

The future of work in Northern Ireland:

The key challenge of 'bad' jobs

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Research for new economic policies

Outline

- Context
- The quality of work in Northern Ireland.
- Factors shaping future of work.
- Challenges for future of work & labour/industrial policy.

International concern

- Growing concern about the spread of ‘bad jobs’.
 - Debate centred around questions such as:
 - Is work becoming more precarious?
 - Is work not being rewarded in the same way/to the same extent that it used to be?
 - Is work becoming increasingly polarised between ‘good’ and ‘bad’ jobs?
 - Are ‘bad’ jobs getting increasingly ‘bad’?

- Growing concern given the potentially profound influence which job quality has for:
 - Overall wellbeing of the worker.
 - Business performance and outcomes.
 - Broader economic performance and societal wellbeing/progress.

The latest draft NI Executive Programme for Government 2016-2021 included as 1 of its 14 strategic outcomes:

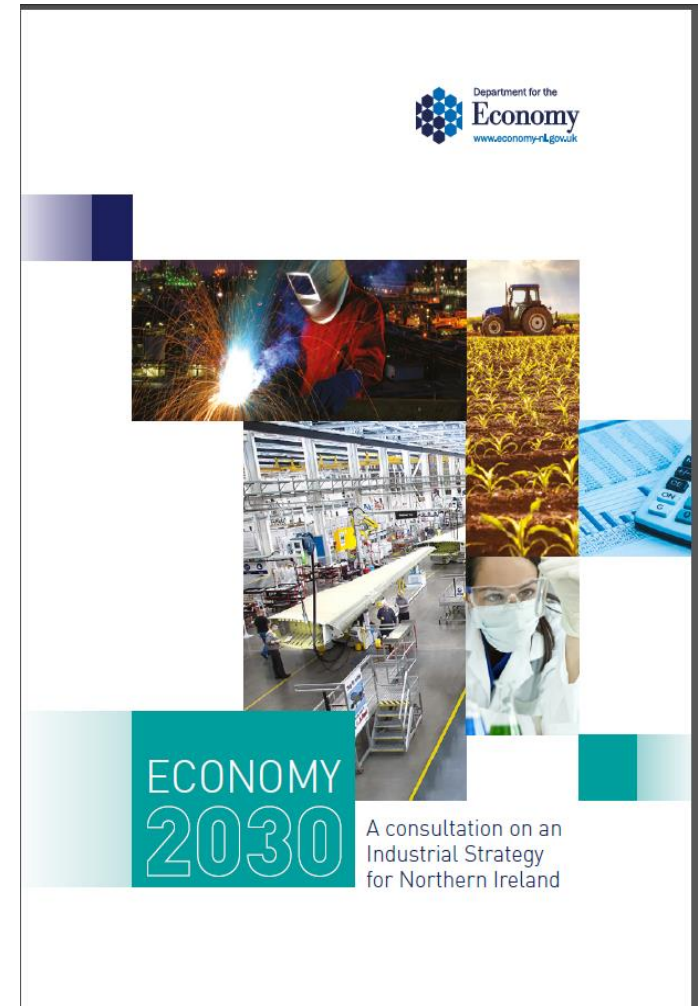
'we have more people working in better jobs'

The title 'DRAFT PROGRAMME FOR GOVERNMENT FRAMEWORK 2016-21' is positioned on the right side of the slide. It is written in a bold, dark blue, sans-serif font. A vertical teal bar is located to the left of the text, partially overlapping the word 'PROGRAMME'. The years '2016-21' are written in a smaller font size below the main title.

