

Data Management and Analysis Group

**Public sector employment
in London**

An analysis of Labour Force Survey data 2001/02

**DMAG Briefing 2003/17
June 2003**

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Summary of key findings

- Around one in five Londoners (22 per cent) work in the public sector. Of these, 43 per cent work for local government, 21 per cent work in the NHS and a further 15 per cent work for central government.
- Women are twice as likely as men to work in the public sector. Almost one third (30 per cent) of women workers are employed in the public sector compared with 15 per cent of men. Within the public sector, women predominate most in the NHS where they make up 70 per cent of all workers.
- One quarter (24 per cent) of BME workers are in public sector employment compared with 21 per cent of white workers. Within the BME group, public sector working is much more prevalent among Black workers (32 per cent) than Asian workers (18 per cent). A relatively high proportion of Black women workers (40 per cent) are employed in the public sector.
- Disabled workers are better represented in the public and voluntary sectors than the private sector. 12 per cent of public sector workers and 14 per cent of voluntary sector workers are disabled compared with ten per cent of private sector workers.
- Over one in five (22 per cent) public sector workers are employed on a part-time basis compared with 18 per cent of those in the private sector. Part-time working is most prevalent in local government (28 per cent) and across the voluntary sector (27 per cent). Part-time working is least common in central government (nine per cent).
- Trade union membership is far more prevalent in the public sector than the private sector. 56 per cent of London's public sector workers are trade union members compared with 14 per cent of those in the private and voluntary sectors.
- London's public sector workers tend to spend longer in jobs than their private sector counterparts. 37 per cent of Londoners working in the public sector had been with their current employer for 10 years or more compared with 23 per cent of private sector workers.
- Around one in nine (11 per cent) public sector employees are working on a 'non-permanent' basis - these staff mainly comprise those who are working on fixed contracts (60 per cent) and agency staff (21 per cent).
- One in five (20 per cent) of London's public sector employees work flexi-time compared with seven per cent of private sector employees. Within the public sector, flexi-time is most common in central government/civil service (48 per cent) and least common in the NHS where only 7 per cent work flexi-time.
- On average, public sector employees earn around eight per cent less than private sector employees. However, if you consider median earnings figure, public sector employees appear to earn slightly more (four per cent) than those in the private sector. This reflects the fact that in the private sector pay is more polarised than the public sector (ie it has more workers on very low and very high rates of pay).
- Groups most likely to be on low rates of pay include: BME workers, disabled workers and women. The traditional pay gaps persist between groups across both the public and private sector, but are noticeably wider in the private sector.

1. Introduction and definitions

- 1.1 This Briefing provides a profile of Londoners who work in the public sector. The aim of the analysis is to quantify the number of Londoners working in the public sector and to identify their key characteristics. The analysis compares public sector workers with those in the private and voluntary sectors.
- 1.2 The analysis is based on data drawn from the Labour Force Survey (LFS) which collects a wide range of information about the type of work people do. In addition to data on industry and occupation, the LFS also specifically asks people a series of questions about the sector they work in.
- 1.3 The Office for National Statistics (ONS) publishes administrative headcount data on public and private sector jobs¹ on an annual basis. However, this relates to jobs not people and importantly is not available for London. For this reason, the LFS emerges as one of the few data sources that enable us to build a profile of Londoners working in the public sector and the analysis fills a gap in official statistics.

Content

- 1.4 The report covers:
 - Public and private sector employment
 - Type of public sector employer
 - Public sector employment by gender
 - Public sector employment by ethnic group
 - Disabled public sector workers
 - Part-time working in the public sector
 - Public sector workers by occupational group
 - Public sector workers by industry group
 - Trade union membership in the public and private sector
 - Duration of employment
 - Temporary working and flexible working
 - Pay levels in the public and private sector
- 1.5 The remainder of this section provides background about the LFS and explains how public and private sector definitions have been arrived at. Section 2 provides an overview of key findings. A set of key data tables for reference purposes are presented in Appendix 1.

Background about this analysis and the Labour Force Survey

- 1.6 The analysis has been carried out by the GLA's Data Management and Analysis Group (DMAG) and is mainly based on the Annual Local Area Labour Force Survey 2001/02 dataset, which incorporates the Local Labour Force Survey for England and Wales. In addition, data on trade union membership and flexible working has been drawn from the Quarterly Labour Force Survey dataset (Autumn 2001). All data relate to people who live in London.
- 1.7 The LFS is the largest regular household survey carried out on a continuous basis by ONS. Individuals are interviewed in their homes or on the telephone and asked a wide

¹ 'Jobs in the Public and Private Sectors' - Claire Hardwidge, Office for National Statistics published in Economic Trends, June 2002

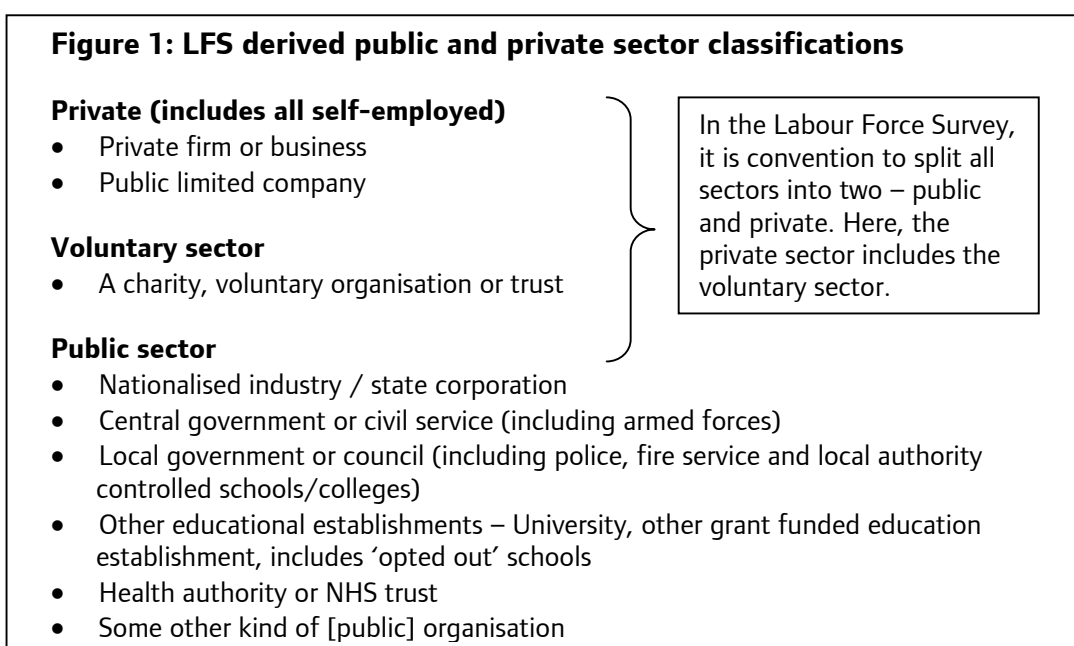
range of questions about their social and economic circumstances. LFS data are grossed up and weighted to be representative of the general population. All LFS data in this report are grossed up to pre-2001 Census population totals. This means LFS data are not entirely consistent with recently released 2001 Census data and are likely to be revised in the future. However, the key findings that emerge from this analysis are unlikely to be significantly affected by these revisions. For more on this issue and for more background about the Labour Force Survey see Appendix 2.

Health warnings and reliability of LFS estimates

- 1.8 As the LFS is based on a sample of the population, all data produced are survey *estimates* rather than exact counts and are subject to a degree of sampling variability. This can present problems for measuring the characteristics of small sub-groups within the population such as individual ethnic groups. This means the LFS is limited in terms of how much detail it can offer and can only be expected to paint a 'broad' picture. The 2001 Census does not cover public sector workers specifically but the results will provide valuable data on industry and occupation that will enable more detailed analysis of the circumstances of different groups within the labour market. The GLA is planning a wide range of analysis on this topic in the coming year.

Definitions of public and private sector employment

- 1.9 There are a wide range of different definitions of what constitutes the public sector. This report presents data on the basis of the LFS definition of the public sector. The LFS defines the public sector as 'that owned, funded or run by central or local government'. The private sector is defined as everything else and includes the voluntary sector.



- 1.10 While it is LFS convention, to include the voluntary sector in with the private sector, it is recognised that the characteristics of the two sectors are quite different. In this analysis we have tried, where possible, to separately identify the voluntary sector, but sample size considerations have limited opportunities to do this. So for most of the report the voluntary sector is included in the private sector totals, unless otherwise specified.

- 1.11 Labour Force Survey data on public sector employment is derived from the information people give about their employer. During the interview, respondents who are in work are

asked a wide range of questions about the sector they work in and their answers to two particular questions are used to allocate them to either the public or private sector. First, people are asked whether they work for: 'a private firm, business or a limited company' **or** for 'some other kind of organisation'. Those who say 'some other kind of organisation' are then asked for more detail about the type of 'non-private' organisation they work for. Their responses are then used to categorise them into public and private sector. Additional detail is available on the type of public sector employer they work for. The LFS data can then be reworked to produce the key categories outlined in figure 1.

- 1.12 In cases where a respondent is unsure whether they work for the private or public sector, there are clear guidelines to help ensure they are allocated to the right sector. One common 'grey area' is private contractors working exclusively for local government - eg catering firms, cleaning firms, freelance consultants. In all these cases, people would be allocated to the private sector. Another example is doctors and dentists who do a mix of private and NHS work. In this instance, they would be coded as to whether their work was *mainly* NHS or private.

How reliable is the LFS classification?

- 1.13 Clearly, the LFS classification can only be as good as the raw data provided by the respondent. So there is a possibility that respondents may be allocated incorrectly to the private or public sector. Some might give insufficient data or they may give the wrong information (eg say they work for the council directly when actually they work for a contractor, or provide incorrect data for someone else in the household). While this undoubtedly happens, the LFS coding frame and guidance is quite clear, so in all likelihood coding is likely to be broadly correct.

