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Introduction

The United Kingdom's withdrawal from the European Union has had many significant implications for the economy on the island of Ireland. While much attention has focused on trade, customs and regulations, one important area has received less attention. Cooperation on statistical publications between the UK and EU ceased when the UK left the EU in January 2020 and this means that in many areas there is now no published, comparable data for the Republic of Ireland and Northern Ireland.

Under the terms of the Trade and Cooperation Agreement between the UK and the EU there is a provision for a process of statistical cooperation, but as of October 2023, it has yet to become operable. This means that in most instances Eurostat publications that would have reported regional data from the UK, including Northern Ireland, now only run up to 2019.

This poses many issues for comparing economic performance on the island of Ireland and for the labour market in particular. While the Northern Ireland Statistics and Research Agency (NISRA) and the Central Statistics Office (CSO) still produce labour market data for Northern Ireland and the Republic of Ireland respectively, there are in many instances differences in how that data is collated, analysed and published which makes direct comparisons difficult.

This can be seen in how both agencies report data from their respective Labour Force Surveys. The lower limit for working age population reported for the LFS is 15 years of age in the Republic of Ireland and 16 years of age for the UK. Such a variation in age limits is unfortunately common in international comparisons of labour market data. In many cases these age limits are based on the minimum age of employment or mandatory education.

When looking at upper age limits, there are differences as well. The Republic of Ireland publishes an unemployment rate based on an economically active population aged 15-74. In Northern Ireland, NISRA publishes an unemployment rate based on an economically active population aged 16 or over.

These differences in age rates can result in marginal differences in published statistics, but in many cases this is enough to close the gap or reverse the comparative performance of many labour market indicators. While data can be presented with caveats, this is suboptimal, particularly when attempting to compare trends over time.

Making direct comparisons on labour market performance between Northern Ireland and the Republic of Ireland from published national statistics is therefore not possible. Up until 2019, this was somewhat mitigated by the limited regional labour market statistics produced by Eurostat which adjusted UK regional data to match the Eurostat standard reporting. However, as mentioned previously, this reporting ceased in 2019.

There have been attempts in the past to present comparable data for the island of Ireland through a joint initiative between NISRA and the CSO which began with the publication of a report in 2001. This was updated through to 2003 when publication ceased. The joint NISRA CSO publication produced labour market estimates for both parts of the island of Ireland that adhered to both sets of age limits in a number of labour market indicators. This presented a very good snapshot, but due to the limited publication run, it lacked important time series analysis that could have been possible. There have been many publications since 2003 which have presented further snapshots of labour market indicators adjusted North and South, but these are often partial and sporadic.

The aim of this report is to present a number of labour market statistics based on a uniform working age population, in this case those aged 20-64. This will allow direct comparison of key labour market indicators and will crucially enable comparison over time. The data presented will cover 2013-2022.

Presenting data over time is very important, particularly given the significant disruption that has taken place over the last 10 years. This analysis allows us to see how both labour markets began their exit from the Great Financial Crash (GFC) and then subsequently absorbed the shocks of Brexit and the Covid-19 pandemic.

As the analysis begins in 2013, many of the indicators are still reflecting turbulence from the recession induced by the GFC. This is particularly the case for the Republic of Ireland as it experienced a much greater labour market disruption during the GFC and also took far longer to recover from it. The experience of both labour markets during the GFC is covered in previous NERI labour market analyses, but for this report, the analysis is limited to the last 10 years.

