range of data about the economic circumstances of the population. Part of the survey is designed to

¹ Refers to 'upper tier' English local authorities

² Youth unemployment data refers to those aged 16-24

determine a person's economic status and whether they are unemployed according to the ILO definition.

Reliability of LFS estimates

The LFS is based on a sample of the population: consequently all data produced are survey *estimates* rather than exact counts and are subject to a degree of sampling variability. This can present problems in measuring ILO unemployment for sub-regional areas as samples are sometimes not large enough to produce reliable estimates. This is one of the key limitations of the ILO measure (see 'technical notes' for more on this).

What is claimant count unemployment?

The monthly claimant count is the other measure often used to measure unemployment. This is less comprehensive than the ILO measure as it only counts the number of people in receipt of unemployment related benefits, and misses those people who are unemployed but are not claiming or entitled to claim benefits (most likely to be women and young people).

Despite these limitations, claimant count data is the only regular source of data on unemployment for small areas (eg wards) and is often used to provide important spatial data on unemployment in London.

ILO unemployment - quarterly and annual data All data that follows is taken from both quarterly and annual LFS datasets and relates to different time periods during 2000/2001. For this reason totals may differ slightly between tables.

For more on the annual and quarterly LFS datasets - please refer to the 'technical notes' section on page 9.

The latest quarterly ILO data (Sept-Nov 2001)

The latest quarterly LFS data indicates that around 259,000 Londoners were ILO unemployed in Autumn 2001- a rate of 6.9 per cent (seasonally adjusted).

Table 1. ILO unemployment in Greater London 2000/2001

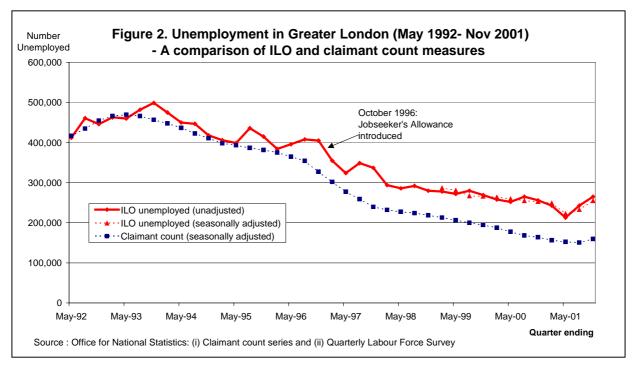
Seasonally adjusted	ILO unemployed persons aged 16+	ILO rate
Sept-Nov 2000 Dec -Feb 2001 Mar-May 2001 Jun-Aug 2001 Sept-Nov 2001	257,000 252,000 224,000 233,000 259,000	7.0 6.9 6.1 6.3

Source: Office for National Statistics, Quarterly LFS

Trends over time

Figure 2 charts the change in the number of ILO unemployed in London over the last ten years and compares this to the claimant count. The chart clearly illustrates the strong downward trend in unemployment over the last 10 years. ILO unemployment in London peaked during the last recession at almost 500,000 in 1993 - a rate of 15 per cent. (1993). Since then the number unemployed has halved and rates have fallen to their current level of around 6-7 per cent (during 2001).

There are early indications that the downward trend is bottoming out as the last two quarters' data have shown successive increases in ILO unemployment - both on seasonally adjusted and unadjusted measures. See table A.1 (supplementary tables) for more time series data.



ILO and the claimant count

As Figure 2 illustrates, ILO unemployment is significantly higher than the claimant count. The latest data suggest that ILO unemployment in London is around 100,000 more than the claimant count.

Claimant count data are based upon the number of people in receipt of Jobseekers' Allowance (JSA) and National Insurance Credits. This means groups who are unemployed but not in receipt of JSA may show up as ILO unemployed on the LFS but not be claimant count unemployed.

Table 3 compares recent ILO and claimant count data for London by gender and age. The table illustrates that the groups most likely to be underrepresented in the claimant count are women and young people. For example, the latest quarterly LFS suggests that around 47,000 Londoners aged 16-19 are ILO unemployed, but only 10,441 were on the claimant count.

The differences reflect eligibility criteria as well as social security conventions. Typical groups missed by the claimant count include:

- Unemployed 16 and 17 year olds (most of whom are not eligible to claim JSA)
- Women who are not eligible for contributions based JSA and whose partner's earnings mean they are ineligible for income-related JSA.
- Female lone parents who are unemployed but are claiming Income Support instead of JSA

As Figure 2 shows, the gap between claimant count and ILO has become noticeably larger since the introduction of JSA in 1996, which reduced the number of people eligible for unemployment-related benefits. This illustrates the sensitivity of claimant count data to changes in social security policy.

Table 3. ILO estimates and the claimant count Greater London (Autumn 2001)

	ILO unemployed (aged 16+) unadjusted Sept-Nov 2001	Claimant Count Oct 2001	Claimant count as % of ILO estimate
All ages	269,000	152,943	57
Males	165,000	110,644	67
Females	103,000	42,299	41
aged 16-19	47,000	10,441	22
aged 20-24	49,000	22,226	45
aged 25-34	58,000	48,867	84
Aged 35-49	79,000	50,637	64
Aged 50+	34,000	20,772	61

Source: Office for National Statistics:

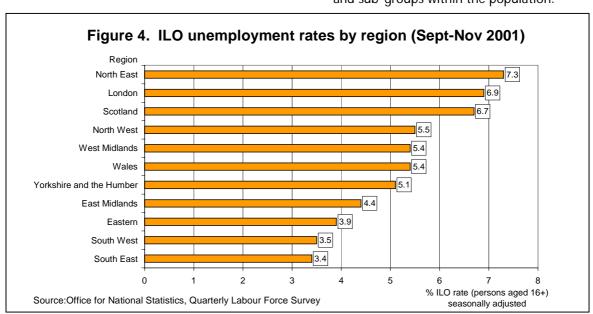
- (i) Claimant count data (computerised claims only)
- (ii) Quarterly Labour Force Survey, unadjusted

ILO rates by region (Sept-Nov 2001)

While ILO rates in London have fallen significantly over the last 10 years, unemployment in London remains high relative to other GB regions (see figure 4).

