

NERI Research inBrief

June 2017 (no46)

In what ways do people work?

Comparing employment arrangements in Northern Ireland with Great Britain

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ISSN 2009-5848

SUMMARY

Over the last decade or so the Northern Irish labour market has seen an overall decline in the traditional 'standard' of regular, full-time, permanent employment, and a rise in non-standard employment (Wilson, 2017).

This phenomenon however is not peculiar to Northern Ireland, with a growing body of evidence showing this to be the case across many advanced nations, including the United Kingdom (European Commission, 2016; ILO, 2016). We are seeing increasing numbers of people working lower hours, in temporary or self-employment (Greer and Livianos, 2017; Wilson, 2017).

This *Research InBrief* however seeks to ascertain if there are differences in the employment arrangements in which people work in Northern Ireland, in comparison to those in Great Britain.

KEY POINTS

- A higher proportion of workers in Northern Ireland are temporary or self-employed than in Great Britain.
- Whilst a slightly higher proportion of workers in Northern Ireland work full-time than is the case in Great Britain, full-time workers in Northern Ireland are less likely to be employed in permanent working arrangements.
- Part-time workers, and especially those who work the lowest number of hours, have a much higher likelihood of being in a temporary contract in Northern Ireland, than in Great Britain.
- A significantly higher proportion of public sector workers in Northern Ireland are employed on temporary contracts than is the case in Great Britain.
- Those in the highest skilled occupations in Northern Ireland are significantly less likely to be permanently employed than same workers in Great Britain. On the other hand, those in the lowest skilled occupations in Northern Ireland are significantly more likely to be permanently employed.

Introduction

Northern Ireland’s relatively buoyant employment performance in recent years has been aided, in part, by a move away from the traditional standard of full-time, permanent positions and a marked increase in lower working hours, part-time, temporary and self-employment since the 2008 global financial crisis (Wilson, 2017).

Little is known however about how NI compares to the rest of the United Kingdom, in terms of the employment arrangements in which people work. As such this *Research inBrief* examines and compares the overall breakdown of employment arrangements in Northern Ireland (NI), with that of Great Britain (GB). It also compares the breakdown of employment arrangements by full-time and part-time work, working hours, occupation and public/private sector in NI with GB.

Data

The analysis in this *Research inBrief* draws on data from the 2016 October to December United Kingdom Quarterly Labour Force Survey (NI-QLFS). Analyses are restricted to those in employment (i.e. paid employees and self-employed workers) aged between 16 and 64.

Comparing employment arrangements in Northern Ireland and Great Britain

In looking at the breakdown of employment arrangements by share of total employment in Table 1 below we see that self-employed and temporary workers comprise a statistically significant larger share of the overall labour market in NI than is the case in GB.

Table 1: Breakdown of employment arrangements by share of total employment, NI & GB

	NI	GB
Self-employed	15.1	14.2
Permanent	79.2	80.6
Temporary	5.7	5.2

Note: Relationship statistically significant at p< 0.001 level.

Whilst a slightly larger overall proportion of workers in NI (76%) work full-time than in GB (75%) when we compare full-time and part-time workers by employment arrangement we see that a larger proportion of full-time workers in GB (82%) are employed in permanent arrangements than is the case in NI (81%). The difference is almost entirely accounted for by the self-employed, with a substantively higher share of full-time workers in NI (16%) self-employed, than in GB (14%).

Figure 1: A breakdown of employment arrangements by full-time/part-time working hours, NI and GB



Focusing on the results for part-time employment we see that a lower proportion of part-time workers in NI are employed in permanent contracts. Explaining the difference is that part-time workers in NI (14%) have a higher likelihood of working in temporary contracts than in GB (10%).

Differences in terms of working arrangements between NI and GB become even more pertinent when we look deeper and consider the numbers of hours worked as in Figure 2 below. Specifically, those who work low hours - between 0-12 or 13-20 hours per week - are much more likely to be on a temporary contract in NI (14% & 11%), than those in GB (9% & 8%).

