Paid employment in the self-defined voluntary sector in the late 1990s: An initial description of patterns and trends

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Abstract

This paper uses pooled data from the UK Quarterly Labour Force Survey (QLFS) to identify patterns and trends in paid employment in the self-defined (employee defined) voluntary sector between 1995 and 1998. It takes a comparative perspective by comparing these trends in absolute and relative terms with those taking place in the (employee defined) public and private (for-profit) sectors. Among the dimensions of similarity, difference and change over time compared by sector are employee status; gender; ethnicity; prevalence of disability and health problems; workplace size; extent of unionisation; territorial variation (between the countries of the UK); and compositional factors (in terms of industry and occupation).

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1 Introduction

As the voluntary or third sector is increasingly recognised as an economic, social and political force, it becomes ever more important to chart empirically its scope and scale. With the arrival of the *Compact* between government and the sector, and hence its effective mainstreaming into public policy for the first time (Kendall, 1999), there are many aspects that merit attention: the financial resources that it commands, including direct and indirect financial support from central and local government, private giving and private earned income; the enormous contribution of unpaid volunteers; and the input provided by paid workers.

This paper is concerned only with the latter (for other dimensions, see Kendall with Almond, 1998). As described in more detail below, the purpose is to exploit to maximum advantage for voluntary sector purposes data already collected routinely on a massive scale by government through the Quarterly Labour Force Survey (QLFS). This survey of individuals provides extremely high quality, reliable information on the UK labour market to inform generic employment policies. At the same time, it is particularly valuable from a third sector perspective because it allows us to situate it in a comparative perspective. That is, rather than focusing on the third sector in isolation, we can contrast and compare employees within it with those working in other areas, showing differences with and similarities to, the private and public sectors.

Elsewhere, we have used pooled data from 1995-1997 to offer a snapshot of the third sector's distinctiveness, and locate our findings in the context of the international literature (Almond and Kendall, 2000). We have also used this source to examine patterns of variation in the prevalence of low pay as between the private, public and voluntary sector (Almond and Kendall, 1999). In this paper, our goal is simply to describe what the QLFS reveals about how the third sector has changed over the three year period 1995 to 1998, and note the extent to which these trends are shared with or distinctive from developments in the wider labour market. We build upon what our earlier work had revealed to be some of the most important characteristics of the third sector workforce in terms of employee status, gender, employer size, industry and occupational composition. We also examine three pertinent further aspects here for the first time: territorial variation in the significance of third sector employment; the extent of unionisation; and the comparative composition of the sectors in terms of ethnicity and disability.

Our earlier work described in some detail how the definitions and categories used in the self-reported employee data from the QLFS diverge from those used elsewhere, including organisation based data reported elsewhere (most recently, see Passey et al, 2000). We will not revisit those issues here, and refer the interested reader to our initial papers. However, there are at least three very important caveats which must be borne in mind before proceeding. First, the sequencing and wording of the question relating to sector tends to treat the voluntary sector in a residual or minimalist fashion. Second, the responses are based on employees' subjective understanding of the sector of ownership of their employer. This can diverge significantly from an objective definition, since many employers may legally, constitutionally, or on a "structural operational" basis (Salamon and Anheier, 1997) be part of the third, non-profit or voluntary sector, but not be recognised as such by their employees.[1] Third, the data reported below only relate to respondents' "main", first job. While the QLFS does ask about second and third jobs (nearly five per cent of all employees in employment had second jobs in 1997: *Labour Market Trends*, April 1998, p. LFS21), these are not allocated by sector. Our own unpublished analyses of the British Household Panel Survey (which should be treated with great caution because of small numbers) suggest that a higher proportion of jobs in the third sector are not "main" jobs for those involved compared to other sectors. This provides a further explanation for observed discrepancies between QLFS figures and those based on organisation or establishment surveys.

2 Methodology: Extracting sector-specific data from the QLFS

The QLFS was introduced by the UK Government Statistical Service in Spring 1992 and was built on the foundations of both the annual (1984-1991) and biannual (1973-1983) labour force surveys. It is the most comprehensive survey of employment in the UK, and is intended to be representative of the whole population of the UK. For the purposes of this paper, we have selected out only individuals who report being employed in their main job – defined as having paid work in the reference week (the interview period). This includes all employees, the self-employed and those employed on government training schemes. By definition, 'employed' is restricted to all adults over the age of 16.

The sample design consists of about 60,000 responding households in Great Britain and approximately 3,250 responding households in Northern Ireland, every quarter. Each quarterly sample of 60,000 households is made up of five 'waves', each of approximately 12,000 households. Each wave is interviewed in five successive quarters (and is therefore a panel design), such that in any one quarter, one wave will be receiving their first interview, one wave their second, and so on,

[1] In previous work, we have sought to take this issue seriously by developing "broad" and "narrow" definitions of the sector (Kendall and Knapp, 1996; Kendall with Almond, 1998).

with one wave receiving their fifth and final interview. In other words, in each quarter approximately 12,000 out of the 60,000 households are new to the survey (For a more detailed account of the QLFS – for example, survey methods and response rates – see Almond and Kendall, 2000).

2.1 Pooling QLFS data

Despite the large overall sample size of the QLFS (approximately 60,000 households, 150,000 individuals and a working population or around 66,500), because only around 1 in 50 paid employees self-define their employer as in the voluntary sector, for any one quarterly sample, this yields only about 1,400 observations. However, the cell counts required for an extensive descriptive statistical analysis of sector employment – involving disaggregations by demographic characteristics, and by industry, occupation and so on *within* each sector – need to be higher to achieve acceptable levels of statistical reliability.[2] In order to compare employment characteristics for 1995 and 1998, all four quarters of the QLFS (spring onwards) were therefore pooled together for the respective years, where data were available.[3]

This simple addition of four quarters of the QLFS means that we have taken into consideration the panel element of the data, that is, the same respondents are followed over time up to a maximum of four quarters depending on which wave they are on in the Spring quarter. For employment purposes this means that any movement between different sectors of the economy (by changing job, for example) will be accounted for and averaged out during the grossing up stage (see discussion of weighting below). This would also apply to other factors that vary over time, for example, age, education status, number of hours worked, type of working arrangement, etc. This methodology produced an overall (unweighted) number of observations for the working population of approximately 267,000 for 1995 (4,953 for the voluntary sector), and just over 260,000 for 1998 (5,196 for the voluntary sector).

2.2 Weighting the QLFS data

Grossing the sample serves two purposes. First, it enables population estimates to be produced; and second, it compensates for differential non-response among different sub groups in the population (see Almond and Kendall, 1999, for further detail). Individual weighting fractions were adjusted to reflect the sample selection procedure described above (using all four quarters of data the weighting

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[2] Failure to pool data where possible in response to small numbers problems was one of a number of difficulties associated with the time series sectoral analysis based on the QLFS reported by Zimmeck (1998), utilising tabulations commissioned from the Office for National Statistics. Almond and Kendall (2000) provide more details of the apparent methodological shortcomings of that report.