The ILO rate in London (6.9 per cent) is one of the highest regional rates across Great Britain. The only region with higher unemployment than London is the North East (7.3 per cent). London has the highest female ILO rate (5.8 per cent) of all GB regions.

The regional rate of 6.9 per cent masks huge variation in unemployment both across local areas and across different groups within the population. To explore this further, annual LFS datasets are used as they provide more robust estimates for local areas and sub-groups within the population.



Measuring ILO unemployment within London

Table 5 shows ILO unemployment rates for local areas within London. Rates refer to average unemployment over the period March 2000-February 2001 and are presented for European NUTS³ areas, London boroughs and Great Britain.

ILO rates are not available for all local authority areas, due to inadequate sample sizes and poor data reliability. In the case of London, rates are currently available for 25 of the 32 London boroughs. In general, the boroughs where data are unavailable are outer London boroughs with low unemployment.

In all cases, the sampling variability attached to borough estimates is high and confidence intervals are shown alongside the ILO estimate. This emphasises the fact that these data are estimates not precise measures.

ILO rates (%) within London

The data suggest that unemployment is typically higher across Inner London boroughs. On average, unemployment was 9.4 per cent across Inner London compared to 5.4 per cent for Outer London.

Inner London has the highest ILO unemployment rate compared to all other NUTS 2 level³ areas across GB. *See table A.2 (supplementary tables) for ILO rates for all NUTS 2 level areas in GB.*

Unemployment is typically highest across central boroughs to the East and South. Unemployment rates are highest in Hackney, Newham, Haringey, Southwark and Tower Hamlets. In all these boroughs, it is estimated that over 1 in 10 economically active residents were unemployed.

Hackney has the highest ILO unemployment rate (16.4 per cent) in London. This is also the highest rate across all (upper tier) English local authorities areas for which annual ILO estimates were available. Table A.3 (supplementary tables) provides a full listing of all ILO rates by local authority area.

Ward level data on unemployment

The LFS is not large enough to generate ward level unemployment estimates. The only regular source of ward data is from the claimant count series, though the Office for National Statistics only produce ward counts not rates. To fill this gap, the GLA produces its own ward level claimant count rates on a monthly basis. These are not the subject of this briefing so are not covered here, but are available on request from the Data Management and Analysis Group.

Table 5. ILO unemployment estimates by area (Mar 2000 - Feb 2001)

	ILO rate (%)	ILO unemployed (16+)	95% confidence intervals (+/-)
Great Britain	5.3	1,518,000	33,100
London	6.9	254,000	15,200
European NUTS 2 areas: Inner London Outer London	9.4 5.4	130,000 124,000	10,400 11,000
European NUTS 3 areas: Inner London (West) Inner London(East) Outer London (East/NE) Outer London (South) Outer London (West/NW)	6.8 11.2 5.6 4.6 5.7	39,000 91,000 42,000 29,000 53,000	5,500 8,900 6,100 5,400 7,400
London boroughs: Barking and Dagenham Barnet	5.9 5.9 ***	4,000 11,000 ***	1,500 3,600 ***
Bexley Brent Bromley Camden Croydon	9.2 3.7 6.4 5.3 7.3	11,000 6,000 6,000 10,000	3,200 2,600 2,400 3,400
Ealing Enfield Greenwich Hackney Hammersmith and Fulham	7.3 5.5 9.8 16.4 ***	11,000 7,000 11,000 14,000 ***	3,800 2,700 2,900 3,300 ***
Haringey Harrow Havering	12.7 5.0 ***	13,000 6,000 ***	3,600 2,400 ***
Hillingdon Hounslow	***	***	***
Islington Kensington and Chelsea Kingston-upon-Thames Lambeth Lewisham Merton Newham	9.4 7.5 4.4 9.6 6.9 6.1 13.5	8,000 8,000 4,000 14,000 9,000 6,000 12,000	2,500 2,500 1,600 4,000 2,900 2,500 3,100
Redbridge Richmond-upon-Thames Southwark	7.4 *** 12.1	8,000 *** 13,000	2,600 ***
Sutton	***	***	***
Tower Hamlets Waltham Forest Wandsworth City of Westminster	11.8 5.7 5.7 8.6	9,000 6,000 9,000 10,000	2,200 2,300 2,600 2,700

Source: Office for National Statistics, Local Area LFS 2000/01 Notes:

At borough level, LFS estimates are subject to a large degree of sample error (eg In the case of Newham, sample error on an estimate of 12,000 is typically in the range of +/- 3,100 at the 95% confidence interval).

³ The Nomenclature of Territorial Units for Statistics ('NUTS' in the original French) provides a single uniform breakdown of geographical units for producing regional statistics across the European Union.

^{***}Estimates are unavailable for certain outer London boroughs due to poor reliability of data. LFS estimates are not available for the City due to the small size of its resident population.

Groups vulnerable to unemployment

Certain groups are more likely than others to experience unemployment and the analysis that follows profiles ILO rates by gender, age, ethnicity and disability status.

ILO rates by gender (2000/2001)

Like the claimant count, ILO data suggests that men are more likely than women to be unemployed. However, the margin of difference between men and women is much narrower on the ILO measure.

For example, the latest official claimant count rates⁴ for London (December 2001) suggest that male unemployment rates are more than twice as high as those of women (4.6 per cent vs 2.1 per cent). However, as table 6 shows, using the ILO measure, the difference is much narrower (7.3 per cent vs 6.3 per cent). As was explained earlier, ILO has better coverage of women compared to claimant count data so is likely to provide a more accurate picture of unemployment differentials by gender.

Table 6. ILO unemployment - age and gender Greater London (2000/2001)

	Number ILO	I	LO Rate	(%)
Age	Unemployed	Persons	Males	Females
Age				
All 16+	254,000	6.9	7.3	6.3
Working age	251,000	7.0	7.4	6.4
16-24	82,000	14.3	15.7	13.1
16-19	39,000	<i>25.3</i>	29.3	21.1
20-24	43,000	10.4	10.8	10.0
25-34	64,000	6.0	6.5	5.5
35-49	70,000	5.2	5.3	5.1
50+	38,000	5.2	6.4	3.7

Source: Office for National Statistics, Local Area Labour Force Survey 2000/2001

Unemployment by age

Table 6 also shows ILO rates by age. Rates are particularly high among young Londoners. During 2000/2001, around 574,000 Londoners aged 16-24 were active in the labour force: of these, around 1 in 7 were ILO unemployed (14.3 per cent). The rate rises to 1 in 4 (25.3 per cent) for economically active 16-19 year olds.

