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Growing insecurity

The changing nature of employment in Northern Ireland

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SUMMARY

This *Research InBrief* summarises some recent NERI research on employment arrangements in Northern Ireland. The aim of this work was to examine trends and patterns in employment arrangements in Northern Ireland, with particular attention given to the share of the labour market which is comprised of full- and part-time permanent workers, full- and part-time temporary workers, and full- and part-time self-employed workers.

The results of this study show that the composition of employment in Northern Ireland has undergone considerable change in recent years.

There has been an overall decline in the share of labour market which is comprised of workers employed in the traditional 'standard' employment arrangement i.e. full-time, permanent, regular, and an increase in more insecure forms of employment.

KEY POINTS

- Whilst permanent, full-time contracts remain the norm, there has been a proliferation in more insecure forms of employment.
- Over one in three workers in Northern Ireland are employed in a more insecure form of employment, than that offered by the traditional standard.
- Permanent, full-time contracts now comprise the lowest share of the labour market than what has been the case in any other period throughout 2008-2016.
- There have been particular increases over 2008 to 2016 in the share of the labour market comprised of part-time temporary or part-time self-employed workers.

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Research for new economic policies

Introduction

International evidence is showing a marked shift in the structure of employment away from the traditional 'standard' of full-time, permanent (indefinite), regular employment arrangements and a rise in alternative 'non-standard' employment arrangements (European Commission, 2016; ILO, 2016).

For some commentators, this rise in 'non-standard' employment, in its numerous varieties brings positive implications for both workers and employers alike by offering greater flexibility, autonomy and work-life balance for workers (Green and Haywood, 2011), and helping employers obtain numerical, functional and pay flexibility and in turn manage more efficiently fluctuations in supply and demand (Ko, 2003)

Nonetheless, a body of empirical evidence shows that non-standard jobs, when compared to standard jobs are less secure and of poorer quality (See ILO, 2016). Moreover, evidence suggests that whilst on the face of it non-standard employment arrangements may appear to offer greater flexibility to employers and businesses, there are significant 'hidden managerial costs' associated with their use that can be both rigid and costly in the long-term as they reduce competitiveness, slow down innovation, result in lower levels of firm-specific knowledge and know-how amongst workers, reduce employee commitment and co-operation between staff (Uzzi and Barsness, 1998).

Little is known however about the composition of employment arrangements in the Northern Ireland labour market and if – and to what degree – employment in Northern Ireland is moving away from the traditional standard model of employment, where the norm for workers is to be employed in full-time permanent employment arrangements and becoming more insecure in nature.

Addressing these issues this *Research InBrief* summarises some of the findings of a recent NERI working paper (No. 45) which

examined trends and patterns in the share of the labour market which is comprised of full- and part-time permanent workers, full- and part-time temporary workers, and full- and part-time self-employed workers.

Data

The analysis in this paper draws on data from the Northern Ireland October to December Quarterly Labour Force Survey (NI-QLFS) for the period 2008 through to 2016.

The NI-QLFS is a quarterly sample survey focused on all aspects of the labour market and employment circumstances and has been designed to give reliable estimates for each quarter. Weighted data are used in all analyses, to ensure that reliable inferences can be drawn about the population as a whole.

Analyses in this paper are restricted to those in employment (i.e. paid employees and self-employed workers) aged between 16 and 64.

A snapshot of employment arrangements in Northern Ireland

From the snapshot of findings presented in Figure 1 below we see that standard employment arrangements (permanent, full-time) account for 61.5% of total employment in the last quarter of 2016, with the remaining 38.5% of the workforce employed in various types of non-standard employment arrangements.

Looking more closely to the breakdown in non-standard employment arrangements we see that permanent part-time contracts are the most prevalent form of non-standard employment arrangement, with close to one in five (17.8%) of all workers employed in this arrangement. Close to one in seven workers (15%) are self-employed, the vast majority of whom work full-time (12.1%), with 2.9% of the self-employed working part-time. Temporary employment is the least prevalent form of employment arrangement, with 3.3% of all workers employed in temporary full-time contracts, and 2.4% in temporary part-time contracts.