[3] Unfortunately, some data were only collected in one quarter of each year, and are therefore less reliable than data relating to all four quarters. In these cases, a note to that affect is located at the foot of the relevant table, and the findings relating to change over time should be treated with particular caution. Different weightings were used, as appropriate.

fraction is reduced by a factor of four). To check for consistency, average total employment for 1995 and 1998 using the adjusted weights was compared with similar employment statistics from *Economic Trends* (May 1996, June 1999). Only a small difference was found and this could be attributed to rounding error in the adjusted weight calculation.

Variables used in statistical analyses

Aside from sector, the variables examined were as follows*:*

- Age group;
- Gender, ethnicity and educational qualifications;
- Employment type (employee, self-employed or government training scheme);
- Employment status: part-time/full-time; permanent/temporary, and types of temporary employment; and extent of overtime and whether paid or unpaid;
- Size of employer (measured by number of employees in workplace);
- Trade union activity;
- Disability and health problems at work;
- Territorial employment; and
- "Industry" (using the Standard Industrial Classification) and occupation (using the Standard Occupational Classification).

All the findings are reported in the body of the text with commentary, with the exception of those relating to age distribution, qualifications, and overtime which appear as appendix tables only.[4]

2.3 Statistical analysis

To explore the relationship between sector of employment and the remaining variables listed above, cross tabulations were calculated. Cell counts and column percentages are presented, with the exception of territorial data where row percentages are reported. Final interpretations of results focus on the voluntary sector compared with the other two primary sectors of the economy, and the economy as a whole.[5]

3 Sector-wide findings

3.1 Overall contribution to paid employment

Table 1 compares paid employment in each sector in 1995 and 1998, and the accompanying figure (figure 1) illustrates the absolute and proportionate rates of change in the three primary sectors. The

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[4] An interpretation of static findings on these variables relating to pooled data for 1995/7 can be found in Almond and Kendall (2000).

[5] A fourth, "other" sector is also identified in the QLFS sectoral classification. We report this in table 1 only, which reveals it accounts for less than one per cent of total economy-wide employment (see Almond and Kendall, 2000, for a discussion of the meaning and coverage of this residual sector).

most dramatic developments in terms of volume of jobs have taken place outside the voluntary sector. Using an inclusive headcount definition (incorporating self-employed workers and people classified as on government schemes), we see that in absolute terms the expansion of the paid labour force over that period overwhelmingly took place through a net increase in jobs in the private sector – now dominating the economy – accounting for three-quarters of all jobs. Computer software consultancy and restaurants were the largest single growth areas, together accounting for a net increase of some 150,000 positions. At the same time, there was a fall in public sector employment as measured by the headcount of workers, with railway transport (reflecting privatisation, partly offset by a parallel transfer of jobs to the private sector) and defence (not so offset) the main casualties (a loss of 85,000 jobs in total).

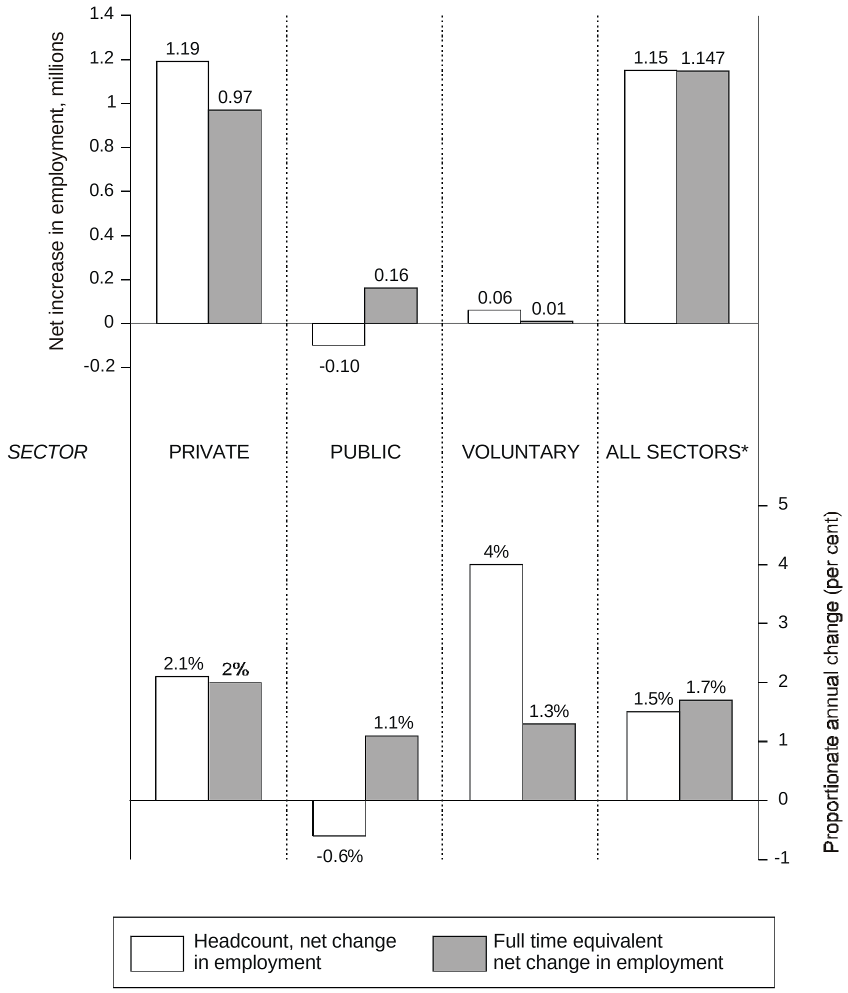
Table 1: Employment status by sector 1995-1998 (headcount in '000s)

	Private		**Public**		**Voluntary**		**Other**		**Total**	
	1995	**1998**	**1995**	**1998**	**1995**	**1998**	**1995**	**1998**	**1995**	**1998**
Employee	15,729.4	17,060.5	5,959.7	5881.5	449.7	514.2	196.7	199.5	22,335.5	23,655.7
	82.4	84.1	98.6	99.0	94.0	96.0	87.9	89.4	86.4	87.7
Self-employed	3,233.5	3,136.5	49.7	37.5	14.6	15.1	21.8	22.2	3,319.6	3,211.3
	16.9	15.5	0.8	0.6	3.1	2.8	9.8	10.0	12.8	11.9
Government scheme[1]	132.3	91.2	32.8	20.7	13.9	6.4	5.2	1.5	184.2	119.8
	0.7	0.4	0.6	0.4	2.9	1.2	2.3	0.6	0.8	0.4
Total	**19,095.2**	**20,288.2**	**6,042.2**	**5,939.7**	**478.2**	**535.7**	**223.7**	**223.2**	**25,839.3**	**26,986.8**
	100	100	100	100	100	100	100	100	100	100
	73.9	75.2	23.4	22.0	1.9	2.0	0.9	0.8	100	100
Full-time equivalent[2]	**16,418.8**	**17,391.6**	**4,979.9**	**5,138.1**	**372.0**	**386.2**	**179.0**	**181.2**	**21,949.7**	**23,097.2**
	74.8	75.3	22.7	22.2	1.7	1.7	0.8	0.8	100	100
Working population (average over 4 quarters)									**28,015.3**	**28,951.0**
Average hours worked	**36.3**	**36.5**	**31.5**	**31.7**	**31.5**	**30.8**	*****	*****	**35.1**	**35.4**