Measuring ILO rates by ethnicity

The LFS collects information on the ethnic group of respondents so it is possible to analyse ILO unemployment by ethnicity. The LFS is one of the few sources of data that allows regular analysis of ethnic group participation in the London labour market.

However, analysis is limited by sample size considerations and while it is possible to generate overall ILO estimates for different ethnic groups, data by age and gender is patchy and less reliable. For this reason, some of the analysis that follows has had to consider all ethnic minority groups⁵ together for analytical purposes.

All data is based on annual LFS data⁶, as these provide more robust estimates (though these are still subject to significant sampling variability).

The only other dataset which provides more detailed (and more reliable) local data on ethnicity and unemployment is the decennial Census of Population. Detailed results from the 2001 Census are not expected till 2003.

ILO rates by ethnicity - estimates 2000/2001 Unemployment rates vary significantly by ethnic group. During 2000/01, ethnic minority workers in London were more than twice as likely to be ILO unemployed compared to White workers (13.5 per cent vs 5.1 per cent).

This large disparity holds true for both men and women. During 2000/2001, ILO unemployment rates among ethnic minority women in London averaged 12.2 per cent - more than twice as high as the rate for White women of 4.9 per cent. Similarly the rates for men were 14.5 per cent vs 5.3 per cent.

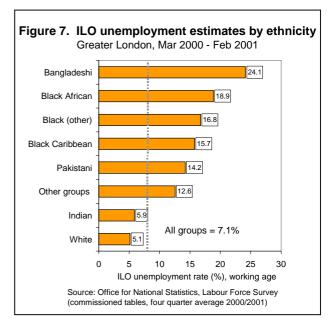


Figure 7 shows ILO estimates for different ethnic groups. The data show there are wide variations in unemployment rates across different ethnic group

⁴ Claimant count rates quoted here are seasonally adjusted workforce based rates.

⁵ The term ethnic minority group is used here to refer to LFS respondents who specified an ethnic origin other than White. ⁶ LFS annual datasets used are (i) the annual local area LFS 2000/2001 and (ii) Specially commissioned tables which cover a four quarter average 2000/2001.

populations. ILO rates were highest for Bangladeshi workers (24.1 per cent) and lowest for Indian workers (5.9 per cent) who experience similar levels of unemployment to those of the White population (5.1 per cent).

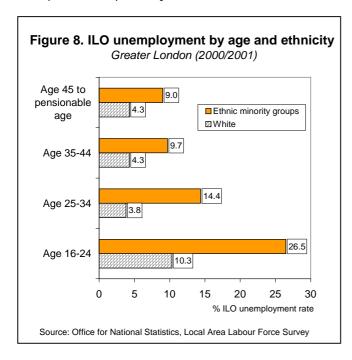
See table A.4 (supplementary tables) for a fuller analysis of ILO rates by gender and ethnicity.

Ethnicity and youth unemployment

Figure 8 presents data on unemployment rates by age and ethnicity. For this analysis, all ethnic minority groups are considered together.

The estimates suggest that ethnic minority unemployment rates are more than twice as high as White rates across all age groups. Youth unemployment rates across ethnic minority groups are very high – and average 26.5 per cent compared to 10.3 per cent for White groups (16-24 year olds).

Youth unemployment rates were high for both ethnic minority men and women - 28.3 per cent vs 24.3 per cent respectively.



Youth unemployment rates and activity rates

Compared to the White population, young people from ethnic minority groups have higher educational participation rates and consequently lower economic activity rates (51.1 per cent vs 68.7 per cent). This has some bearing on disparities in youth unemployment rates as ILO rates reflect the unemployed as a proportion of those active in the labour force. So if the labour force is relatively smaller, rates will be higher.

Table 9 illustrates this point in more detail by comparing ILO and activity rates. One way to control for differences in activity rates is to express the number ILO unemployed as a proportion of the entire population aged 16-24, instead of just the economically active. Using this measure, the data show that 13.5 per cent of all young people across the ethnic minority population were unemployed compared to 7.1 per cent of the White group - a ratio of 1.9. This compares to a ratio of 2.6 when comparing ILO rates.

The analysis indicates that while differences in activity rates do influence differentials, they are only partly responsible for the large difference in ILO rates. On both measures, the gap between minority and white youth unemployment remains wide.

Table 9 - ILO rates and economic activity Young people in Greater London, 2000/2001

	EM groups	White	Ratio em:w
Economic activity Rate, 16-24 (%)	51.1	68.7	0.7
ILO unemployment Rate, 16-24 (%)	26.5	10.3	2.6
ILO unemployed as % of all 16-24 year olds		7.1	1.9

Source: Office for National Statistics, Local Area Labour Force Survey 2000/01

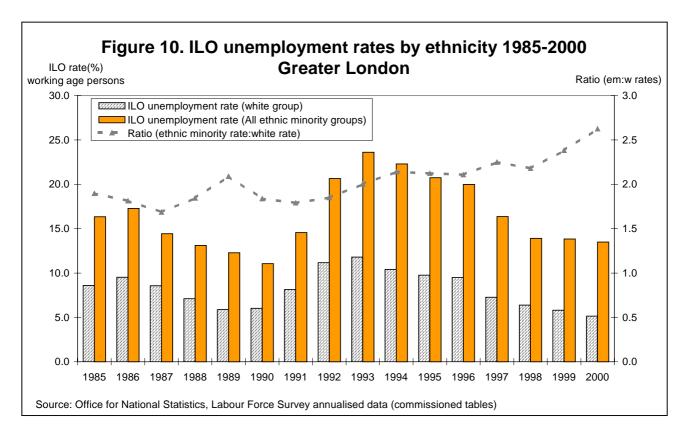
ILO rates by ethnicity over time

Figure 10 looks at the gap between white and ethnic minority unemployment over the last 15 years. The analysis is based on annualised LFS data from 1985-2000.

