

Data Management and Analysis Group

Third country nationals living in London 2000/01

**A profile of Londoners who have non-EU nationality based
on analysis of Labour Force Survey data**

**DMAG Briefing 2003/6
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Terms and definitions used in this report

This report looks at the place of migrants from abroad in London's society and economy. It considers them from several different angles, using the following definitions:

Country of birth is self-explanatory

Nationality refers to the status conferred by a state's laws and administrative procedures on a person who may or may not have been born there, defining their rights within that state.

Nationals of a country are people who have its nationality

Third country is a term used by European Union (EU) institutions to mean states outside the current 15 members of the EU.

Third country nationals means people who have the nationality of a state outside the current EU membership. They are at the focus of this report, which refers to them as '3C nationals' for short.

Geographical region is a broad grouping of countries by geographical location. The full list of regions used in this report is set out in Appendix 4.

High income countries refers to a category of richer and more developed countries, as defined originally by a group of UN and other international bodies.

Developing countries refers to states outside the 'high income' category, from the same classification. The list of countries falling into high income and developing categories is set out in Appendix 5.

Third country nationals living in London 2000/01

A profile of Londoners who have non-EU nationality based on analysis of Labour Force Survey data

Summary of key findings

This briefing presents a profile of third country nationals living in London. This analysis is based on Labour Force Survey data for Greater London and presents a range of demographic and socio-economic data on third country nationals ('3C nationals').

- Around 22% of Londoners were born in non-EU15 countries and around 12% of Londoners retain non-EU15 nationality or are 'third country nationals'. 3C nationals living in London account for over half (54%) of all 3C nationals living in the UK. 57%¹ of 3C nationals living in London were long-term residents who had arrived in the UK before 1996.
- The majority (83%) of London's 3C nationals are from developing countries², the remainder (17%) are from high income countries such as the US, Australia, Japan. 3C nationals living outside London (in the rest of the UK) are more likely to be from high income countries (27%) than those living in London.
- The age structure of the 3C population is skewed towards young and middle aged adults. Two thirds (65%) of the 3C national population in London are aged 16-44, compared with less than half (44%) of those Londoners who have UK nationality. Only 10% of 3C nationals are aged over 55 compared with 22% of UK nationals living in London. Short-term 3C nationals have a very young age profile - 78% were aged under 35.
- London's population of 3C nationals is ethnically quite diverse - one third (33%) are white, 28% are from black ethnic groups and 16% describe their ethnicity as either Indian, Pakistani or Bangladeshi. Long-term 3C nationals are more likely to belong to black and other minority ethnic (BME) groups³ than short-term 3C nationals. Most 3C nationals who originate from high income countries are white (78%) whereas most 3C nationals from developing countries are from BME groups (76%).
- London's 3C nationals are more likely to be in full or part-time education than those with UK nationality. 27% of 3C nationals (of working age) are in full or part-time education compared with 15% of UK nationals. This largely reflects the high educational participation rate of short-term 3C nationals - 38% of whom are in full or part-time education.
- London's 3C nationals are less likely to be active in the labour market and have lower employment rates than those who have UK nationality. 78% of UK nationals of working age are economically active compared with 60% of 3C nationals. Of those 3C nationals who were economically inactive, just under one third (30%) said they wanted to work.
- Economic activity rates are particularly low for 3C women. Around half (49%) of 3C women of working age are economically active, compared with 72% of women with UK nationality. Low activity rates are not explained by the higher educational participation rates within the 3C population, as rates remain low even when students are excluded from the analysis.

¹ This statistic refers to 3C nationals not born in the UK

² Nationalities have been classified into two groups for analytical purposes: 'high income' and 'developing' countries, this is explained in Appendix 5.

³ Black and minority ethnic groups or 'BME' groups refers to all those whose ethnic group was not white.

Summary of key findings (continued)

- Low participation rates among 3C nationals are largely explained by the low employment rates among those who come from developing countries. Less than half (46%) of the working age population of this group were in employment compared with 73% of those 3C workers who were from high income countries.
- Unemployment rates are relatively high for 3C nationals. The ILO unemployment rate for 3C nationals averaged 15% over 2000/01 compared with 6% for UK nationals. ILO rates for 3C nationals from developing countries are higher still at 18%.
- In general, 3C workers are over-represented in lower paid and lower skilled occupations. 21% of 3C workers are in partly skilled and unskilled occupations compared with 13% of UK nationals. 36% of 3C nationals work in manual occupations compared with 26% of UK nationals. This is consistent with the findings that 3C nationals in London earn – on average – 10% less than UK nationals.
- However, these averages disguise considerable diversity within the 3C working population in terms of labour market outcomes. While it is true that 3C nationals are generally over-represented in lower paid jobs they are also well represented in certain higher paid occupational groups (eg professional occupations). This – to a large extent – reflects the split between 3C nationals from high income and developing countries: the former tend to be concentrated in highly paid professional occupations, earning considerably more than UK nationals, while the latter are more likely to be in low paid work or unemployed.

Conclusions

- This analysis is a first attempt to profile the demographic and socio-economic profile of 3C nationals living in London. The analysis highlights that the 3C population is by no means a homogeneous group. There is huge diversity within the population – some 3C nationals are students, some are high earning professionals, some are low paid workers while others appear to be excluded from the labour market altogether. This preliminary analysis has touched on a number of factors that are associated with labour market outcomes for 3C nationals, one of the most significant being country of origin.
- Those 3C nationals who originate from high income countries fare very well in the London labour market. This group are heavily concentrated in higher paid professional jobs and earn considerably more than Londoners with UK nationality. In contrast, those 3C nationals who originate from developing countries –the majority of 3C nationals – appear to be considerably disadvantaged both in terms of their access to the labour market and their experience when operating within it. They are more likely than other Londoners to be in low paid work or to face exclusion from the labour market altogether.
- It is recognised that LFS data can only take us so far in profiling and understanding the diversity within the 3C population. Sample size limitations mean it has not always been possible to explore the characteristics of sub-groups within the 3C population, which means it is difficult to get behind some of the headline findings. However, despite these limitations, this preliminary analysis has filled an important gap in knowledge on this area and provides a good basis for future work.

Introduction

- 1.1 This report focuses on ‘third country nationals’, also referred to as – ‘3C nationals’ for short. They are people with nationality of countries other than the current 15 member states of the European Union (EU). The category is drawn from the terminology of EU institutions, where it is commonly used to discuss social and employment issues.
- 1.2 Third country nationals have come to London and the rest of Europe in growing numbers during recent decades. Potentially they have an important role to play in the economy and social life of this city, the UK and the EU. Their status and rights are a matter for vigorous policy debate within the European Union, which is currently considering new legislation on the issue, and London has a strong interest in the outcome of this debate. Because it centres on questions of legal entitlement, it is – in the first instance – a debate about nationality rather than where people were born.
- 1.3 To inform the Mayor’s contribution to this EU debate, the GLA’s Data Management and Analysis Group was asked to explore whether the Labour Force Survey could provide information on the subject of nationality within London’s population, focusing on 3C nationals. This briefing gives accordingly a profile of 3C nationals in London. It presents a range of demographic and socio-economic data on this group of Londoners, based wholly on Labour Force Survey (LFS) data. All these data relate to people living in London – that is, people whose main residence is in the city. Besides summarising the GLA’s substantive findings about 3C nationals, the briefing also illustrates how the LFS can be used to help provide information on issues such as nationality.
- 1.4 The analysis presented covers the following topics:
- Nationality and country of birth
 - Nationality and year of arrival
 - Profile of 3C nationals:
 - Population by age and gender
 - Population by ethnicity
 - Economic activity and employment rates
 - ILO unemployment rates
 - Employment by occupation and social class
 - Employment by part-time/full-time status
 - Earnings
 - Educational participation
 - Qualifications
- 1.5 The report is structured as follows:
- | | |
|------------|---|
| Section 2 | Background about the Labour Force Survey and this analysis |
| Section 3 | Key findings from the analysis |
| Appendix 1 | Key reference tables 1-15 |
| Appendix 2 | Labour Force Survey: technical notes |
| Appendix 3 | Labour Force Survey: glossary of key terms |
| Appendix 4 | GLA classification of nationalities by geographic region |
| Appendix 5 | GLA classification of nationalities based on developing country/income status |

European Union member states (EU15) - 2002

UK	Greece
Ireland	Italy
Austria	Luxembourg
Belgium	Netherlands
Denmark	Portugal
Finland	Spain
France	Sweden
Germany	

Background about the UK Labour Force Survey (LFS) and this analysis

- 2.1 This analysis has been carried out by the GLA and is based on the Annual Local Area Labour Force Survey 2000/01, which incorporates the Local Labour Force Survey for England. The LFS is the largest regular household survey carried out on a continuous basis by the Office for National Statistics (ONS). Individuals are interviewed in their homes or on the telephone and asked a wide range of questions about their social and economic circumstances. All data presented relate to people who are resident in London and cover the survey period March 2000-February 2001.
- 2.2 The LFS annual sample for London over this period comprises around 24,000 adults (aged 16 and over). Data are grossed up and weighted to be representative of the general population. All data in this report are based on LFS data grossed up to pre-2001 Census population totals. Future revisions to LFS data based on Census 2001 population totals may lead to these estimates changing slightly, but the key findings and patterns that emerge from the analysis are unlikely to be affected. For more on this issue see Appendix 2.
- 2.3 Throughout this report, certain terms are used to describe peoples participation in the labour market (eg ILO unemployed or economically active). These are LFS terms and are fully explained in Appendix 3 which provides a glossary.

Using the LFS to provide estimates of nationality and country of birth

- 2.4 In additional to questions on age, gender and ethnicity, the Labour Force Survey includes a range of questions on the issue of nationality and country of birth. The key questions are summarised below.

Key LFS variables on nationality, country of birth and year of arrival

Issue	LFS Question wording	Detail	Covered in the 2001 census?
Nationality	What is your nationality?	Data is collected about all individuals in the household and is coded using 3 different LFS variables. Respondents are allocated into one of over 100 different nationalities. If respondents have dual nationality the first is coded.	NO
Country of Birth	In which country were you born?	Data is collected about all individuals in the household and is coded using 3 different LFS variables. Residents are allocated into one of over 100 different countries.	YES
Year of arrival	Which year did you arrive in this country ?	This applies to all those whose country of birth was <u>not the UK</u> . The variable codes the year of arrival (back to 1900).	NO

- 2.5 One of the main advantages of the LFS is that data are regular and timely. Its main disadvantage is its limited sample size which affects the reliability of estimates – particularly for smaller groups within the population. The Census of Population provides much more detailed (and reliable) data on country of birth, but fails to cover the issues of nationality or length of residence and is only available every 10 years. The LFS is therefore one of the few data sources that can be used to profile the 3C national population in London. Its limitations must however be recognised and mean that, unlike the Census, it cannot be used to drill down to characteristics of small sub-groups within the population.

Reliability of LFS estimates

- 2.6 The LFS is based on a sample of the population - consequently all data produced are survey estimates **not** precise counts and are subject to a degree of sampling variability. As was explained

earlier, this can present problems in measuring small sub-groups within the population. (See Appendix 2 for more on this).

- 2.7 Specifically, the LFS cannot generally be used to produce reliable estimates for all individual nationalities or countries – unless they are well represented among Londoners. For example, the 2000 dataset cannot produce a reliable count of the number of Londoners born in Albania, but it can produce a reasonably reliable estimate of the number of Londoners born in Eastern Europe. The same issue applies when analysing nationality data from the LFS. For this reason, nationalities and countries have been grouped together for analytical purposes.