[1] Lower figures for 1998 reflect the fact that headcounts for all the main government schemes are now included in the 'employee' category. To compare 1998 with 1995 on the same basis, a transfer of 86,400 from employees to government schemes is required. This would result in an overall growth rate of 11.9%.
[2] FTE based on 37.5 hours per week

The voluntary sector's net contribution, at 58,000, was by comparison, therefore, relatively modest in absolute terms. But it is noteworthy, as figure 1 brings out clearly, that in percentage terms, at 12 per cent, headcount growth was *proportionately* nearly twice as high as for the private sector as a whole (at 6.2 per cent). The absolute increase turns out to be similar to the net increases taking place in two high profile fields of activity within the public and private sector employment. In the largest single field of public sector employment, primary and secondary education, the QLFS reports a slightly higher net increase of 64,000 jobs over this period. In the purely private segment of the economy, a useful comparison is with the banking industry, perhaps the best known areas of growth in the economy in recent years after computing and other "information age" industries (Fukuyama, 1999). Banking witnessed a similar net increase of 53,000 in paid employment (from 416,000 to 470,000), representing 13 per cent growth in that case, similar to the voluntary sector situation.

Figure 1: Net changes in total paid employment by sector, 1995-98



* includes 'other' sector

Source: authors' derivations from LFS database

Turning to full-time equivalent employment (FTE), a rather different picture emerges: while there has been a slight increase in absolute terms in the voluntary sector, the rate of growth has been less marked than in the economy as a whole, so that as a proportion of all full-time equivalent main jobs, the voluntary sector's contribution has fallen slightly. Figure 1 shows an annual net increase of 1.3 per cent for FTE, less than the economy wide rate of 1.7 per cent. This reflects divergent sectoral trends in terms of the number of hours typically worked, as table 1 shows. While in the private and public sector, the average time spent per week increased slightly, in the voluntary sector there was a slight fall.

3.2 Employee status, gender and ethnicity

Table 2 shows the distribution of employment by gender, and between part-time and full-time work in 1995 and 1998; figure 2 then illustrates the changes in absolute numbers, and proportional, annual percentage terms. The sole category to witness a decline has been full-time public sector employment for men, with a net fall of just over 8 per cent. The most dramatic growth took place in voluntary sector male part-time employment, at over 50 per cent, over twice the rate of increase to be found in the economy as a whole (figure 2). However, in 1998, these positions still accounted for only 6.6 per cent of all paid employment in the voluntary sector (table 2).

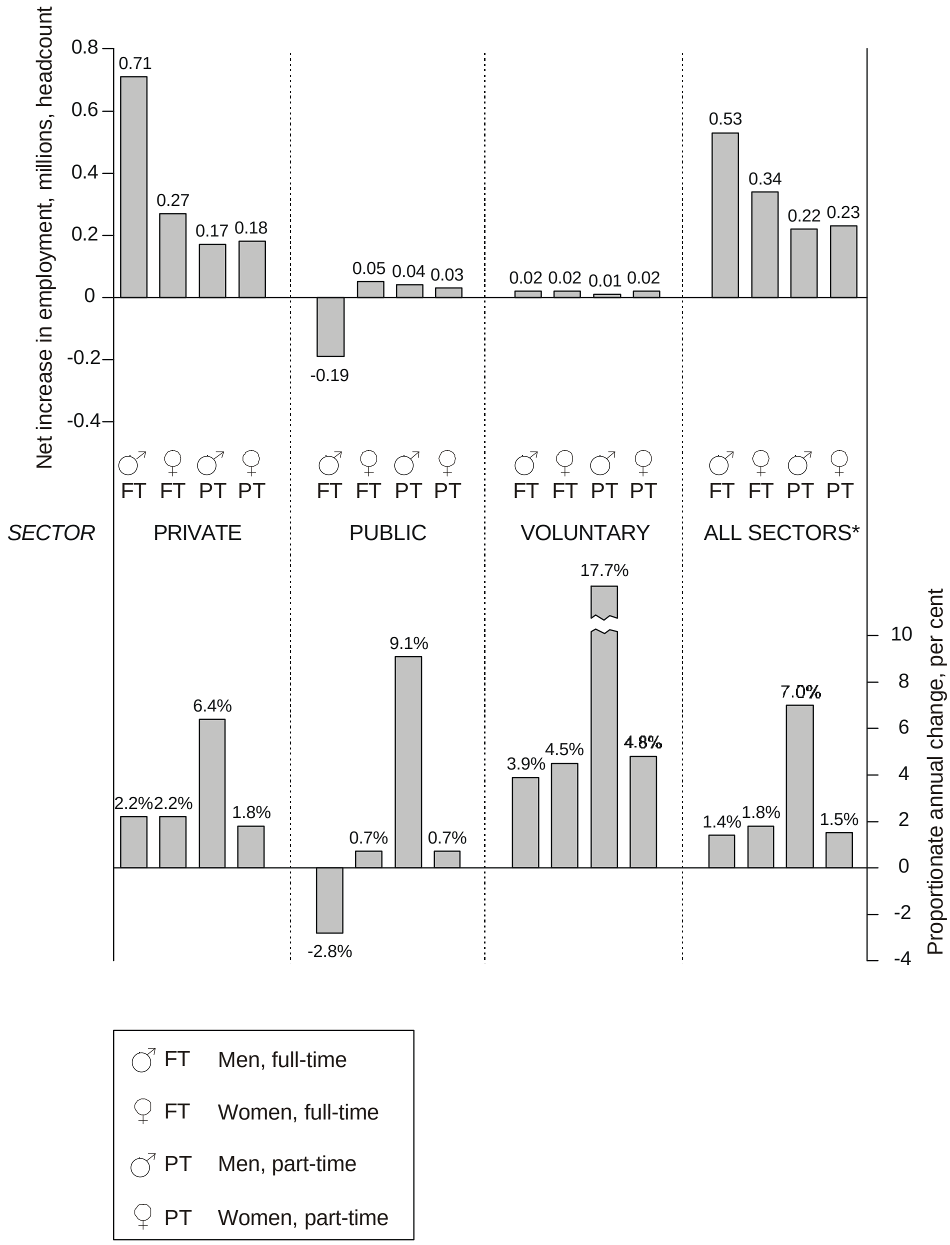
Table 2: Sector employment by gender and full/part-time status (headcount in '000s)[1]

	Private		**Public**		**Voluntary**		**Total**	
	1995	1998	1995	1998	1995	1998	1995	1998
Male								
Full-time	10,604.7	11,312.1	2,289.6	2,098.0	131.9	147.3	13,026.2	13,557.4
	92.5	91.7	93.9	91.7	85.0	80.6	92.6	91.5
Part-time	862.5	1,027.6	149.2	190.0	23.2	35.5	1,034.9	1,253.1
	7.5	8.3	6.1	8.3	15.0	19.4	7.4	8.5
Total	**11,467.2**	**12,339.7**	**2,438.8**	**2,288.0**	**155.1**	**182.8**	**14,061.1**	**14,810.5**
	100	100	100	100	100	100	100	100
Female								
Full-time	4,156.3	4,427.1	2,018.2	2,064.2	164.2	186.4	6,338.7	6,677.7
	55.4	55.7	56.5	56.6	53.1	52.9	55.7	55.9
Part-time	3,340.1	3,518.1	1,552.3	1,586.0	145.1	166.1	5,037.5	5,270.2
	44.6	44.3	43.5	43.4	46.9	47.1	44.3	44.1
Total	**7,496.4**	**7,945.2**	**3,570.5**	**3,650.2**	**309.3**	**352.5**	**11,376.2**	**11,947.9**
	100	100	100	100	100	100	100	100

[1] Excludes 'other' sector

Most paid employment in the voluntary sector – to an even greater extent than the public sector – involves women (table 2). Moreover around two thirds of the net increase was attributable to the creation of new jobs taken by females (figure 2). Averaging 14 per cent, the proportionate growth of jobs for women was considerably high than that to be found in the other two sectors, or the economy as a whole.