The chart shows ILO unemployment rates for White groups and ethnic minority groups over time. The chart also plots the ratio between the two (ie the ethnic minority ILO rate divided by the white ILO rate) - this provides a measure of how rates have changed relative to each other.

The analysis shows that people from ethnic minority groups in London have experienced consistently high unemployment rates throughout the entire period. Ethnic minority unemployment rates ranged from a 'low' of 11.1 per cent in 1990 to a high of 23.6 per cent during the last recession (1993). This compares to 6 per cent (1990) and 11.8 per cent (1993) for the white population.

The chart illustrates clearly the large gap between white and ethnic minority rates. Prior to recession,



ethnic minority rates were almost (but not quite) twice as high as white rates - with typical ratios of 1.7-1.9.

In 1993, ethnic minority rates were twice as high those of the white population - a ratio of 2.0. Since then the ratio has been consistently above 2, with the most recent data suggesting ethnic minority ILO rates are now around two and half times higher than White rates. See table A.5 (supplementary tables) for more detail.

This leads to the conclusion that - despite large falls in the general level of unemployment over the last 10 years and strong employment growth in London - the gap between white and ethnic minority unemployment has actually widened.

These findings are consistent with research⁷ carried out by the Office for National Statistics on ethnic participation in the labour market. This analysis also identified the increasing gap between ethnic minority and white unemployment (at the national level) over the same time period.

Future analysis on time series ethnicity data

The analysis above is based on data recently received by the GLA. Future analysis is planned which will interrogate the data further and provide more detail behind changing unemployment patterns. This will include analysis for different groups within the ethnic minority population, analysis by gender, and analysis of youth unemployment over time. The results will be the subject of a future DMAG briefing.

ILO unemployment rates by disability status

The LFS also collects a range of information about the disability and health status of respondents. This allows us to construct definitions of disability and compare ILO unemployment rates for disabled and non-disabled Londoners.

LFS Definitions of disability

The LFS measures two main types of disability:

- (i) DDA disabled (Disability Discrimination Act)
- (ii) Work-limiting disabled

Those who have a current disability as covered by the Disability Discrimination Act are defined as DDA disabled. This includes 'disabilities or health problems that substantially limit a person's ability to carry out normal day-to-day activities'. DDA disabled also includes people with certain progressive illnesses (eg cancer, multiple sclerosis, symptomatic HIV, Parkinson's disease, muscular dystrophy).

Those who have a long term illness or disability that affects the kind or amount of work that they can do are defined as having a *work-limiting disability*. Both definitions refer to those people who have long term health problems or disabilities (ie that they expect will last for more than a year). LFS convention is that those who meet the criteria for

⁷ 'Trends in the labour market participation of ethnic groups' - Labour Market Trends (December 1999)

either (or both) types of disability are defined as having a *current long-term disability*.

During 2000/2001, the LFS estimates that 1 in 6 (16.5 per cent) working age adults in London had a long term disability using this broad definition (ie were DDA **and/or** work-limiting disabled). Of this group, 52 per cent were economically active in the labour force, that is they were either in employment or ILO unemployed.

A narrower definition is those who are both DDA and work limiting disabled. Using this definition, one in ten (10.1 per cent) of working age Londoners are disabled (2000/2001). Economic activity rates are lower for this group and averaged 37.5 per cent during 2000/2001.

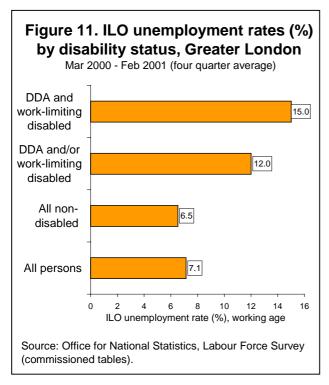


Figure 11 shows ILO unemployment rates for disabled people using both the broad and narrow definitions. These are based on annual LFS data⁸

The data show that ILO unemployment rates were significantly higher for disabled people using either definition, though rates were highest for those who were both DDA disabled **and** work limiting disabled. ILO unemployment rates for this group were 15.0 per cent compared to 6.5 per cent for non-disabled people.

Rates for those who were DDA disabled and/or work-limiting disabled were 12.0 per cent - almost twice as high as the rate for non-disabled people.

Table A.6 (supplementary tables) provides more detail on the economic status of disabled Londoners.

More information

This briefing has presented summary data on ILO unemployment. More data is available on request. If you would like further information or advice about ILO unemployment, please contact: Lorna Spence in the GLA's Data Management and Analysis Group (email: lorna.spence@london.gov.uk)

⁸ Annual LFS data relate to a four quarter average from March 2000-February 2001. These tables were specially commissioned by the GLA.

Technical Notes: The Labour Force Survey

Introduction

The Labour Force Survey (LFS) is carried out by the Office for National Statistics and is one of the largest regular household surveys in the UK. The LFS is carried out on a quarterly basis and collects a range of data about the economic circumstances of individuals. The LFS is residence-based and provides data about those who live in an area.

Quarterly and Annual LFS datasets

The quarterly LFS provides reasonably robust estimates at a national and regional level but is less reliable for analysis for sub-regional areas (eg boroughs). To provide more reliable local area estimates, the annual LFS database was developed.

The quarterly LFS collects information from around 60,000 households in the UK each quarter. Each quarter's sample is made up of five "waves" of around 12,000 households. The annual database was originally derived from four successive quarters of the regular quarterly survey and is created by taking waves 1 and 5 from each of the consecutive quarters to give an annually representative sample of around 96,000. However, in 2000/2001 this was increased further by another 39,000 as a result of the inclusion of the 'English Local Labour Force Survey' (ELLFS) sample. As well as providing an increased sample size and therefore more reliable estimates, annualising the data helps smooth out seasonal variations evident in the quarterly data

The 2000/2001 database includes records for around 243,000 persons aged 16 and over (UK). Most data are available for the 32 London boroughs but unavailable for the City of London because the resident population and subsequent sample size is too small. The 2000/2001 dataset covers the period March 2000-February 2001.