Groupings of nationalities used for analytical purposes

- 2.8 Grouping nationalities together offers two main benefits: it improves reliability of estimates, and provides a useful tool to explore diversity within the 3C population. This report therefore uses two categorisations, explained in detail in appendices 4 and 5.
- 2.9 The first classification groups countries/nationalities together on the basis of geographical regions, broadly based on LFS convention (Appendix 4). A second classification into ‘developing’ countries and ‘high income’ countries has been introduced in this report to help explore the way migrants’ country of origin interacts with nationality, and to draw out some of the socio-economic differences among them. This second classification is derived from seven groupings used in a recent report called ‘A Better World for All’ produced jointly by the World Bank, the International Monetary Fund, the United Nations and the Organisation for Economic Cooperation and Development (OECD) and is summarised below.

Classification of nationalities based on high income & developing countries split

‘High income’ countries:

- European union countries (EU15 member states)
- Other Western European countries
- Canada
- USA
- Hong Kong
- Japan
- Singapore
- Australia & New Zealand

‘Developing’ countries:

- Eastern European countries
- African countries
- Indian sub-continent
- South America
- Caribbean and West Indies
- Vietnam, Korea
- Malaysia and Indonesia
- China
- Middle east (part)

This is a summary list – more detail by country is provided in Appendix 5

- 2.10 It is recognised that the grouping of ‘developing countries’ used here is very broad comprising a diverse group of countries at varying stages of development. This was necessary for analytical purposes as data would have been unreliable if groupings had been too detailed.

Other quantitative research

- 2.11 A wide range of quantitative research has already been published on the issue of nationality and migrant labour and many studies use LFS data as one of the key data sources. A national study recently published by the Office for National Statistics considered flows of foreign labour in the UK⁴. This analysis used data from the LFS, the International Passenger Survey and from Work Permit administrative records to build a picture of foreign labour in the UK. Also, the Home Office have recently published a report on the labour market performance on immigrants in the UK labour market, this study uses LFS data on country of birth to profile immigrants⁵. The GLA’s

⁴ ‘Foreign Labour in the UK: patterns and trends’, Labour Market Trends, October 2001 (Office for National Statistics)

⁵ ‘Labour market performance of immigrants in the UK labour market’, Home Office online report 05/03

analysis presented here complements these studies by providing analysis by nationality and focusing in more detail on the circumstances of Londoners.

- 2.12 2001 Census data on country of birth and ethnicity is due to be released in 2003 and will no doubt complement this work on 3C nationals. The GLA are planning a wide programme of research based on these results. We shall also examine how far LFS and Census estimates are consistent on issues such as country of birth and ethnicity, to help us assess the robustness of future LFS inter-censal estimates.

3.0 Key findings

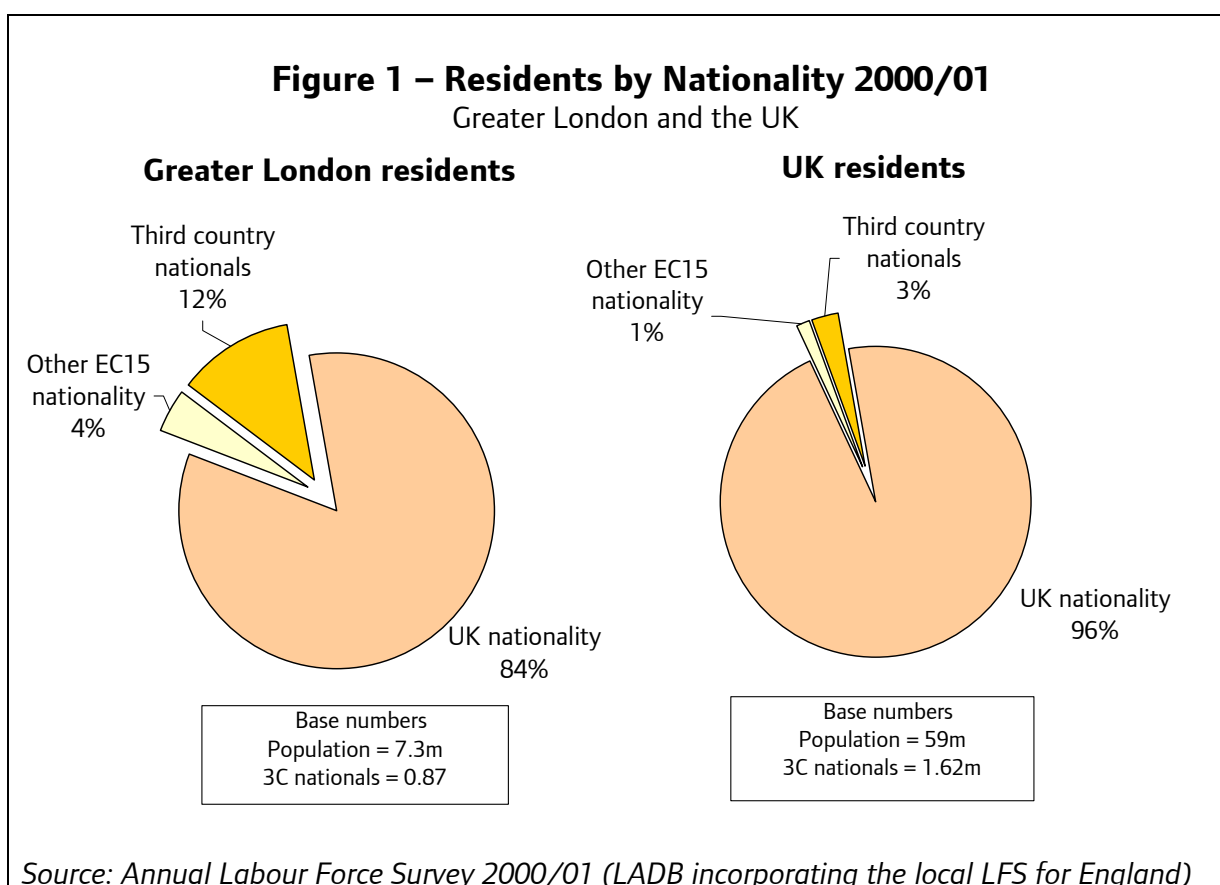
All data presented relate to the survey period 2000/01 (March 2000 to February 2001)

Country of Birth (Table A2)

- 3.1 Over one quarter (27%) of all Londoners were born in countries outside the UK. Most of this group were born in countries outside the European Union. Around 22% of Londoners (1.6m) were born in non-EU15 countries or 'third countries' - of this group, just under half (46%) had UK nationality.

Nationality (Tables A1-A5)

- 3.2 Around 12% (around 872,000) of Londoners retain non-EU15 nationality or are '3C nationals'. 3C nationals living in London account for over half (54%) of all 3C nationals living in the UK. Figure 1 compares the size of the 3C population in London to that of the UK.

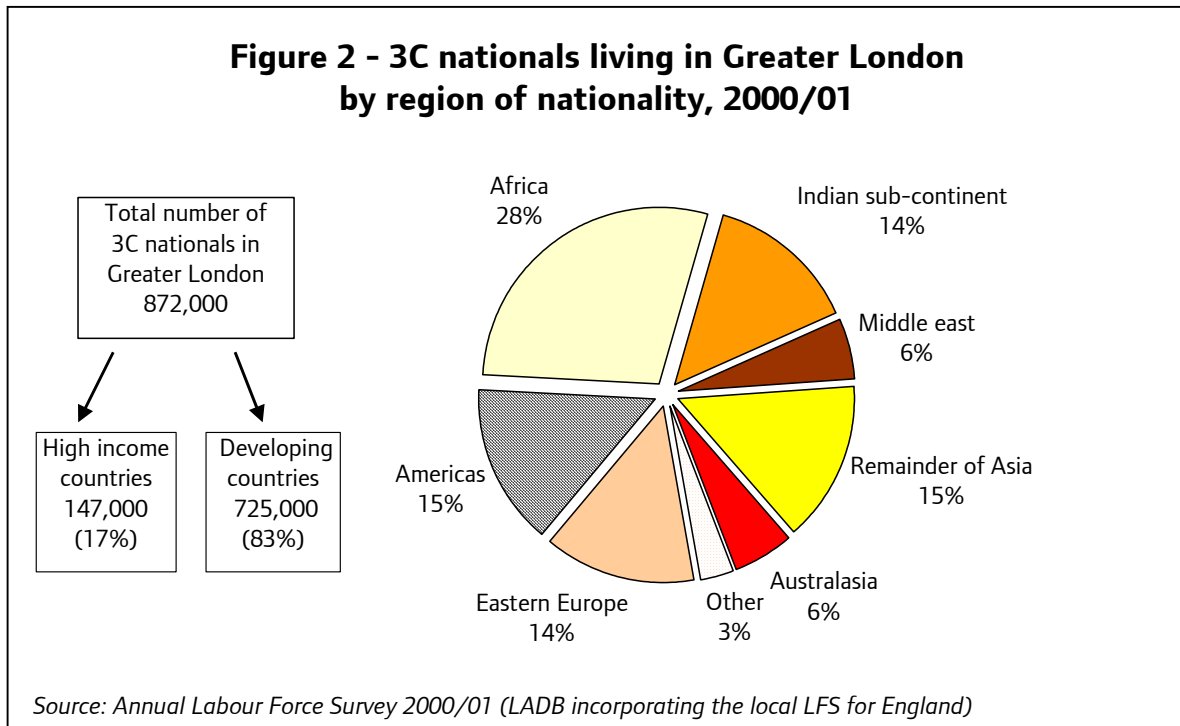


The 3C national population

- 3.3 Of the 872,000 Londoners with third country nationality, a small minority (over 40,000) were born in the UK. Not surprisingly, most were children. Of the 826,000 who were born outside the UK
- 43% were short-term residents (ie those who had arrived in the UK between 1996 and 2000/01)
 - 57% were long-term residents (ie those who had arrived prior to 1996)
- 3.4 Figure 2 shows 3C nationals grouped by the geographical region of their nationality to provide more reliable estimates. More than half of London's 3C nationals have either African (28%) or Asian nationality (including 14% from the Indian sub-continent). 14% of 3C nationals were from Eastern European countries⁶.

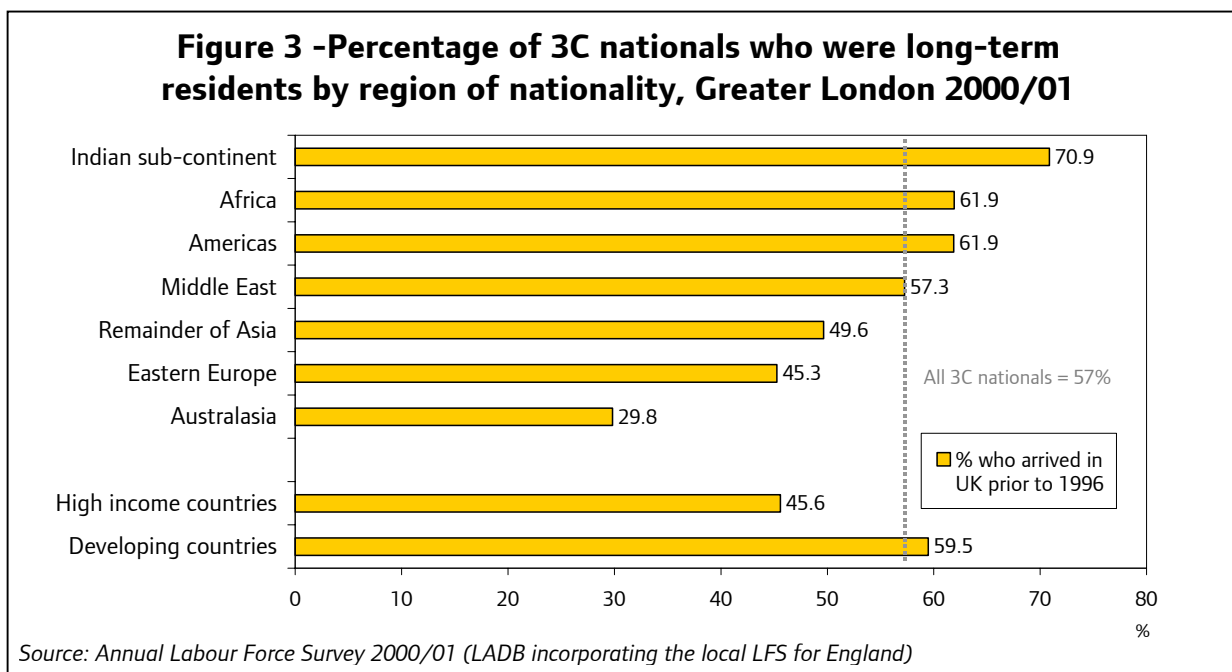
⁶ The definition used here for Eastern Europe relates to the geographical area and includes the following countries/areas: Former Yugoslavia, Albania, Bulgaria, Former Czechoslovakia, Hungary, Poland, Romania, the former USSR and Turkey.