Figure 2: Net change in gender and full-time/part-time status mix, by sector, 1995-98



* includes 'other' sector

Source: authors' derivations from LFS database

Given the current climate of insecurity about employment, a perhaps more surprising result in terms of job statuses is shown in table 3: the proportion of employment in the voluntary sector which is permanent has actually increased over the period, while more expectedly staying relatively unchanged in the other two sectors. The table also shows that in the economy as a whole around half of the 1.7 million temporary jobs in the economy involved fixed term contracts, whereas this proportion is considerably higher, at over two thirds, in both the public and third sectors. A relative paucity of casual employment is another feature which sets these two sectors apart from the private sector.

Next, table 4 shows how workers are distributed by sector in terms of ethnicity. Around 95 per cent of voluntary sector respondents self-classified as "White", similar to the economy wide figure. There has been little change between 1995 and 1998 in any of the sectors by this measure (although time trends should be interpreted with caution when examining this variable - see remarks in section 2). The most noticeable difference in non-"White" ethnic mix between the sectors are in terms of the voluntary sector's slightly higher than average proportion of "Black-Caribbean" people (averaging 1.2 per cent compared to 0.8 per cent overall), and its lower than average inclusion of people from the Indian subcontinent.

Table 3: Sector employment by permanent or temporary status (headcount in '000s)[1]

	Private			Public			Voluntary			Total		
	1995	1998	*% change*	1995	1998	*% change*	1995	1998	*% change*	1995	1998	*% change*
Permanent	14,551.7	15,872.5	*9.1%*	5,351.4	5,265.0	*-1.6%*	395.4	457.6	*15.7%*	20,298.5	21,595.1	*6.4%*
	93.9	93.8		89.9	89.6		88.9	89.5		92.7	92.7	
Temporary	944.6	1,041.1	*10.2%*	601.7	610.4	*1.4%*	49.5	53.7	*8.5%*	1,595.8	1,705.2	*6.9%*
	6.1	6.2		10.1	10.4		11.1	10.5		7.3	7.3	
Total	**15,496.3**	**16,913.6**	***9.1%***	**5,953.1**	**5,875.4**	***-1.3%***	**444.9**	**511.3**	***14.9%***	**21,894.3**	**23,300.3**	***6.4%***
	100	100		100	100		100	100		100	100	
	70.8	72.6		27.2	25.2		2.0	2.2		100.0	100.0	
Types of temporary job												
Seasonal	95.5	94.1	*-1.5%*	12.4	8.7	*-29.8%*	1.6	4.4	*175.0%*	109.5	107.2	*-2.1%*
	10.1	9.0		2.1	1.4		3.2	8.2		6.9	6.3	
Contract / fixed	351.2	377.6	*7.5%*	431.5	424.6	*-1.6%*	32.8	36.1	*10.1%*	815.5	838.3	*2.8%*
	37.2	36.3		71.7	69.6		66.4	67.2		51.1	49.2	
Agency temping	144.9	208.1	*43.6%*	25.2	38.4	*52.4%*	1.6	2.2	*37.5%*	171.7	248.7	*44.8%*
	15.3	0.2		4.2	6.3		3.2	4.1		10.8	14.6	
Casual	249.4	261	*4.7%*	72.5	79.2	*9.2%*	6.2	6	*-3.2%*	328.1	346.2	*5.5%*
	26.4	25.1		12.0	13.0		12.6	11.1		20.6	20.3	
Other	103.3	99.7	*-3.5%*	60.1	59.5	*-1.0%*	7.2	5	*-30.6%*	170.6	164.2	*-3.8%*
	10.9	9.6		10.0	9.7		14.6	9.3		10.7	9.6	
Total	**944.3**	**1,040.5**	***10.2%***	**601.7**	**610.4**	***1.4%***	**49.4**	**53.7**	***8.7%***	**1,595.4**	**1,704.6**	***6.8%***
	100	100		100	100		100	100		100	100	

[1] Excludes 'other' sector and self-employed

Table 4: Sector employment by ethnic group (headcount in '000s)[1]

	Private			Public			Voluntary			Total		
	1995	1998	*% change*	1995	1998	*% change*	1995	1998	*% change*	1995	1998	*% change*
White	17,992.0	19,297.7	*7.3%*	5,628.6	5,632.0	*0.1%*	445.6	508.2	*14.0%*	24,066.2	25,437.9	*5.7%*
	95.8	95.1		95.4	94.9		94.8	94.9		95.7	95.1	
Black-Caribbean	113.2	128.5	*13.5%*	71.1	75.9	*6.8%*	6.3	6.1	*-3.2%*	190.6	210.5	*10.4%*
	0.6	0.6		1.2	1.3		1.3	1.1		0.8	0.8	
Black-African	51.3	86.9	*69.4%*	36.2	38.1	*5.2%*	1.9	3.8	*100.0%*	89.4	128.8	*44.1%*
	0.3	0.4		0.6	0.6		0.4	0.7		0.4	0.5	
Black-Other	25.1	29.8	*18.7%*	11.6	9.5	*-18.1%*	2.4	1.8	*-25.0%*	39.1	41.1	*5.1%*
	0.1	0.1		0.2	0.2		0.5	0.3		0.2	0.2	
Indian	299.4	330.2	*10.3%*	67.8	76	*12.1%*	4.1	3.8	*-7.3%*	371.3	410	*10.4%*
	1.6	1.6		1.1	1.3		0.9	0.7		1.5	1.5	
Pakistani	88.1	114.8	*30.3%*	19.7	25.0	*26.9%*	1.3	1.1	*-15.4%*	109.1	140.9	*29.1%*
	0.5	0.6		0.3	0.4		0.3	0.2		0.4	0.5	
Bangladeshi	24.1	35.5	*47.3%*	2.6	5.0	*92.3%*	0.3	1.0	*233.3%*	27	41.5	*53.7%*
	0.1	0.2		0	0		0	0.2		0.1	0.2	
Chinese	39.6	55.4	*39.9%*	9.5	13.6	*43.2%*	1.6	2.4	*50.0%*	50.7	71.4	*40.8%*
	0.2	0.3		0.2	0.2		0.3	0.4		0.2	0.3	
Other	144	205.6	*42.8%*	54.0	62.4	*15.6%*	6.7	7.3	*9.0%*	204.7	275.3	*34.5%*
	0.8	1.0		0.9	1.1		1.4	1.4		0.8	1.0	
Total	**18,776.8**	**20,284.4**	***8.0%***	**5,901.1**	**5,937.5**	***0.6%***	**470.2**	**535.5**	***13.9%***	**25,148.1**	**26,757.4**	***6.4%***
	100	100		100	100		100	100		100	100	
	74.6	75.8		23.5	22.2		1.9	2.0		100	100	