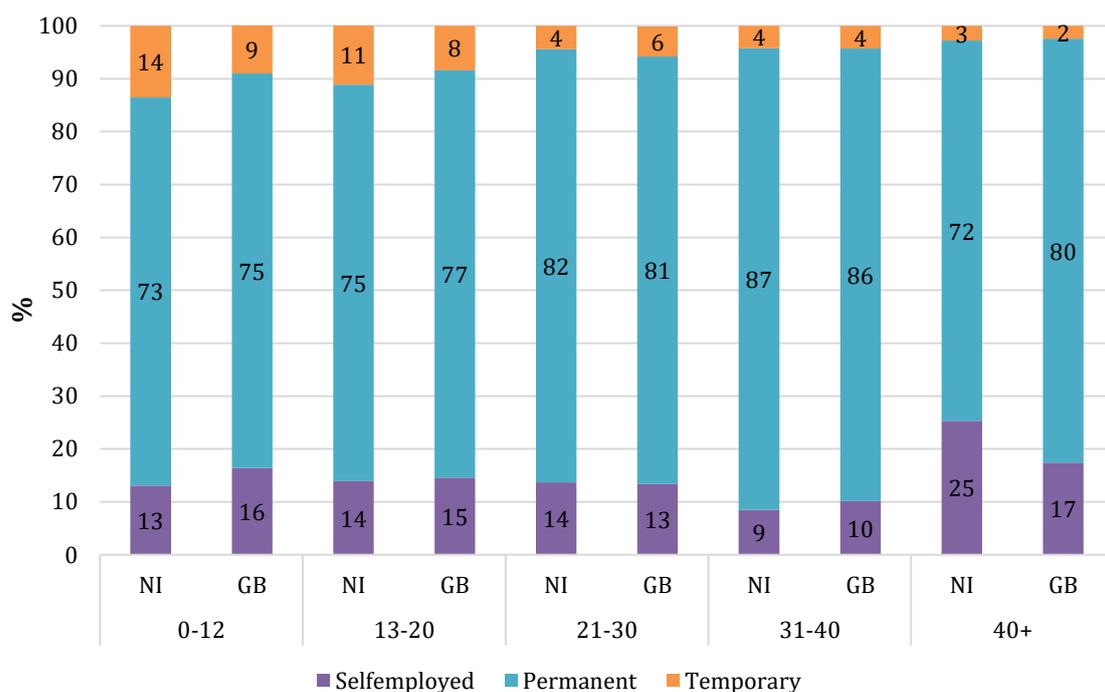
Another key notable difference in terms of hours worked is clear for those who work 40+ hours per week. Those who work such hours in NI (72%) are much less likely to be on a permanent contract than same workers in GB (80%), with the difference almost entirely accounted for by the higher likelihood of such workers in NI of being self-employed (25%, compared to 17% GB).

Does occupation or sector make a difference?

Some might argue that the differences in the ways in which people work in Northern Ireland compared to GB might be explained by the fact that employment in NI is concentrated in particular sectors or occupations and so we would be more likely to utilise temporary, self-employment or part-time working hours. However, in looking at the data this does not appear to be the case. Rather it appears that even in sectors or occupations that we might not expect, NI has a higher likelihood of having temporary or self-employed workers than is the case in GB.

For example, focusing on whether a worker is employed within the public or private sector in NI and GB we see that significantly more workers in the public sector in NI are employed on temporary contracts, than is the case in GB (See Figure 3 below). Specifically, 11% of workers employed in the public sector in NI are working on a temporary contract. This compares to 7% of public sector workers in GB.