Commissioned data

In addition to quarterly and annual datasets, it is also possible to commission special LFS tables direct from the Office for National Statistics. The GLA recently commissioned special tables on the economic status of London residents split by ethnicity, disability and gender. These were based on 4 quarter averages (spring 2000 to winter 2000/1 LFS quarters) and were commissioned to provide tailored cross tabulations and time series data not available from standard quarterly and annual datasets. Annual averages were commissioned to provide more reliable estimates than a single quarter's data.

In this briefing, data are used from all three sources: quarterly data, the new 'LLFS' 2000/2001 annual database and specially commissioned tables.

Reliability of data and 95% confidence intervals

As the LFS is a sample survey, all estimates are subject to sampling variability. In general, the smaller the estimate the greater the margin of error as a proportion of the estimate. As a result, current ONS advice is generally not to publish estimates below suppression thresholds (2,000-10,000 depending on the dataset in question). However, users should be aware that even for estimates above suppression thresholds – there can still be a high margin of error associated with estimates (eg borough level ILO estimates).

The degree of variability attached to an estimate is often expressed through '95% confidence intervals'. These allow us to take a view, based on statistical probability theory, about how close an estimate is likely to be to the true population value. For example, if the actual number of people who were ILO unemployed in London was 254,000 – and we were estimating this figure from the annual LFS dataset – then 95 times out of 100, the LFS estimate of the size of that group would fall in the range of 238,800 to 269,200 (ie $\pm 15,200$ or $\pm 6\%$). Sampling variability can be quite high on local LFS estimates and should be considered when drawing conclusions from data.

Seasonal Adjustment - Quarterly data

Regular seasonal factors such as students leaving college in the summer and looking for work, affect many of the topics in the LFS. This can cause distortions of trend data. To overcome this some quarterly LFS data are seasonally adjusted. Seasonal adjustment is the process of identifying and removing the seasonal component from data. ONS only seasonally adjust key LFS data series (in published form) and this is only carried out down to regional level.

Key LFS definitions

In this briefing, data on economic activity, ILO unemployment, employment and disability are presented. These terms are explained below:

Economic activity

Economically active people are those aged 16 and over who are either in employment or ILO unemployed. Put more simply it measures the size of the labour force. Economic activity rates (%) relate to the percentage of the population in a particular age group who are economically active. Economic activity rates are typically presented for (i) those aged 16+ and (ii) those of working age only (ie women aged 16-59 and men aged 16-64). Economically inactive people are those who are neither in employment nor unemployed on the ILO measure (eg those who are looking after a home, those who are retired).

Employment

Those in employment include those people aged 16 and over who did some paid work in the reference week (whether as an employee or self-employed); those who had a job that they were temporarily away from (on holiday, for example); those on government-supported training and employment programmes; and those doing unpaid family work.

ILO Unemployment

The International Labour Organisation's (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 who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

Disability

The focus and number of questions in the health and disability module of the Labour Force Survey changed in spring 1997 to reflect the provisions of the Disability Discrimination Act (DDA) 1995. Since spring 1997 all working age LFS respondents have been asked:

'Do you have any health problems or disabilities that you expect will last for more than a year?'

If they answer 'yes' to this question, they are also asked to say what kind(s) of health problem(s) or disability (ies) they have, based on a list read to them by the interviewer. If they then answer 'yes' to the following question:

'Does this (do these) health problem(s) or disability (ies) (when taken singly or together) substantially limit your ability to carry out normal day-to-day activities?

OR

they said that they had the following health problems: 'progressive illnesses not included elsewhere (e.g. cancer, multiple sclerosis, symptomatic HIV, Parkinson's disease, muscular dystrophy)'

then they are defined as having a *current disability* covered by the DDA (or 'current DDA').

People whose health problem(s) or disability(ies) are expected to last more than a year are also asked the following questions:

'Does this health problem affect the KIND of work that you might do?''....or the AMOUNT of paid work that you might do?'

If the respondent fulfils either of these criteria they are defined as having a *work-limiting disability*.

Those who meet the criteria for either (or both – as is often the case) current DDA or work-limiting definitions of disability are defined as having a current long-term disability.

Further information

ONS produce a booklet called 'What exactly is the Labour Force Survey?' which gives a good overview of the LFS. This can be downloaded via the Office for National Statistics web site in pdf format at the following address:

http://www.statistics.gov.uk/onlineproducts/defaul t.asp#labour

For more information about analysis of LFS data within the GLA, please contact Lorna Spence in the GLA's Data Management and Analysis Group. (Lorna.spence@london.gov.uk)

Table A.1 ILO and claimant count unemployment 1992-2001, Greater London

ILO unemployed, working (unadjusted)				ount unemployment nally adjusted)
Date	Number	ILO rate (%)	Number	Workforce rate (%)
May-92	412,000	12.2	416,900	9.7
Aug-92	461,000	13.4	434,900	10.1
Nov-92	446,000	12.9	454,800	10.5
Feb-93	463,000	13.5	466,200	10.9
May-93	460,000	13.5	469,500	11.0
Aug-93	482,000	14.1	466,000	10.9
Nov-93	499,000	14.7	456,700	10.7
Feb-94	475,000	14.1	447,900	10.5
May-94	450,000	13.4	436,700	10.2
Aug-94	447,000	13.2	422,700	9.9
Nov-94	418,000	12.3	410,900	9.6
Feb-95	406,000	12.0	398,100	9.1
May-95	399,000	11.8	393,500	9.0
Aug-95	436,000	12.6	386,700	8.8
Nov-95	415,000	12.0	381,500	8.7
Feb-96	384,000	11.2	375,200	8.7
May-96	396,000	11.5	364,700	8.4
Aug-96	408,000	11.7	354,600	8.2
Nov-96	405,000	11.6	327,200	7.6
Feb-97	355,000	10.2	301,800	6.9
May-97	324,000	9.3	277,400	6.4
Aug-97	349,000	9.9	259,000	6.0
Nov-97	337,000	9.6	239,600	5.5
Feb-98	294,000	8.5	232,100	5.2
May-98	286,000	8.2	227,600	5.1
Aug-98	292,000	8.2	224,000	5.0
Nov-98	280,000	7.9	218,700	4.9
Feb-99	278,000	7.8	212,800	4.7
May-99	272,000	7.7	206,500	4.6
Aug-99	280,000	7.8	199,900	4.4
Nov-99	269,000	7.6	194,500	4.3
Feb-00	258,000	7.3	187,400	4.0
May-00	252,000	7.1	177,500	3.8
Aug-00	265,000	7.4	168,500	3.6
Nov-00	256,000	7.2	164,000	3.5
Feb-01	243,000	6.8	156,600	3.4
May-01	213,000	6.0	152,400	3.3
Aug-01	243,000	6.7	150,800	3.2
Nov-01	265,000	7.3	159,500	3.4