2. Key findings

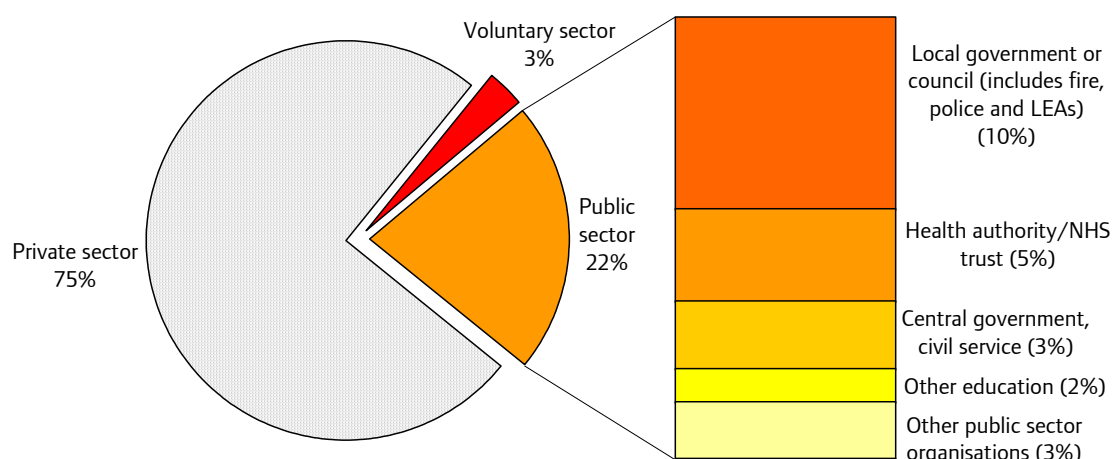
2.1 Unless otherwise specified, all analysis that follows refers to Londoners of working age (16-59/64) and relates to the survey period March 2001 to February 2002.

Employment by type of employer

- 2.2 The LFS estimates that there are around 3.4 million Londoners in employment (of working age). Of these, around 22 per cent work in the public sector and the remainder work in the private (75 per cent) and voluntary sectors (three per cent). The proportion of public sector workers in London (22 per cent) is similar to the UK average (23 per cent).
- 2.3 The largest group of public sector workers are those who work for local government – this group accounts for 43 per cent of all public sector workers and represents almost ten per cent of all Londoners in employment. Local government employees include those working for local authorities, those working for the fire and police services and those working in LEA² controlled schools. A further two per cent of Londoners are employed in the education sector outside local government, this includes universities, ‘opted out’ schools and other grant funded education.

Figure 2. Employment in the public and private sector

Greater London, working age residents, 2001/02



Base: Greater London residents of working age in employment = 3.4m (100%)

Source: Annual Local Labour Force Survey, 2001/02

- 2.4 The second largest group of public sector workers are those who work in the health sector (ie NHS trusts/health authorities). This groups accounts for 21 per cent of public sector workers and represents five per cent of Londoners in work.
- 2.5 Central government employees account for 15 per cent of London’s public sector workers and three per cent of all Londoners employed. This group includes the civil service, those who work in central government departments, the armed forces and other groups such as Benefits Agency staff and people who work in prisons.

² Local Education Authority (LEA)

2.6 The remainder of public sector workers are employed across a disparate group of ‘semi-public’ organisations (eg public corporations). These usually have more autonomy than central or local government and include organisations such as the BBC, the Post Office and smaller organisations like the Equal Opportunities Commission.

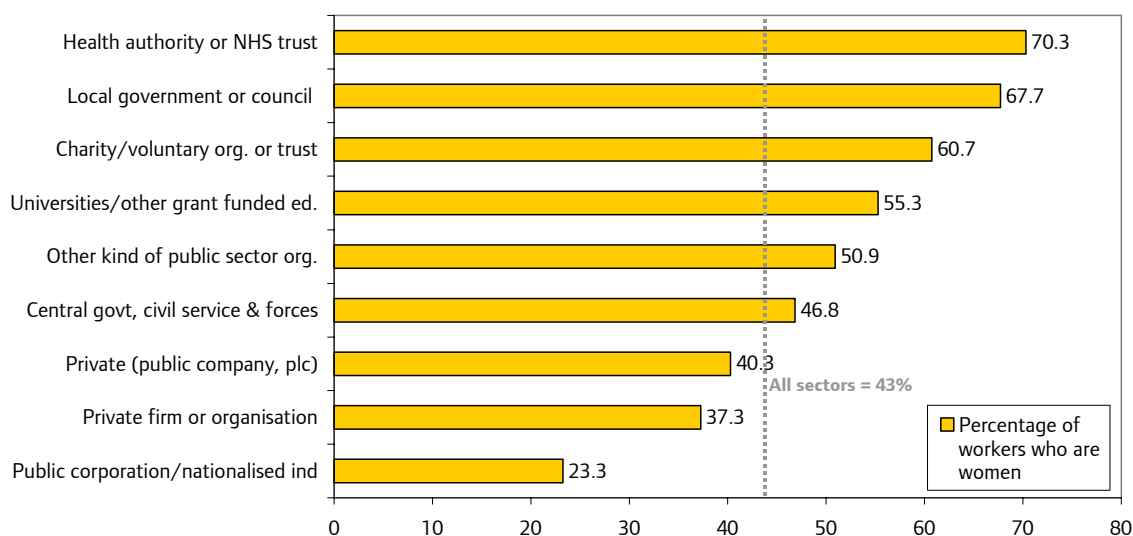
Public sector employment by gender

2.7 Women are twice as likely as men to work in the public sector. Almost one third (30 per cent) of women workers are employed in the public sector compared with 15 per cent of men.

2.8 Figure 3 illustrates the sectors where women predominate. Across all sectors, London’s women make up 43 per cent of those employed, this varies between 60 per cent of all public sector workers and 37 per cent of those in the private sector. Within the public sector, women predominate most in the health sector where they make up 70 per cent of all workers. The areas within the public sector where men outnumber women are in ‘central government’ (including the civil service and armed forces) – where they account for just over half (53 per cent) of all workers - and also in the public corporation sector where men account for over three quarters of workers.

Figure 3. Percentage of workers who are women by sector

Greater London, working age residents, 2001/02



Source: Annual Local Labour Force Survey, 2001/02

Public sector employment by ethnic group

2.9 Of all London’s public sector workers – 74 per cent are white and 26 per cent are from BME³ groups (13 per cent Black; eight per cent Asian and five per cent other BME groups).

2.10 The proportions of white and BME workers who work in the public sector are broadly similar – 24 per cent of BME workers are in public sector employment compared with 21 per cent of White workers. However, there is a lot of variation within the BME group. Public sector working is much more prevalent among Black workers (32 per cent) than

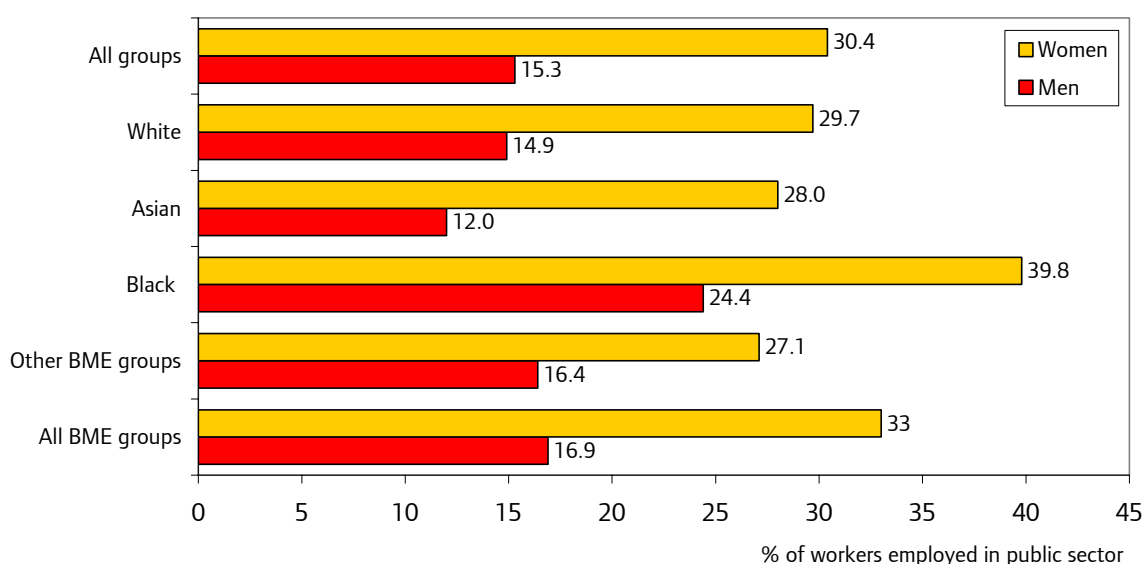
³ The term BME refers to people from ‘Black and minority ethnic’ groups and includes all those whose ethnicity was not white (ie ‘White British’ or ‘Other White’). Ethnic group definitions used here are based on the LFS interim ethnicity classification, which is broadly based on the new 2001 census ethnic classification.

Asian workers (18 per cent). Rates of public sector working are high for both Black Caribbean workers (35 per cent) and for Black African workers (30 per cent).

- 2.11 Figure 4 shows the proportion of women and men working in the public sector analysed by broad ethnic group. One third (33 per cent) of BME women workers are employed in the public sector compared with 17 per cent of BME men, just above the levels for all groups. A relatively high proportion of Black women workers (40 per cent) are employed in the public sector.
- 2.12 BME workers account for over a third (35 per cent) of all those employed in the NHS (ie health authority or NHS trust). More detailed analysis of the Labour Force Survey occupation data reveals that around 42 per cent of nurses and 48 per cent of care assistants & home carers are from BME groups.

Figure 4. Public sector employment by gender & ethnicity

Greater London, working age residents, 2001/02



Source: Annual Local Area Labour Force Survey 2001/02

Disabled workers in the public sector

- 2.13 Disabled⁴ workers make up 11 per cent of all Londoners in employment. Disabled workers are better represented in the public and voluntary sector as opposed to the private sector. 12 per cent of public sector workers and 14 per cent of voluntary sector workers are disabled compared with ten per cent of private sector workers.

Part-time work in the public sector

- 2.14 Across all sectors, almost one in five Londoners (20 per cent) are employed on a part-time basis. Across the public sector rates are slightly higher at 22 per cent compared with 18 per cent in the private sector. Part-time working is most prevalent in local government (28 per cent) and across the voluntary sector (27 per cent). Part-time working is least common in central government where only nine per cent of workers are part-time.

⁴ Disabled workers are those who are defined as either 'DDA disabled' and/or 'work-limiting disabled', according to LFS definitions. See Appendix 2 for more detail.

2.15 Most part-time workers are women. Across the public sector 32 per cent of women work part-time compared with eight per cent of men. BME women in the public sector are less likely to work part-time (24 per cent) than white women (35 per cent).