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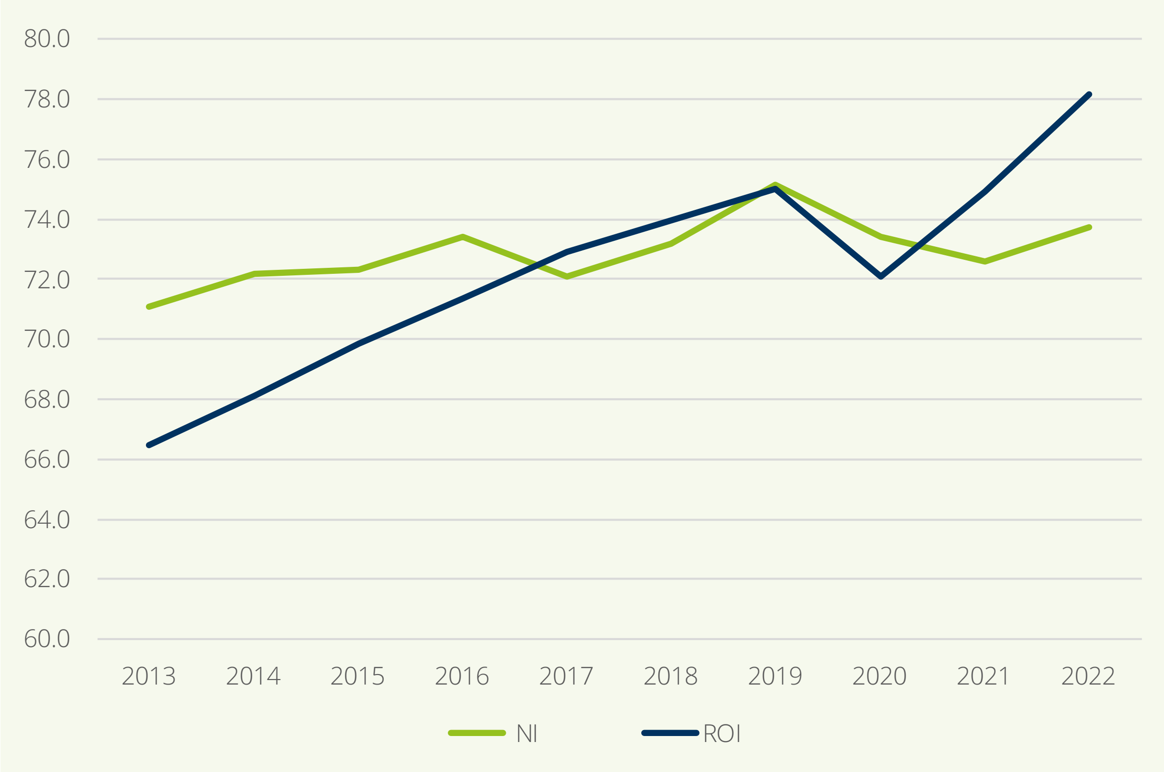
Employment, unemployment and inactivity

In order to make comparisons between countries or regions, indicators are often presented as percentages of the particular population or rates. While rates allow direct comparison, it also important to be clear about what the underlying population is for each indicator. For example, both employment and economic inactivity are measured as a percentage of the working age population. The working age populations is simply the number of people between an age range, in this case 20-64. In contrast, the unemployment rate is reported as a percentage of the labour force. The labour force is that part of the working age population that is economically active. Other indicators use subsets of the population to calculate rates and these are outlined throughout the following charts and sections.

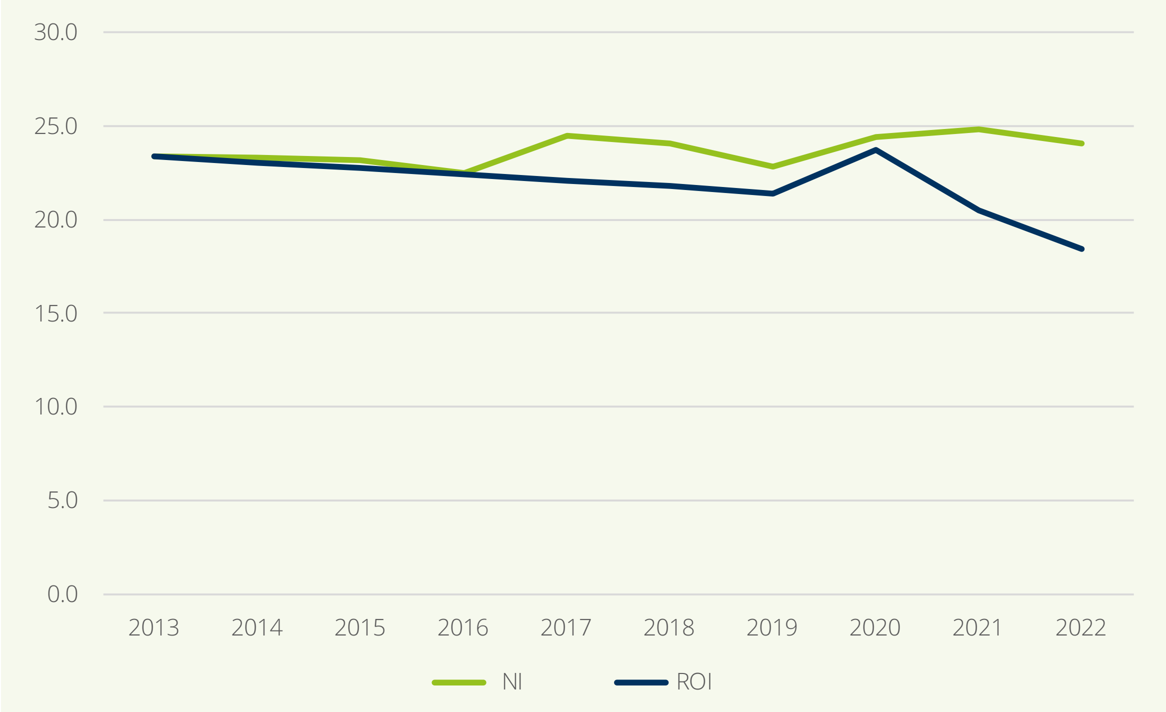
Chart 1 Employment Rate (20-64) Northern Ireland and Republic of Ireland 2013-22