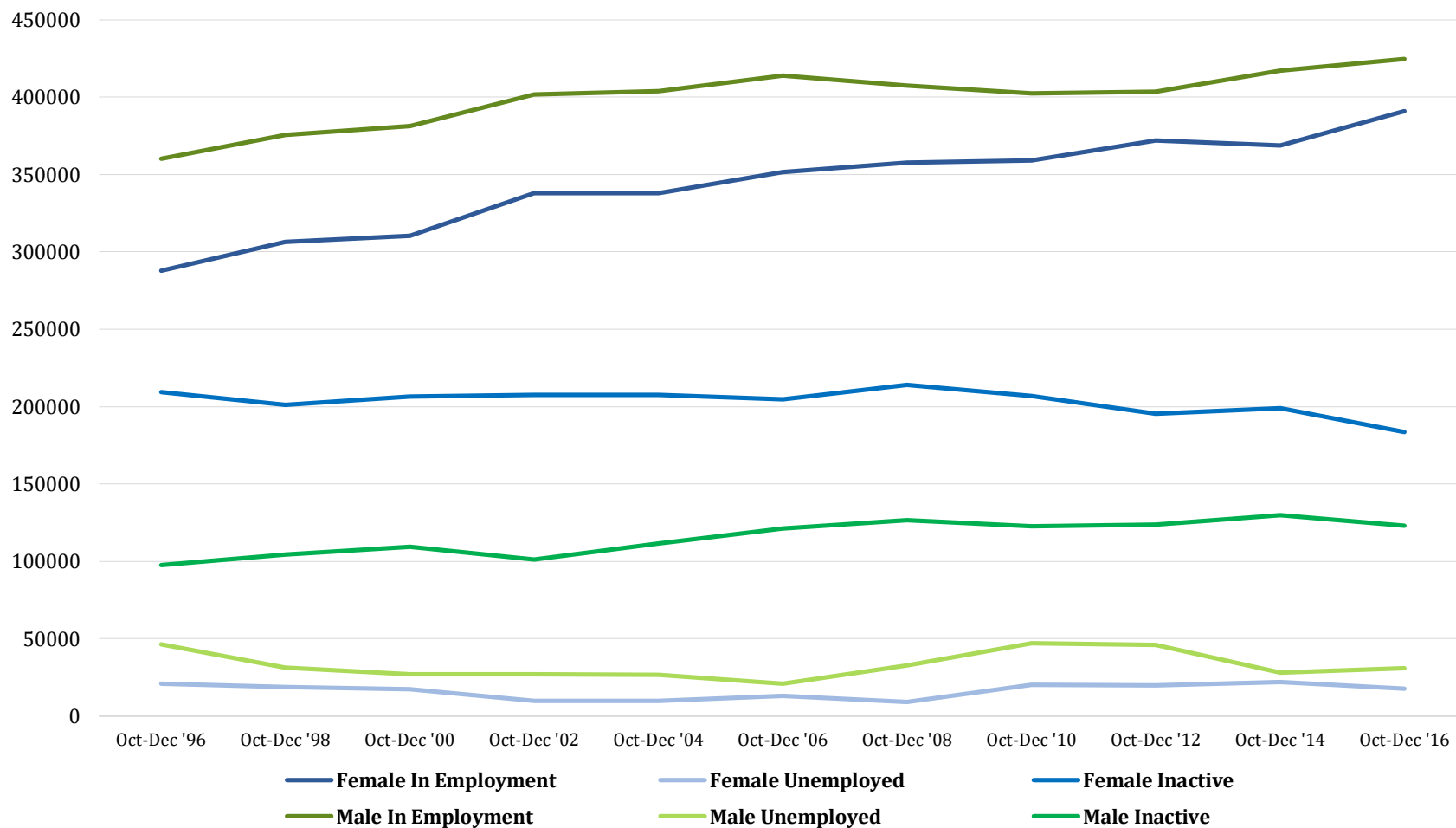
Department for the Economy recently published consultation Industrial Strategy for Northern Ireland document - 'Economy 2030' - which aims to:

*'invest into bringing **more and better jobs** to Northern Ireland and increasing our competitiveness.'*

*'do all that we can to get more people into work **and earning more** so that everyone has the opportunity to share in the gains of growing prosperity.'*



Participation in labour market



Is any job better than no job?

- Doesn't necessarily follow that labour market is performing well.
- OECD recently identified the following as also key:
 - **Quality of jobs.**
 - Security of working arrangements.
 - Quality of earnings.
 - Quality of working environment.
 - Labour market inclusivity.
 - Resilience and adaptability of labour market.