Figure 2 - 3C nationals living in Greater London by region of nationality, 2000/01



3.5 Data can also be analysed by grouping countries into ‘developing’ countries and ‘high income’ countries, as explained earlier. Using this classification, 17% of 3C nationals originate from high income countries such as the United States, Australia, and Japan, while the majority (83%) are from developing countries. 3C nationals living outside London (elsewhere in the UK) are more likely than London’s 3C nationals to be from high income countries, with 27% of them coming from these countries compared with London’s 17%.

Figure 3 -Percentage of 3C nationals who were long-term residents by region of nationality, Greater London 2000/01



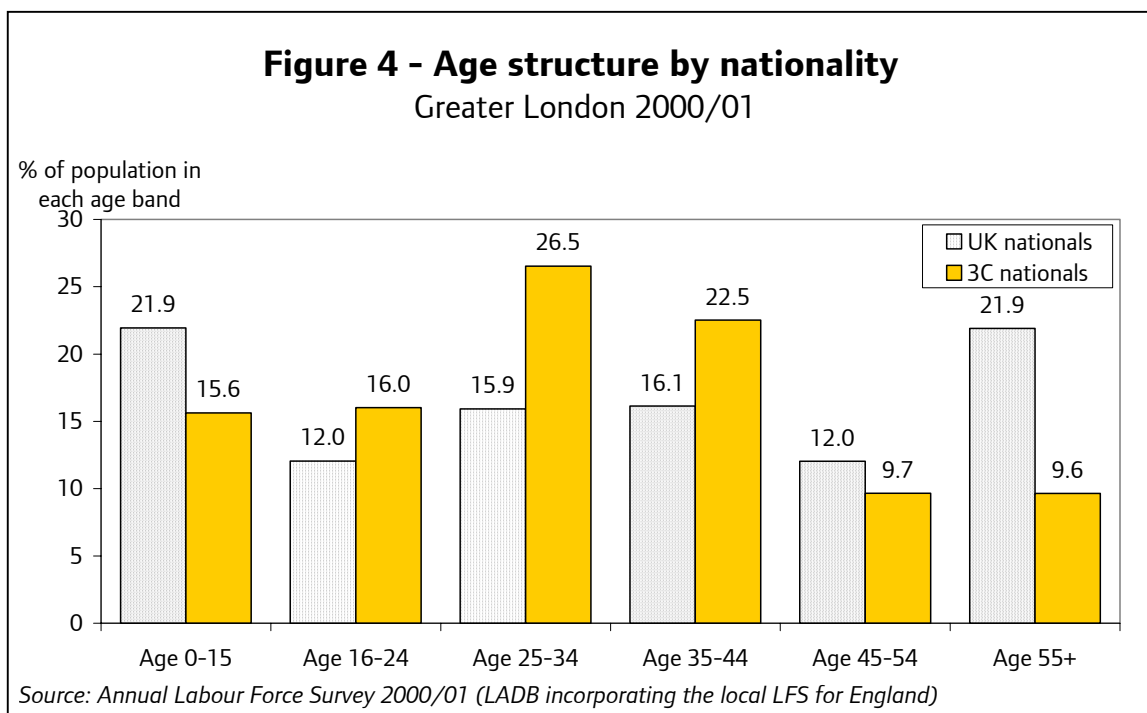
3.6 Figure 3 shows the proportion of London’s 3C nationals who arrived in the UK prior to 1996 analysed by region of nationality.⁷ People with Indian sub-continent nationalities (India, Pakistan or Bangladesh) were the most likely to be long-term 3C nationals – 71% had arrived in the UK prior to 1996. Those with Eastern European and Australasian nationalities were among the

⁷ This chart refers to 3C nationals born outside the UK

groups least likely to be long-term residents. People from high income countries were more likely to be short-term residents compared with those from developing countries.

Demographic structure (Tables A6, A7 and A14)

- 3.7 London's 3C nationals have a different demographic profile from UK nationals⁸. While the gender split is similar to that of UK nationals, the composition of the population by age and ethnicity is quite different.



- 3.8 Figure 4 compares the age structure of the 3C national population to that of UK nationals living in London. The 3C population is skewed towards young adults and the middle aged. Two thirds (65%) of the 3C national population is aged 16-44, compared with less than half (44%) of the UK national population. Only 10% of 3C nationals are aged 55 and over compared with 22% of UK nationals living in London.

- 3.9 The age structure of 3C nationals varies greatly according to how long they have lived in the UK. Short-term 3C nationals have a much younger population than long term residents, 78% are aged under 35 years old compared with 40% of long-term residents.

Ethnic composition (Tables A7 and A14)

- 3.10 London's population of 3C nationals is ethnically quite diverse. One third (33%) are white, 28% are from black ethnic groups and 16% describe their ethnicity as either Indian, Pakistani or Bangladeshi. Long-term 3C nationals are less likely to be white than short-term 3C nationals: 26% of them are white compared with 43% of those in the short-term category. Most 3C nationals who originate from high income countries are white (78.2%) whereas most 3C nationals from developing countries are from BME⁹ groups (76.2%).

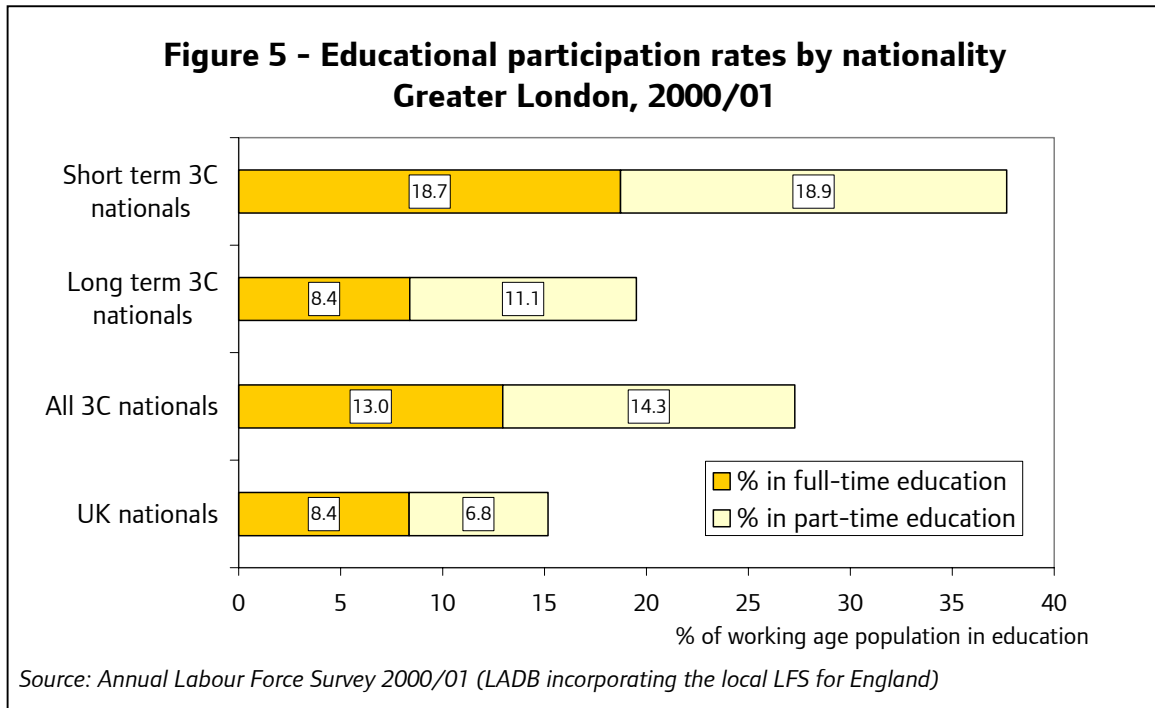
Educational participation and qualifications (Tables A11, A12 and A14)

- 3.11 London's 3C nationals are much more likely to be in full or part-time education compared with UK nationals, consistent with the age structure profiled above. 27% of 3C nationals (of working

⁸ UK nationals is the term used in the rest of this report to describe Londoners with UK nationality. This group, accounting for the majority (84%) of Londoners, is used for comparisons with 3C nationals.

⁹ BME (Black and minority ethnic) is a generic term which refers to all those people whose ethnic group was not white.

age) are in full or part-time education compared with 15% of UK nationals. This reflects the high educational participation rate of short-term 3C nationals – 38% of whom are in full or part-time education. Long-term residents have a participation rate of 20%, closer to the UK national rate of 15%. (Figure 5).



3.12 Appendix table A12 presents data on qualifications but this analysis is - to a large extent - inconclusive. On the face of it, 3C nationals appear to be poorly qualified with only 23% holding higher level qualifications (NVQ level 3¹⁰ or higher) compared with 46% of UK nationals. However, at the same time 47% of 3C nationals have been coded as having 'other qualifications' compared with only 8% for UK nationals. On the LFS, details of qualifications are recorded and then these are then translated into NVQ equivalents. In situations where it is not possible to gauge the 'level' of qualification (eg in the case of foreign qualifications), respondents are put into the 'other qualifications' category. It is highly likely that some 3C nationals have qualifications from outside the UK which have proved difficult to categorise, but may not necessarily be at a lower level.

Economic activity rates and employment rates (Tables A8 and A15)

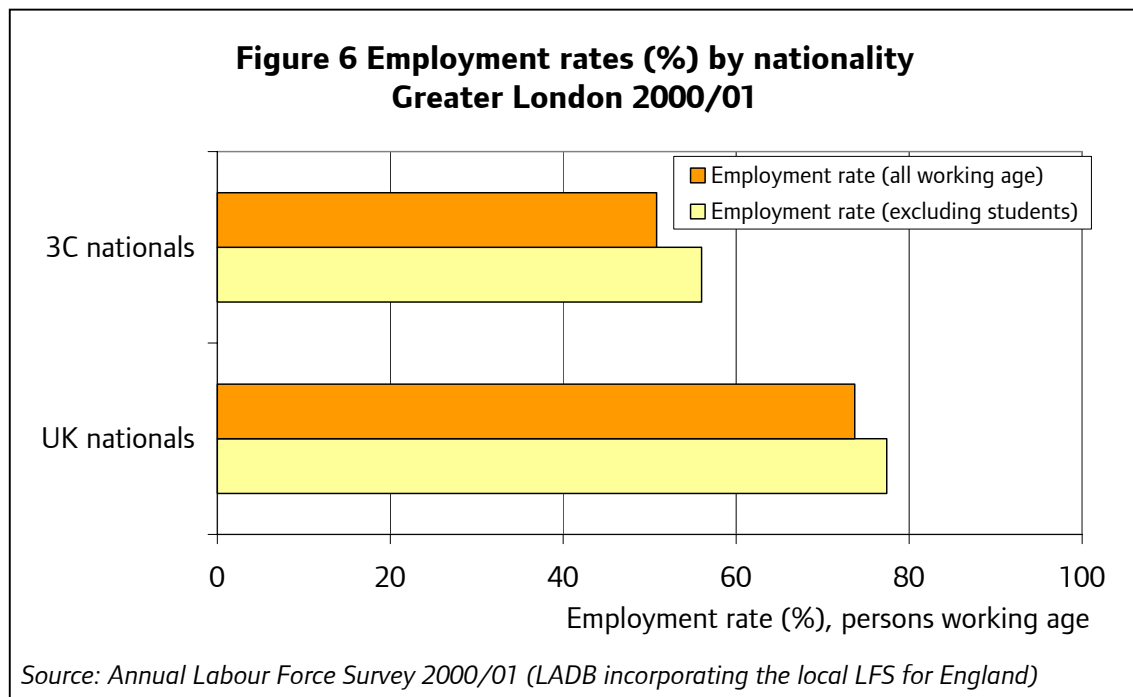
3.13 3C nationals are less likely to be active in the labour market and have much lower employment rates than Londoners with UK nationality. The employment rate (the number employed as a percentage of all those of working age) is 51% for 3C nationals compared with 74% for UK nationals. Rates are relatively low for both women and men, though women have – by far - the lowest rates. Employment rates for 3C women are 43% compared with 67% for women with UK nationality.