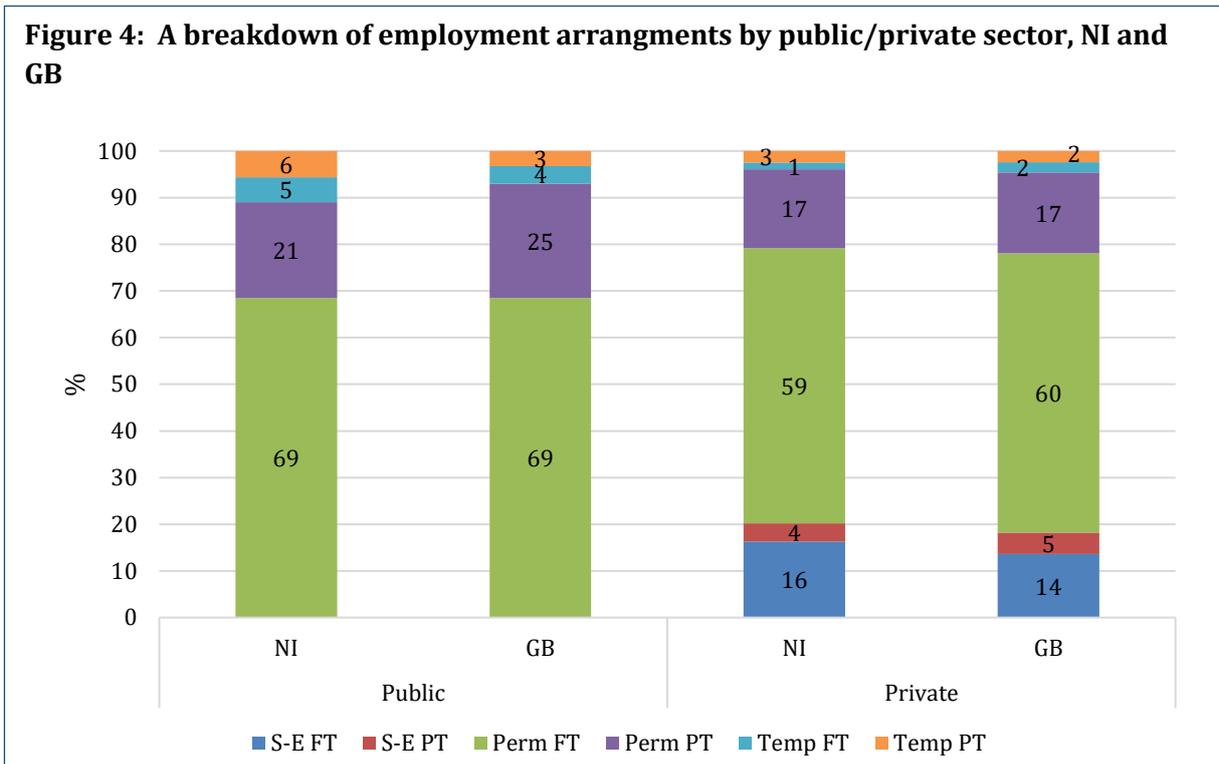
Figure 2: A breakdown of employment arrangements by hours worked, NI and GB



In terms of the private sector the most notable differences between NI and GB in terms of employment arrangements is that statistically significant higher proportions of workers are self-employed. Specifically, as shown in Figure 3 below the private sector in NI has 2% more self-employed workers than is the case in GB.

Nevertheless, those in skilled trades occupations in NI have a significantly lower likelihood of being employed on permanent contracts. Indeed, 63% of workers in skilled trades occupations in GB are permanently employed, compared to 55% of same workers in NI. The difference is almost entirely accounted for by the higher likelihood of skilled trades workers in NI

Figure 4: A breakdown of employment arrangements by public/private sector, NI and GB