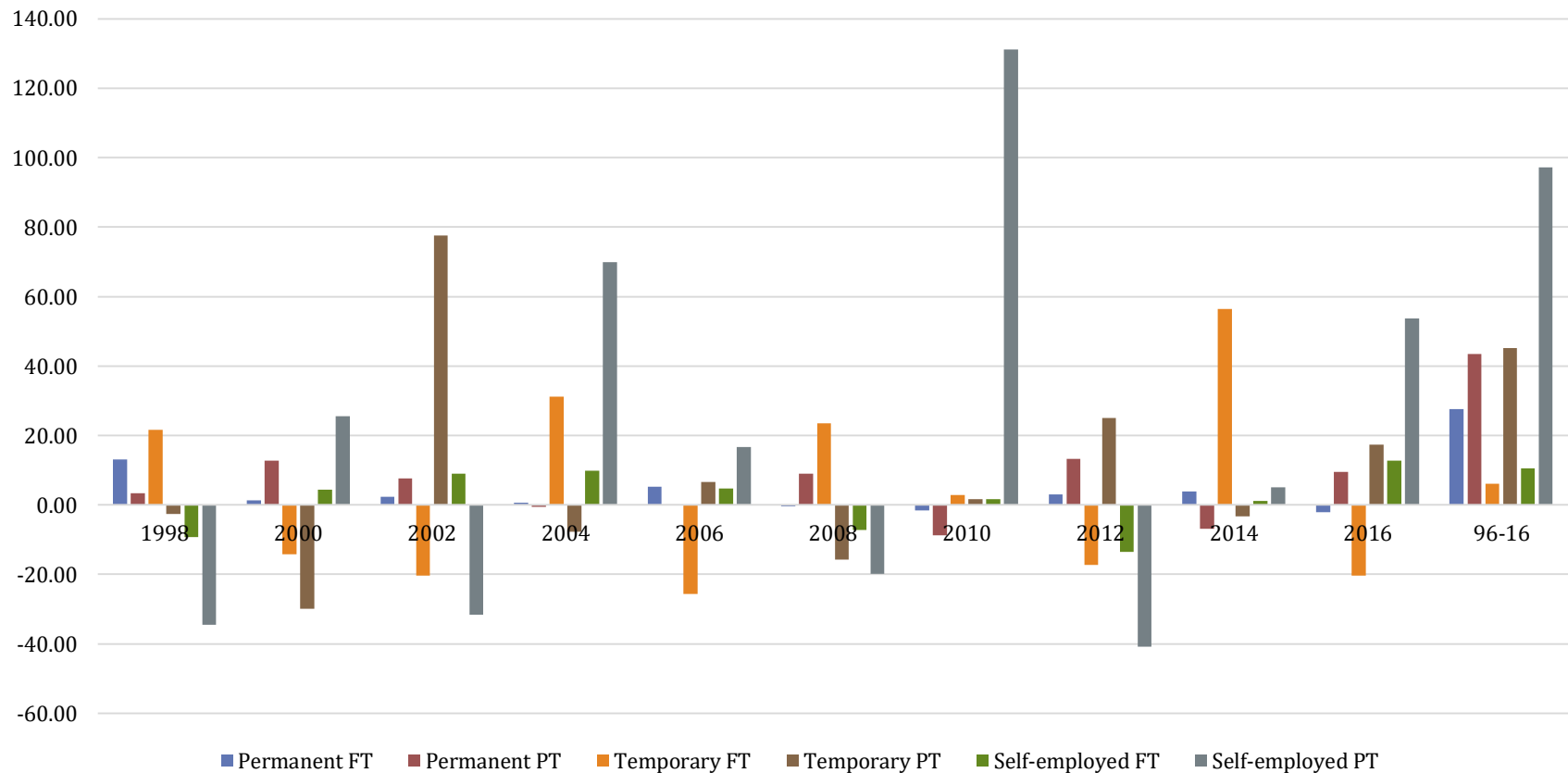
Job security:

% share of overall labour market

	Permanent FT	Permanent PT	Temporary FT	Temporary PT	Self-employed FT	Self-employed PT
Oct-Dec '96	62.1	16.0	3.0	2.9	14.1	1.9
Oct-Dec '98	65.5	15.4	3.4	2.7	11.9	1.1
Oct-Dec '00	64.8	17.0	2.8	1.8	12.2	1.4
Oct-Dec '02	63.6	17.5	2.2	3.1	12.7	0.9
Oct-Dec '04	62.4	17.0	2.8	2.8	13.6	1.5
Oct-Dec '06	63.3	16.4	2.0	2.9	13.7	1.7
Oct-Dec '08	63.1	17.9	2.4	2.4	12.7	1.4
Oct-Dec '10	62.4	16.4	2.5	2.5	13.0	3.2
Oct-Dec '12	63.5	18.4	2.1	3.0	11.1	1.9
Oct-Dec '14	64.4	16.7	3.1	2.9	11.0	1.9
Oct-Dec '16	61.5	17.8	2.4	3.3	12.1	2.9
Overall % change '96-'16	-0.6	1.8	-0.6	0.4	2	1

Job security:

% change in numbers in different employment arrangements

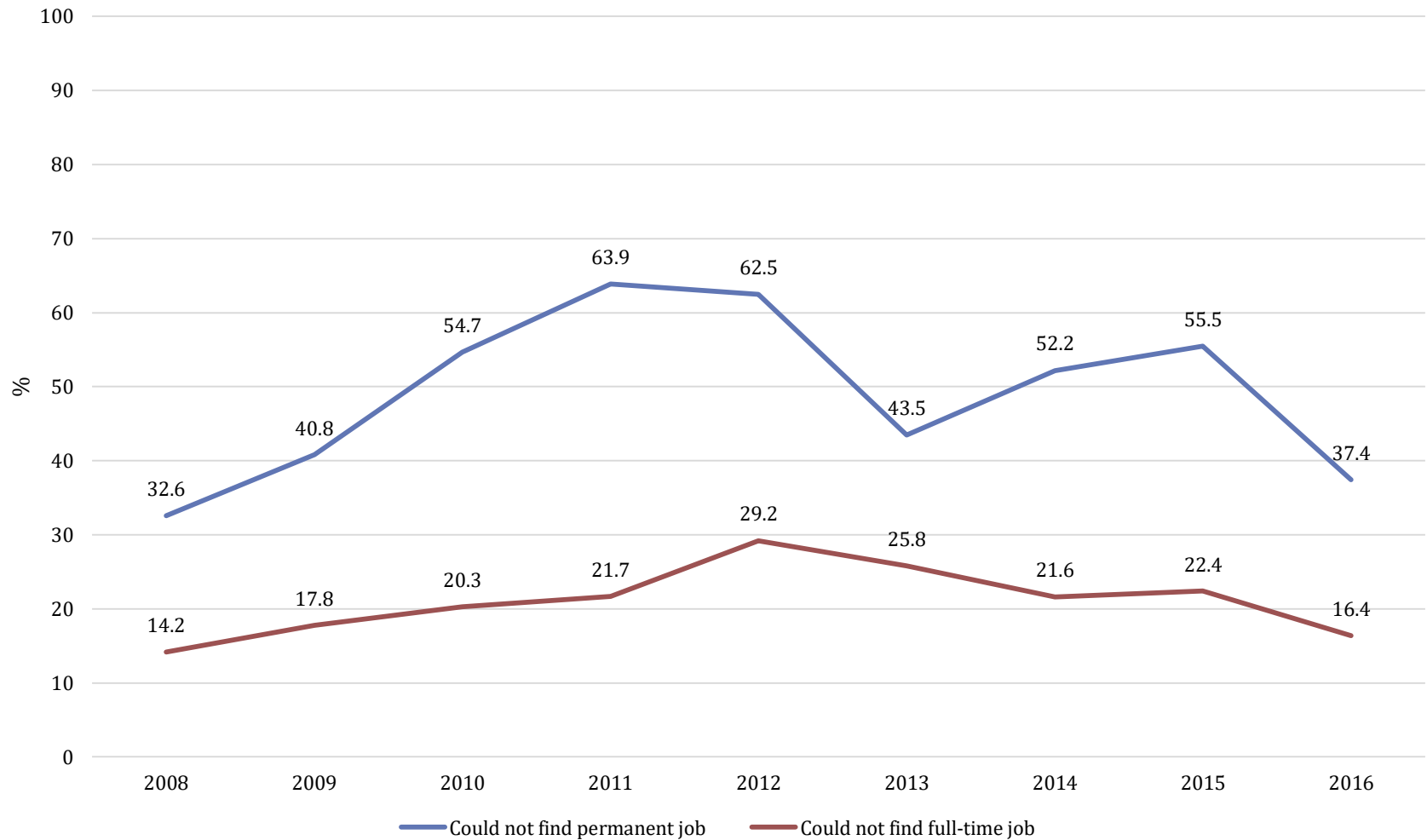


do the insecure employed work?