3.14 Economic activity rates show a similar pattern. These measure people active in the labour force (either employed or unemployed) as a proportion of all those of working age. Around 60% of 3C nationals of working age are economically active compared with 78% of UK nationals. Rates again are low for women. Around half (49%) of London's 3C women are economically active, compared with 72% for women in London with UK nationality.

3.15 Both employment rates and activity rates have also been calculated excluding full-time students to control for the higher educational participation rates of 3C nationals. In both cases, excluding

¹⁰ NVQ level 3 is roughly equivalent to A-level standard and above.

students give slightly higher rates for 3C nationals but still leaves a very wide gap between them and the majority UK national population in London. Figure 6 illustrates this disparity in the case of relative employment rates.



Inactivity and those who want to work (Table A8)

- 3.16 This analysis highlights that there is a relatively large proportion of the 3C population of working age who are neither in full-time education nor active in the labour market. The LFS does provide more detailed data on the reasons for economic inactivity but unfortunately data are fairly unreliable due to sample size limitations so we have not explored reasons further.
- 3.17 However, it is possible to distinguish between inactive people who want to work and those who do not. This is an important distinction, as being economically inactive does not necessarily imply everyone in the group wants to be out of the labour market. Analysis reveals that almost one third (30%) of London's 3C 'inactive' population wanted to work. This was similar to the rate for UK nationals (29%). This group are people who have said they wanted work but did not meet the criteria to be classed as ILO unemployed¹¹.

ILO unemployment rates (Table A8)

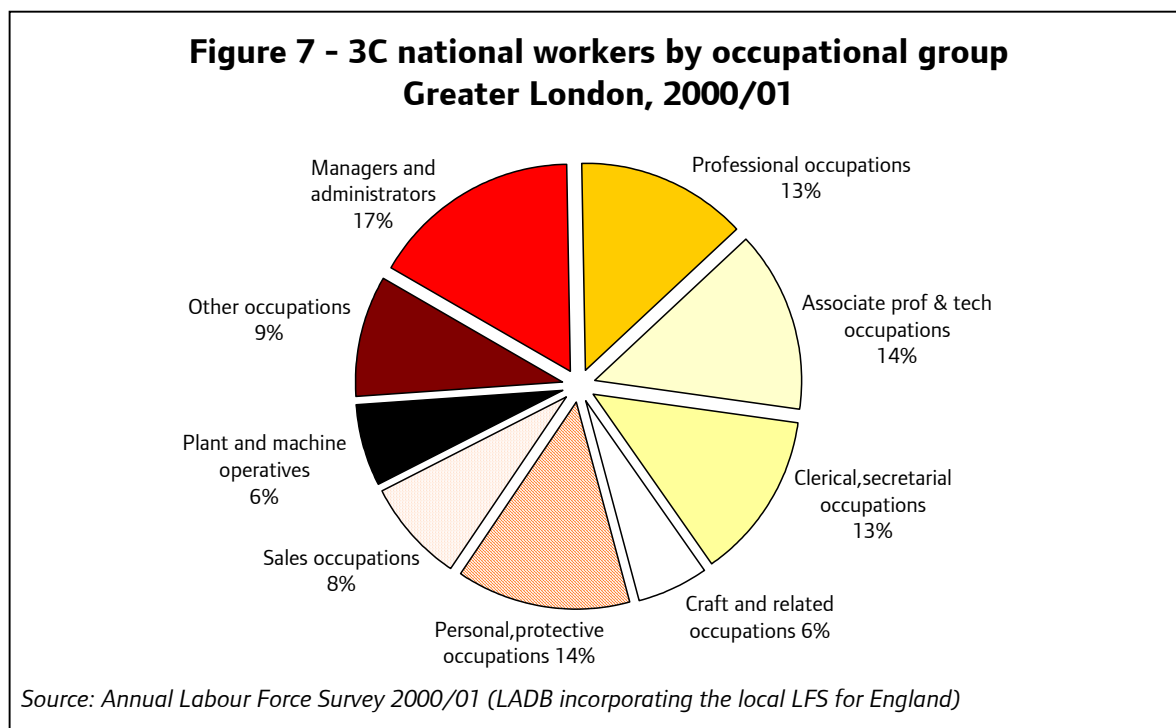
- 3.18 3C nationals have much higher unemployment rates than UK nationals. For all Londoners of working age, the ILO unemployment rate averaged around 7% during 2000/01. The rate for 3C nationals was 15% - two and half times higher than the rate for UK nationals (6%).

Occupation and social class (Tables A9 and A10)

- 3.19 Appendix table A9 examines employment by occupation and nationality status. The data suggest that London's 3C workers are quite a diverse group. As a whole, they are reasonably well represented across all occupational groups (see figure 7), but when compared with UK nationals in London, they are slightly under-represented in managerial/administrative occupations and over-represented in lower paid occupations (ie personal and protective occupations, and 'other occupations'). Interestingly though, the proportion of 3C nationals who worked in professional occupations (13%) was very close to the figure for UK nationals (14%).

¹¹ The International Labour Organisation's (ILO) measure of unemployment refers to people without a job who were able to start work in 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.

3.20 Appendix table A10 presents data on social class which adds information on skills. The data mirror the occupational analysis. They indicate that, in general, 3C nationals are over-represented in unskilled and lower skilled occupations. 21% of 3C national workers are employed in partly skilled and unskilled occupations compared with 13% of UK nationals. Further, 36% of 3C nationals work in typically lower paid manual occupations compared with 26% of UK nationals. But again, despite this skew towards lower paid and lower skill occupations, 3C nationals are also well represented in the 'professional occupations' social class group.



3.21 As the following analysis shows, these patterns are explained by the fact there are two quite distinct groups of workers within the 3C population whose characteristics are masked when considering statistics relating to 'all 3C workers'.

Diversity within the 3C labour market (Table A14 and Table A15)

3.22 To help understand the dynamics within the 3C labour market further, table 1 presents some key labour market indicators analysed by two key factors: whether 3C nationals are long or short-term residents, and whether they have nationalities of high income or developing countries. Appendix table 15 provides more detail.

3.23 As the analysis shows, those 3C nationals who originate from high income countries fare very well in the London labour market when compared with other 3C nationals from developing countries. The high income group have relatively high activity and employment rates, high earnings and are heavily concentrated in non-manual occupations. Three quarters (75%) of workers in the high income group work in management, administrative or professional occupations compared with 50% of Londoners with UK nationality. Similarly, only 10% of the high income group work in manual occupations compared to 26% of Londoners with UK nationality. 3C workers from high income countries account for one quarter (26%) of all 3C workers in employment.

3.24 In contrast, those 3C nationals from developing countries fare relatively poorly in the London labour market. When considered as a separate group – the extent of labour market disadvantage this group faces becomes clearer and is more pronounced than the data presented earlier (for all 3C nationals) suggested. ILO unemployment rates for the developing country 3C national group averaged 18% during 2000/01, compared to a London average of 7%. The proportion of workers in this group who were in management, administrative or professional occupations was only 33% compared with 50% of those with UK nationality. 3C workers from developing

countries are almost twice as likely to work in manual occupations compared to UK nationals in London – 45% of workers in the developing country group are manual workers compared with 26% of UK nationals. Those from developing countries are also more likely to work part-time compared with those from high income countries.

- 3.25 The data highlight that the high inactivity and unemployment rates mentioned earlier are clearly being driven by the high inactivity rates of 3C nationals from developing countries. Similarly, much of the polarity evident in the occupational and social class profiles of the 3C national group is explained by the contrasting characteristics of these two groups.
- 3.26 Analysis by length of residency also reveals interesting differences between groups within the 3C population. 3C nationals who are ‘short-term’ residents (ie those who arrived in 1996 or later) have lower employment rates and higher unemployment rates than long-term residents and they have slightly more polarised occupational and social class structures compared with those of longer-term residents. For example, if we consider social class, 12% of short-term 3C nationals are classed as being in professional occupations, compared with 8% of long-term 3C nationals. However, at the lower paid end of the social class structure, 24% of short-term nationals are in partly skilled or unskilled occupations compared to 19% of long term nationals. So there are more short-term 3C nationals at both the top and bottom ends of the social class occupational distribution when compared with long-term nationals, indicating greater diversity within this group.

Table 1 – Key labour market indicators: 3C nationals, Greater London 2000/01

Indicator:	3C nationals	3C nationals		3C nationals	
	All	Long term	Short term	High income country	Developing country
Economic activity rate (%)	59.8	64.6	53.2	75.6	56.3
- excluding full time students	65.1	67.8	60.7	79.8	61.6
Employment rate (%)	50.8	55.8	44.1	72.9	46.0
ILO unemployment rate (%)	15.0	13.6	17.1	**	18.4
% employed in management & professional occupations ¹²	44.0	43.3	45.4	74.8	33.0
% employed in manual occupations	35.8	36.4	34.6	10.1	44.9
% working part-time	23.5	22.4	25.5	15.5	26.4
Average hourly earnings (£)	£10.55	£10.13	£11.21	£17.17	£8.34

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England)

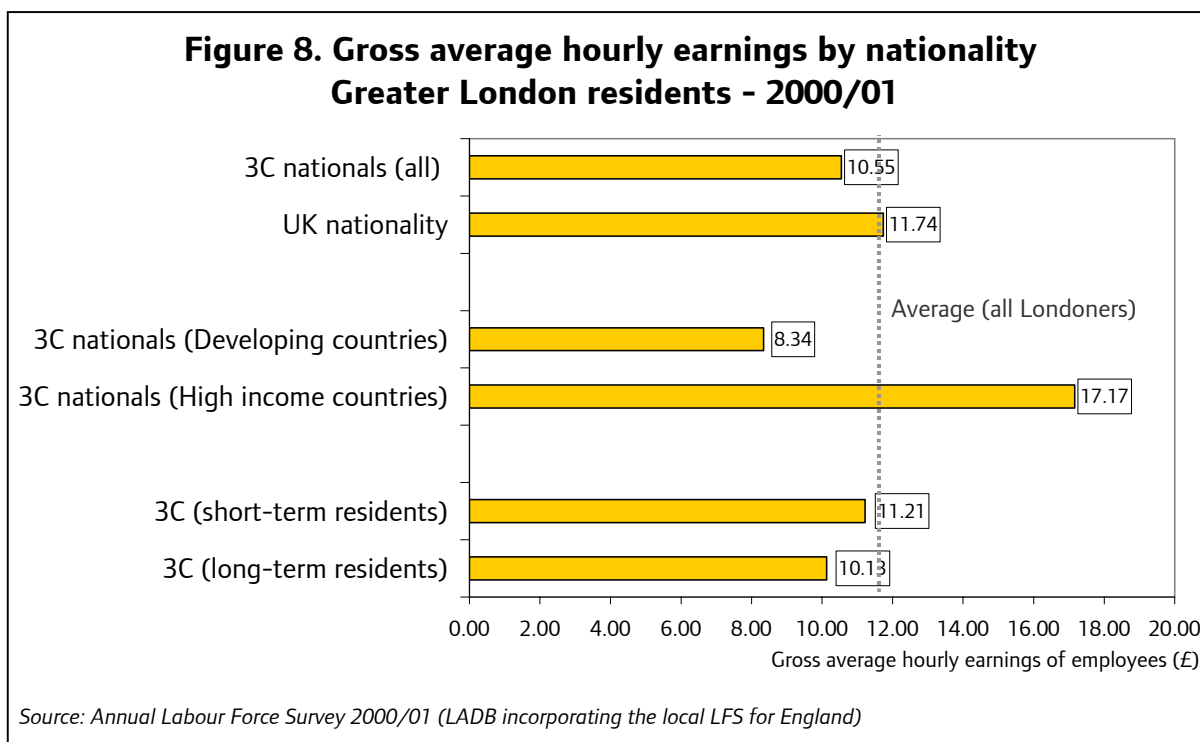
Notes: ** Data suppressed due to poor reliability. More detailed information is presented in Appendix table 15.