Table 1. Part-time working by sector, Greater London, 2001/02

Base: persons working age in employment	% of workers who are part-time (in each group)								
	Persons			Females			Males		
	All sectors	Private sector	Public sector	All sectors	Private sector	Public sector	All sectors	Private sector	Public sector
All persons	19.6	18.4	22.4	32.8	32.6	32.0	9.6	9.6	8.0
Disabled people	25.6	24.1	27.9	38.3	36.6	39.1	15.1	16.0	**
Non-disabled people	18.9	17.8	21.7	32.1	32.1	31.0	9.0	8.9	7.9
White groups	18.5	16.6	23.9	33.0	31.6	34.9	7.6	7.4	7.5
BME groups	23.4	24.3	18.2	32.5	35.9	23.9	16.2	17.0	**

Source: Annual Local Area Labour Force Survey 2001/02

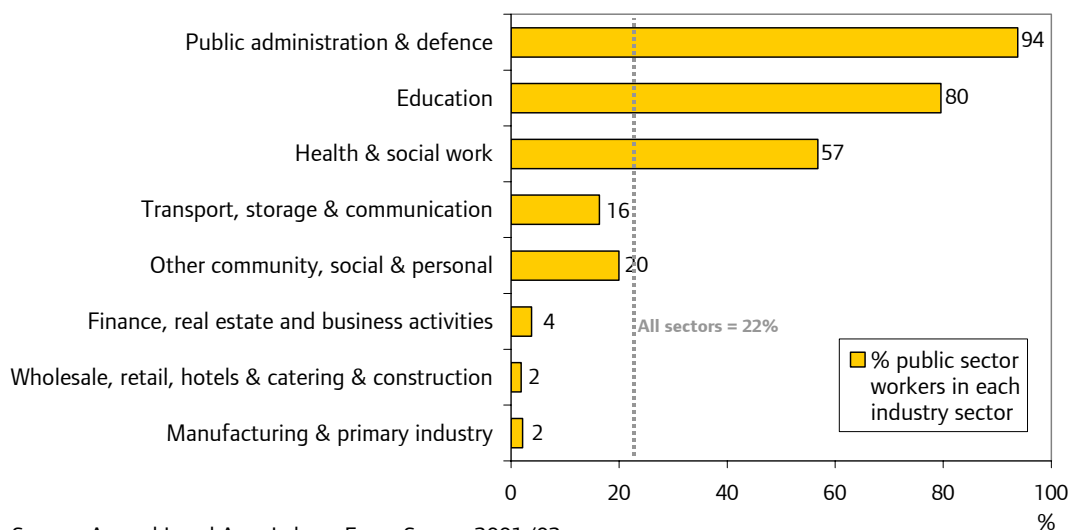
Notes: The LFS is a sample survey and all estimates are subject to a degree of error. Particularly unreliable estimates have been suppressed and are denoted by asterisks(**).

2.16 Rates of part-time working are slightly higher for disabled workers across both private and public sectors. In the public sector, 28 per cent of disabled workers are employed part-time compared with 22 per cent of non-disabled workers.

2.17 Men from BME groups have higher rates of part-time working (16 per cent) than white men (eight per cent), this is generally accounted for by high rates of part-time working by BME men in the private sector (17 per cent).

Figure 5. Employment in the public sector by industry

Greater London, working age residents, 2001/02



Source: Annual Local Area Labour Force Survey 2001/02

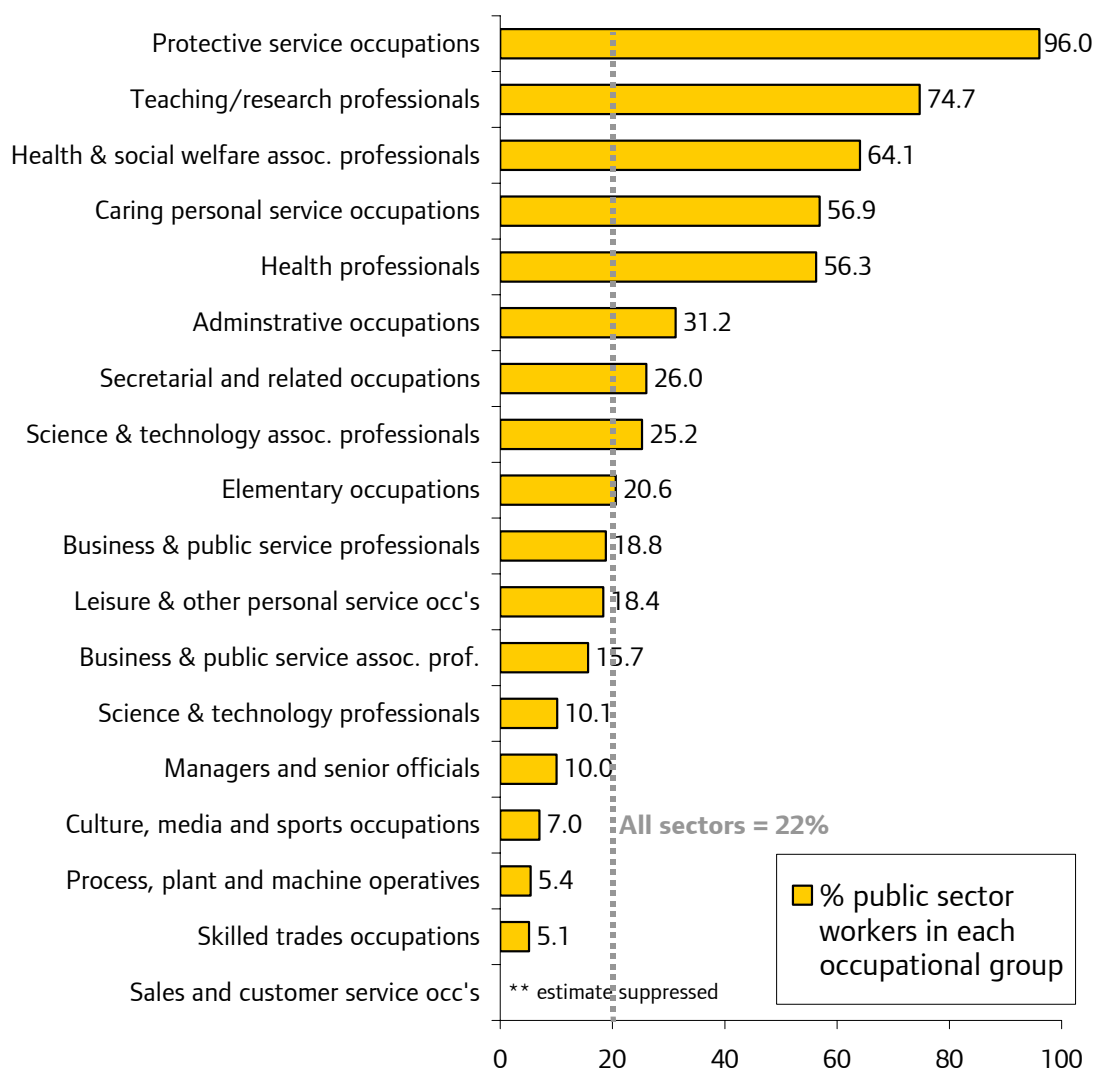
Public sector employment by industry

2.18 The LFS provides data on the numbers working in different industry sectors. This provides a different perspective on public sector working as it also picks up those people working for private companies but in traditionally 'public sector' areas. Figure 5 shows the proportion of workers in each industry sector who are employed by public sector organisations.

2.19 The key industry sectors where there are significant proportions of public sector workers are: public administration and defence (94 per cent); education (80 per cent) and health and social work (57 per cent). Those working in the private sector in these industries will include contracted out workers as well as numerous other groups. Public sector workers are also represented in the 'Other community, social and personal services' sector where they represent around one fifth of workers – this sector includes libraries, sports activities and museums as well as refuse disposal activities.

Figure 6. Public sector workers by occupation

Greater London, working age residents, 2001/02



Source: Annual Local Area Labour Force Survey 2001/02

Public sector employment by occupation

2.20 Figure 6 shows the proportion of public sector workers in different occupational groups. Public sector workers have a quite different occupational composition to that of private sector workers reflecting the nature of the work. Occupational groups in the area of health and education are dominated by public sector workers. Three quarters (75 per cent) of those who were classed as 'teaching and research professionals' were working in the public sector. Similarly around two thirds (64 per cent) of health and social welfare associate professionals were public sector workers. This occupational group includes a

range of professions from nurses through to housing and welfare officers. Almost all those in protective service occupations (police, fire and prison services) were public sector workers.

- 2.21 Interestingly, public sector workers are under-represented in managerial occupations. While public sector workers comprise around 22 per cent of all workers, they only account for ten per cent of 'managers or senior officials'.

Trade union representation in the public and private sector

- 2.22 The GLA recently carried out analysis on trade union membership⁵ in London using the quarterly Labour Force Survey (Autumn 2001). The report estimated that around one in four employees (25 per cent) were trade union members. Union membership rates for Londoners are very high for public sector workers (56 per cent) relative to those who work in the private and voluntary sectors (14 per cent). 60 per cent of those who work in central government/civil service and 58 per cent of those in local government are trade union members. Density rates for Londoners working in the NHS stand at around 52 per cent.

Duration of employment in the public and private sector

- 2.23 London's public sector workers tend to spend longer in jobs than their private sector counterparts. As table 2 shows, 37 per cent of Londoners working in the public sector had been with their current employer for ten or more years compared with only 23 per cent of private sector workers.

Table 2. Characteristics of public sector workers, Greater London 2001/02

Base: persons working age in employment	% of employees who are trade union members	Length of time with employer (%):					% of employees who are	
		All	Less than 1 year	1 to 4 years	5 to 9 years	10 years and over	Permanent	Temp. & fixed contract workers
All sectors	24.5	100	22.7	36.8	14.6	25.9	91.7	8.3
Public sector	55.9	100	17.3	31.3	14.7	36.7	89.5	10.5
Private sector (inc voluntary)	13.7	100	24.2	38.3	14.5	22.9	92.5	7.5

Source: (i) Annual Local Area Labour Force Survey 2001/02 (ii) Quarterly LFS Autumn 2001. All figures relate to working age Londoners except the trade union data that relate to employees aged 16+. Data on trade union and temporary workers exclude the self-employed.