[1] Excludes 'other' sector

3.3 Prevalence of disability and health problems

The data reported in table 5 reveal that some 100,000 voluntary sector employees have health problems or disabilities expected to last for more than one year. Most of these employees self-classify as "disabled", mostly in a way that limits their work capabilities. Perhaps unsurprisingly given the orientation of many organisations within it, we see that people with disabilities and health problems are more likely to be employed in the voluntary sector than the private or public sector. (Data are only reported for 1998, since the wording of relevant questions changed between 1995 and 1998, making comparisons untenable.) For example, while just under 1 in 6 employees in the economy as a whole are experiencing health problems or disabilities expected to last for more than a year, in the voluntary sector the ratio is just under 1 in 5.

Table 5: Sector employment and measures of disability, 1998 (headcount in '000s)[1]

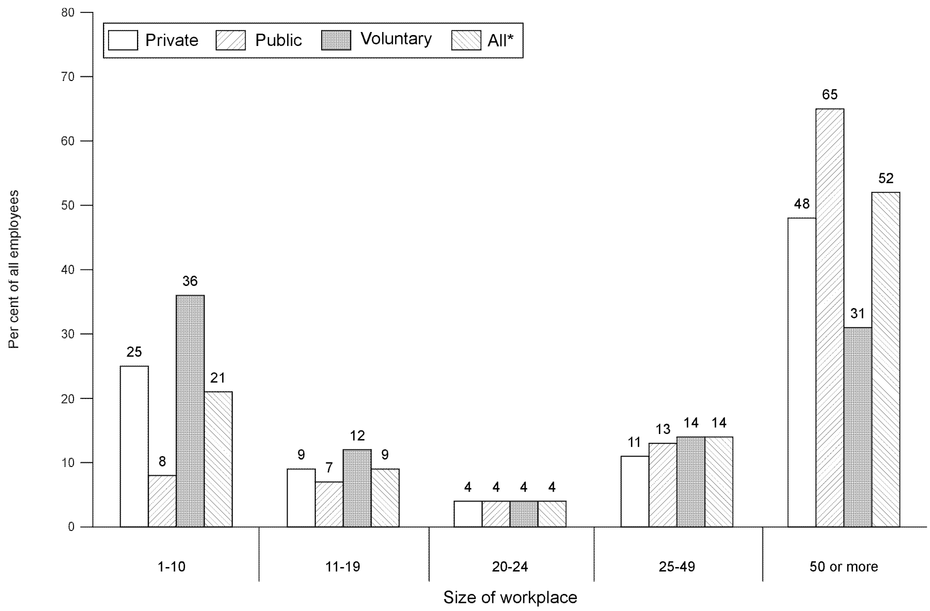
	Private	**Public**	**Voluntary**	**Total**
Health problems or disabilities expected to last for more than a year				
Yes	3,237.1	1,041.7	101.5	4,380.3
	16.4	18.0	20.1	16.8
No	16,478.3	4,735.3	404.0	21,617.6
	83.6	82.0	79.9	83.2
Total	**19,715.4**	**5,777.0**	**505.5**	25,997.9
Health problem affects the kind of paid work undertaken				
Yes	1,387.7	419.9	50.1	1,857.7
	43.0	40.4	49.5	42.5
No	1,841.3	619.8	51.2	2,512.3
	57.0	59.6	50.5	57.5
Total	3,229.0	1,039.7	101.3	4,370.0
Current disability[2]				
Disabled and work-limiting disabled	855.0	267.0	31.8	1,153.8
	4.3	4.6	6.3	4.5
Disabled	574.8	207.1	15.7	797.6
	2.9	3.6	3.1	3.2
Work-limiting disabled only	608.0	175.9	21.4	805.3
	3.1	3.0	4.2	3.1
Not disabled	17,694.4	5,122.4	435.0	23,251.8
	89.7	88.6	86.3	89.2
Total	19,732.2	5,772.4	503.9	26,008.5
	100	100	100	100

[1] Excludes 'other' sector
[2] Results based on three quarters only (excludes Winter)

3.4 Workplace size

While in a number of respects, including gender make up (see above) and industry composition (see below) the voluntary sector and the public sector have a considerable amount in common which set them apart from the private sector, workplace size is an important sense in which the public sector stands apart from the wider economy. Nearly two thirds of its employees are to be found working in establishments involving 50 or more people (66.3 per cent in 1995, 65.3 per cent in 1998). This compares to an average of just over 50 per cent for the economy as a whole.

Figure 3: Distribution of size of workplace by sector, 1998



Source: authors' derivations from LFS database
Notes
* includes 'other' sector
Sectoral percentages sum to slightly less than 100% because not all respondents were able to specify a precise size range for their workplace

In contrast, both the private and third sectors involve a distinctive U-shaped distribution, as figure 1 illustrates. A great deal of attention has been focused by policy makers and researchers on the important role of private sector small businesses to the economy (Storey, 1994). Of course, if we also take into account self employed people (see table 1) who generally fit into this category, this is indeed where small businesses are found to be concentrated in both absolute and proportionate terms. However, as figure 1 shows, using the "employees in employment" definition, we see that if we measure smallness in terms of number of workplace employees (a quite widely used approach), it is actually the voluntary sector which has the greatest concentration of small and very small "businesses". While around one quarter of employees in the private sector share their workplace with nine or fewer co-workers, in the voluntary sector case, this figure rises to around 36 per cent. Indeed, the voluntary sector emerges as the only context in which the majority of employees are to be found in establishments employing less than 25 people.

3.5 Extent of unionisation

Remarkably little is known about the extent of trade union penetration and influence in the UK voluntary sector, although we do know that some of the relevant larger trade unions, such as MSF and UNISON, are increasingly focusing their attentions here.[6] To begin to rectify this deficit, the QLFS data can be utilised to provide a number of measures of variation in the importance of trade unions in the workplace by sector. For example, table 6 shows that the voluntary sector remains markedly less unionised than the public sector and indeed the economy as a whole – in part at least a reflection of the disproportionate concentration there of small workplaces referred to above. The table also shows that in recent years, trade unions appear to have had mixed success in the voluntary sector workplace. There was an increase from 34 to 37 per cent in the proportion of voluntary sector employees who indicated a trade union presence. This was when the trend for the economy as a whole – reflecting declining presence in the private sector and a fairly stable proportion of a declining overall public sector workforce – was in the opposite direction.

A growing presence in voluntary sector workplaces was converted to an extent an increase in membership, rising from 113,000 to 122,000 for the voluntary sector as a whole. However, this lags significantly behind the increase in the potential pool of recruits, so that the proportion of respondents with a trade union option who had become members actually fell from 67 per cent to 63 per cent between 1995 and 1998.