- 3.27 Short-term 3C nationals are more likely to come from high income countries than long term residents (See appendix table A5). The proportion of short-term nationals from high income countries was 21% compared with 13.5% for long-term nationals. This may explain – at least in part - the increased polarity within the short-term 3C national population.

¹² This category includes SOC 1-3 occupations (ie management and administration, professional occupations and associate professional occupations)

Hourly earnings¹³ (Table A11)

3.28 An analysis of earnings data for 3C workers also serves to highlight the huge diversity within the 3C population. Appendix table A11 presents details of earnings by nationality status, and the key earnings differentials are illustrated in figure 8. The data show that 3C nationals in London earn – on average – 10% less than UK nationals. Average hourly earnings of employees in London were £11.74 for UK nationals compared with £10.55 for 3C nationals. However, there are big differences in average pay levels within the 3C national population. The most striking finding is that 3C workers from high income countries have average earnings of £17.17 per hour – twice as high as the rate for those from developing countries (£8.34 per hour). Earnings also vary by length of residence but to a lesser degree. Rates for short-term 3C residents (£11.21) were around 11% higher than those of long-term 3C residents (£10.13).



3.29 To provide some indication of how earnings are distributed within each group, we have used crude measure of earnings inequality: the 90/10 measure (the top decile wage marker divided by the bottom decile wage marker¹⁴). The data show that there is considerable earnings polarity among 3C workers, particularly among 3C nationals from high income countries and those who are short-term residents. Among the high income 3C group - 10% of workers earned less than £6.25 per hour and 10% earned more than £32.97 per hour. The earnings distribution for 3C workers from developing countries is much less polarised with 10% earnings less than £3.88 per hour and 10% earning more than £13.75 per hour.

3.30 The data on earnings are consistent with the occupational data presented earlier and underline the extent of diversity and polarity within the 3C population. While length of residence is also clearly linked with employment outcomes, it is country of origin (ie whether people are from developing or high income countries) which emerges as the predominant factor.

¹³ The LFS provides estimates of the gross average hourly earnings of employees and is one of the few data sources that allows detailed analysis of earnings by nationality status. However, the data are limited in their application because LFS earnings estimates are known to slightly underestimate the true level of earning. 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 considering the data.

¹⁴ The bottom decile marker refers to the level of earnings at which 10% of workers earn less than. The top decile marker refers to the level of earnings at which 90% of workers earn more than.

Conclusions

- 3.31 This analysis is a first attempt to profile the demographic and socio-economic profile of 3C nationals living in London. It makes clear that the 3C population is not homogeneous, but is hugely diverse. Some 3C nationals are students, some are high earning professionals, some are low paid workers while others appear to be excluded from the labour market altogether.
- 3.32 This preliminary analysis has also indicated a number of factors associated with labour market outcomes for 3C nationals. Country of origin emerges as one of the most significant. 3C nationals from high income countries fare very well in the London labour market. They are heavily concentrated in higher paid professional jobs and earn considerably more than Londoners with UK nationality. In contrast, those who come from developing countries – the majority of all 3C nationals – appear to be considerably disadvantaged both in their access to the labour market and in their experience as workers within it. They are more likely than other Londoners to be in low paid work or to face exclusion from the labour market altogether.

Limitations of LFS and future work

- 3.33 It is recognised that LFS data can only take us so far in profiling and understanding the diversity within the 3C population. Sample size limitations rule out exploring some characteristics of sub-groups within the 3C population, which has meant it is difficult to get behind some of the headline findings. For example, one key unresolved question is why rates of economic inactivity are so high within certain parts of this population. More detailed analysis by age, ethnicity, reasons for inactivity or area of residence might have helped understand patterns more.
- 3.34 Despite these limitations, this preliminary analysis has filled an important gap in knowledge on this area and has demonstrated how LFS can be used to explore issues surrounding nationality. Moreover the analysis provides a good basis for future work. Ideas for future analysis which have emerged from this work, include:

- **Comparison of labour market outcomes for 3C nationals inside and outside London**

It might be relevant to consider whether the experiences of 3C nationals who live in the rest of the UK are similar to those of London's 3C nationals. This work has already demonstrated that 3C nationals in London are more likely to come from developing countries than those living in the rest of the UK, so they may differ also in other characteristics.

- **Diversity within the 3C population**

This work has highlighted the important issue of diversity. Future work could explore whether it is possible to construct more sophisticated groupings of nationalities for analytical purposes.

- **Time-series analysis**

Analysis of data over time could usefully refine the analysis and help identify trends.

- **Analysis of other data sources on nationality**

Future work could usefully explore whether interrogation of other data sources (eg Home office work permit data or the International Passenger Survey) could provide more detail on these issues for London.

- **2001 Census analysis of country of birth data**

The Census does not provide information on nationality but will provide detailed data on country of birth. This could be used to build a detailed profile of the labour market outcomes of Londoners analysed by their country of birth.

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

Appendix 1 – Key reference tables

A1. Population by nationality, Greater London and UK residents, 2000/01

Region of Nationality	Greater London		UK	
	Number	% total	Number	% total
UK	6,072,000	83.5	56,427,000	95.8
Irish Republic	134,000	1.8	401,000	0.7
Other EU15	192,000	2.6	457,000	0.8
Other Western Europe	18,000	0.3	32,000	0.1
Eastern Europe	121,000	1.7	190,000	0.3
Americas	129,000	1.8	290,000	0.5
Africa	248,000	3.4	368,000	0.6
Indian sub-continent	122,000	1.7	326,000	0.6
Middle East	48,000	0.7	84,000	0.1
Remainder of Asia	129,000	1.8	217,000	0.4
Australasia	50,000	0.7	103,000	0.2
Other ¹	12,000	0.2	19,000	0.0
Total	7,274,000	100.0	58,914,000	100.0
3C (non-EU15) nationalities	872,000	12.0	1,624,000	2.8

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Other includes those whose nationality was not stated.

Appendix 1 – Key reference tables

A2. Population by country of birth, Greater London and UK residents 2000/01

	Greater London		UK	
	Number	% total	Number	% total
UK	5,352,000	73.5	54,366,000	92.3
Irish Republic	153,000	2.1	502,000	0.9
Other EU15	200,000	2.7	676,000	1.1
Other Western Europe	61,000	0.8	134,000	0.2
Eastern Europe	146,000	2.0	259,000	0.4
Americas	222,000	3.1	515,000	0.9
Africa	442,000	6.1	792,000	1.3
Indian Sub-Continent	329,000	4.5	901,000	1.5
Middle East	86,000	1.2	160,000	0.3
Remainder of Asia	195,000	2.7	407,000	0.7
Australasia	59,000	0.8	152,000	0.3
Other ¹	33,000	0.5	55,000	0.1
Total	7,277,000	100.0	58,917,000	100.0
3C (non-EU15) countries	1,573,000	21.6	3,374,000	5.7

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/- 7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Other includes those whose nationality was not stated.

Appendix 1 – Key reference tables

A3. Year of arrival : Residents not born in the UK (2000/01)

Year of arrival	Greater London		UK	
	Number	% total	Number	% total
Total	1,913,000	100.0	4,512,000	100
Before 1950	60,000	3.1	321,000	7.1
1950-1959	118,000	6.2	385,000	8.5
1960-1969	292,000	15.3	777,000	17.2
1970-1979	303,000	15.8	708,000	15.7
1980-1989	338,000	17.6	714,000	15.8
1990 +	802,000	41.9	1,607,000	35.6
Total	1,913,000	100.0	4,512,000	100.0
Before 1992	1,219,000	63.7	3,111,000	69.0
1992	56,000	2.9	104,000	2.3
1993	53,000	2.8	106,000	2.4
1994	53,000	2.8	100,000	2.2
1995	59,000	3.1	122,000	2.7
1996	73,000	3.8	142,000	3.1
1997	84,000	4.4	169,000	3.7
1998	115,000	6.0	228,000	5.1
1999	123,000	6.4	261,000	5.8
2000/01	78,000	4.1	168,000	3.7
Arrived before 1996	1,440,000	75.3	3,544,000	78.5

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

Appendix 1 – Key reference tables

A4.Nationality: long and short term residents, Greater London & UK, 2000/01

Nationality (base: those born outside the UK)	Year of arrival		Total	Percentage who arrived: before 1996
	1900-1995	1996+		
Greater London residents				
UK	743,000	25,000	768,000	96.7
Irish Republic	124,000	****	132,000	93.5
Other EU15	100,000	80,000	181,000	55.6
Other Western Europe	12,000	****	18,000	70.6
Eastern Europe	53,000	64,000	117,000	45.3
Americas	76,000	47,000	123,000	61.9
Africa	142,000	87,000	229,000	61.9
Indian sub-continent	83,000	34,000	117,000	70.9
Middle East	26,000	19,000	45,000	57.3
Remainder of Asia	60,000	61,000	122,000	49.6
Australasia	14,000	34,000	48,000	29.8
Other ¹	****	****	12,000	****
Total	1,440,000	472,000	1,912,000	75.3
3C (non-EU15) nationalities	472,000	354,000	826,000	57.1
UK residents				
UK	2,060,000	85,000	2,145,000	96.0
Irish Republic	366,000	28,000	394,000	92.9
Other EU15	245,000	185,000	430,000	56.9
Other Western Europe	22,000	****	31,000	71.5
Eastern Europe	89,000	95,000	184,000	48.2
Americas	168,000	108,000	275,000	60.9
Africa	189,000	154,000	343,000	55.1
Indian sub-continent	212,000	94,000	306,000	69.4
Middle East	42,000	39,000	81,000	51.4
Remainder of Asia	99,000	107,000	206,000	48.0
Australasia	41,000	56,000	98,000	42.5
Other ¹	****	****	18,000	****
Total	3,543,000	968,000	4,511,000	78.5
3C (non-EU15) nationalities	871,000	666,000	1,537,000	56.6

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Particularly unreliable data is suppressed and is denoted by asterisks ****. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Other includes those whose nationality was not stated.