Temporary work

- 2.24 Londoners are more likely than those in the rest of the UK to work on a non-permanent basis (eg agency work, fixed contracts, casual work etc). Across the UK around six per cent of employees work on a non-permanent basis, compared with eight per cent of Londoners. Rates are particularly high for Inner London residents (ten per cent). This analysis excludes self-employed workers in the private sector.
- 2.25 Rates of temporary working among employees are higher in the public sector than the private sector. Around one in ten (11 per cent) public sector employees are working on a 'non-permanent' basis compared with eight per cent of those in the private sector. Non-

⁵ DMAG briefing 2003/18: Trade union membership in London - An analysis of Labour Force Survey data (Autumn 2001). This analysis covered those employees aged 16+.

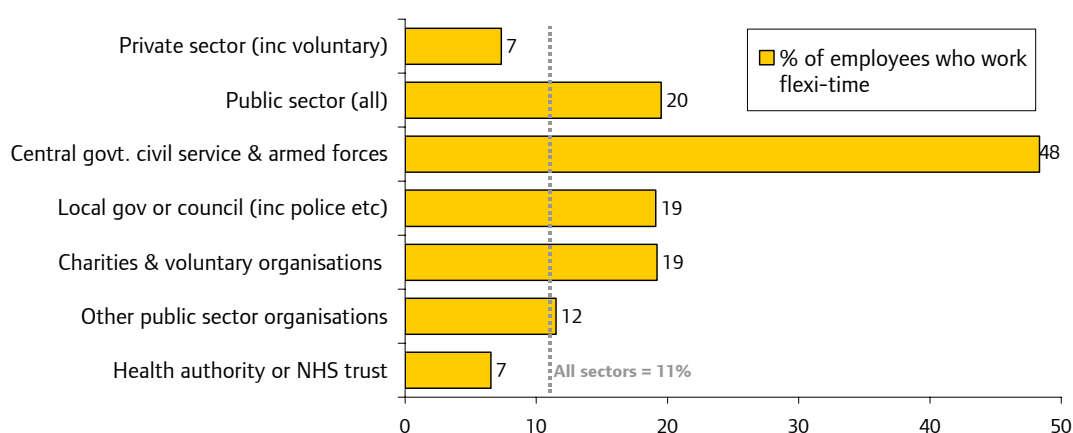
permanent public sector employees mainly comprise those who are working on fixed contracts (60 per cent) and agency staff (21 per cent).

Flexible working in the public sector

2.26 One in five (20 per cent) of London’s public sector employees worked on a flexi-time basis compared with seven per cent of private sector employees. Here the term ‘flexi-time’ covers those respondents who said that ‘flexi-time or flexible working hours’ was part of their agreed working arrangement. Within the public sector, flexi-time is most common in central government/civil service – where almost half (48 per cent) of all employees work on a flexi-time basis. Flexible working is least common in the NHS (seven per cent).

Figure 7. Employees working flexi-time by sector

Greater London, residents aged 16+, Autumn 2001



Source: Quarterly Labour Force Survey - Autumn 2001

Estimating earnings from the Labour Force Survey

2.27 The LFS provides estimates of the gross average hourly earnings of employees⁶ and is one of the few data sources that allows analysis of earnings of London residents⁷. However, the data are limited in their application because LFS earnings estimates are known to slightly underestimate the true level of earnings. This is thought to be due to the impact of proxy responses (ie information supplied by a respondent on behalf of others in the household). So while the data are considered to be good at exploring relativities between groups, they are less accurate predictors of absolute levels of earnings. Readers should bear this in mind when interpreting the analysis. Here the data are used primarily to consider the relative pay of people working in the private and public sectors.

The gap between earnings in the public and private sector

2.28 Comparing earnings levels within the public and private sector is complicated by the fact that earnings are more polarised in the private sector than the public sector– that is the private sector has more employees at the very top and bottom of the earnings distribution.

⁶ LFS earnings estimates relate to employees only and exclude the self-employed. In line with ONS convention, those who earned £100 an hour or more were excluded from all analysis (as their inclusion would distort the overall picture).

⁷ The New Earnings Survey is the most commonly used data source for earnings but relates to people who work in an area as opposed to those who live there.

2.29 For this reason, it is important to consider the data using both mean and median measures⁸ of earnings, as they summarise different aspects of the earnings distribution. This is illustrated in Table 3 which presents both mean and median measures of earnings for public and private sector employees.

Table 3. LFS earnings estimates by sector, Greater London residents, 2001/02

Base: working age employees

Type of employer	Gross average hourly earnings (£) ¹			
	Mean	Median	25% earn less than...	75% earn less than....
Employees - all sectors	12.48	10.10	6.86	14.97
Private and voluntary sector	12.75	10.00	6.60	15.20
- Private sector	12.82	9.89	6.53	15.38
- Voluntary sector	11.59	11.24	8.00	13.74
Public sector	11.79	10.41	7.49	14.43
- Central government, civil service, armed forces	12.56	10.69	8.16	14.75
- Local government (includes fire, police, LEAs)	11.34	10.30	7.00	14.43
- University, polytechnic or other grant funded education	13.10	11.54	8.80	15.83
- Health authority or NHS trust	11.50	9.94	7.33	13.95
- Other kind of organisation (public sector)	13.32	11.95	8.00	15.88

Source: Annual Local Area Labour Force Survey 2001/02

1 - Hourly earnings are known to be underestimated in the LFS, this is principally due to proxy responses. In line with ONS convention, those who earned £100 an hour or more were excluded from all analysis (as their inclusion would distort the overall picture). All data relate to employees of working age living in London and exclude the self-employed.

2.30 According to the mean earnings figure – public sector employees (living in London) earn an average of £11.79 per hour – eight per cent less than the figure for the private & voluntary sector (£12.75). However, if we use the median figure, public sector employees appear to earn four per cent more than private sector employees (£10.41 compared with £10.00).

2.31 The mean is much more affected by extreme values and the higher mean figure is reflecting the fact that there are more ‘very high’ earners in the private sector. The top 25 per cent of earners in the private sector earn more than £15.20 per hour compared with £14.43 for the top 25 per cent of public sector earners. The private sector also has more employees on very low levels of pay – 25 per cent of employees in the public sector earn less than £7.49 per hour whereas in the private sector the 25 per cent level is even lower at £6.60.

2.32 Within the public sector, employees in local government and those in the health sector can expect to earn less (on average) than those working in the higher education sector or those in central government.

⁸ Two types of averages are presented here: mean and median. Mean earnings are computed by adding up all earnings of all employees and then dividing by the number of employees. Mean earnings are affected by extreme values (eg very high or very low earners). The median is another type of average which divides the distribution in half with the median reflecting the middle – so half of all employees earn less than the median figure and half earn more.

Equal pay in the public and private sector

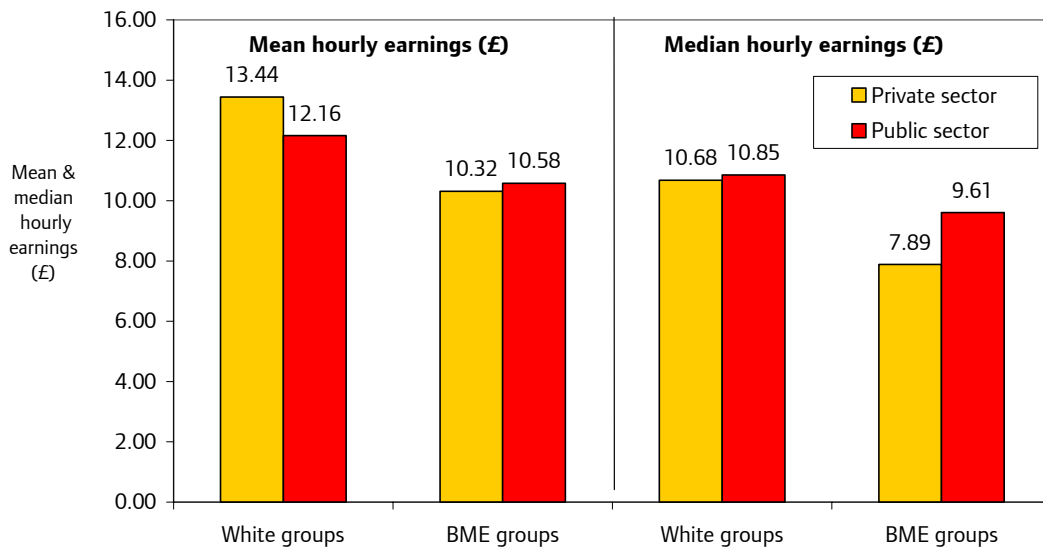
2.33 Certain groups of workers are more likely than others to be on low rates of pay. These include: women, disabled workers and people from BME groups. The analysis that follows considers how each of these groups fare in both the public and private sectors.

The ethnic pay gap

2.34 On average, BME workers earn considerably less than white workers in both the public and private sectors, though the pay gap between white and BME workers is larger for private sector workers.

Figure 8. Average hourly earnings by ethnicity

Greater London, residents working age, 2001/02



Source: Annual Local Area Labour Force Survey 2001/02

2.35 Figure 8 illustrates the relative earnings levels of BME and white workers. Using the median measure, BME workers across the public sector earn on average £9.61 per hour – 89 per cent that of white workers (£10.85). BME workers in the private sector earn an average of £7.89 per hour – 74 per cent that of white workers (£10.68). The size of the pay gap within the private sector is driven by very low rates of pay for BME employees – 25 per cent of BME workers in the private sector earn less than £5.47 per hour compared with £6.98 for the lowest paid 25 per cent of public sector BME workers.

2.36 Interestingly, unlike the white group, earnings of BME workers are lower in the private sector than the private sector on both the median and mean measures. This again reflects the relative lack of highly paid workers in the BME group.

The disability pay gap

2.37 The same pattern exists when analysing the pay gap between disabled and non-disabled workers and also between men and women. Like BME workers, women and disabled people are over-represented in low paid jobs and command generally lower rates of pay⁹.

⁹ See DMAG briefings no 2003/1 (Disabled people and the labour market) and no 2003/12 (Women and the labour market) for more detail on the disability and gender pay gaps. Details on page 30.

