

UKPLC - Further Information

Objective

UKPLC is a programme of original research designed to contribute to a better understanding of the economy of the United Kingdom. We have two primary objectives:

- a) To provide a system of measurement of the economy which is more responsive to change as it occurs. In particular we wish to achieve the following goals:
 - Clarify the contribution of the 'gig economy', much of which is inadequately covered by existing measurement processes.
 - Measure the progress towards a zero carbon economy.
- b) To explore and validate alternative performance indicators to those traditionally used to measure success.

The former of these objectives was identified in the final report of the "*Independent review of UK economic statistics*" published in 2016 and resulting from the review led by Sir Charles Bean of the LSE and commissioned by the Chancellor of the Exchequer the previous year. Our ideas have been partly inspired by Sir Charles Bean's use of the phrase "*take economic statistics back to the future*" and our corresponding ambition is to place the UK in the forefront of ideas for effective economic measurement once again. In particular, we hope to contribute to ideas for alternative measures for GDP and for productivity.

Introduction

The ideas underlying these proposals were first explored under the heading of "*The Campaign for Better Business Statistics*" and arose from a concern with the efficacy of ONS business data. It has been widely recognised that the ONS statistics have not kept up with the many changes in the structure of the UK economy in recent years. Possibly the most notable change has been the decline in employment within large organisations, offset by the increase in the numbers of micro companies and the self-employed, as noted in Professor Bean's report.

Primarily the ONS has tracked these changes through a combination of business surveys and the Labour Force Survey, with further information provided by HMRC. Meanwhile, the exigencies of compatibility with EU standards and other regulatory aspects have ensured that data collection by the ONS has been unable to maintain pace with the changes in society. Presently, the expectation is that even more rapid changes to the economy will be induced by climate change, Brexit, continued technological advances and the various unknown unknowns. For that reason it is our intention to develop a **flexible** programme of research to reflect events as they occur and to provide speedy results.

Thus the UKPLC monitor programme, once established, will provide continuous automated reporting that can be updated each day as has been done with TV audience and other measurements for years. Meanwhile the programme will provide the opportunity to experiment with new measurement ideas, whilst always providing the ability to compare the new with the old and to calibrate any change in measurement accordingly. For example, a primary initial concern will be to estimate the size of the Gig economy and to relate it to the traditional economy; comparing the rate of growth of one with the other using a new statistic - the **Gig-gel factor**.

Meanwhile, experimental work in respect of the proposed zero carbon economy has proven that we will need to establish a separate 'carbon monitor' to be integrated into our program at a later date. Accordingly, the remainder of this document describes the proposed programme for tracking the growth of the Gig economy, with an outline of the 'roll out' process planned to achieve the objectives in full. A further section details the pilot work planned this autumn. The persons responsible for these proposals are described [here](#).

The UKPLC Monitor

It is intended that the monitor shall consist of three surveys designed to provide a continuing **integrated** data series. The three surveys are:

- a) The Population Survey – a telephone survey to cover the universe of all persons aged 16 or more in the UK. The questionnaire has been designed to establish broad details of their lifestyle in respect of their use of social media and various internet platforms and their relationship with the world of work. To ensure as representative a sample as possible we intend to employ a dual frame random sample of telephone numbers (mobile and landline RDD). We will not impose any demographic quotas on the survey because they might bias response rates, instead we will allow a long field period (5 weeks) to maximise the potential response across all ages and types of persons. Eventually we would expect to run this as a daily survey of not less than 100 interviews per day.

- b) The 'Traditional Economy' Survey – a mixed mode survey (some on-line / some telephone) covering the business universe as defined by the IDBR, using the Business data produced by the ONS for our sample control purposes. Thus our universe is companies which are either VAT registered and / or have employees and we will interview a senior executive with knowledge of their company's trading performance .
Eventually we intend to build up to a sample of 6,000 companies per quarter, many of whom we will expect to be recruited to a regular quarterly panel. However, data collection will be distributed such that the data will be based upon 2,000 responses each month – average approximately 100 responses each working day. The sample will involve combining data from Dun and Bradstreet with information from Companies House, enabling some information from larger companies to be ascribed, where it is not provided directly by the respondent.

- c) The Self-employed Survey – although there will be some self-employed within the traditional economy survey as described in b) we will require more information on the self-employed to effectively bridge the gap between surveys a) and b) above. We propose an online self-completion questionnaire very similar to that used for b) but targeted at persons identified as the self-employed. We will identify these from opt-in databases which Sample Answers have access to and we also hope to engage groups such as the FSB and IPSE to sponsor the survey and to invite their members to participate. The on-line process will ensure that each participating organisation is provided with its own 'code' which will identify their respondents separately from others. This will enable each source to be separately identified in the analysis to pinpoint any resulting bias. It also provides us with the ability to reward

each participating organisation with a feedback report comparing their members' views with those of other self-employed respondents.

We wish to analyse the pilot work and the initial work planned for next year before we will decide upon the size and frequency of the self-employed survey. It is possible that this survey will also be a continuous exercise and used to experiment with questionnaire changes, in particular to introduce some questions on carbon usage during 2020.

Initially, these three surveys are intended to provide us with a full understanding of the nature of work as presently experienced. We expect the **Establishment Survey** to provide the best estimate of the number of workers in the GIG economy as well as estimates of the self-employed and other groups of workers. The ONS statistics on the numbers of workers in various categories will be employed as ratio estimators where appropriate.

Meanwhile, the various Business Population Statistics, as derived from the IDPR and other sources, will provide the control statistics for the **Traditional Economy Survey**. For example an important additional control statistic will be the number of years in business which is particularly important in estimating the growth of business activity associated with the internet. As implied above, this latter survey covers general business activity and the questionnaire identifies any use of zero hour contracts, internet trading and contributions towards a zero carbon economy.

One of the most important elements underlying this plan is the ability to trial different ideas relatively quickly, a new 'test' survey can be run in parallel with the existing survey for as long as may be necessary to decide to change the data series as required or to stay with the existing ideas! This will be particularly important for the development of the carbon monitor.

The Development Process:

Our proposal is that the programme shall start in the first quarter of 2020 with the following programme of work:

1. The Establishment Survey covering a minimum of 5,000 completed interviews.
2. The Traditional Economy Survey covering a minimum of 1,800 completed interviews.
3. A minimum of 2,000 responses from the Self-employed.

We would then expect to build upon the programme gradually over the following 2 years such that the full programme as described in the previous section shall be operational by quarter 1 2022.

The majority of the systems are in place to achieve the complete programme as suggested and the development process will be faster in proportion to the support these proposals receive.