Source: Office for National Statistics: (i) Claimant count series, seasonally adjusted (ii) Quarterly Labour Force Survey

Notes:

^{1.} Claimant count data are monthly and figures relates to the count in the middle of the month

^{2.} LFS data are quarterly (eg Nov 2001 data relates to Sept-Nov 2001 quarter).

^{3.} Workforce rates are quite different from ILO rates as they are based on the unemployed as a percentage of the workforce in the area. Whereas ILO rates refer to unemployed as a percentage of economic active residents in the area.

Table A.2 ILO unemployment rates by Eurostat NUTS level 2 areas across Great Britain (March 2000 - Feb 2001)

	ILO unemployed		
NUTS 2 area	(aged 16+)	Economically active	% ILO rate
Inner London	120,000	1 200 000	9.4
Inner London	130,000 53,000	1,389,000 611,000	9.4 8.7
Merseyside	·		8. <i>1</i> 8.2
Northumberland and Tyne and Wear	54,000	657,000	
West Midlands	97,000	1,212,000	8.0
South Western Scotland	88,000	1,109,000	8.0 7.4
Tees Valley and Durham	40,000	537,000	
South Yorkshire	42,000	615,000	6.8
West Wales and The Valleys	55,000	821,000	6.8
West Yorkshire	65,000	1,066,000	6.1
East Riding and North Lincolnshire	24,000	420,000	5.8
Eastern Scotland	55,000	969,000	5.6
East Wales	29,000	528,000	5.5
Greater Manchester	66,000	1,219,000	5.4
Outer London	124,000	2,300,000	5.4
Cumbria	12,000	232,000	5.2
Highlands and Islands	9,000	182,000	5.2
Lancashire	34,000	677,000	5.1
Devon	26,000	521,000	5.0
Derbyshire and Nottinghamshire	48,000	983,000	4.9
Kent	38,000	808,000	4.6
Cornwall and Isles of Scilly	10,000	219,000	4.4
Herefordshire, Worcestershire and Warwickshire	28,000	639,000	4.4
Lincolnshire	13,000	309,000	4.3
Shropshire and Staffordshire	33,000	754,000	4.3
Leicestershire, Rutland and Northamptonshire	34,000	815,000	4.2
North Yorkshire	16,000	380,000	4.1
East Anglia	45,000	1,130,000	4.0
Cheshire	19,000	488,000	3.9
Gloucestershire, Wiltshire and North Somerset	44,000	1,166,000	3.8
North Eastern Scotland	11,000	276,000	3.8
Essex	29,000	826,000	3.6
Dorset and Somerset	20,000	582,000	3.5
Hampshire and Isle of Wight	31,000	929,000	3.3
Bedforshire and Hertfordshire	25,000	861,000	3.0
Surrey, East and West Sussex	40,000	1,338,000	3.0
Berkshire, Buckinghamshire and Oxfordshire	31,000	1,184,000	2.6
Great Britain	1,518,000	28,752,000	5.3

Source : Office for National Statistics, Local Area Labour Force Survey 2000/2001 Notes:

The Nomenclature of Territorial Units for Statistics (NUTS) provides a single uniform breakdown of geographical units for producing regional statistics across the European Union. Within London, NUTS1 is Greater London and NUTS 2 areas are Inner and Outer London.

Table A.3 ILO rates by local authority area (upper tier authorities in England), Mar 2000-Feb 2001

