
Chair of the UK Statistics Authority, Andrew Dilnot CBE

By email
George Eaton
New Statesman

21 August 2012

Dear Mr Eaton

STATISTICS ON PRIVATE SECTOR EMPLOYMENT

Thank you for your email dated 30 July 2012. You asked for the view of the Statistics Authority in respect of recent ministerial use of statistics on private sector employment.

The available official statistics relate to the estimated number of people in employment. This is not quite same as the number of jobs, since one person may have more than one job. And the estimated change in the numbers in employment is not the same as the number of jobs created, since it is effectively a net figure, equivalent to the difference between jobs created and jobs that are abolished.

The enclosed graph shows sustained growth in the numbers in employment between 2001 and 2008, followed by a sharp fall to mid-2009 and then a recovery from 2010, such that the latest estimate is close to the 2008 peak. How much of the growth since early 2010 can be attributed to the change in administration, or to anticipation of policy changes, is a matter for political debate and, within reasonable bounds, we would not challenge a political statement on this.

What we can say is that (as of June 2012) the estimated increase since the period February to April 2010 (referred to as March 2010 in the statistical release) is about 840,000 and the estimated increase since the period May to July 2010 (referred to as June 2010 in the statistical release) is about 530,000. It should be noted here that there is considerable uncertainty in these figures as they are the differences between estimated totals (of around 23 million in each case) which the Office for National Statistics says should be regarded as likely to be within 158,000 either way. That means that the difference between two estimates will have even wider confidence intervals.

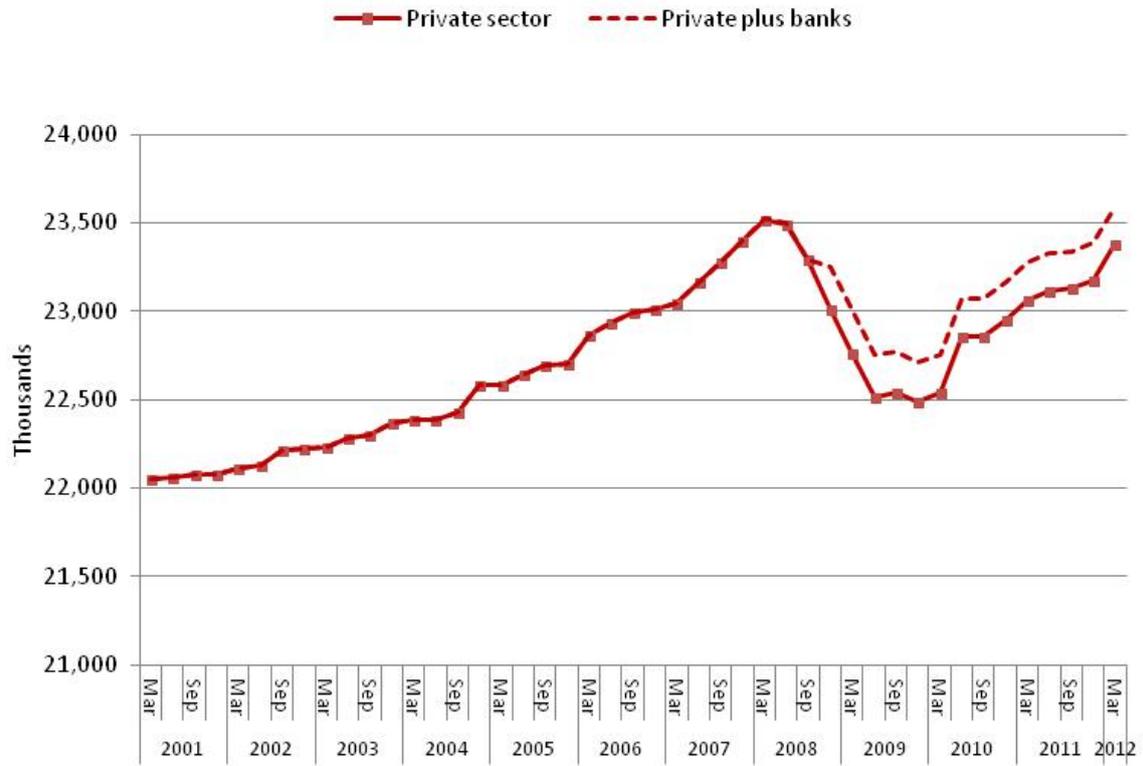
When account is taken of the inherent uncertainty in sample-based estimates of this kind, and the obvious uncertainty about the path the graph would have followed in the absence of a change in administration, the Statistics Authority would not wish to challenge, or endorse, political claims of the kind to which you refer in your letter.

Yours sincerely



Andrew Dilnot CBE

Private Sector Employment, Q1 2001 to Q1 2012



Source: Labour Force Survey and returns from public sector organisations, ONS