Source: Labour Force Survey ROI and NI

Chart 1 shows employment rates for both regions from 2013 to 2022. It shows that there has been a complete reversal between both regions over the 10 years, with the Republic of Ireland (ROI) pulling strongly ahead particularly since the pandemic in 2020. In 2013 NI's employment rate for the 20-64 age group was 71.1% compared with only 66.5% for ROI. For the years following up to 2019, ROI saw consistent and strong growth in its employment rate, reaching 75% by 2019, a shift of 8.5 percentage points (pps) in just 6 years. This strong growth was only interrupted by the pandemic which brought the employment rate back down to 72%. After 2020 however, growth in the next two years exceeded the pace of growth in the pre-pandemic years with employment rates swiftly returning to 74.9% in 2021 and then increasing again to 78.2% in 2022. In NI, there has been growth in the employment rate, but the path has been much less robust. There was modest growth all the way to 2016 with rates reaching 73.4% in 2016. This was then followed by a fall to 72.1% in 2017 before returning to growth and reaching 75.2% in 2019, very close to, but still marginally above the rate in ROI. The drop in the employment rate in NI was similar to that of ROI in the pandemic, but the bounce back has been much weaker in NI. The rate of employment in NI fell to 73.4% in 2020 and then fell again to 72.6% in 2021. This further drop in 2021 was recovered in 2022 but NI is still below its pre-pandemic peak of employment. ROI began in 2013 4.6pps behind Northern Ireland (NI) in its employment rate and ended the decade 4.5pps ahead of it. For comparison, the equivalent employment rate for the UK as a whole went from 74.7% in 2013 to 78.6% by 2022, just marginally above ROI.

Chart 2 Economic Inactivity Rate (20-64) Northern Ireland and Republic of Ireland 2013-22