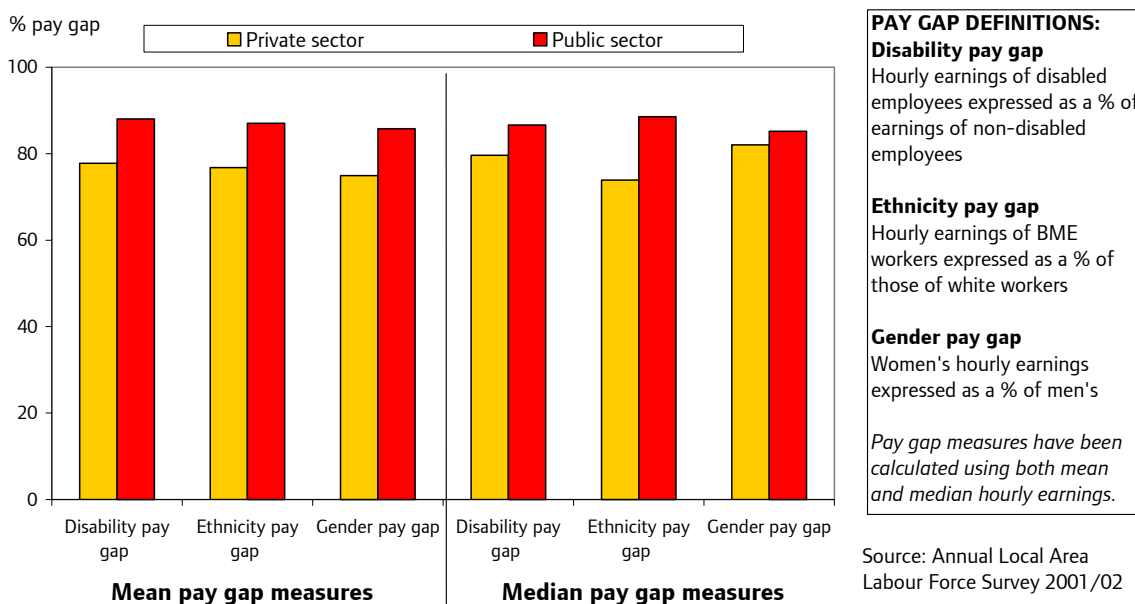
2.38 On average, disabled people earn 82 per cent of the median earnings of non-disabled people. The pay gap persists in both the public (87 per cent) and private sectors (80 per cent) but again is at its worst within the private sector (see figure 9).

The gender pay gap

2.39 Median hourly earnings for women are around 84 per cent of those of men. The gender pay gap is slightly wider in the private sector than the public sector (82 per cent compared with 85 per cent). The difference in the gender pay gap in the private and public sector is far larger using mean earnings (75 per cent compared with 86 per cent), this in part reflects the relative lack of highly paid women in the private sector.

Figure 9. Pay gap measures in the public/private sector

Greater London, residents working age, 2001/02



2.40 Figure 9 illustrates the pay gap for all three groups: women, disabled people and BME groups across both the public and private sector using both mean and median measures. In the case of all three groups, workers fare better when working in the public sector than the private sector where earnings are more polarised. However, this being said, all three groups still are on relatively low rates of pay across both the public and private sector.

Conclusions

2.41 This analysis presents a profile of Londoners who work in the public and private sectors and underlines the distinct nature of both sectors. Public sector employers provide work for more than one in five Londoners and almost one in three women. Public sector workers are more likely than those in the private sector to enjoy flexible working, to be trade union members and less likely to be on very low rates of pay. There is also less 'churn' in the public sector where employees are likely to stay in their jobs for longer than those working in the private sector.

2.42 However, not all public sector workers enjoy favourable working conditions. One in ten public sector workers are employed on a 'non-permanent' basis and on average pay is lower in the public sector due to the fact there are fewer highly paid employees. Certain

groups of public sector workers – BME workers, disabled workers and women – remain on relatively low rates of pay, and the traditional pay gaps persist, albeit less pronounced than those in the private sector.

2.43 It is recognised that there is considerable diversity within the public (and private) sector that this analysis fails to address. Sample size limitations have restricted us to painting a fairly broad brush picture of those working in the public sector and we have not really been able to unpick the experiences of workers employed in different parts of the public sector. However, while the analysis has its limitations, it fills a gap in official statistics and provides a good starting point for future work.

2.44 For more information about this report, please contact Lorna Spence in the GLA's Data Management and Analysis Group on 020 7983 4658

3. Appendices

Appendix 1: Key reference tables

A1. Public and private sector employment by gender, Greater London, 2001/02

<i>Base: working age persons in employment</i>	Numbers			% totals			% of workers that are women
	Persons	Women	Men	Persons	Women	Men	
All persons working age¹	3,387,000	1,460,000	1,927,000	100.0	100.0	100.0	43.1
Private sector	2,542,000	952,000	1,590,000	75.1	65.2	82.5	37.4
- Private firm or organisation	2,392,000	891,000	1,501,000	70.6	61.1	77.9	37.3
- Private (public co./plc)	150,000	60,000	89,000	4.4	4.1	4.6	40.3
Public sector	740,000	444,000	296,000	21.9	30.4	15.3	60.0
- Nationalised industry	53,000	12,000	41,000	1.6	0.8	2.1	23.3
- Central government, civil service, armed forces	112,000	52,000	59,000	3.3	3.6	3.1	46.8
- Local government or council (includes fire, police and LEAs)	322,000	218,000	104,000	9.5	14.9	5.4	67.7
- University, polytechnic or other grant funded education	57,000	32,000	26,000	1.7	2.2	1.3	55.3
- Health authority/NHS trust	156,000	110,000	46,000	4.6	7.5	2.4	70.3
- Other kind of public org.	41,000	21,000	20,000	1.2	1.4	1.0	50.9
Voluntary sector (Charity, voluntary org. or trust)	105,000	64,000	41,000	3.1	4.4	2.1	60.7
% public sector	21.9	30.4	15.3				

Source: Annual Local Labour Force Survey 2001/02

Notes:

The LFS is a sample survey and all statistics presented here are estimates not precise counts are subject to a degree of sampling variability. LFS data presented here have NOT been adjusted to take account of 2001 census results.

1 - Total employment figures presented here exclude those who did not provide enough information about their employer to classify them into public or private sector, so totals here will be slightly lower than total employment on other tables. Totals on (and within) different tables may differ due to missing data and rounding

A2. Public and private sector employment by ethnicity, Greater London 2001/02

Base: persons working age	Persons in employment			% totals			% workers from BME ¹ groups
	Total	White groups	BME ¹ groups	Total	White groups	BME ¹ groups	
All persons in employment²	3,385,000	2,587,000	797,000	100.0	100.0	100.0	23.6
Private sector	2,540,000	1,956,000	584,000	75.0	75.6	73.3	23.0
Private firm or organisation	2,390,000	1,839,000	551,000	70.6	71.1	69.2	23.1
Private (public company, plc)	150,000	117,000	33,000	4.4	4.5	4.1	22.0
Public sector	740,000	548,000	192,000	21.9	21.2	24.0	25.9
Nationalised industry	53,000	38,000	16,000	1.6	1.5	1.9	29.3
Central government, civil service, armed forces	111,000	80,000	31,000	3.3	3.1	3.9	28.2
Local government or council (includes fire, police and LEAs)	322,000	251,000	71,000	9.5	9.7	8.9	22.1
University, polytechnic or other grant funded educ.	57,000	46,000	11,000	1.7	1.8	1.3	18.5
Health authority or NHS trust	156,000	102,000	54,000	4.6	3.9	6.8	34.7
Other kind of public org.	41,000	32,000	9,000	1.2	1.2	1.1	21.4
Voluntary sector (Charity, voluntary org or trust)	105,000	83,000	21,000	3.1	3.2	2.7	20.5
Private sector (inc. voluntary)	2,645,000	2,039,000	606,000	78.1	78.8	76.0	22.9
Public sector	740,000	548,000	192,000	21.9	21.2	24.0	25.9

Source: Annual Local Area Labour Force Survey 2001/02

Notes:

The LFS is a sample survey and all statistics presented here are estimates not precise counts are subject to a degree of sampling variability. LFS data presented here have NOT been adjusted to take account of 2001 census results.

1 - The LFS ethnic group classification used here is new LFS interim ethnicity classification, which is broadly based on the new 2001 census ethnic classification. In this table, the term BME (Black and minority ethnic group) includes all those whose ethnicity was not white (ie 'White British' or 'Other White').

2- Totals on (and within) different tables may differ due to missing data and rounding. In particular, total employment figures presented here exclude those who did not provide enough information about their employer to classify them into public or private sector, so totals here may be slightly lower than total employment on other tables.

A3. Public and private sector employment by ethnic group, Greater London 2001/02

Base: persons working age		Number employed ²			Number employed ²		
Ethnic group ¹ :	Persons	Private & voluntary	Public sector	% public	Private sector	Public & voluntary	% public & vol
All groups	3,385,000	2,645,000	740,000	21.9	2,540,000	845,000	25.0
White	2,587,000	2,039,000	548,000	21.2	1,956,000	632,000	24.4
British	2,206,000	1,718,000	488,000	22.1	1,646,000	560,000	25.4
Other White	380,000	320,000	60,000	15.8	309,000	71,000	18.7
Asian or Asian British	338,000	277,000	61,000	18.0	272,000	66,000	19.6
Indian	197,000	158,000	39,000	19.6	156,000	41,000	20.7
Pakistani/Bangladeshi	71,000	62,000	10,000	13.4	60,000	11,000	15.3
Other Asian	70,000	58,000	13,000	18.3	56,000	15,000	20.7
Black or Black British	302,000	204,000	97,000	32.3	193,000	109,000	36.1
Black Caribbean	144,000	94,000	50,000	34.7	88,000	56,000	38.6
Black African	142,000	99,000	43,000	30.3	93,000	48,000	34.1
Other Black	16,000	11,000	**	**	11,000	**	**
Mixed	47,000	36,000	11,000	22.9	34,000	13,000	28.0
Chinese and other	110,000	88,000	22,000	20.3	86,000	25,000	22.3
All white groups	2,587,000	2,039,000	548,000	21.2	1,956,000	632,000	24.4
All BME ¹ groups	797,000	606,000	192,000	24.0	584,000	213,000	26.7

Source: Annual Local Area Labour Force Survey 2001/02

Notes:

The LFS is a sample survey and all statistics presented here are estimates not precise counts are subject to a degree of sampling variability. Particularly unreliable estimates have been suppressed and are denoted by asterisks (**). LFS data presented here have NOT been adjusted to take account of 2001 census results.

1 - The LFS ethnic group classification used here is new LFS interim ethnicity classification, which is broadly based on the new 2001 census ethnic classification. In this table, the term BME (Black and minority ethnic group) includes all those whose ethnicity was not white (ie 'White British' or 'Other White').

2- Totals on (and within) different tables may differ due to missing data and rounding. In particular, total employment figures presented here exclude those who did not provide enough information about their employer to classify them into public or private sector, so totals here may be slightly lower than total employment on other tables.