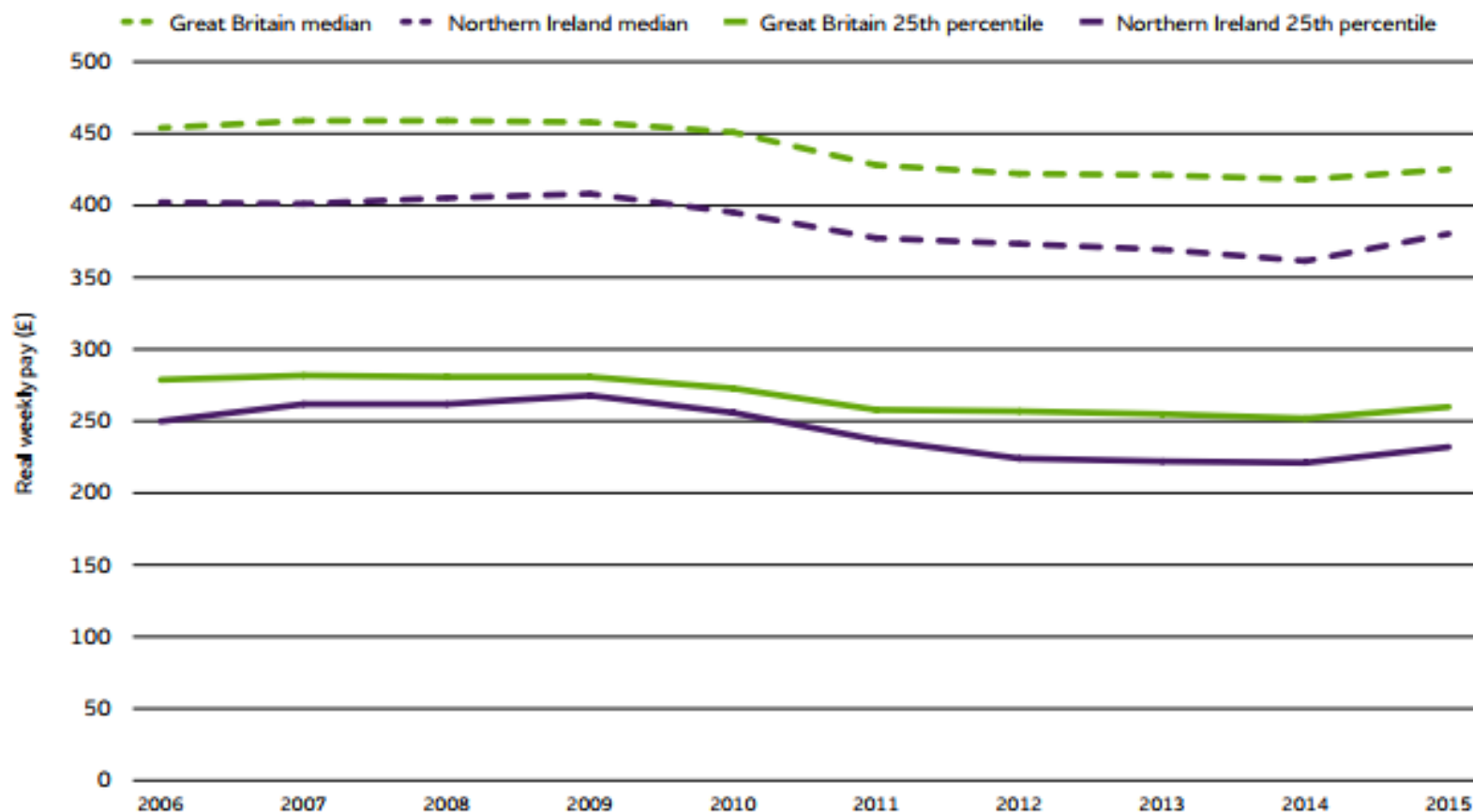
- Younger workers aged between 15-34 have a much higher risk of being in temporary employment than any other age group. Those aged 55-64 have the highest likelihood of self-employment.
- Women are more likely than men to be in temporary employment (61% temporary employed are women), whilst men have a much higher likelihood of being self-employed. Over 1 in 5 men are self-employed, compared to less than 1 in 10 women.
- Those working in the public administration, education and health (9.8%) or distribution, hotels and restaurant sector (7.3%) have the highest likelihood of being temporarily employed.
- Those working in the agriculture, forestry and fishery (66.5%) or construction sectors (34.8%) are at highest risk of self-employment.
- Those in caring, leisure and other occupations (9%), professional occupations (9.1%) or elementary occupations (5.4%) are at highest risk of temporary employment.

Job security:

Involunt. Part-time & Temporary



Quality of earnings

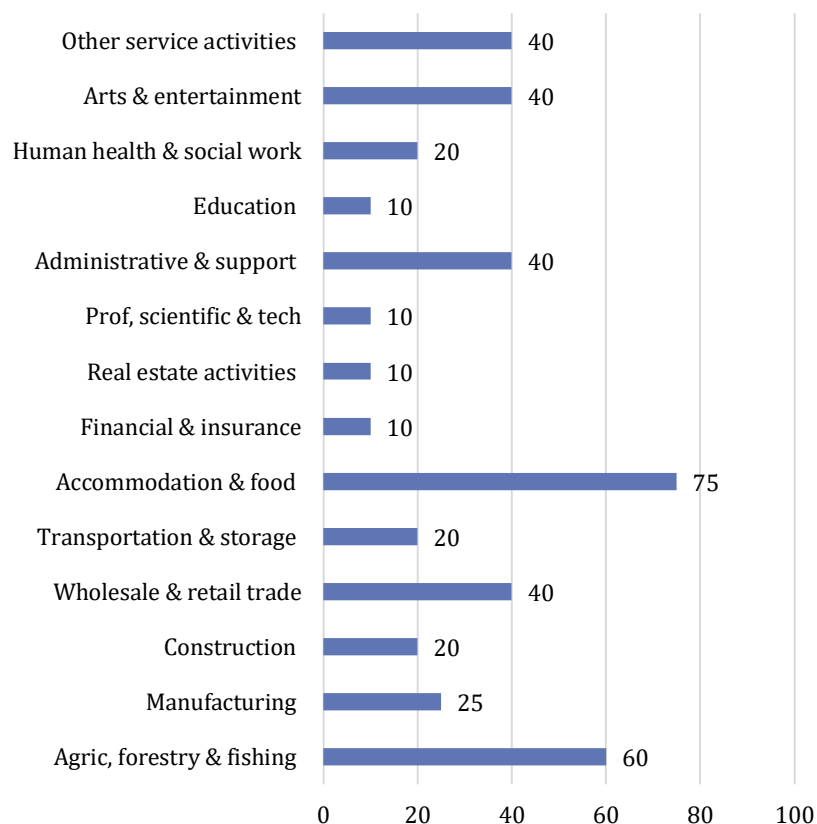


Source: Annual Survey of Hours and Earnings via NOMIS; Consumer Price Inflation, ONS

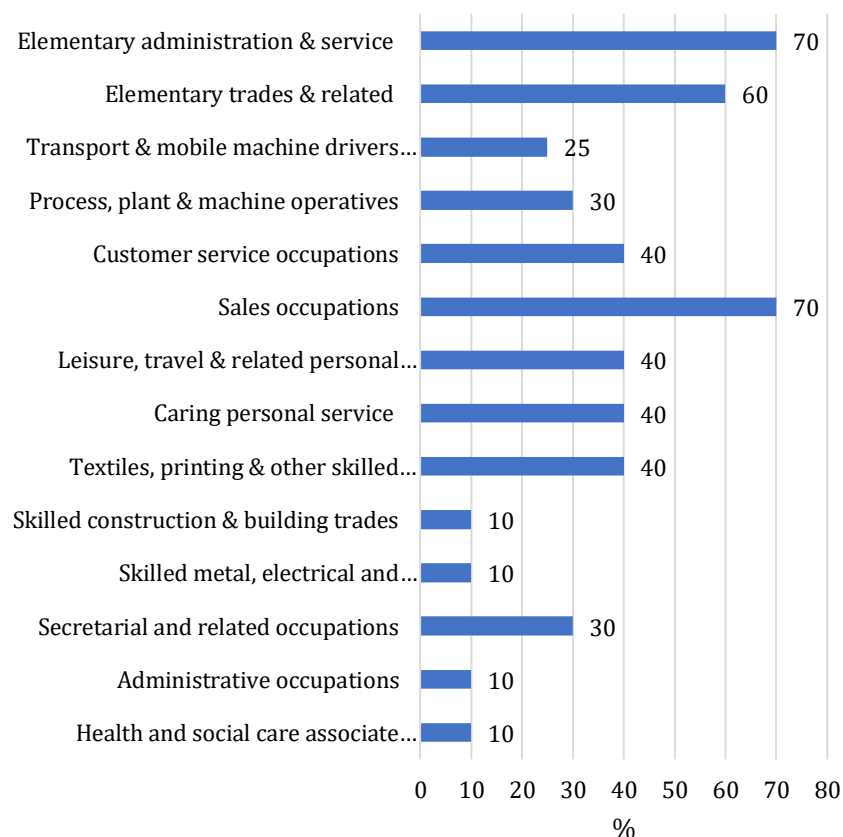
Source: JRF (2016) Poverty and Social Exclusion.

Quality of earnings: Low pay

Sector



Occupation



Quality of earnings: In-work poverty

	Poor	Not Poor
	%	%
Income poor	14.9	85.1
Deprivation poor	27.3	72.7
PSE poor	15.3	84.7

	Income Poor	Deprivation Poor	PSE Poor
	%	%	%
Gender			
Male	14.0	24.9	13.7
Female	15.7	30.1	17.2
Age category			
18-24	14.8	36.7	12.5
25-34	22.4	39.1	26.8
35-44	13.8	23.2	13.8
45-54	10.6	24.5	11.6
55-64	10.4	6.3	3.1
Educational qualification			
Degree level or higher	4.9	12.6	3.1
Below degree level	16.3	33.7	20.0
No qualification	35.0	26.3	21.1
Social Class (NS-SEC)			
Managerial/Professional	4.8	16.7	7.1
Intermediate	4.2	21.0	7.7
Small employers/Own account	37.5	37.7	29.2
Lower Supervisory/Technical	11.8	21.7	14.5
Semi-routine/Routine	27.6	41.4	26.2
Hours worked			
1 to 19	32.0	61.9	38.1
20 to 40	11.8	25.1	13.1
41 +	12.8	14.6	9.0
Employment status			
Full-time employee	9.0	20.5	10.7
Part-time employee	22.9	46.4	25.2
Self-employed	29.0	26.7	19.6
Household composition			
Single Adult	11.0	27.2	16.0
Lone Parent	28.6	62.5	49.0
Couple, with children	22.7	30.8	20.8
Couple, without children	6.3	17.7	4.7
Other household type	5.3	24.4	6.6
Sector of employment			
Market	18.0	33.9	20.0
Non-market	7.4	19.2	5.7
Industry sector (SIC 2007)			
Manufacturing	9.8	29.3	19.6
Construction	27.5	29.0	17.4
Services	12.8	26.0	13.3
Other*	16.0	3.8	0.0