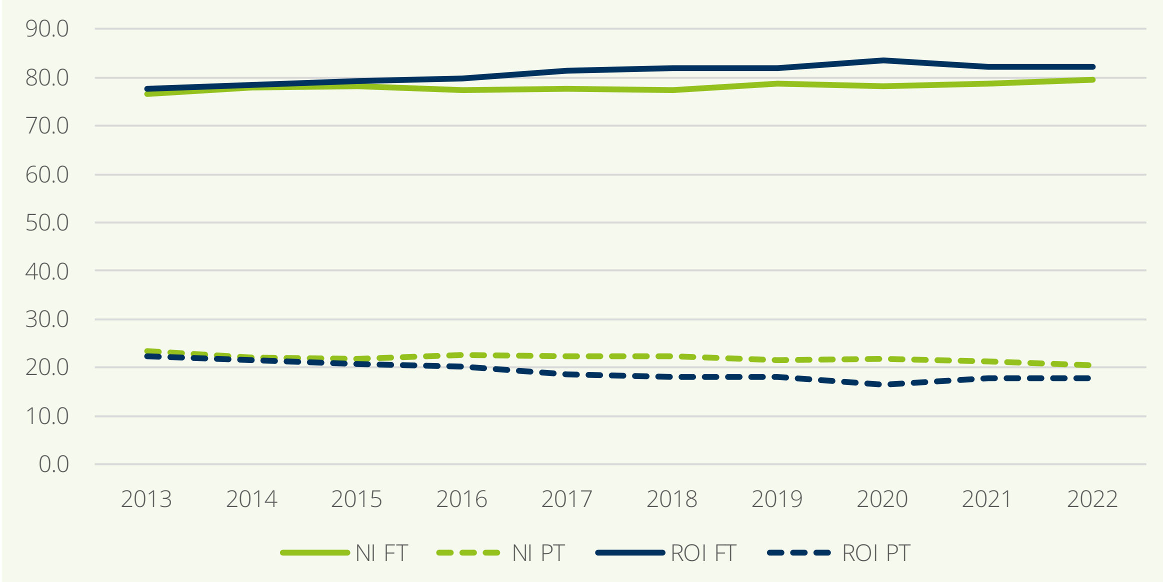
Source: Labour Force Survey ROI and NI

Looking at economic inactivity, Chart 2 shows that both NI and ROI had a very similar rate from 2013 up to 2017. Both began in 2013 with a rate of economic inactivity of 23.4% and there followed very gradual decline in both rates thereafter with the rate in NI edging just above that of the ROI in each year up to 2017. In 2017 there was a significant jump in the rate in NI increasing from 22.5% to 24.5% in a single year. The rate did fall back in 2018 and 2019 where it stood at 22.9% and looked as if it might return to the same trajectory as ROI in the following year. The ROI remained on the course of post-2013 gradual decline and reached 21.4% rate by 2019. The pandemic affected both NI and ROI with rates of inactivity increasing to 24.4% and 23.8% respectively. Much as it did with the employment rate, the pandemic had a second-year effect in NI with inactivity increasing further to 24.8% in 2021, while it fell to 20.5% in ROI. While the rate fell in NI in 2022 to 24.1%, the rate fell further again in ROI to 18.4%. Overall the aftermath of the pandemic has been quite different in terms of inactivity between ROI and NI. ROI is now far below its recent average and well below NI, and it would take a significant turnaround in NI for both regions to experience the very similar levels of inactivity that they began with in 2013.

It is worth noting that NI's rate of economic inactivity has been a much discussed feature of its labour market. The UK average rate of economic inactivity for 20-64 was 19.9% in 2013 and this fell to 18.8% in 2022. Inactivity is often cited as a key weakness in NI's economy. However, as Chart 2 shows, during the years 2013-18, ROI had the same rate of economic inactivity and this received far less attention in policy discussions there.

More often than not, NI's performance was being compared with that of the other UK regions, when in reality it was more closely aligned with ROI. The recent decline in inactivity in ROI means that NI does once again stand out in terms of its rate, but the experience of the last 10 years should inform future comparative analyses.

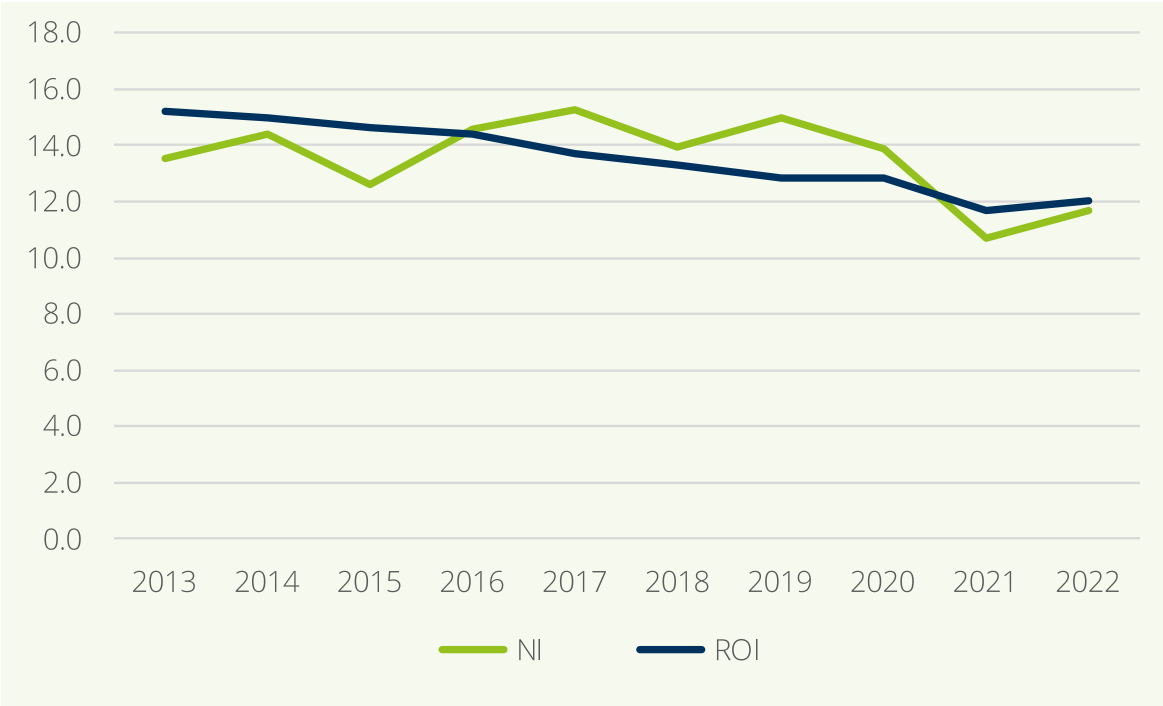
Chart 3 Full-time and Part-time Employment Rate (20-64) Northern Ireland and Republic of Ireland 2013-22