Appendix 1 – Key reference tables

A5. Third country nationals by developing country status¹ and length of residency Greater London and UK, 2000/01

	Greater London	UK	UK excluding Greater London	Greater London	UK	UK excluding Greater London	% total
All 3C nationals¹	872,000	1,624,000	753,000	100.0	100.0	100.0	
- high income countries	147,000	350,000	203,000	16.8	21.6	27.0	
- developing countries	725,000	1,274,000	549,000	83.2	78.4	73.0	
3C nationals (not born in UK)	826,000	1,537,000	711,000	100.0	100.0	100.0	
- high income	140,000	332,000	192,000	17.0	21.6	27.0	
- developing countries	686,000	1,205,000	518,000	83.0	78.4	73.0	
Long-term 3C nationals²	472,000	871,000	399,000	100.0	100.0	100.0	
- high income	64,000	167,000	103,000	13.5	19.2	25.9	
- developing countries	408,000	703,000	295,000	86.5	80.8	74.1	
Short-term 3C nationals³	354,000	666,000	312,000	100.0	100.0	100.0	
- high income	76,000	165,000	89,000	21.5	24.8	28.5	
- developing countries	278,000	501,000	223,000	78.5	75.2	71.5	
% of 3C nationals who are long term residents	57.1	56.6	56.1				

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1 - '3C nationals' are people whose nationality is non-european (EU15). Appendix 5 explains how nationalities were classed into 'high income' and 'developing' categories.

2- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

3- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

Appendix 1 – Key reference tables

A6. Population by age, gender and nationality status, Greater London residents 2000/01

	All persons	EU15 nationality			3C nationals (non-EU15 nationality)			
		All EU15 nationality	UK nationality	Other EU15 nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
Persons	7,278,000	6,398,000	6,072,000	326,000	872,000	826,000	472,000	354,000
Gender								
Male	3,632,000	3,196,000	3,044,000	153,000	431,000	409,000	220,000	189,000
Female	3,646,000	3,202,000	3,029,000	173,000	441,000	418,000	252,000	165,000
% female	50.1	50.0	49.9	53.1	50.6	50.6	53.5	46.7
Age								
Age 0-15	1,496,000	1,356,000	1,332,000	23,000	136,000	101,000	41,000	60,000
Age 16-24	906,000	766,000	732,000	34,000	140,000	136,000	45,000	91,000
Age 25-34	1,288,000	1,056,000	967,000	89,000	231,000	228,000	102,000	127,000
Age 35-44	1,234,000	1,035,000	980,000	55,000	196,000	195,000	140,000	55,000
Age 45-54	858,000	774,000	731,000	43,000	84,000	83,000	70,000	13,000
Age 55+	1,495,000	1,411,000	1,330,000	81,000	84,000	82,000	74,000	**
% in each age band								
Age 0-15	20.6	21.2	21.9	7.2	15.6	12.2	8.7	16.9
Age 16-24	12.4	12.0	12.0	10.6	16.0	16.5	9.6	25.7
Age 25-34	17.7	16.5	15.9	27.3	26.5	27.6	21.5	35.7
Age 35-44	17.0	16.2	16.1	17.0	22.5	23.6	29.6	15.6
Age 45-54	11.8	12.1	12.0	13.2	9.7	10.1	14.8	3.7
Age 55+	20.5	22.1	21.9	24.7	9.6	10.0	15.7	**
All ages	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Particularly unreliable estimates (those below 10,000) have been suppressed and are denoted by asterisks "***". The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

Appendix 1 – Key reference tables

A7. Population by ethnicity and nationality status, Greater London 2000/01

Ethnic group	All persons	EU15 nationality			3C nationals (non-EU15 nationality)			
		All EU15 nationality	UK nationality	Other EU15 nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
All groups³	7,271,000	6,392,000	6,066,000	326,000	871,000	826,000	472,000	354,000
White	5,238,000	4,948,000	4,645,000	303,000	287,000	276,000	123,000	153,000
Black - Caribbean	307,000	262,000	260,000	**	46,000	44,000	35,000	**
Black - African	341,000	159,000	157,000	**	180,000	165,000	110,000	55,000
Black - Other	180,000	167,000	162,000	**	14,000	12,000	**	**
Indian	434,000	357,000	354,000	**	77,000	74,000	50,000	24,000
Pakistani	139,000	111,000	110,000	**	29,000	28,000	15,000	13,000
Bangladeshi	154,000	120,000	120,000	**	34,000	32,000	27,000	**
Chinese	69,000	45,000	44,000	**	24,000	22,000	15,000	**
Other groups	407,000	224,000	214,000	**	182,000	171,000	89,000	82,000
<i>All BME groups</i>	<i>2,032,000</i>	<i>1,444,000</i>	<i>1,422,000</i>	<i>23,000</i>	<i>585,000</i>	<i>550,000</i>	<i>348,000</i>	<i>201,000</i>
% total								
All groups	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
White	72.0	77.4	76.6	93.1	32.9	33.4	26.2	43.1
Black - Caribbean	4.2	4.1	4.3	**	5.2	5.4	7.4	**
Black - African	4.7	2.5	2.6	**	20.7	20.0	23.4	15.5
Black - Other	2.5	2.6	2.7	**	1.6	1.5	**	**
Indian	6.0	5.6	5.8	**	8.8	9.0	10.6	6.9
Pakistani	1.9	1.7	1.8	**	3.3	3.3	3.1	3.6
Bangladeshi	2.1	1.9	2.0	**	3.9	3.9	5.8	**
Chinese	1.0	0.7	0.7	**	2.8	2.7	3.1	**
Other groups	5.6	3.5	3.5	**	20.9	20.8	18.9	23.3
<i>All BME groups</i>	<i>28.0</i>	<i>22.6</i>	<i>23.4</i>	<i>6.9</i>	<i>67.1</i>	<i>66.6</i>	<i>73.8</i>	<i>56.9</i>
% total								
Broad categories:								
White	72.0	77.4	76.6	93.1	32.9	33.4	26.2	43.1
Black	11.4	9.2	9.5	**	27.5	26.9	32.4	19.6
South Asian ⁴	10.0	9.2	9.6	**	15.9	16.2	19.5	11.9
Other groups (inc Chinese)	6.6	4.2	4.3	3.3	23.7	23.5	22.0	25.4
<i>All BME groups</i>	<i>28.0</i>	<i>22.6</i>	<i>23.4</i>	<i>6.9</i>	<i>67.1</i>	<i>66.6</i>	<i>73.8</i>	<i>56.9</i>

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Particularly unreliable estimates (those below 10,000) have been suppressed and are denoted by asterisks "***". The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

3- Ethnic group totals excludes those whose ethnicity was not coded, these cases were treated as missing.

4- South Asian includes Indian, Pakistani and Bangladeshi ethnic groups

Appendix 1 – Key reference tables

A8. Economic activity status by nationality, working age residents, Greater London, 2000/01

	Persons of working age	EU15 nationality			3C nationals (non-EU15 nationality)			
		EU15 nationality	UK nationality	Other EC15 nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
Working age persons	4,756,000	4,072,000	3,822,000	250,000	684,000	674,000	383,000	291,000
Economically active	3,590,000	3,181,000	2,994,000	187,000	409,000	402,000	248,000	155,000
In employment	3,339,000	2,992,000	2,816,000	176,000	347,000	342,000	214,000	128,000
ILO unemployed	251,000	189,000	178,000	11,000	61,000	60,000	34,000	26,000
Economically inactive³	1,166,000	891,000	828,000	63,000	275,000	272,000	136,000	136,000
Inactive wanting work	346,000	264,000	240,000	24,000	82,000	81,000	41,000	40,000
Inactive not wanting work	820,000	627,000	588,000	39,000	193,000	190,000	94,000	96,000
% who wanted work	30%	30%	29%	38%	30%	30%	31%	29%
Persons, rates (%)								
Employment rate (%)	70.2	73.5	73.7	70.2	50.8	50.8	55.8	44.1
ILO unemployment rate (%)	7.0	6.0	5.9	6.1	15.0	15.0	13.6	17.1
Economic activity rate (%)	75.5	78.1	78.3	74.8	59.8	59.7	64.6	53.2
Economic inactivity rate (%)	24.5	21.9	21.7	25.2	40.2	40.3	35.4	46.8
Persons, rates excluding full-time students⁴:								
Employment rates (%)	74.3	77.2	77.4	73.9	56.0	55.9	59.3	50.9
Economic activity rates (%)	79.5	81.8	82.0	78.2	65.1	64.9	67.8	60.7
Rates by gender:								
Male								
Employment rate (%)	76.2	79.1	79.3	76.2	58.5	58.6	65.4	50.9
ILO unemployment rate (%)	7.4	6.1	6.1	**	16.9	16.9	14.9	19.5
Economic activity rate (%)	82.3	84.3	84.4	81.5	70.4	70.5	76.8	63.3
Inactivity rate (%)	17.7	15.7	15.6	18.5	29.6	29.5	23.2	36.7
Female								
Employment rate (%)	63.6	67.2	67.4	64.4	43.0	42.7	47.2	35.9
ILO rate unemployment (%)	6.4	5.7	5.7	**	12.2	12.2	12.0	**
Economic activity rate (%)	67.9	71.3	71.5	68.1	49.0	48.6	53.6	41.1
Inactivity rate (%)	32.1	28.7	28.5	31.9	51.0	51.4	46.4	58.9

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data. Particularly unreliable estimates have been suppressed and are denoted by asterisks (**).

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

3-Inactivity here is divided into two groups (i) those who said they want or are seeking work and (ii) those who are neither seeking or wanting work. People in the first group are classed as inactive not ILO unemployed because they do not meet all the criteria to qualify as ILO unemployed.

4 – Full time students defined as those aged over 16 who were participating in some form of education on a full-time basis

Appendix 1 – Key reference tables

A9. Employment by occupation and nationality status, Greater London, 2000/01

Persons aged 16+	EU15 nationality				3C nationals (non-EU15 nationality)			
	All persons	EU15 nationality	EU15 - UK	EU15 - other nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
Total in employment³	3,431,000	3,078,000	2,895,000	183,000	353,000	347,000	219,000	128,000
Full-time	2,702,000	2,431,000	2,284,000	148,000	270,000	266,000	170,000	96,000
Part-time	729,000	646,000	611,000	35,000	83,000	82,000	49,000	33,000
% part-time	21.3	21.0	21.1	19.4	23.5	23.5	22.4	25.5
Occupational group								
All occupations⁴	3,422,000	3,071,000	2,887,000	183,000	350,000	345,000	217,000	128,000
Managers and administrators	688,000	630,000	594,000	36,000	58,000	57,000	36,000	21,000
Professional occupations	486,000	440,000	417,000	23,000	46,000	45,000	26,000	20,000
Assoc. prof & tech occs.	506,000	456,000	429,000	27,000	50,000	50,000	32,000	18,000
Clerical,secretarial occs.	536,000	491,000	468,000	24,000	45,000	45,000	30,000	15,000
Craft and related occs.	259,000	239,000	224,000	15,000	20,000	19,000	14,000	**
Personal,protective occs.	339,000	291,000	264,000	27,000	48,000	47,000	29,000	19,000
Sales occupations	241,000	213,000	203,000	10,000	28,000	27,000	16,000	11,000
Plant and machine operatives	178,000	155,000	148,000	**	23,000	22,000	16,000	**
Other occupations	189,000	156,000	141,000	15,000	33,000	32,000	19,000	13,000
% total								
All occupations	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Managers and administrators	20.1	20.5	20.6	19.6	16.5	16.5	16.7	16.1
Professional occupations	14.2	14.3	14.4	12.4	13.2	13.1	11.8	15.3
Assoc. prof & tech occs.	14.8	14.8	14.9	14.7	14.3	14.5	14.8	14.0
Clerical,secretarial occs.	15.7	16.0	16.2	13.0	12.8	12.9	13.7	11.6
Craft and related occupations	7.6	7.8	7.7	8.4	5.6	5.6	6.6	**
Personal,protective occs	9.9	9.5	9.1	14.8	13.7	13.7	13.2	14.7
Sales occupations	7.1	6.9	7.0	5.4	7.9	7.9	7.3	8.9
Plant and machine operatives	5.2	5.0	5.1	**	6.5	6.5	7.4	**
Other occupations	5.5	5.1	4.9	8.1	9.4	9.4	8.7	10.5

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Particularly unreliable estimates (those below 10,000) have been suppressed and are denoted by asterisks "**". The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