Quality of working environment

Dimension	Indicator
Satisfaction/sense of value	The work I do is interesting
	The work I do is useful
	I work with supportive colleagues
	Overall, I am satisfied with my job
(Low) stress	I work to tight deadlines most or all of the time (reverse coded)
	I find my work stressful (reverse coded)
Control or flexibility	I decide how I do each task
	I decide what time I start or finish work
	It is easy for me to take a couple of hours off work for personal matters
(Good) physical environment	My work is physically demanding or physically tiring (reverse coded)
	My workplace is always a comfortable temperature
	There is a lot of smoke, dust, fumes or noise where I work (reverse coded)

Quality of working environment

	Yes	No
	%	%
(High) satisfaction/sense of value	74	36
(Low) stress	34.3	65.7
(High) control/flexibility	51.1	48.9
(Good) physical environment	54.6	45.4

	Low Satisfaction/ Sense of value	High Stress	Low Control/Flexibility	Poor Physical Environment
	%	%	%	%
Gender	ns	ns	ns	***
Male	27	68.1	46.8	50.5
Female	24.8	62.8	51.3	39.6
Age category	**	*	***	***
18-24	39.4	57.7	66.3	62.5
25-34	29.1	65.1	56.3	47.6
35-44	23.1	70.3	43.5	47
45-54	20.6	69.7	42.9	35.5
55-64	24.2	55.6	40.4	40.4
Educational qualification	**	*	ns	***
Degree or higher	18.2	75	45.5	28.6
Below degree	30.2	64.1	52.5	50.3
No qualification	20	60	40	55
Social class (NS-SEC)	***	***	***	***
Managerial/Professional	15.9	80.2	45.7	32.9
Intermediate	28.7	65	47.2	25.7
Self-employed/own account workers	20.8	51.4	25.4	60.6
Lower Supervisory/Technical	18.8	69.6	55.1	81.2
Semi-routine/Routine	38.8	52.2	57	55.7
Hours worked	***	***	*	ns
1 to 19	39.8	40.7	58.4	45.1
20 to 40	27.7	66.2	48.9	45
41 +	15.2	66.2	43.9	47.1
Employment status	***		***	*
Full-time employee	22.1	73.7	49.5	45.6
Part-time employee	40	43.6	63	39.5
Self-employed	19.4	65.4	18.5	55.6
Household Composition	**	ns	*	ns
Single Adult	20.8	66.7	42	54.3
Lone Parent	43.8	52.1	68.8	49
Couple, with children	21.6	68.6	46.2	43
Couple, without children	29.2	64.1	53.3	43.1
Other household type	29.5	67.1	50.9	49.1
Sector of employment	***	***	ns	ns
Market	29.2	70.8	45.9	48.6
Non-market	17.1	82.9	51.5	41
Industry sector (SIC 2007)	*	ns	***	***
Manufacturing	35.9	67.7	56.5	64.1
Construction	29	68.1	30.9	71
Services	22.8	66.2	50.7	36.6
Other*	19.2	65.9	22.2	73.1

Sense of progression

PSE-NI survey respondents were asked to assess the extent to which they felt they have progressed, regressed or have had no change in their job in terms of skills used, variety of tasks, and level of responsibility throughout the last five years.

	Level of skill used	Variety of tasks performed	Level of responsibility
	%	%	%
Progressed	59.5	57.6	53.7
Stayed the same	34.6	36.1	40.3
Regressed	5.9	6.4	6

Factors shaping the nature of the future of work

Focus has been on:

- Technology, Artificial Intelligence, Robots & Automation of work.