Source: Labour Force Survey ROI and NI

Moving to look at those in employment, Chart 3 shows the share of part-time and full-time in ROI and NI. Once again, what is noticeable is that both regions started out in 2013 with almost identical shares of full-time and part-time. Full-time employment accounted for 76.6% of employees in NI and 77.6% in ROI, with part-time accounting for 22.4% and 23.4% respectively. The rates for both remained broadly similar for both NI and ROI up until 2016 when there was a marked change. By 2015 full-time employment accounted for 78.1% of employees in NI compared to 79.2% in ROI, a gap of 1.1pps marginally up on the gap of 1pp in 2013. In 2016, NI full-time employment dropped 77.3% while in ROI it increased to 79.7%. NI recovered some of this drop in 2018 and then dropped again in 2020 before recovering again in 2021, ending in 2022 with a full-time employment rate of 79.5%. For ROI, growth in full-time continued right up to 2020 with any pandemic related effect only taking hold in 2021 where the full-time rate fell from 83.6% to 82.2% and remained unchanged in 2022. Once again, the overall picture is one where NI and ROI start out at similar points but begin to diverge, pre-pandemic, with the disruption of the pandemic merely adding to that initial change.

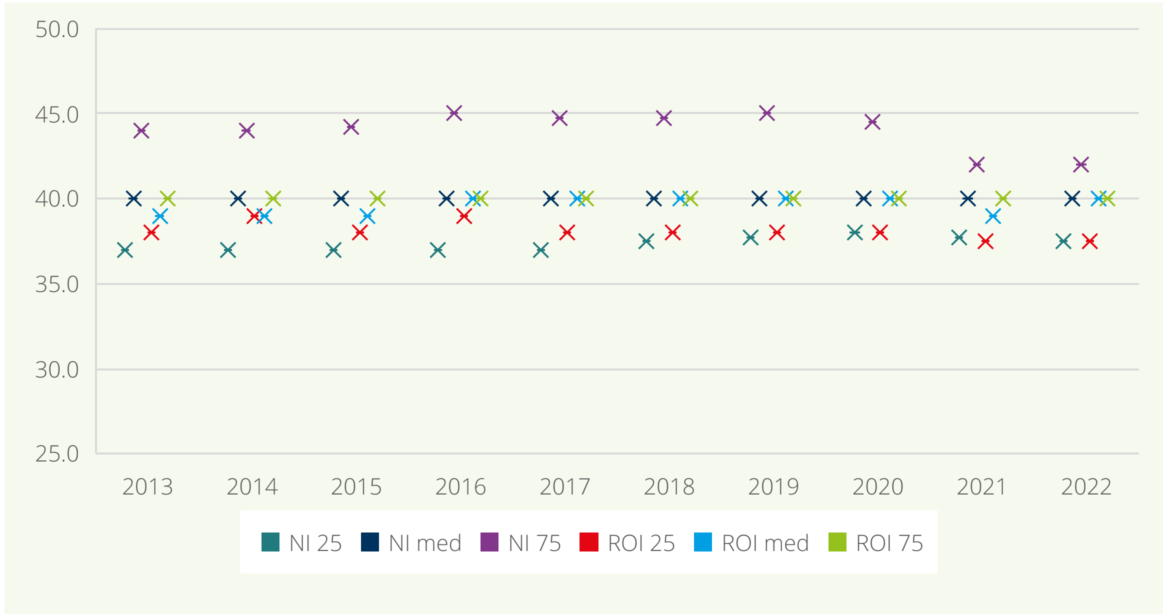
Chart 4 Self Employment Rate (20-64) Northern Ireland and Republic of Ireland 2013-22



Source: Labour Force Survey ROI and NI

Looking once again at the structure of employment, Chart 4 shows the level of self-employment in ROI and NI. What is immediately clear is that the path of self-employment has been more changeable in NI since 2013. The rate of self-employment in NI in 2013 was 13.5%, lower than that of 15.2% in ROI. While there is a gradual decline in ROI, the path in NI is much less clear. The NI rate falls to 12.6% in 2015 before jumping to 15.3% in 2017 and exceeding the rate in ROI. From then on, the rate stabilises at between 14% and 16%. There is then a significant fall in 2021 possibly owing to the impact of the pandemic. The rate of decline in self-employment also picks up in ROI in 2021, albeit not as significantly as in NI. By 2022, the rate of self-employment is almost equal between the two with ROI at 12% and NI at 11.7%.