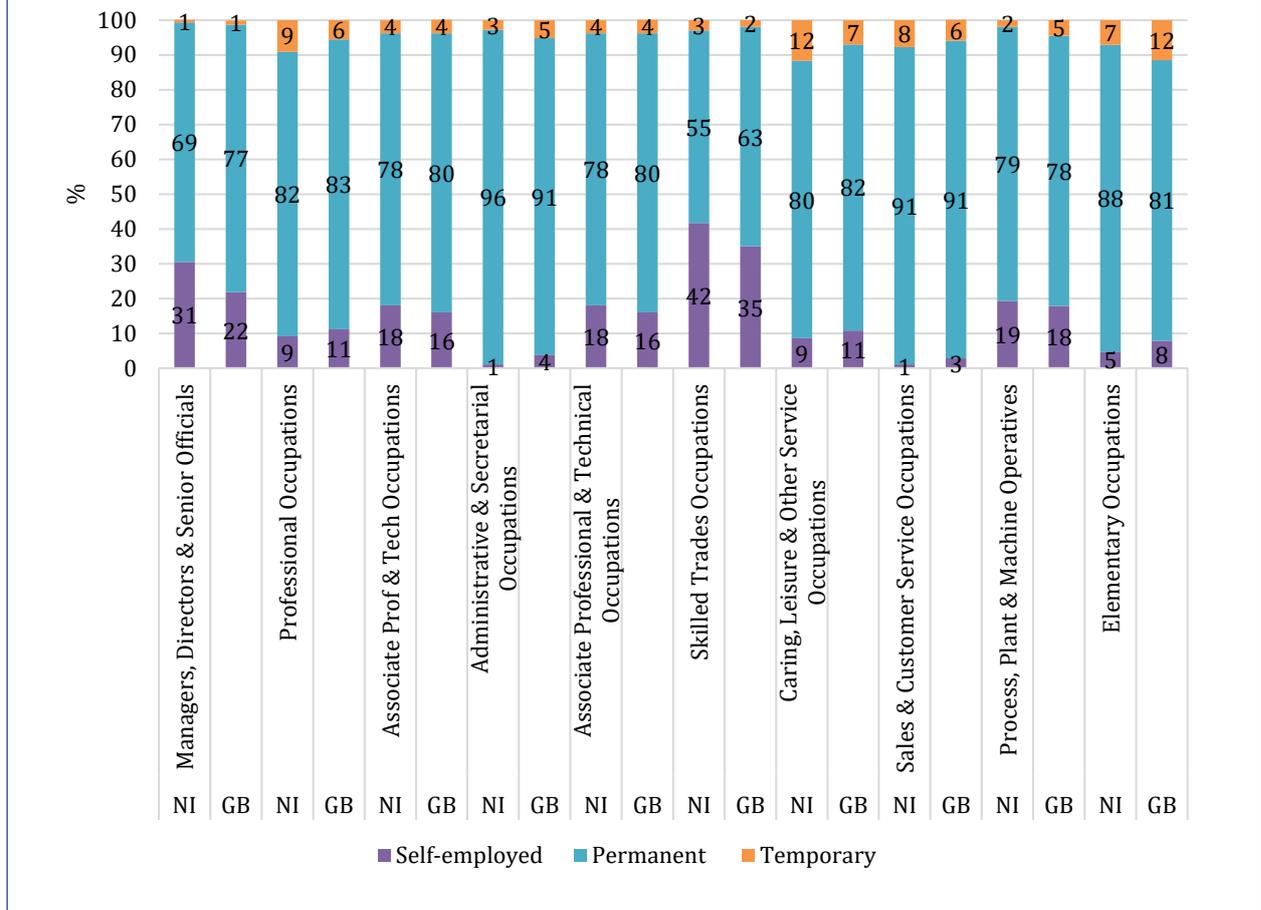
Focusing on differences based on one’s occupation as shown in Figure 4 we see that those in the highest skilled occupations in NI are significantly less likely to be in permanent employment arrangements than is the case Britain. The starkest difference is for those in managerial, director, senior official occupations where we see 69% of Northern Irish workers in such occupations employed in permanent positions compared to 77% of those in Great Britain. On the other hand, a significantly higher proportion of those in elementary occupations in NI (88%) are employed permanently than in Great Britain (81%). The same is true for those in administrative and secretarial occupations where 96% of such workers in NI are in permanent contractual arrangements, compared to 91% in GB.

(42%) of being self-employed than is the case in GB (35%).

Other notable differences are clear for those in caring, leisure and other service occupations where 12% of such workers in NI are employed in temporary contracts, compared to 7% in GB. The same is true for those in sales and customer service occupations where a higher proportion of such workers in NI are temporarily employed (8%), than in GB (6%).

Conclusion

The findings presented in this *Research InBrief* demonstrate the increased use of temporary and self-employment in Northern Ireland when compared to Great Britain.

Figure 3: A breakdown of employment arrangements by occupation, NI and GB

They also show that their increased use in particular sectors and occupations is counter to what we find in Great Britain, but also what we might expect from the literature.

These findings raise important questions about the Northern Irish labour market, and point to the need for research to examine further the reasons why people are more likely to be self-employed or working on temporary contracts, particularly in those sectors or occupations which the literature would argue is a safeguard to insecure forms of employment, such as the public sector (ILO, 2016). Given the findings presented above it appears that there are disparities in the factors driving these forms of employment in Northern Ireland and Great Britain.

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