	ILO	ILO		ILO	ILO		ILO	ILO
	unemployed	Rate		unemployed	Rate		unemployed	Rate
Local authority area	(16+)	(%)	Local authority area	(16+)	(%)	Local authority area	(16+)	(%)
Hackney	14,000	16.4	Kirklees	12,000	6.2	Warwickshire	11,000	4.1
Newham	12,000	13.5	Brighton and Hove	8,000	6.1	Nottinghamshire	15,000	4.1
Haringey	13,000	12.7	Merton	6,000	6.1	Bournemouth	3,000	4.0
Middlesbrough	8,000	12.4	Wakefield	9,000	6.0	Medway	5,000	3.9
Southwark	13,000	12.1	Sefton	8,000	6.0	Slough	2,000	3.9
South Tyneside	8,000	11.9	Bark. & Dagenham	4,000	5.9	Somerset	10,000	3.9
Tower Hamlets	9,000	11.8	Barnet	11,000	5.9	Bury	4,000	3.9
Liverpool	21,000	11.1	Calderdale	6,000	5.9	Northamptonshire	13,000	3.8
Newcastle-u-Tyne	14,000	11.0	Wandsworth	9,000	5.7	York	4,000	3.8
Birmingham	46,000	10.5	Waltham Forest	6,000	5.7	Cheshire	13,000	3.8
Sandwell	13,000	10.1	Dudley	9,000	5.7	Tameside	4,000	3.8
Redcar and Cleveland		10.0	Torbay	3,000	5.6	Bromley	6,000	3.7
Greenwich	11,000	9.8	Enfield	7,000	5.5	Swindon	4,000	3.7
Lambeth	14,000	9.6	Stoke on Trent	7,000	5.5	Essex	24,000	3.6
Islington	8,000	9.4	Telford & Wrekin	4,000	5.5	Milton Keynes	4,000	3.5
Brent	11,000	9.2	Plymouth	7,000	5.4	East Sussex	8,000	3.4
Hartlepool	4,000	9.2	Croydon	10,000	5.3	Trafford	4,000	3.4
Wirral	13,000	8.9	Walsall	7,000	5.3	Bedfordshire	7,000	3.2
NE Lincolnshire	6,000	8.8	Bolton	7,000	5.3	Wiltshire	7,000	3.2
Blackburn w Darwen	5,000	8.8	Cumbria	12,000	5.2	Poole	2,000	3.1
City of Westminster	10,000	8.6	Derby City	6,000	5.1	East Riding -Yorks.	5,000	3.1
Sunderland	11,000	8.6	Wigan	8,000	5.1	North Somerset	3,000	3.0
Leicester City	11,000	8.5	Durham	12,000	5.1	Windsor & Maidenh.	2,000	2.9
Nottingham City	11,000	8.5	Harrow	6,000	5.0	Leicestershire	10,000	2.9
Manchester	15,000	8.5	Leeds	19,000	4.9	Reading	2,000	2.8
Kingston upon Hull	9,000	8.3	Northumberland	7,000	4.9	Hampshire	18,000	2.7
Doncaster	11,000	8.2	Kent	33,000	4.8	Cambridgeshire	8,000	2.7
Bradford	19,000	8.2	Norfolk	19,000	4.8	South Glouc.	4,000	2.6
Knowsley	5,000	8.2	Devon	16,000	4.8	Oxfordshire	9,000	2.5
North Tyneside	7,000	8.2	North Lincolnshire	4,000	4.8	Thurrock	2,000	2.5
St Helens	6,000	7.6	Herefordshire	4,000	4.7	West Sussex	10,000	2.5
Stockton on Tees	7,000	7.6	Rochdale	5,000	4.7	Buckinghamshire	6,000	2.4
Ken. & Chelsea	8,000	7.5	Bristol	10,000	4.6	Surrey	14,000	2.4
Wolverhampton	8,000	7.5	Solihull	5,000	4.6	Hertfordshire	13,000	2.2
Redbridge	8,000	7.4	Peterborough	4,000	4.5	Wokingham	2,000	2.2
Ealing	11,000	7.3	Worcestershire	13,000	4.5	Bracknell Forest	**	**
Isle of Wight	4,000	7.2	Kingston-u-Thames	4,000	4.4	West Berkshire	**	**
Salford	7,000	7.2	Bath NE Somerset	4,000	4.4	City of London	**	**
Blackpool	5,000	7.1	Cornwall & Scilly	10,000	4.4	Hamm. & Fulham	**	**
Luton	6,000	7.0	Lancashire	24,000	4.4	Bexley	**	**
Oldham	7,000	7.0	Portsmouth	4,000	4.3	Havering	**	**
Lewisham	9,000	6.9	Suffolk	15,000	4.3	Hillingdon	**	**
Darlington	3,000	6.9	Derbyshire	16,000	4.3	Hounslow	**	**
Barnsley	7,000	6.7	Lincolnshire	13,000	4.3	Rich. Upon Thames	**	**
Rotherham	8,000	6.7	Stockport	6,000	4.3	Sutton	**	**
Gateshead	6,000	6.7	Southend	4,000	4.2	Dorset	**	**
Camden	6,000	6.4	Gloucestershire	13,000	4.2	Shropshire	**	**
Coventry	9,000	6.3	North Yorkshire	12,000	4.2	Rutland	**	**
Sheffield	16,000	6.3	Southampton	4,000	4.1	Warrington	**	**
Halton	3,000	6.3	Staffordshire	17,000	4.1	Great Britain	1,518,000	5.3

Source: Office for National Statistics, Local Area Labour Force Survey 2000/2001

Notes

At borough level, LFS estimates are subject to a large degree of sample error (eg In the case of Newham, sample error on an estimate of 12,000 is typically in the range of +/- 3,100 at the 95% confidence interval). Estimates are unavailable for certain areas due to poor reliability of data. LFS estimates are not available for the City due to the small size of its resident population. ** denotes suppressed estimates where reliability is very poor

Table A.4 Economic status by ethnicity and gender, Greater London (Mar 2000 to Feb 2001)

Persons of working age ¹	All persons	Economically active	In employment	ILO Unemployed	Economically Inactive	Economic activity rate (%)	ILO rate (%)
All persons			1 7	1 7			
All ²	4,649,000	3,555,000	3,301,000	254,000	1,093,000	76.5	7.1
White	3,380,000	2,704,000	2,565,000	139,000	677,000	80.0	5.1
Black - Caribbean	188,000	144,000	121,000	23,000	44,000	76.6	15.7
Black - African	218,000	144,000	117,000	27,000	74,000	66.0	18.9
Black – Other	82,000	60,000	50,000	10,000	21,000	74.0	16.8
Indian	273,000	202,000	190,000	12,000	71,000	74.0	5.9
Pakistani	96,000	56,000	48,000	8,000	40,000	58.2	14.2
Bangladeshi	79,000	37,000	28,000	9,000	42,000	47.2	24.1
Chinese	55,000	33,000	30,000	****	22,000	59.9	***
Other Asian (non-mixed)	114,000	74,000	66,000	8,000	40,000	65.3	11.4
Other groups	160,000	98,000	84,000	15,000	62,000	61.5	14.9
All ethnic minority groups	1,264,000	849,000	735,000	115,000	415,000	67.1	13.5
Men							
	2,419,000	2,012,000	1,860,000	151,000	408,000	83.2	7.5
White	1,786,000	1,529,000	1,448,000	81,000	257,000	85.6	5.3
Black - Caribbean	88,000	71,000	56,000	15,000	17,000	80.5	20.6
Black - African	100,000	75,000	60,000	15,000	25,000	75.2	19.8
Black - Other	38,000	31,000	25,000	****	7,000	81.0	***
Indian	141,000	115,000	107,000	8,000	26,000	81.6	6.9
Pakistani	54,000	39,000	34,000	****	14,000	73.3	***
Bangladeshi	45,000	31,000	24,000	7,000	14,000	68.6	22.6
Chinese	26,000	17,000	15,000	****	9,000	66.0	***
Other - Asian(non-mixed)		41,000	37,000	****	13,000	75.7	***
Other groups	85,000	61,000	52,000	9,000	24,000	71.3	14.7
All ethnic minority groups	631,000	481,000	411,000	70,000	150,000	76.2	14.5
Women							
AII^2	2,229,000	1,544,000	1,441,000	103,000	686,000	69.2	6.7
White	1,594,000	1,175,000	1,117,000	58,000	420,000	73.7	4.9
Black – Caribbean	100,000	73,000	65,000	8,000	27,000	73.2	11.1
Black – African	118,000	69,000	57,000	12,000	49,000	58.3	17.9
Black - Other	43,000	30,000	25,000	****	14,000	67.9	***
Indian	132,000	87,000	83,000	****	45,000	65.9	***
Pakistani	42,000	17,000	14,000	****	26,000	39.0	***
Bangladeshi	34,000	7,000	****	****	28,000	19.6	***
Chinese	28,000	15,000	15,000	****	13,000	54.3	***
Other - Asian(non-mixed)		33,000	28,000	****	26,000	55.8	***
Other groups	75,000	38,000	32,000	****	37,000	50.2	***
All ethnic minority groups	634,000	368,000	323,000	45,000	265,000	58.1	12.2