A4. Part-time working in the public and private sector, Greater London 2001/02

Base: persons working age in employment	Employment - all sectors ²			Private sector			Public sector		
	Full-time	Part-time	% part- time	Full-time	Part-time	% part- time	Full-time	Part-time	% part- time
All persons	2,743,000	670,000	19.6	2,158,000	487,000	18.4	574,000	166,000	22.4
Disabled people	267,000	92,000	25.6	202,000	64,000	24.1	64,000	25,000	27.9
Non-disabled people	2,476,000	578,000	18.9	1,956,000	422,000	17.8	511,000	141,000	21.7
White groups	2,124,000	481,000	18.5	1,698,000	339,000	16.6	417,000	131,000	23.9
BME ¹ groups	617,000	189,000	23.4	458,000	147,000	24.3	157,000	35,000	18.2
Men	1,754,000	187,000	9.6	1,473,000	156,000	9.6	272,000	24,000	8.0
Disabled men	167,000	30,000	15.1	136,000	26,000	16.0	30,000	**	**
Non-disabled men	1,587,000	157,000	9.0	1,337,000	130,000	8.9	242,000	21,000	7.9
White groups	1,375,000	113,000	7.6	1,166,000	93,000	7.4	203,000	16,000	7.5
BME ¹ groups	377,000	73,000	16.2	307,000	63,000	17.0	68,000	**	**
Women	990,000	484,000	32.8	685,000	331,000	32.6	302,000	142,000	32.0
Disabled women	100,000	62,000	38.3	66,000	38,000	36.6	34,000	22,000	39.1
Non-disabled women	889,000	421,000	32.1	618,000	292,000	32.1	268,000	120,000	31.0
White groups	749,000	368,000	33.0	533,000	246,000	31.6	214,000	115,000	34.9
BME ¹ groups	240,000	116,000	32.5	151,000	85,000	35.9	88,000	28,000	23.9

Source: Annual Local Area Labour Force Survey 2001/02

Notes:

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1 - The LFS ethnic group classification used here is new LFS interim ethnicity classification, which is broadly based on the new 2001 census ethnic classification. In this table, the term BME (Black and minority ethnic group) includes all those whose ethnicity was not white (ie 'White British' or 'Other White').

2 - Private and public employment figures do not sum exactly to total employment (all sectors) this is due to missing data.

A5. Part-time and full-time employment by type of employer and gender Greater London, 2001/02

	Total ¹	Full-time	Part-time	% full-time	% part-time
All persons working age	3,385,000	2,732,000	653,000	80.7	19.3
Private firm or organisation	2,390,000	1,957,000	433,000	81.9	18.1
Private (public company, plc)	150,000	125,000	25,000	83.2	16.8
Nationalised industry	53,000	48,000	**	91.2	**
Central government, civil service, armed forces	112,000	101,000	10,000	90.7	9.3
Local govt. or council (includes fire, police, LEA s)	322,000	230,000	91,000	71.6	28.4
University, other grant funded education	57,000	42,000	15,000	73.4	26.6
Health authority or NHS trust	156,000	120,000	36,000	77.2	22.8
Charity, voluntary organisation or trust	105,000	77,000	28,000	73.2	26.8
Other kind of organisation (public)	41,000	32,000	9,000	78.5	21.5
<i>All public sector</i>	<i>740,000</i>	<i>574,000</i>	<i>166,000</i>	<i>77.6</i>	<i>22.4</i>
Women					
All working age (16-59)	1,460,000	987,000	473,000	67.6	32.4
Private firm or organisation	891,000	599,000	292,000	67.2	32.8
Private (public company, plc)	60,000	42,000	18,000	69.8	30.2
Nationalised industry	12,000	10,000	**	78.3	**
Central government, civil service, armed forces	52,000	44,000	8,000	84.4	15.6
Local govt. or council (includes fire, police, LEA s)	218,000	137,000	81,000	62.6	37.4
University, poly. or other grant funded education	32,000	20,000	11,000	63.8	36.2
Health authority or NHS trust	110,000	77,000	32,000	70.5	29.5
Charity, voluntary organisation or trust	64,000	43,000	20,000	67.9	32.1
Other kind of organisation (public)	21,000	14,000	**	69.4	**
<i>All public sector</i>	<i>444,000</i>	<i>302,000</i>	<i>142,000</i>	<i>68.0</i>	<i>32.0</i>

Source: Annual Local Labour Force Survey 2001/02

The LFS is a sample survey and all statistics presented here are estimates not precise counts are subject to a degree of sampling variability. Particularly unreliable estimates have been suppressed and are denoted by asterisks (**). LFS data presented here have NOT been adjusted to take account of 2001 census results.

1 - Total employment figures presented here exclude those who did not provide enough information about their employer to classify them into public or private sector, so totals here will be slightly lower than total employment on other tables.

A6. Disabled people in employment by sector, Greater London, 2001/02

<i>Base: working age persons in employment</i>	Numbers			% totals			% of workers that are disabled
	All	Disabled people ²	Non-disabled people	All	Disabled people ²	Non-disabled people	
All sectors¹	3,387,000	355,000	3,032,000	100	100	100	10.5
Private (inc voluntary) sector	2,647,000	267,000	2,380,000	78.1	75.2	78.5	10.1
-Private sector	2,542,000	252,000	2,290,000	75.1	71.0	75.5	9.9
Private firm or organisation	2,392,000	238,000	2,155,000	70.6	67.0	71.1	9.9
Private (public company, plc)	150,000	14,000	135,000	4.4	4.1	4.5	9.6
-Voluntary sector	105,000	15,000	90,000	3.1	4.1	3.0	14.0
Public sector	740,000	88,000	652,000	21.9	24.8	21.5	11.9
- Nationalised industry	53,000	**	47,000	1.6	**	1.5	**
- Central govt/civil service, forces	112,000	14,000	97,000	3.3	4.0	3.2	12.6
- Local government or council (includes fire, police and LEA s)	322,000	40,000	282,000	9.5	11.1	9.3	12.3
- University, polytechnic or other grant funded education	57,000	**	50,000	1.7	**	1.6	**
- Health authority or NHS trust	156,000	15,000	141,000	4.6	4.3	4.6	9.8
- Other kind of organisation	41,000	**	35,000	1.2	**	1.2	**

Employment by industry (SIC 1992):

All industries	3,404,000	357,000	3,047,000	100	100	100	10.5
Manufacturing & primary ind.	313,000	32,000	281,000	9.2	8.9	9.2	10.1
Construction	196,000	21,000	175,000	5.8	5.9	5.7	10.7
Wholesale retail, hotels & catering	607,000	70,000	537,000	17.8	19.6	17.6	11.5
Transport, storage, comms	289,000	38,000	251,000	8.5	10.7	8.2	13.1
Finance, real est, rent business act.	921,000	70,000	851,000	27.0	19.5	27.9	7.6
Public admin,health & education	791,000	95,000	696,000	23.2	26.6	22.8	12.0
- Public admin.& defence	182,000	20,000	162,000	5.3	5.5	5.3	10.8
- Education	269,000	32,000	237,000	7.9	9.0	7.8	11.9
-Health & social work	341,000	43,000	298,000	10.0	12.2	9.8	12.7
Other community, social & personal	259,000	28,000	231,000	7.6	7.9	7.6	10.9
Other (inc workplace outside UK)	27,000	**	24,000	0.8	**	0.8	**

Source: Annual Local Labour Force Survey 2001/02

Notes:

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1 - Total employment figures presented here exclude those who did not provide enough information about their employer to classify them into public or private sector, so totals here will be slightly lower than total employment on other tables.

2-Disabled workers are those who are defined as either 'DDA disabled' and/or 'work-limiting disabled', according to LFS definitions. See Appendix 2 for more detail.

A7. Industry by public/private sector by ethnicity, Greater London 2001/02

Base: persons working age	Private/public split			% employed in:		
	All sectors	Private/vol sector	Public sector	All sectors	% private & vol sector	% public sector
All ethnic groups ¹ :						
All industries²	3,383,000	2,643,000	740,000	100	78.1	21.9
A-E Manufacturing & primary	312,000	305,000	**	100	97.9	**
F:Construction	194,000	184,000	10,000	100	95.0	5.0
G:Wholesale, retail & motor trade	454,000	453,000	**	100	99.7	**
H:Hotels & restaurants	148,000	144,000	**	100	97.2	**
I:Transport, storage & communication	286,000	240,000	47,000	100	83.7	16.3
J:Financial intermediation	270,000	265,000	**	100	98.4	**
K:Real estate, renting & business	646,000	615,000	31,000	100	95.3	4.7
L:Public administration & defence	181,000	11,000	170,000	100	6.2	93.8
M:Education	268,000	55,000	213,000	100	20.4	79.6
N:Health & social work	340,000	147,000	193,000	100	43.2	56.8
O:Other community, social & personal	258,000	206,000	51,000	100	80.0	20.0
All white groups:						
All industries	2,585,000	2,036,000	548,000	100	78.8	21.2
A-E Manufacturing & primary	243,000	238,000	**	100	97.7	**
F:Construction	170,000	163,000	**	100	95.9	**
G:Wholesale, retail & motor trade	303,000	302,000	**	100	99.7	**
H:Hotels & restaurants	91,000	88,000	**	100	96.9	**
I:Transport, storage & communication	203,000	174,000	30,000	100	85.4	14.6
J:Financial intermediation	224,000	222,000	**	100	98.8	**
K:Real estate, renting & business activ.	522,000	499,000	23,000	100	95.6	4.4
L:Public administration & defence	136,000	9,000	127,000	100	6.3	93.7
M:Education	224,000	47,000	177,000	100	21.1	78.9
N:Health & social work	231,000	108,000	123,000	100	46.7	53.3
O:Other community, social & personal	215,000	173,000	42,000	100	80.4	19.6
All BME groups:						
All industries	796,000	605,000	192,000	100	76.0	24.0
A-E Manufacturing & primary	68,000	67,000	**	100	98.6	**
F:Construction	24,000	22,000	**	100	88.7	**
G:Wholesale, retail & motor trade	150,000	150,000	**	100	99.8	**
H:Hotels & restaurants	57,000	55,000	**	100	97.7	**
I:Transport, storage & communication	83,000	66,000	17,000	100	79.5	20.5
J:Financial intermediation	45,000	43,000	**	100	96.2	**
K:Real estate, renting & business activ.	123,000	116,000	**	100	94.0	**
L:Public administration & defence	45,000	**	43,000	100	**	94.1
M:Education	44,000	**	36,000	100	**	83.0
N:Health & social work	109,000	39,000	70,000	100	35.7	64.3
O:Other community, social & personal	42,000	33,000	9,000	100	77.9	22.1

Source: Annual Local Area Labour Force Survey 2001/02

Notes: The LFS is a sample survey and all statistics presented here are estimates not precise counts are subject to a degree of sampling variability. Particularly unreliable estimates have been suppressed and are denoted by asterisks (**). LFS data presented here have NOT been adjusted to take account of 2001 census results.