Table 6: Sector employment by trade union activity (headcount and changes in '000s) [1]

	Private			Public			Voluntary			Total		
	1995	1998	Change	1995	1998	Change	1995	1998	Change	1995	1998	Change
Present in work place												
Yes	5,292.3	5,237.3	-55.0	5,134.9	5,011.6	-123.3	163.3	190.7	27.4	10,590.5	10,439.6	-150.9
% of total	30.1	28.2		89.1	89.3		35.4	36.8		44.5	42.3	
Recognised by management												
Yes	4,720.2	4,515.4	-204.8	4,901.4	4,700.7	-200.7	132.9	150.9	18.0	9,754.5	9,367.0	-387.5
% of total	93.1	91.9		97.6	97.3		85.2	85.6		95.2	94.5	
TU member												
Yes	3,415.2	3,353.0	-62.2	3,544.6	3,456.5	-88.1	112.5	121.9	9.4	7,072.3	6,931.4	-140.9
% of total	69.8	17.3		60.9	60.7		23.8	23.0		63.2	27.1	

[1] Excludes 'other' sector; data available from only one quarter (Autumn)

[6] Recent research in the US has begun to reveal the barriers and opportunities to unionisation of the "nonprofit" sector in that country (Masaoka et al, 1999).

3.6 Territorial variation

The constituent countries of the UK have voluntary sectors with widely varying histories, financial resource bases and relationships with central and local government (Kendall and Knapp, 1996, pp. 154-158). We can note that despite these differences, the voluntary sector accounts for a remarkably similar proportion of paid employment in each country (apparent differences in national growth rates should be treated with caution, as discussed in section 2). What is most striking of all is the relative size of the voluntary sector in London compared to other parts of England and the rest of the UK. This may in part be driven by the obvious tendency of many national voluntary organisations to establish headquarters in the capital. But we can speculate it may also reflect a combination of distinctive current and historic supply and demand factors (including an unusually diverse and heterogeneous population); atypically marked co-existence of considerable wealth with intense concentrations of social need or exclusion; and distinctive contextual factors, including in some Boroughs, unusually supportive local political environments.

Table 7: Sector employment by region of place of work (headcount and changes in '000s)[1]

	Private			**Public**			**Voluntary**			**Total**		
	1995	**1998**	**Change**	**1995**	**1998**	**Change**	**1995**	**1998**	**Change**	**1995**	**1998**	**Change**
England and Wales (outside London)	14,512.9	15,434.8	921.9	4,361.7	4,297.5	-64.2	324.8	380.8	56.0	19199.4	20113.1	913.7
	75.6	76.7		22.7	21.4		1.7000	1.9000		100	100	
London	2483.7	2743.6	259.9	817.2	788.6	-28.6	104.5	110.6	6.1	3405.4	3642.8	237.4
	72.9	75.3		24.0	21.7		3.1	3.0		100	100	
England and Wales (total)	16,996.6	18,178.4	1,181.8	5,178.9	5,086.1	-92.8	429.3	491.4	62.1	22,604.8	23,755.9	1,151.1
	75.2	76.5		22.9	21.4		1.9	2.1		100	100	
Scotland	1,513.2	1,604.6	91.4	643.9	611.7	-32.2	38.2	44.8	6.6	2,195.3	2,261.1	65.8
	68.9	71.0		29.3	27.1		1.7	2.0		100	100	
N. Ireland	410.0	453.7	43.7	180.6	188.9	8.3	11.4	10.5	-0.9	602.0	653.1	51.1
	68.1	69.5		30.0	28.9		1.9	1.6		100	100	
Outside UK	5.8	6.8	1.0	0.4	0.8	0.4	0.7	0.3	-0.4	6.9	7.9	1.0
	84.1	86.1		5.8	10.1		10.1	3.8		100	100	
UK residents total	**18,925.6**	**20,243.5**	**1,317.9**	**6,003.8**	**5,887.5**	**-116.3**	**479.6**	**547.0**	**67.4**	**25,409.0**	**26,678.0**	**1,269.0**
	74.5	75.9		23.6	22.0		1.9	2.1		100	100	

[1] Excludes 'other' sector; data based on only one quarter of the LFS (Autumn)

3.7 Compositional effects[7]

As noted in section 2, the QLFS deploys the Standard Industrial Classification (1992 version) and the Standard Occupational Classification as a framework for categorising workers' "make or do" activities and occupation respectively. Unfortunately, because they were designed with the worlds of private business and public sector services in mind, these do not allow for a sufficiently fine-tuned disaggregation of activities from a voluntary sector perspective for most purposes.[8]

Table 8: Sector employment by industry classification (SIC92) (headcount in '000s)[1]

	Private			**Public**			**Voluntary**			**Total**		
	1995	1998	*% change*	1995	1998	*% change*	1995	1998	*% change*	1995	1998	*% change*
85.32 Social work (other)	155.3	192.0	*23.6%*	308.3	326.5	*5.9%*	143.4	197.1	*37.4%*	607	715.6	*17.9%*
	0.8	0.9		5.1	5.5		30.0	36.8		2.4	2.7	
85.31 Social work (residential)	227.7	266.4	*17.0%*	165.5	145.5	*-12.1%*	59.7	56	*-6.2%*	452.9	467.9	*3.3%*
	1.2	1.3		2.7	2.4		12.5	10.5		1.8	1.7	
91.31 Religious activities	6.8	5.8	*-14.7%*	0.2	0	*-100.0%*	39.3	34.4	*-12.5%*	46.3	40.2	*-13.2%*
	0	0		0	0		8.2	6.4		0.2	0.2	
80.21 General, secondary education	46.3	41.6	*-10.2%*	446.1	467.9	*4.9%*	33.6	38.8	*15.5%*	526	548.3	*4.2%*
	0.2	0.2		7.4	7.9		7.0	7.2		2.1	2.0	
85.11 Hospital activities	190.3	213	*11.9%*	1,008.1	1,041.6	*3.3%*	29.6	33.5	*13.2%*	1,228.0	1,288.1	*4.9%*
	1.0	1.0		16.7	17.5		6.2	6.3		4.8	4.8	
91.33 Other membership activities	50.1	55.6	*11.0%*	22.4	24	*7.1%*	21.8	22.8	*4.6%*	94.3	102.4	*8.6%*
	0.3	0.3		0.4	0.4		4.6	4.3		0.4	0.4	
70.11 Development and selling of real estate	44.2	55.5	*25.6%*	85.0	77.2	*-9.2%*	19.3	26.9	*39.4%*	148.5	159.6	*7.5%*
	0.2	0.3		1.4	1.3		4.0	5.0		0.6	0.6	
80.10 Primary education	51.9	64.8	*24.9%*	604	646.3	*7.0%*	13.7	12.7	*-7.3%*	669.6	723.8	*8.1%*
	0.3	0.3		10.0	10.9		2.9	2.4		2.6	2.7	
Special education, primary (not classified)	8.9	13.9	*56.2%*	69.7	69.4	*-0.4%*	8.8	10.6	*20.5%*	87.4	93.9	*7.4%*
	0	0		1.1	1.2		1.8	2.0		0.3	0.4	
92.52 Museum activities	4.1	6.4	*56.1%*	17.3	17.3	*0.0%*	7.4	11.2	*51.4%*	28.8	34.9	*21.2%*
	0	0		0.3	0.3		1.5	2.1		0.1	0.1	
52.11-52.63 Retail general	2,602.7	2,688.4	*3.3%*	3.2	3.8	*18.8%*	6	6.9	*15.0%*	2,611.9	2,699.1	*3.3%*
	13.6	13.3		0.1	0.1		1.3	1.3		10.2	10.1	
All other SIC92	15,707.1	16,684.7	*6.2%*	3,312.5	3,120.1	*-5.8%*	95.7	84.8	*-11.4%*	19,115.3	19,889.6	*4.1%*
	82.3	82.2		54.8	52.5		20.0	15.8		74.6	74.3	
Total employment	**19,095.4**	**20,288.1**	***6.2%***	**6,042.3**	**5,939.6**	***-1.7%***	**478.3**	**535.7**	***12.0%***	**25,616.0**	**26,763.4**	***4.5%***
	100	100		100	100		100	100		100	100	
	74.5	75.8		23.6	22.2		1.9	2		100	100	