Source: Office for National Statistics, Labour Force Survey, four quarter average (commissioned tables)

1 Men aged 16-64 and women aged 16-59

2 Includes those who did not state their ethnic group

Table A.5 ILO unemployment and economic activity by ethnicity 1985-2000, Greater London Working age persons, annualised data

	ILO un	employed	ILO	rate (%)	Ratio
Year	White	Ethnic minority	White	Ethnic minority	EM:W
		groups		groups	
1985	248,000	73,000	8.6	16.3	1.90
1986	268,000	85,000	9.5	17.3	1.81
1987	244,000	74,000	8.6	14.4	1.69
1988	201,000	72,000	7.1	13.1	1.84
1989	168,000	62,000	5.9	12.3	2.09
1990	175,000	60,000	6.0	11.1	1.84
1991	229,000	86,000	8.1	14.5	1.79
1992	307,000	138,000	11.2	20.7	1.85
1993	323,000	156,000	11.8	23.6	2.00
1994	285,000	144,000	10.4	22.3	2.14
1995	268,000	140,000	9.8	20.7	2.12
1996	263,000	139,000	9.5	20.0	2.11
1997	198,000	128,000	7.3	16.4	2.25
1998	175,000	108,000	6.4	13.9	2.18
1999	162,000	108,000	5.8	13.8	2.38
2000	139,000	115,000	5.1	13.5	2.63

Source: Office for National Statistics, Labour Force Survey (commissioned analysis)

Notes:

Analysis excludes those who did not specify their ethnic origin

Table A.6 Disability status by economic status and gender **Greater London**

Persons of working age, average spring 2000 to winter 2000/1

5	All persons	Men	Women
All persons of working age ¹			
All persons	4,649,000	2,419,000	2,229,000
Economically active	3,555,000	2,012,000	1,544,000
In employment	3,301,000	1,860,000	1,441,000
ILO unemployed	254,000	151,000	103,000
Economically inactive	1,093,000	408,000	686,000
Economic activity rate (%)	76.5	83.2	69.2
ILO unemployment rate (%)	7.1	7.5	6.7
All long-term disabled ²			
All persons	769,000	397,000	372,000
Economically active	401,000	225,000	176,000
In employment	353,000	195,000	158,000
ILO unemployed	48,000	30,000	18,000
Economically inactive	368,000	173,000	195,000
Economic activity rate (%)	52.1	56.5	47.5
ILO unemployment rate (%)	12.0	13.2	10.5
Not disabled			
All persons	3,880,000	2,022,000	1,858,000
Economically active	3,154,000	1,787,000	1,367,000
In employment	2,948,000	1,665,000	1,283,000
ILO unemployed	206,000	122,000	84,000
Economically inactive	725,000	235,000	491,000
Economic activity rate (%)	81.3	88.4	73.6
ILO unemployment rate (%)	6.5	6.8	6.2
Both DDA disabled and work-	limiting		
disabled	· ·		
All persons	471,000	246,000	224,000
Economically active	177,000	99,000	78,000
In employment	150,000	83,000	67,000
ILO unemployed	26,000	16,000	10,000
Economically inactive	294,000	147,000	147,000
Economic activity rate (%)	37.5	40.1	34.6
ILO unemployment rate (%)	15.0	16.4	13.3

Source: Office for National Statistics, Labour Force Survey, four quarter average 2000/2001 (commissioned tables)

Notes:

Men aged 16-64 and women aged 16-59
 People who are either DDA disabled, work-limiting disabled, or both

The GLA's Data Management and Analysis Group

Contact numbers for the Data Management and Analysis Group are as follows:

Rob Lewis (020 7983 4652) is Head of the Data Management and Analysis Group, with overall responsibility for all DMAG work.

Bill Armstrong (020 7983 4653) works in the Census Team with particular responsibilities for commissioned tables, workplace data and mapping.

Baljit Bains (020 7983 4613) works in the Demography Team and is responsible for the borough and ward level projections

Hywel Davies (020 7983 4696) is responsible for the SASPAC project and for the development of GIS work.

Dennis Grenham (020 7983 4532) works mostly on statistical compendia, election statistics and special publications.

John Hollis (020 7983 4604) is responsible for a number of demographic projects including household projections and demographic modelling for a number of clients.

Eileen Howes (020 7983 4657) is responsible for the work of the Census and Economic Data teams.

Rachel Leeser (020 7983 4699) works in the Census Team with particular responsibilities for census analysis and the Samples of Anonymised Records.

Jackie Maguire (020 7983 4655) is responsible to the Group Head and provides general support to the Group.

Michael Minors (020 7983 4654) is responsible for the work of the General Statistics and Demography teams.

Karen Osborne (020 7983 4656) is responsible for School Roll Projections and other education work.

Iryna Pylypchuk (020 7983 4534) is working with the Group on a student placement.

Lorna Spence (020 7983 4658) has responsibility for social exclusion and labour market statistics

Marian Storkey (020 7983 4694) is responsible for ethnic studies and projections of ethnic groups.

Please use the above descriptions before deciding whom to contact. All staff can be contacted by email, the format for email addresses is: firstname.lastname@london.gov.uk