1 - The LFS ethnic group classification used here is new LFS interim ethnicity classification, which is broadly based on the new 2001 census ethnic classification. In this table, the term BME (Black and minority ethnic group) includes all those whose ethnicity was not white (ie 'White British' or 'Other White').

2- Totals on/within different tables may differ due to missing data/rounding. Total emp. figures presented here exclude those who did not provide enough information to classify them into public or private sector.

A8. Employment by occupation and public/private sector split, Greater London 2001/02

Major occupation group (main job)	Persons employed			% employed in:		
	All sectors	Private sector	Public sector	All sectors	Private sector	Public sector
Employment - all occupations¹	3,385,000	2,645,000	740,000	100	78.1	21.9
Managers and senior officials	577,000	520,000	58,000	100	90.0	10.0
- Corporate managers	462,000	411,000	50,000	100	89.1	10.9
- Managers & proprietors in services/other	116,000	108,000	**	100	93.5	**
Professional occupations	537,000	341,000	196,000	100	63.5	36.5
- Science and technology professionals	145,000	131,000	15,000	100	89.9	10.1
- Health professionals	44,000	19,000	25,000	100	43.7	56.3
- Teaching and research professionals	163,000	41,000	122,000	100	25.3	74.7
- Business and public service professionals	185,000	150,000	35,000	100	81.2	18.8
Associate professional and technical	615,000	457,000	158,000	100	74.2	25.8
- Science & technology assoc. professionals	62,000	46,000	16,000	100	74.8	25.2
- Health & social welfare assoc. professionals	104,000	37,000	66,000	100	35.9	64.1
- Protective service occupations	26,000	**	25,000	100	**	96.0
- Culture, media and sports occupations	172,000	160,000	12,000	100	93.0	7.0
- Business and public service assoc. prof.	251,000	212,000	39,000	100	84.3	15.7
Administrative and secretarial	488,000	342,000	146,000	100	70.1	29.9
- Administrative occupations	358,000	246,000	112,000	100	68.8	31.2
- Secretarial and related occupations	130,000	96,000	34,000	100	74.0	26.0
Skilled trades occupations	261,000	248,000	13,000	100	94.9	5.1
Personal service occupations	205,000	115,000	91,000	100	55.9	44.1
- Caring personal service occupations	137,000	59,000	78,000	100	43.1	56.9
- Leisure and other personal service occ's	68,000	55,000	12,000	100	81.6	18.4
Sales and customer service occ's	230,000	225,000	**	100	97.9	**
- Sales occupations	199,000	198,000	**	100	99.2	**
- Customer service occupations	30,000	27,000	**	100	89.0	**
Process, plant and machine operatives	159,000	150,000	9,000	100	94.6	5.4
- Process, plant and machine operatives	58,000	54,000	**	100	94.5	**
- Transport & mobile machine drivers/oper.	101,000	96,000	**	100	94.7	**
Elementary occupations	313,000	249,000	64,000	100	79.4	20.6
- Elementary trades, plant and storage related	61,000	59,000	**	100	95.5	**
- Elementary administration and service	252,000	190,000	62,000	100	75.5	24.5

Source: Annual Local Area Labour Force Survey 2001/02

Notes: The LFS is a sample survey and all statistics presented here are estimates not precise counts are subject to a degree of sampling variability. Particularly unreliable estimates have been suppressed and are denoted by asterisks (**). LFS data presented here have NOT been adjusted to take account of 2001 census results.

1- Totals on (and within) different tables may differ due to missing data and rounding. Total employment figures presented here exclude those who did not provide enough information about their employer to classify them into public or private sector, so totals here may be slightly lower than total employment on other tables.

A9. Earnings by ethnicity and public/private sector employer, Greater London 2001/02

	Gross average hourly earnings (£) ¹				BME/white pay gap ³	
	Mean	Median	25%	75%	Mean	Median
			earn less than...	earn less than....		
Base: working age employees						
All employees						
All sectors	12.48	10.10	6.86	14.97	79.2	78.3
Private and voluntary sector	12.75	10.00	6.60	15.20	76.8	73.9
- Private sector	12.82	9.89	6.53	15.38	76.4	72.4
- Voluntary sector	11.59	11.24	8.00	13.74	82.5	86.5
Public sector	11.79	10.41	7.49	14.43	87.0	88.6
- Central government, civil service, armed forces	12.56	10.69	8.16	14.75	72.0	74.3
- Local government or council	11.34	10.30	7.00	14.43	93.5	93.8
- University, polytechnic or other grant fund educ.	13.10	11.54	8.80	15.83	**	**
- Health authority or NHS trust	11.50	9.94	7.33	13.95	89.2	93.9
- Other kind of organisation (public sector)	13.32	11.95	8.00	15.88	**	**
White² employees						
All sectors	13.09	10.71	7.21	15.68		
Private and voluntary sector	13.44	10.68	7.10	16.22		
- Private sector	13.53	10.63	7.04	16.49		
- Voluntary sector	11.96	11.43	8.11	14.16		
Public sector	12.16	10.85	7.63	15.11		
- Central government, civil service, armed forces	13.57	11.86	9.25	15.76		
- Local government or council	11.49	10.54	7.03	14.83		
- University, polytechnic or other grant fund educ.	13.25	11.54	8.65	15.88		
- Health authority or NHS trust	11.91	10.23	7.65	14.42		
- Other kind of organisation (public sector)	13.51	12.50	7.69	16.03		
BME² employees						
All sectors	10.37	8.39	5.79	12.03		
Private and voluntary sector	10.32	7.89	5.47	11.85		
- Private sector	10.34	7.70	5.41	11.85		
- Voluntary sector	9.87	9.89	7.68	11.59		
Public sector	10.58	9.61	6.98	12.50		
- Central government, civil service, armed forces	9.77	8.81	6.93	10.92		
- Local government or council (includes fire,	10.74	9.89	6.89	13.20		
- University, polytechnic or other grant funded	**	**	**	**		
- Health authority or NHS trust	10.62	9.61	6.94	12.28		
- Other kind of organisation (public sector)	**	**	**	**		

Source: Annual Local Area Labour Force Survey 2001/02

Notes: The LFS is a sample survey and all statistics presented here are estimates not precise counts and are subject to a degree of sampling error. Earnings estimates based on a sample of less than 50 employees have been suppressed due to poor reliability and are denoted by asterisks "***". LFS estimates presented here have NOT been adjusted to take account of 2001 census results.

1 - Hourly earnings are known to be underestimated in the LFS, this is principally due to proxy responses. In line with ONS convention, those who earned £100 an hour or more were excluded from all analysis (as their inclusion would distort the overall picture). All data relate to employees of working age and exclude the self-employed.

2- The LFS ethnic group classification used is the new 'interim ethnicity classification' which is based on the new 2001 Census classification. In this table, the term BME (Black and minority ethnic groups) includes all those whose ethnicity was not 'White British' or 'Other White'.

3 - The pay gap measure is the hourly pay rate for BME workers expressed as a percentage of the rate for white workers.

A10. Earnings by ethnicity, gender, full/part-time and sector, Greater London 2001/02

<i>Base: working age employees</i>	Gross average hourly earnings (£) ¹						BME/white pay gap ³	
	All groups ²		White groups ²		BME groups ²		Mean	Median
	Mean	Median	Mean	Median	Mean	Median		
All employees								
All sectors	12.48	10.10	13.09	10.71	10.37	8.39	79.2	78.3
- Private & voluntary	12.75	10.00	13.44	10.68	10.32	7.89	76.8	73.9
- Public sector	11.79	10.41	12.16	10.85	10.58	9.61	87.0	88.6
Full-time								
All sectors	13.42	11.00	13.98	11.55	11.39	9.35	81.5	81.0
- Private & voluntary	13.84	11.00	14.39	11.55	11.66	9.11	81.0	78.9
- Public sector	12.26	10.95	12.75	11.55	10.84	9.89	85.0	85.6
Part-time								
All sectors	8.53	6.35	9.11	6.74	6.91	5.67	75.8	84.1
- Private & voluntary	7.79	5.75	8.44	6.25	6.30	5.20	74.6	83.2
- Public sector	10.18	8.10	10.36	8.17	9.33	7.19	90.1	88.0
Male employees								
All sectors	13.96	11.12	14.71	11.90	11.25	8.64	76.4	72.6
- Private & voluntary	14.25	10.97	15.07	11.86	11.24	8.07	74.6	68.0
- Public sector	12.90	11.55	13.36	12.08	11.45	10.28	85.7	85.1
Full-time males								
All sectors	14.51	11.55	15.13	12.16	12.12	9.38	80.1	77.1
- Private & voluntary	14.94	11.55	15.57	12.36	12.36	8.95	79.4	72.4
- Public sector	12.95	11.55	13.42	12.09	11.48	10.33	85.5	85.4
Part-time males								
All sectors	7.50	5.33	8.43	5.67	6.05	5.00	71.7	88.2
- Private & voluntary	6.57	5.00	7.28	5.18	5.62	5.00	77.2	96.5
- Public sector	12.18	10.00	**	**	**	**	**	**
Female employees								
All sectors	10.81	9.34	11.22	9.63	9.43	8.24	84.0	85.6
- Private & voluntary	10.68	9.00	11.14	9.38	9.13	7.70	82.0	82.1
- Public sector	11.06	9.84	11.39	10.16	10.01	9.13	87.9	89.9
Full-time females								
All sectors	11.75	10.27	12.15	10.71	10.41	9.35	85.7	87.3
- Private & voluntary	11.80	10.13	12.17	10.57	10.49	9.23	86.2	87.3
- Public sector	11.64	10.55	12.12	11.09	10.30	9.61	85.0	86.7
Part-time females								
All sectors	8.82	6.63	9.26	6.97	7.32	5.83	79.1	83.6
- Private & voluntary	8.22	6.25	8.76	6.56	6.70	5.43	76.4	82.8
- Public sector	9.92	7.83	10.09	8.00	9.10	7.00	90.2	87.5

Source: Annual Local Area Labour Force Survey 2001/02

Notes: The LFS is a sample survey and all statistics presented here are estimates not precise counts and are subject to a degree of sampling error. Earnings estimates based on a sample of less than 50 employees have been suppressed due to poor reliability and are denoted by asterisks "***". LFS estimates presented here have NOT been adjusted to take account of 2001 census results.