[1] Excludes 'other' sector, and based on weighted cell counts of > 1,000 for the voluntary sector. Rows in descending order for voluntary sector in 1995.

[7] The data in this section suggest that some respondents have misunderstood the meaning of the sectoral question: for example, some trade union employees have categorised themselves as part of the public sector, presumably confusing employer's sector of ownership with the group of workers represented by their employer; see Almond and Kendall, 2000 for further discussion.

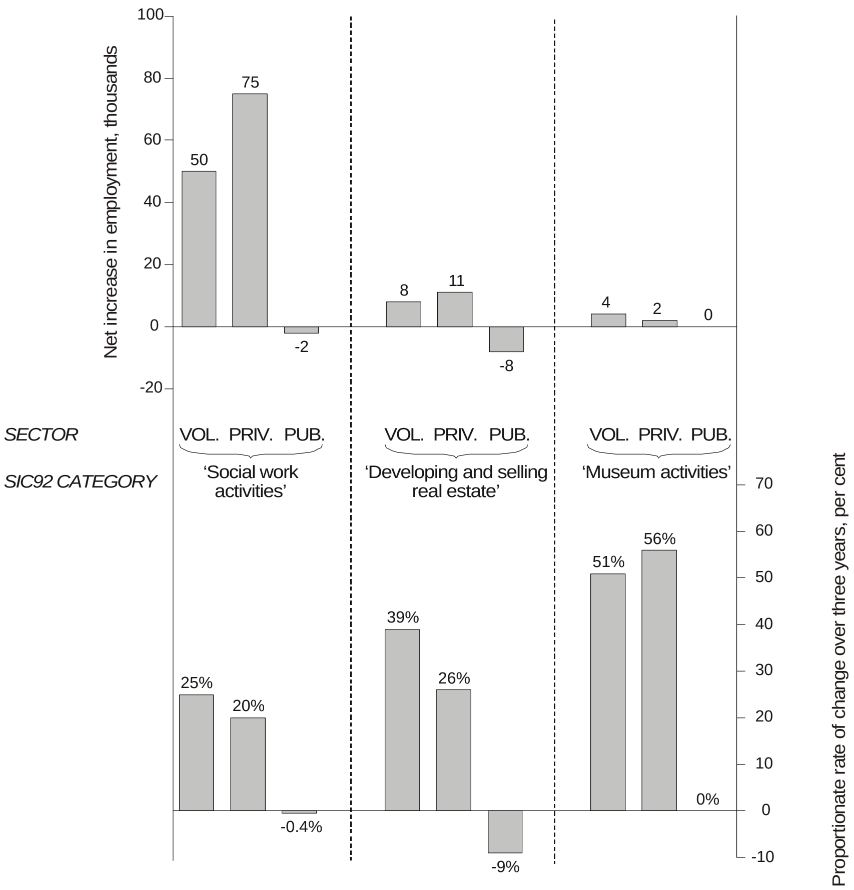
[8] See Salamon and Anheier, 1997 for a discussion of the International Classification of Nonprofit Organisations, ICNPO, which seeks to provide a system tailored to the specificities of the third sector; Kendall with Almond, 1998, pp. 6-8 use this system to discuss employment and financial trends in the UK case between 1990 and 1995.

Nevertheless, table 8 reveals the quantitatively most significant SIC92 categories for the employee defined voluntary sector in 1995 and 1998. Three areas, “social work activities with accommodation”; “social work activities without accommodation”; and “religious activities”, together accounted for just over half of all employment in this sector in both 1995 and 1998.

In absolute terms, some 94 per cent of the increase in paid employment in the third sector between 1995 and 1998 is concentrated in the “social work without accommodation” SIC92 category. Given the diverse nature of organisations within it, this presumably reflects a wide range of influences for agencies, varying between fields.[9] However, social care, and international development and relief, probably account for most employees picked up in this category. In the latter case, any growth in the scope and scale of British based NGOs, with the backing of UK government and the European Community, would represent continuity with a trend already conspicuously in place between 1990 and 1995 (Kendall with Almond, 1998). In the case of social care and related areas “without accommodation” supplied in the UK, marked impetus for growth has been provided by financial and other encouragements to expand from local and central government in the context of community care reforms seeking to stimulate the mixed economy more generally (Wistow et al, 1996). Focusing on social care more broadly to include residential care, it is noteworthy that more paid employment has emerged in the private sector, with a net increase of some 75,000 jobs, compared to 50,000 in the voluntary sector. This evidence of a greater capacity of the private sector to respond to rapid increases in demand, particularly associated with an ageing population (Royal Commission, 1999), also represents continuity with the early 1990s pattern (Kendall and Knapp, 1996; Kendall with Almond, 1998).

[9] SIC category 85.32 amalgamates at least six major activities treated separately in the ICNPO system: group 4 (social services); group 8 (philanthropic intermediaries); group 9 (international activities); subgroup 6200 (social, economic and community development); and parts of subgroups 3300 and 3400 (non-residential health care activities for some client groups).