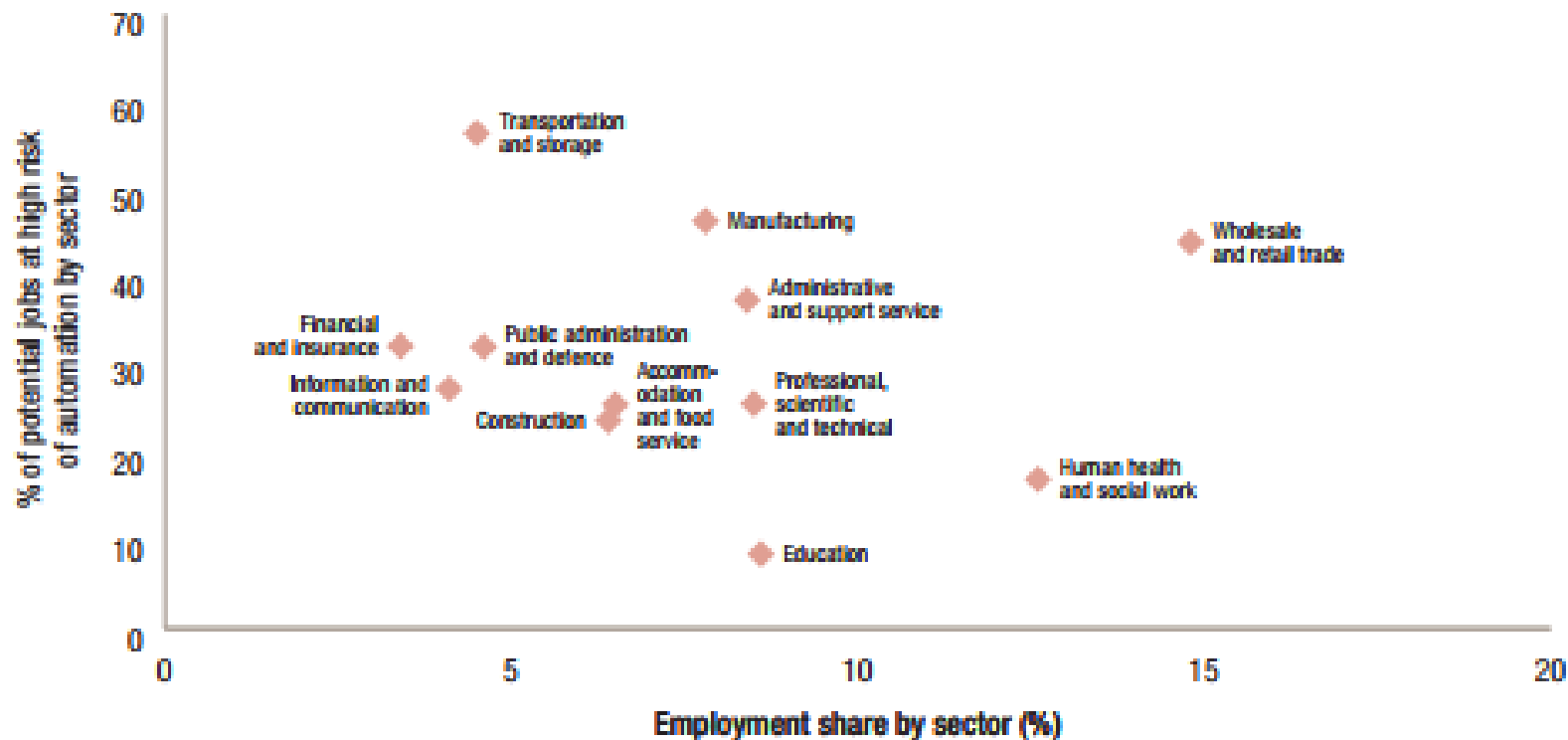
But the following will also be key:

- ‘Bad jobs’ including insecure and low paid jobs and increasing trend towards poor quality/insecure jobs.
- Continued growth of services sector.
- Ageing population and increased care needs (growth of care sector).
- Value of unpaid work.



Industry sectors with greatest potential risk of automation?

Figure 4.4 – Potential impact of job automation by UK industry sector



Sources: ONS; PIAAC data; PwC analysis

Key challenges for future of work & link to industrial policy

- Technology, Artificial Intelligence, Robotics & automation of work will fundamentally reshape nature of work - but not there yet. Tasks within occupations/sectors most susceptible. Remains need for further work around how technological change will interact & change work as we know it.
- Scepticism around idea that all it takes is to be 'digitally ready'.
- Challenge of transient entrepreneurism & how this links to traditional environment for innovation gains.
- How to ensure that the shares of production are shared.

Key challenges for future of work & link to industrial policy

- Productivity puzzle – importance of effects of poor quality jobs & job polarization in explaining the chicken/egg of low wage/low value added.
- Further work needed on how technology will influence this- difficult to predict - but can get some guidance by looking at trends/competencies.
- Opens potential to direct what it will look like - influence cannot only be from technologists & businesses.



Ensuring the future of work is 'decent'

- Focus on increasing skills & number of jobs in STEM areas.
- Improve quality of 'bad' jobs.
- Focus on reducing effect of jobs polarisation (high skill/low skill & demographic/socioeconomic) via creative labour adjustments. i.e. upskilling, training, inclusion etc.
- Key role of unions & collective bargaining.



Thanks for listening

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