Figure 1: Share of labour market by nature of employment arrangement, 2016



Looking at trends over time (2008-2016) to assess changes based on nature of employment arrangement what is clear is that consistently across all years the norm is standard employment, with the majority of workers in Northern Ireland employed in permanent, full-time jobs.

contracts. Nonetheless, with the exception of 2013, what is clear from Figure 2 is that in the permanent, full-time contracts now comprise the lowest share of the labour market than what has been the case in any other period throughout 2008-2016.

Notable, however, over the period is the considerable variation in the share of labour market employed on permanent full-time

Figure 2: Share of labour market by nature of employment arrangement, 2008-2016

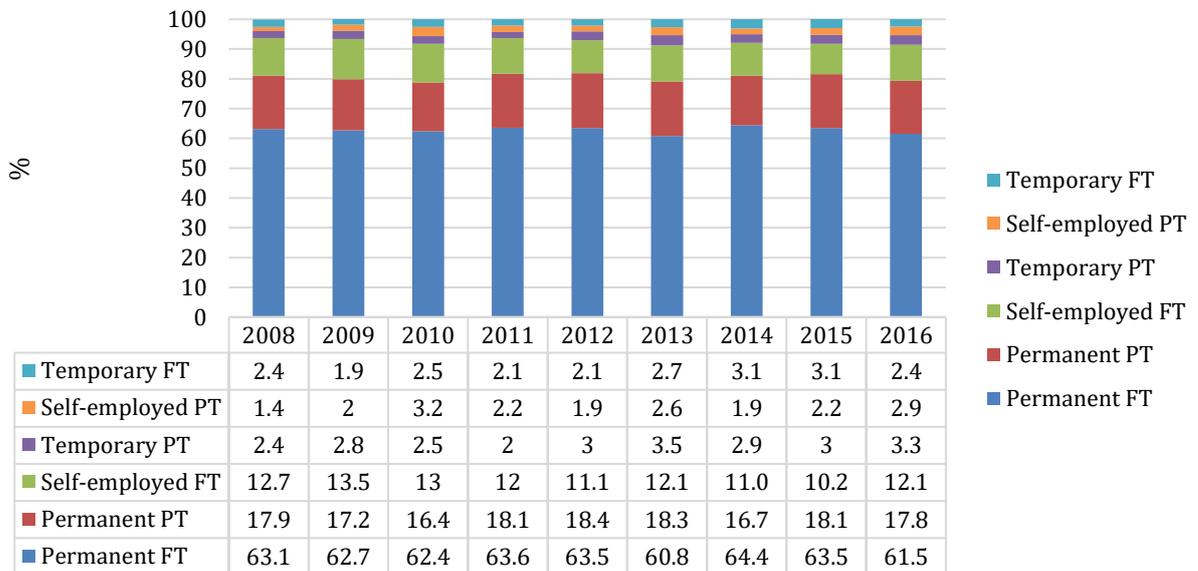


Table 1: Percentage change by nature of employment arrangement, 2008-2016

Nature of employment arrangement	Percentage change 2008-2016
Permanent FT	-1.6
Permanent PT	-0.1
Self-employed FT	-0.6
Self-employed PT	1.5
Temporary FT	-
Temporary PT	0.9

To ease interpretation of how the nature of employment has been changing Table 1 provides the overall percentage change between 2008 and 2016 for each employment arrangement. From this we see that over the period full-time permanent (-1.6%) working arrangements have decreased the most in terms of their overall share of the labour market. We have however also had a decline of 0.6% in the proportions who are full-time self-employed. We have seen a 1.5% increase in the share of the labour market which the part-time self-employed comprise, and a 0.9% increase in temporary part-time workers.

Conclusion

All in all, the results presented in this *Research InBrief* show that the composition of employment in Northern Ireland has undergone considerable change in recent years, with an overall decline in the share of the labour market which is comprised of workers employed in the traditional standard of full-time permanent arrangements, and an increase in more insecure forms of employment, with particular increases seen in part-time temporary and self-employment.

These findings point to an increase in the replacement of standard jobs with more insecure of employment, as well as an increased likelihood of new jobs being insecure in nature. In the context of an extensive body of evidence which shows the negative effects of insecure employment for workers and business outcomes alike these trends raise cause for concern.

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