3 - Employment totals exclude those in employment whose part-time or full-time status was not stated

4 - Employment totals exclude those in employment whose occupation was not stated

Appendix 1 – Key reference tables

A10. Employment by social class status, Greater London 2000/01

	EU15 nationality				3C nationals (non-EU15 nationality)			
	All persons	EU15 nationality	UK nationality	Other EU15 nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
All in employment³	3,406,000	3,056,000	2,873,000	183,000	349,000	344,000	217,000	127,000
Professional occupations	324,000	291,000	275,000	17,000	33,000	32,000	17,000	15,000
Intermediate occupations	1,344,000	1,223,000	1,156,000	67,000	121,000	119,000	76,000	43,000
Skilled occup's (non-manual)	787,000	716,000	679,000	36,000	71,000	70,000	47,000	24,000
Skilled occup's (manual)	485,000	435,000	404,000	31,000	50,000	49,000	35,000	14,000
Partly skilled/unskilled occ's	466,000	392,000	359,000	32,000	74,000	73,000	42,000	30,000
% total:								
Professional occupations	9.5	9.5	9.6	9.0	9.4	9.4	7.8	12.1
Intermediate occupations	39.4	40.0	40.2	36.4	34.6	34.6	34.9	34.3
Skilled occup's (non-manual)	23.1	23.4	23.6	19.9	20.4	20.5	21.7	18.5
Skilled occupations (manual)	14.3	14.2	14.1	17.0	14.4	14.4	16.3	11.2
Partly skilled/unskilled occ's	13.7	12.8	12.5	17.7	21.2	21.1	19.4	24.0
Whether in manual/non-manual occupation								
Manual	950,000	825,000	761,000	64,000	125,000	123,000	79,000	44,000
Non-manual	2,466,000	2,241,000	2,122,000	119,000	225,000	221,000	138,000	83,000
% in manual jobs	27.8	26.9	26.4	34.9	35.8	35.7	36.4	34.6

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

3 - All in employment excludes both those who did not specify their occupation and also those in the armed forces

Appendix 1 – Key reference tables

A11. Earnings of employees by nationality status, Greater London 2000/01

	Gross average hourly earnings ¹ of employees (£)						Crude earnings polarity measures ²	
	Mean	Median	10% earn less than...	25% earn less than...	75% earn less than...	90% earn less than...	90/10	75/25
All employees	11.56	9.29	4.58	6.40	13.77	20.46	4.5	2.2
EU15 nationality	11.67	9.43	4.67	6.50	13.92	20.60	4.4	2.1
- Nationality UK/GB	11.74	9.58	4.69	6.58	14.00	20.63	4.4	2.1
- Other EU15 nationality	10.66	8.61	4.39	5.70	12.57	18.87	4.3	2.2
Non-EU15 (3C nationals)	10.55	8.00	4.00	5.47	12.09	19.23	4.8	2.2
- Long-term 3C nationals ³	10.13	7.83	4.00	5.50	11.78	17.26	4.3	2.1
- Short-term 3C nationals ⁴	11.21	8.28	4.00	5.33	13.20	22.76	5.7	2.5
- High income countries ⁵	17.17	12.63	6.25	9.23	22.04	32.97	5.3	2.4
- Developing countries ⁵	8.34	7.10	3.88	4.95	10.00	13.75	3.5	2.0

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

Notes

LFS is a sample survey and all estimates are subject to a degree of sampling variability.

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 aged 16+ and exclude the self-employed.

2- These are fairly crude measures of the polarity of the earnings distribution in each population group. For example, 90/10 refers to the upper decile marker divided by the bottom decile marker (ie in the case of all employees, 10% of employees earn more than £20.46 an hour and 10% earn less than £4.58 an hour - a crude 90/10 measure = £20.46/£4.58 = 4.5). So here the top decile marker is four and half times higher than the bottom. In general, the higher the number the more pronounced the polarity. These measures are fairly crude as they don't consider the whole earnings distribution, but they do serve to give some indication of relative earnings inequality.

3- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

4- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

5- Appendix 5 explains how nationalities were classed into 'high income' and 'developing' countries.

Appendix 1 – Key reference tables

A12. Qualifications by nationality status, Greater London 2000/01

Working age only	All persons	EU15 nationality			3C nationals (non-EU15 nationality)			
		EU15 nationality	UK nationality	Other EU15 nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
All working age persons	4,737,000	4,056,000	3,807,000	249,000	680,000	671,000	382,000	289,000
NVQ level 3 and above ³	1,985,000	1,828,000	1,761,000	67,000	158,000	154,000	108,000	46,000
NVQ level 2 and below & trade apprenticeships	1,311,000	1,230,000	1,197,000	33,000	81,000	79,000	58,000	20,000
Other qualifications	739,000	422,000	310,000	112,000	317,000	314,000	140,000	174,000
No qualifications	702,000	577,000	540,000	37,000	125,000	124,000	75,000	48,000
% total								
NVQ level 3 and above	41.9	45.1	46.2	26.9	23.2	23.0	28.3	16.0
NVQ level 2 and below & trade apprenticeships	27.7	30.3	31.4	13.3	11.9	11.7	15.3	7.0
Other qualifications	15.6	10.4	8.1	45.0	46.5	46.8	36.6	60.3
No qualifications	14.8	14.2	14.2	14.7	18.4	18.4	19.7	16.7
Total	100	100	100	100	100	100	100	100

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

3 – NVQ level 3 is roughly equivalent to A-level standard

Appendix 1 – Key reference tables

A13. Educational participation by nationality status, Greater London, 2000/01

Working age	All persons	EU15 nationality			3C nationals (non-EU15 nationality)			
		EU15 nationality	UK nationality	Other EU15 nationality	All 3C nationals	3C nationals not born in UK	Long-term ¹ 3C nationals	Short-term ² 3C nationals
Persons working age	4,752,000	4,069,000	3,819,000	250,000	683,000	673,000	383,000	291,000
In full-time education	428,000	339,000	319,000	20,000	88,000	87,000	32,000	54,000
In part-time education	382,000	284,000	261,000	23,000	98,000	98,000	43,000	55,000
Not in education	3,943,000	3,446,000	3,240,000	206,000	497,000	489,000	308,000	181,000
% in full-time education	9.0	8.3	8.4	8.2	13.0	12.9	8.4	18.7
% in part-time education	8.0	7.0	6.8	9.4	14.3	14.5	11.1	18.9
% in part or full-time education	17.0	15.3	15.2	17.6	27.3	27.3	19.5	37.7

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/- 7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1- Long-term refers to 3C nationals who were born outside the UK and who arrived in the UK before 1996

2- Short-term refers to 3C nationals who were born outside the UK and who arrived in the UK in 1996 or later

Appendix 1 – Key reference tables

A14. Third country nationals - key demographic indicators (developing/high income country split), Greater London, 2000/01

	All persons	EU15 nationals	3C nationals ¹		
			All 3C	High income countries	Developing countries
All persons	7,278,000	6,398,000	872,000	147,000	725,000
% total	100	87.9	12.0	2.0	10.0
Gender					
Male	3,632,000	3,196,000	431,000	73,000	358,000
Female	3,646,000	3,202,000	441,000	74,000	367,000
% Female	50.1	50.0	50.6	50.6	50.6
Age					
Age 0 to 15	1,496,000	1,356,000	136,000	16,000	121,000
Age 16 to 24	906,000	766,000	140,000	19,000	121,000
Age 25-34	1,288,000	1,056,000	231,000	44,000	188,000
Age 35-44	1,234,000	1,035,000	196,000	35,000	162,000
Age 45-54	858,000	774,000	84,000	17,000	67,000
Age 55+	1,495,000	1,411,000	84,000	16,000	68,000
% total					
Age 0 to 15	20.6	21.2	15.6	10.7	16.6
Age 16 to 24	12.4	12.0	16.0	12.8	16.7
Age 25-34	17.7	16.5	26.5	29.8	25.9
Age 35-44	17.0	16.2	22.5	23.5	22.3
Age 45-54	11.8	12.1	9.7	11.9	9.2
Age 55+	20.5	22.1	9.6	11.2	9.3
Ethnicity²					
White	5,238,000	4,948,000	287,000	114,000	172,000
Black	828,000	588,000	240,000	**	237,000
South Asian	727,000	588,000	139,000	**	137,000
Other groups (inc chinese)	476,000	269,000	206,000	27,000	180,000
<i>All BME groups</i>	<i>2,032,000</i>	<i>1,444,000</i>	<i>585,000</i>	<i>32,000</i>	<i>553,000</i>
% totals:					
White	72.0	77.4	32.9	78.2	23.8
Black	11.4	9.2	27.5	**	32.6
South Asian	10.0	9.2	15.9	**	18.8
Other groups (inc chinese)	6.6	4.2	23.7	18.1	24.8
% BME groups	28.0	22.6	67.1	21.8	76.2
Education (working age persons)					
Full-time education	428,000	339,000	88,000	10,000	78,000
Part-time education	382,000	284,000	98,000	**	89,000
Not in education	3,943,000	3,446,000	497,000	104,000	393,000
% in full-time education	9.0	8.3	13.0	8.1	14.0

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/-7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Particularly unreliable estimates (those below 10,000) have been suppressed and are denoted by asterisks "***". The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1 - Appendix 5 explains how nationalities were classed into 'high income' and 'developing' countries.

2 - Ethnic group population totals are slightly lower than other population figures due to missing data.

Appendix 1 – Key reference tables

A15. Third country nationals - labour market profile (developing/high income country split), Greater London, 2000/01

	3C nationals ¹				
	All persons	EU15 nationals	All 3C	High income countries	Developing countries
Persons working age	4,756,000	4,072,000	684,000	123,000	561,000
Economic activity (working age)					
Economically active	3,590,000	3,181,000	409,000	93,000	316,000
- In employment	3,339,000	2,992,000	347,000	90,000	258,000
- ILO unemployment	251,000	189,000	61,000	**	58,000
Inactive	1,166,000	891,000	275,000	30,000	245,000
Rates (persons working age):					
Economic activity rate (%)	75.5	78.1	59.8	75.6	56.3
<i>Economic activity rate, excluding FT students (%)</i>	<i>79.5</i>	<i>81.8</i>	<i>65.1</i>	<i>79.8</i>	<i>61.6</i>
Employment rate (%)	70.2	73.5	50.8	72.9	46.0
ILO unemployment rate (%)	7.0	6.0	15.0	**	18.4
Inactivity rate (%)	24.5	21.9	40.2	24.4	43.7
Economic activity rates (%) by gender:					
Males aged 16-64	82.3	84.3	70.4	84.0	67.5
Females aged 16-59	67.9	71.3	49.0	67.1	45.0
Occupation (persons 16+)					
1 Managers and administrators	688,000	630,000	58,000	25,000	32,000
2 Professional occupations	486,000	440,000	46,000	22,000	24,000
3 Associate prof & tech occupations	506,000	456,000	50,000	22,000	28,000
4 Clerical,secretarial occupations	536,000	491,000	45,000	10,000	35,000
5 Craft and related occupations	259,000	239,000	20,000	**	17,000
6 Personal,protective occupations	339,000	291,000	48,000	**	44,000
7 Sales occupations	241,000	213,000	28,000	**	24,000
8 Plant and machine operatives	178,000	155,000	23,000	**	21,000
9 Other occupations	188,000	156,000	33,000	**	31,000
% in management/profess. occup's (1-3)	49.1	49.7	44.0	74.8	33.0
% part-time	21.3	21.0	23.5	15.5	26.4
Social class (persons 16+)					
Professional occupations	324,000	291,000	33,000	15,000	17,000
Intermediate occupations	1,343,000	1,223,000	121,000	54,000	67,000
Skilled occupations (non manual)	787,000	716,000	71,000	13,000	58,000
Skilled occupations (manual)	485,000	435,000	50,000	**	46,000
Partly skilled occupations	359,000	305,000	54,000	**	50,000
Unskilled occupations	106,000	86,000	20,000	**	19,000
% professional/intermediate	49.0	49.5	44.0	74.9	32.9
% partly skilled/unskilled	13.7	12.8	21.2	**	26.6
Manual/non-manual split					
% employed in manual occupations	27.8	26.9	35.8	10.1	44.9
% employed in non-manual occupations	72.2	73.1	64.2	89.9	55.1

Source: Annual Labour Force Survey 2000/01 (LADB incorporating the local LFS for England). The annual data covers the period March 2000 to February 2001.