Figure 4: Major fields of voluntary sector growth, 1995-98*



* SIC92 fields now accounting for 2% or more of total voluntary sector paid employment and exhibiting growth of 25% or more over three years

Source: authors' derivations from LFS database

Figure 4 illustrates the absolute and proportionate rate of change over three years in three of the most dramatic and significant areas of voluntary sector growth. Aside from "social work activities", other areas of growing importance include the development of housing. This presumably reflects the continuing efforts of registered social landlords (housing associations) to broaden their property portfolios despite the increasingly austere public fiscal regime, and unsurprisingly in the light of massive local authority disengagement in that field, has been paralleled by public sector decline. We also see particularly growth, from a relatively low base, in voluntary sector museum activities, alongside comparable developments in the private sector. Table 8 shows that the only voluntary sector field to witness a noteworthy decline was "religious activities", although this appears not to be capturing a fall in employment amongst the clergy (see table 9 below), and therefore must reflect a decline in other personnel employed primarily for sacramental purposes.[10]

Finally, table 9 shows the distribution of employees by occupation, covering those categories in which more than 5,000 workers are employed in the voluntary sector. Consistent with the growth of the "social work activity without accommodation" category referred to above, the most dramatic increase took place in the "welfare, community, youth" group, replacing care assistants as the single largest third sector occupation in 1998: relatedly, somewhat anomalously, the data seem to suggest, at the same time, a fall in voluntary sector employment of social workers and probation officers. Easier to interpret is the evidence of decline in the number of voluntary sector playgroup leaders, and a concomitant increase in public sector activities in this area. Over this period, many public sector schools successfully persuaded parents to spend new demand-side pre-school statutory financial entitlements ("vouchers") at public sector schools, instead of groups outside the mainstream state education system. The figures reflect a significant concomitant decline in the number of playgroups over this period.

Table 9: Sector employment by occupational classification (SOC) (headcount in '00s)[1]

	Private			Public			Voluntary			Total		
	1995	**1998**	***% change***	**1995**	**1998**	***% change***	**1995**	**1998**	***% change***	**1995**	**1998**	***% change***
644 Care assistants	221.4	273.3	*23.4%*	184.2	193.5	*5.0%*	41.8	46.8	*12.0%*	447.4	513.6	*14.8%*
	1.2	1.3		3.0	3.3		8.7	8.7		1.7	1.9	
371 Welfare, community, youth	10.0	26.8	*168.0%*	59.1	93.1	*57.5%*	28.5	54.6	*91.6%*	97.6	174.5	*78.8%*
	0	0.1		1.0	1.6		6.0	10.2		0.4	0.7	
190 Trade union	6.9	3.5	*-49.3%*	2.2	3.4	*54.5%*	19.7	21.9	*11.2%*	28.8	28.8	*0.0%*
	0	0		0	0.1		4.1	4.1		0.1	0.1	
430 Clerks nes	427.6	525.5	*22.9%*	146.4	138.5	*-5.4%*	19.2	18.8	*-2.1%*	593.2	682.8	*15.1%*
	2.2	2.6		2.4	2.3		4.0	3.5		2.3	2.6	
292 Clergy	4.4	2.4	*-45.5%*	1.7	2.8	*64.7%*	18.6	21.6	*16.1%*	24.7	26.8	*8.5%*
	0	0		0	0		3.9	4.0		0.1	0.1	
459 Other secretary	427.3	407.6	*-4.6%*	87.0	88.2	*1.4%*	17.6	17.9	*1.7%*	531.9	513.7	*-3.4%*
	2.2	2.0		1.4	1.5		3.7	3.3		2.1	1.9	
293 Social workers and probation officers	9.1	7.6	*-16.5%*	106.6	97.2	*-8.8%*	16.8	9.2	*-45.2%*	132.5	114	*-14.0%*
	0	0		1.8	1.6		3.5	1.7		0.5	0.4	
958 Cleaners, domestic	475.2	463.3	*-2.5%*	262.9	202.3	*-23.1%*	16.8	16.5	*-1.8%*	754.9	682.1	*-9.6%*
	2.5	2.3		4.4	3.4		3.5	3.1		2.9	2.5	

[10] Under SIC92 conventions, as with the ICNPO, the "religious activities" category only includes work directly related to worship. Employees primarily engaged in service provision activities with faith based stakeholders, for example people working for Christian overseas aid agencies or in Jewish social care facilities, are treated as part of the "social work activities" category.

651 Playgroup leaders	14.9	13.7	*-8.1%*	4.1	5.8	*41.5%*	9.7	6.2	*-36.1%*	28.7	25.7	*-10.5%*
	0	0		0	0.1		2.0	1.2		0.1	0.1	
620 Chefs, cooks	189.9	195.1	*2.7%*	56.5	46.9	*-17.0%*	9.0	6.0	*-33.3%*	255.4	248.0	*-2.9%*
	1.0	1.0		1.0	0.8		1.9	1.1		1	1	
410 Accounts clerks	534.6	581	*8.7%*	80.9	91.3	*12.9%*	8.4	14.8	*76.2%*	623.9	687.1	*10.1%*
	2.8	2.9		1.3	1.5		1.8	2.8		2.4	2.6	
659 Other childcare	130.9	132.8	*1.5%*	105.4	112.6	*6.8%*	7.2	10.2	*41.7%*	243.5	255.6	*5.0%*
	0.7	0.7		1.7	1.9		1.5	1.9		1	1	
179 Managers and proprietors in services	588.3	611.8	*4.0%*	4.8	3.9	*-18.8%*	5.4	9.7	*79.6%*	598.5	625.4	*4.5%*
	3.1	3.0		0	0		1.1	1.8		2.3	2.3	
640 Assistant nurse	36.4	33.8	*-7.1%*	124.6	117.1	*-6.0%*	5.3	3.2	*-39.6%*	166.3	154.1	*-7.3%*
	0.2	0.2		2.1	2.0		1.1	0.6		0.6	0.6	
All other SOC	16,018.5	17,009.8	*6.2%*	4,815.8	4,743.0	*-1.5%*	254.1	278.5	*9.6%*	21,088.4	22,031.3	*4.5%*
	83.9	83.8		79.7	79.9		53.1	52		82.3	82.3	
Total employment	**19,095.4**	**20,288.0**	***6.2%***	**6,042.2**	**5,939.6**	***-1.7%***	**478.1**	**535.9**	***12.1%***	**25,615.7**	**26,763.5**	***4.5%***
	100	100		100	100		100	100		100	100	
	74.5	75.8		23.6	22.2		1.9	2.0		100	100	

[1]Excludes 'other' sector, and based on weighted cell counts of > 1,000 for the voluntary sector. Rows in descending order for voluntary sector in 1995.

4 Conclusion

The QLFS provides an invaluable resource for analysts interested in setting developments in the voluntary sector paid labour force in a comparative perspective. We have sought to draw out some of the most obvious highlights from this data source relating to 1998, and change between 1995 and 1998, building upon detailed work already undertaken using pooled data for 1995/7 (Almond and Kendall, 1999, 2000). We find a considerable amount of evidence to support the claim that the voluntary sector's economic role has increased in importance over this three-year period. This seems to represent continuity with the trend in the early 1990s, albeit using a different definition and approach (Kendall with Almond, 1998). We have also looked for the first time at a number of new aspects of the workforce in this sector from a comparative point of view, including its ethnic mix, the extensiveness of trade union penetration, territorial diversity and the relative extent of disability and health related problems within it.

Clearly, this represents a first descriptive effort. The QLFS is an extremely rich data source containing a wealth of information on employee characteristics and experiences. It has not been possible to even begin to explore detail in such a small-scale initial exploratory effort. This includes evidence on the comparative quality of employment in each sector, as well as a wide range of further quantitative indicators. Furthermore, much more analytic work will be required in the coming years to deepen our understanding of why these characteristic static sectoral variations – and changes over time – are taking place. Experience from other areas of voluntary sector scholarship suggest that such efforts are likely to be most fruitful if pursued from an interdisciplinary perspective.

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