1 - Hourly earnings are known to be underestimated in the LFS, this is principally due to proxy responses. In line with ONS convention, those who earned £100 an hour or more were excluded from all analysis (as their inclusion would distort the overall picture). Data relate to employees of working age & exclude self-employed.

2- The LFS ethnic group classification used is the new 'interim ethnicity classification' which is based on the new 2001 Census classification. In this table, the term BME (Black and minority ethnic groups) includes all those whose ethnicity was not 'White British' or 'Other White'.

3 - The pay gap measure is the hourly pay rate for BME workers expressed as a % of the rate for white workers.

A11. The pay gap in the public and private sector - by gender, ethnicity and disability, Greater London, 2001/02

Disability pay gap	Gross hourly earnings ¹ of employees (£)						Pay gap measures ³	
	All persons		Disabled people		Non-disabled people		Disability pay gap	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
All sectors	12.48	10.10	10.25	8.52	12.74	10.36	80.5	82.2
Private sector	12.75	10.00	10.14	8.18	13.04	10.27	77.8	79.6
Public sector	11.79	10.41	10.54	9.20	11.97	10.62	88.0	86.6
Ethnicity ² pay gap	All persons		BME groups ²		White groups		Ethnicity pay gap	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
	All sectors	12.48	10.10	10.37	8.39	13.09	10.71	79.2
Private sector	12.75	10.00	10.32	7.89	13.44	10.68	76.8	73.9
Public sector	11.79	10.41	10.58	9.61	12.16	10.85	87.0	88.6
Gender pay gap	All persons		Female		Male		Gender pay gap	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
	All sectors	12.48	10.10	10.81	9.34	13.96	11.12	77.4
Private sector	12.75	10.00	10.68	9.00	14.25	10.97	74.9	82.0
Public sector	11.79	10.41	11.06	9.84	12.90	11.55	85.8	85.2

Source: Annual Local Area Labour Force Survey 2001/02

Notes: The LFS is a sample survey and all statistics presented here are estimates not precise counts and are subject to a degree of sampling error. Earnings estimates based on a sample of less than 50 employees have been suppressed due to poor reliability and are denoted by asterisks "***". LFS estimates presented here have NOT been adjusted to take account of 2001 census results.

1 - Hourly earnings are known to be underestimated in the LFS, this is principally due to proxy responses. In line with ONS convention, those who earned £100 an hour or more were excluded from all analysis (as their inclusion would distort the overall picture). All data relate to employees of working age and exclude the self-employed.

2- The LFS ethnic group classification used is the new 'interim ethnicity classification' which is based on the new 2001 Census classification. In this table, the term BME (Black and minority ethnic groups) includes all those whose ethnicity was not 'White British' or 'Other White'.

3 - The pay gap measure is the hourly pay rate for one set of workers expressed as a percentage of the rate for another. The disability pay gap relates to the earnings of disabled workers expressed as a proportion of those of non-disabled workers, the ethnicity pay gap relates to the earnings of BME workers as a proportion of those of white workers. The gender pay gap expresses women's earnings as a % of mens.

Appendix 2: The Labour Force Survey – Technical notes and Glossary

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 Labour Force Survey is residence-based and mainly provides data about those who live in an area. Some limited data is available on a workplace basis.

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 2000/01 this was increased further by the inclusion of a boost sample for England (the English Local Labour Force Survey - ELLFS) and in 2001/2 a second boost sample for Wales was added (Labour Force Survey for Wales - WLLFS). As a result, the final sample for 2001/02 comprises 156,000 households (361,000 individuals). 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 UK 2001/02 database includes records for around 282,000 persons aged 16 and over, of these 26,000 (9%) are resident in Greater London. 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 2001/2002 dataset covers the period March 2001-February 2002.

This briefing is based mainly on analysis of the 2001/02 annual local area database (incorporating the Local LFS for England and Wales). In addition some data has been drawn from the quarterly database for Autumn 2001 on trade union membership and flexible working. These questions are only asked on certain quarters so are only available via the quarterly dataset.

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/geographical area 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. In this analysis, the GLA has suppressed all data estimates (from the annual dataset) below 8,000 due to poor reliability.

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 246,000 – 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 231,500 to 260,500 (ie $\pm 14,500$ or $\pm 6\%$). Sampling variability can be quite high on local LFS estimates and should be considered when drawing conclusions from data.

LFS population totals

The population totals presented here for London will differ from other population data presented within ONS (Office for National Statistics) and within the GLA. There are a number of reasons for this. LFS data relate mainly to those living in private households and exclude many groups living in communal establishments who are usually included on official population estimates (eg the mid-year estimates from ONS). So even though LFS sample estimates on the annual database are grossed up using the official mid-year estimates published by ONS, the LFS totals presented are usually slightly lower than the official mid-year estimates. LFS totals are also usually lower than the GLA's own demographic estimates, which include those living in communal establishments.

However, this situation has changed recently in light of the early 2001 Census results. These results led to the mid-year estimates for 2001 being revised downwards. To confuse matters further, Local LFS estimates based on the annual database have not yet been revised. This means the LFS estimates presented here are now slightly higher than official totals.

Population estimates for London:

Estimates used prior to 2001 census

ONS mid-year estimate 2000	7.375m
LFS population (private households) – annual database 2000/01	7.280m
LFS population (private households) – annual database 2001/02	7.379m

Estimates based on 2001 census results

Census day population - April 2001	7.172m
<i>Census day private household population</i>	7.079m

ONS mid-year estimate 2001	7.188m
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All data in this report are based on LFS data grossed up to pre-2001 census based population totals. ONS are not planning to revise local LFS databases till late 2003.

The implications of all of this are that population totals presented here for Greater London will differ from other estimates and may be revised downwards in the future. However, the key findings that emerge from this analysis are unlikely to be significantly affected by these revisions. It is recognised that base totals will change marginally but the changes are unlikely to impact significantly on rates and percentages. However, in the light of this issue, where possible, users are advised to quote rates rather than numbers.

LFS Glossary of key terms used in this report:

Disabled people and disability definitions

The focus of 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. As a result, two main definitions of disability are usually referred to in LFS tables: DDA disabled and work-limiting disabled. People can qualify as disabled on both definitions or just one. 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*. A

recent DMAG briefing on disabled people in the labour market explains this in more detail (DMAG briefing 2003/1).

Earnings

The earnings data presented here refer to gross average hourly earnings of employees (does not include earnings of self employed). Data relate to earnings in the most recent period from the main job and are based on usual hours worked per week. The LFS measures the pay levels of those who live in an area as opposed to those who work there. The main strength of the LFS earnings measure is that unlike the New Earnings Survey, which excludes employees under the income tax threshold, the LFS covers earnings of all employees and is considered to be better at measuring pay of part time and low paid workers. The downside of the LFS earnings measure is that earnings data is supplied by the employee not the employer, this can lead to poorer accuracy because a) individuals tend to slightly underestimate what they earn and b) some earnings data is given by proxy (supplied by one household member on behalf of another) which can further undermine accuracy. For this reason the data are limited in their application. In summary, while the data are considered to be good at exploring relativities between groups, they are less accurate predictors of absolute levels of earnings. Readers should bear this in mind when interpreting the data.

Employment

People aged 16 or 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 (eg on holiday); those on government supported training and employment programmes; and those doing unpaid family work (ie working in family business).

Ethnic groups

Ethnic groups are defined using the National Statistics interim standard classification of ethnic groups. People interviewed are asked to classify their own ethnic origin by means of the question "To which of these groups do you consider you belong? White, Mixed, Asian or Asian British, Black or Black British, Chinese or Other ethnic group. All respondents are then asked supplementary questions according to their initial answer. Respondents to the 'Other' categories are recoded into the appropriate category according to the 2001 Census of Population schema. The final categories presented are broadly similar to those used in the 2001 Census (though there is no separate 'white irish' category).

Full-time/part-time

The LFS classification of employees as part-time or full-time is generally on the basis of self-assessment. People on government-supported training and employment programme who are at college in the survey reference week are classified, by convention, as part-time.

Occupation (SOC 2000)

The classification of respondents' occupation are based on the Standard Occupational Classification (SOC), introduced in June 2000. This replaces the old SOC 1990. Detail on the SOC categories can be found on the ONS website at the following link:

http://www.statistics.gov.uk/methods_quality/classifications.asp

Industry (SIC 1992).

The classification of industry sector is based on the Standard Industrial Classification 1992. Detail on SIC categories can be found at the ONS website at the following link:

http://www.statistics.gov.uk/methods_quality/classifications.asp

More detail on all definitions can be provided on request.

Regular briefings and data from GLA Data Management and Analysis Group

DMAG has instituted a new series of publications, covering all aspects of DMAG work.

DMAG Briefings will now incorporate the Census Information Notes (CIN) and Population Advice Notes (PAN). The traditional content of both series will still appear regularly.

The latest DMAG Briefings are:

DMAG 2003/1	Disabled people and the labour market	Lorna Spence
DMAG 2003/2	2001 Borough Demographic Profiles	Baljit Bains/ Iryna Pylypchuk
DMAG 2003/3	2002 Round of Demographic Projections	John Hollis/ Baljit Bains
DMAG 2003/4	Greater London Demographic Review: 2001	Baljit Bains/ Iryna Pylypchuk
DMAG 2003/5	Census Information Note CIN 2003-1	Eileen Howes
DMAG 2003/6	Third country nationals living in London 2000/01	Lorna Spence
DMAG 2003/7	2001 Census Key Statistics: Initial summary of results	Eileen Howes
DMAG 2003/8	2001 Census Key Statistics: Household variables	John Hollis
DMAG 2003/10	Household Forecasts based on 2001 Census Key Statistics	John Hollis
DMAG 2003/11	2001 Census: Copyright and Licensing for Census users	Rachel Leeser/ Hywel Davies
DMAG 2003/12	Women and the Labour Market	Lorna Spence
DMAG 2003/13	2001 Census Key Statistics: Means of travel to work	Eileen Howes
DMAG 2003/14	2001 Census Key Statistics: People, Families and Households	Rachel Leeser
DMAG 2003/15	Census Information Note CIN 2003-2	Eileen Howes
DMAG 2003/16	2001 Census Key Statistics: Health Indicators	Gareth Piggott

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