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. For example, the annual dataset estimates that the number unemployed in London is 254,000, the associated 95% confidence interval for this estimate is around +/- 17,000 (+/7%). A smaller estimate of around 20,000 would carry a much larger confidence interval of approximately +/- 22%. Particularly unreliable estimates (those below 10,000) have been suppressed and are denoted by asterisks "**". The totals shown on different tables may differ slightly, due to the effect of rounding and missing data.

1 - Appendix 5 explains how nationalities were classed into 'high income' and 'developing' countries.

Appendix 2: The Labour Force Survey – technical notes

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. Some 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 2000/2001 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.

This briefing is based wholly on analysis of the 2000/01 annual local area database (incorporating the Local LFS for England). Baseline nationality and country of birth data produced by the GLA were quality checked by ONS, as published data are unavailable on this topic.

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 individual country estimates). In this analysis, the GLA has suppressed all data estimates below 10,000 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 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 237,000 to 271,000 (ie $\pm 17,000$ or $\pm 7\%$). 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).

Appendix 2: The Labour Force Survey – technical notes (continued)

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 2001 Census results. These results led to the mid year estimates for 2001 being revised downwards¹⁵. 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:

Source	Estimate
Estimates used prior to 2001 census	
ONS mid year estimate 2000	7.375m
LFS population (private households) – annual database 2000/01	7.280m
Estimates based on 2001 census results	
Census day population - April 2001	7.172m
ONS mid year estimate 2001	7.188m

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 estimates and databases till next year (Summer 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 significantly impact on rates and percentages. However, in light of this issue, where possible, users are advised to quote rates rather than numbers.

¹⁵ ONS will be retrospectively revising mid-year population estimates from 1991-2000 in February 2003.

Appendix 3: Glossary of key LFS definitions

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 individuals tend to underestimate what they earn. Another problem with LFS data is that some earnings data is given by proxy (supplied by one household member on behalf of another) which can further undermine accuracy. 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 considering the data.

Economically active

Economic activity is one of the key measures used in the LFS to describe the economic status of respondents. Economically active people are those aged over 16 who are either in employment or ILO unemployed.

Economic activity rate (%)

The economic activity rate is the number of people who are in employment or unemployed as a percentage of the total population. Rates can be calculated for any population group. Rates are commonly presented for the population aged 16 and over and for the population of working age (men aged 16-64 and women aged 16-59). Both measures are useful, but when making comparisons between population groups or areas it is sometimes advisable to use the second measure as it controls for differences in age profiles and provides a better 'like for like' comparison. This becomes particularly important when comparing data by nationality or ethnic group because the age structures are so different.

Economically inactive

People who are neither in employment nor unemployed (ILO measure). This group includes, for example, all those who were looking after a family or retired (as well as those aged under 16).

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 (e.g. on holiday); those on government supported training and employment programmes; and those doing unpaid family work (i.e. working in family business).

Employment rate (%)

The number of people in employment expressed as a percentage of the population in that age group.

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.

Appendix 3: Glossary of key LFS definitions (continued)

ILO unemployment

The International Labour Organisation's (ILO) measure of unemployment refers to people without a job who were able to start work in 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. This measure is different to the claimant count measure of unemployment that is based solely on eligibility for benefits (i.e. Jobseekers' Allowance). The ILO measure is generally accepted to be a more comprehensive measure and is usually higher than the claimant count for any given period. For example, in November 2000, the ILO unemployment rate for Greater London was 6.9% compared with a claimant count rate of 3.8%.

ILO unemployment rate (%)

The percentage of economically active people who are unemployed on the ILO measure, usually refers to those aged 16 and over or those of working age

Qualifications

In LFS, qualifications level are equivalised to NVQ equivalents. NVQ level 3 is roughly equivalent to A-level standard. NVQ 4 and above includes higher level qualifications (above A-level) and degree level qualifications.

Appendix 5: GLA classification of nationalities by developing country status

To complement the geographical classification of nationalities, a second classification was developed to distinguish between people who originate from developing countries and high income countries.

The classification used here was based on the classification used in the 'A Better World for All' report which was published jointly in 2000 by four organisations: the International Monetary Fund, the Organisation of Economic Cooperation and Development, the United Nations and the World Bank. In this report, countries were grouped into 7 groups on the basis of geographic/cultural affinities and the average income of residents. Developing countries were grouped into 6 different groups and high income countries comprised the 7th group. High income was defined as those countries with a GNP (Gross National Product) per capita of more than \$9,360 (1998).

We have used the basis of the classification to create a simpler high income/developing country split for analytical purposes. The classification is illustrated on the table overleaf. The GLA classification groups the original LFS areas into 3 zones. The first grouping (1) relates to all LFS areas in the EU15 (all classed as high income). Zone 2 relates to all other (Non-EU15) countries which were classed as high income. Lastly zone 3 represents developing countries (and was created by amalgamating together all six of the developing country zones used in the better world for all report.

It was difficult to match the groupings exactly as LFS country classifications were broader than those listed in the 'A Better World for all' report which details some very small countries/territories. Where categories didn't match a best fit approach was adopted. This discrepancy is unlikely to impact on the analysis significantly.

Appendix 5: GLA classification of nationalities by developing country status

This coding was used to recode NATOX LFS variables into user defined variables NATOXDEV

Original LFS coding	GLA coding		Original LFS coding	GLA coding	
1 UK/GB	EU15 – High Income	1	52 Algeria	Developing Country	3
			53 Angola	Developing Country	3
7 Irish Republic	EU15 – High Income	1	54 Botswana	Developing Country	3
			55 Ethiopia	Developing Country	3
2 Belgium	EU15 – High Income	1	56 Egypt	Developing Country	3
3 Denmark	EU15 – High Income	1	57 Gambia	Developing Country	3
4 France	EU15 – High Income	1	58 Ghana	Developing Country	3
5 Germany	EU15 – High Income	1	59 Kenya	Developing Country	3
6 Greece	EU15 – High Income	1	60 Libya	Developing Country	3
8 Italy (exc Vatican City)	EU15 – High Income	1	61 Malawi	Developing Country	3
9 Luxembourg	EU15 – High Income	1	62 Mauritius	Developing Country	3
10 Netherlands	EU15 – High Income	1	63 Morocco	Developing Country	3
11 Portugal	EU15 – High Income	1	64 Nigeria	Developing Country	3
12 Spain	EU15 – High Income	1	65 South Africa	Developing Country	3
14 Austria	EU15 – High Income	1	66 Sierra Leone	Developing Country	3
17 Finland	EU15 – High Income	1	67 Seychelles	Developing Country	3
21 Sweden	EU15 – High Income	1	68 Somalia	Developing Country	3
			69 Tanzania	Developing Country	3
13 Andorra	3C – High Income	2	70 Tunisia	Developing Country	3
15 Cyprus	3C – High Income	2	71 Uganda	Developing Country	3
16 Gibraltar	3C – High Income	2	72 Zaire	Developing Country	3
18 Liechtenstein	3C – High Income	2	73 Zambia	Developing Country	3
19 Malta & Gozo	3C – High Income	2	74 Zimbabwe	Developing Country	3
20 Norway	3C – High Income	2	75 Other Africa	Developing Country	3
22 Switzerland	3C – High Income	2			
			76 Bangladesh	Developing Country	3
			77 India	Developing Country	3
23 Turkey	Developing Country	3	78 Pakistan	Developing Country	3
24 Former Yugoslavia	Developing Country	3			
25 Albania	Developing Country	3	79 Iran	Developing Country	3
26 Bulgaria	Developing Country	3	80 Iraq	Developing Country	3
27 Former Czechoslovakia	Developing Country	3	81 Israel	3C – High Income	2
28 Hungary	Developing Country	3	82 Lebanon	Developing Country	3
29 Poland	Developing Country	3	83 Other Middle East	Developing Country	3
30 Romania	Developing Country	3			
31 Former USSR etc	Developing Country	3	84 Burma/Myanmar	Developing Country	3
			85 China	Developing Country	3
33 Barbados	Developing Country	3	86 Hong Kong	3C – High Income	2
35 Canada	3C – High Income	2	87 Indonesia	Developing Country	3
36 Other Caribbean	Developing Country	3	88 Japan	3C – High Income	2
37 Cuba	Developing Country	3	89 Korea	Developing Country	3
38 Guyana	Developing Country	3	90 Macau/Macao	3C – High Income	2
39 Jamaica	Developing Country	3	91 Malaysia	Developing Country	3
40 Trinidad & Tobago	Developing Country	3	92 Phillipines	Developing Country	3
41 USA	3C – High Income	2	93 Singapore	3C – High Income	2
42 West Indies	Developing Country	3	94 Sri Lanka	Developing Country	3
43 Other Central America	Developing Country	3	95 Vietnam	Developing Country	3
44 Mexico	Developing Country	3	96 Other Asia	Developing Country	3
45 Other South America	Developing Country	3			
46 Argentina	Developing Country	3	97 Australia	3C – High Income	2
47 Brazil	Developing Country	3	98 New Zealand	3C – High Income	2
48 Chile	Developing Country	3	99 Caribbean Commonwealth	Developing Country	3
49 Columbia	Developing Country	3	100 Other New Commonwealth	Developing Country	3
50 Uruguay	Developing Country	3	101 Rest of the world	Developing Country	3
51 Venezuela	Developing Country	3	102 At sea/in the air	Excluded	-

Regular briefings and data from GLA Data Management and Analysis Group

We have 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 full list of DMAG Briefings is:

DMAG 2002-1	ILO Unemployment	Lorna Spence	February 2002
DMAG 2002-2	Education in London - Key Facts 1997-2001	Karen Osborne/ Iryna Pylypchuk	May 2002
DMAG 2002-3	Greater London Demographic Review: 2000	John Hollis/Baljit Bains	July 2002
DMAG 2002-4	GLA 2001 Round Ethnic Group	John Hollis/Baljit Bains	August 2002
DMAG 2002-5	2001 Census: First Results and Implications for the <i>draft London Plan</i>	John Hollis	September 2002
DMAG 2002-6	2001 Census: First population statistics	Eileen Howes	October 2002
DMAG 2002-7	2001 Mid-year Estimates	John Hollis/Baljit Bains	October 2002
DMAG 2002-8	2001 Census: First population statistics - <i>London Plan Sub Regions</i>	Eileen Howes	October 2002
DMAG 2002-9	Census Information Note CIN 2002-1	Eileen Howes	October 2002
DMAG 2002-10	Ordnance Survey Data - Boundary-Line	Hywel Davies	November 2002
DMAG 2002-11	Ordnance Survey Data - Land-Line Plus	Hywel Davies	November 2002
DMAG 2002-12	2001 Census response in London (Census Information Note CIN 2002-2)	Rachel Leeser	December 2002
DMAG 2003-1	Disabled people and the labour market	Lorna Spence	January 2003
DMAG 2003-2	2001 Borough Demographic Profiles	Baljit Bains /Iryna Pylypchuk	January 2003
DMAG 2003-3	GLA 2002 Round Demographic Projections	Baljit Bains/ John Hollis	January 2003
DMAG 2003-4	2001 Demographic Review	Baljit Bains /Iryna Pylypchuk	February 2003
DMAG 2003-5	Census Information Note CIN 2003-1	Eileen Howes	January 2003

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