Chart 5 Full-time hours worked by employees (20-64) Northern Ireland and Republic of Ireland 2013-22



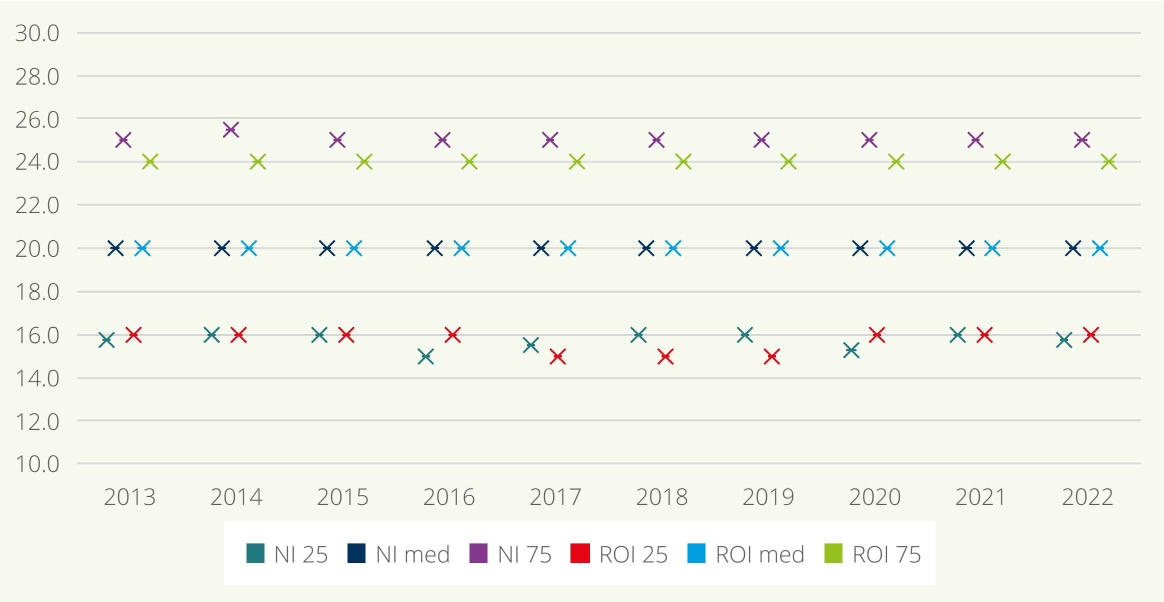
Source: Labour Force Survey ROI and NI

If we then look at hours worked for NI and ROI, Chart 5 shows total usual hours in main job for full-time workers. The chart shows how hours worked are distributed among workers. It shows what the median number of hours are, i.e. the number worked by the worker at the very centre of the distribution. As many workers work more than the median number of hours as work below the median number of hours. Chart 5 also shows the 25th and 75th percentile. The 25th percentile shows how many hours are worked by the person exactly halfway between the bottom and middle of the distribution. It also tells us that 25% of workers work this number of hours or less. The 75th percentile shows us the same for 25% of workers who work the most hours. Presenting percentiles is important because it shows a level of detail that can be concealed by just comparing the medians. Looking at median hours between NI and ROI would show that average hours worked are higher in NI. However, it would not show that the gap is largest at the upper end of the distribution, i.e. those who work more hours do so to a greater degree in NI.

The chart shows what the median hours worked is for full-time employees in NI and ROI and also shows the number of hours worked by those in the 25th and 75th percentile of full-time employees. For example, the red star above 2013 in the graph tells us that in 2013, the bottom 25% of full-time workers in ROI worked 38 hours or less. The dark green star tells us that in NI, the equivalent figure was 37 hours. This tells us that among those who work fewer hours in full-time employment, they work even fewer in NI. However, at the other end of the scale the opposite is the case. Among those who work a higher number of hours, full-time employees in NI work more than their counterparts in NI. In 2016, 25% of full-time employees in NI worked 45 hours or more. The equivalent figure for ROI was only 40 hours.

If we look at trends over time, we can see that NI had, by 2020, closed the gap at the lower end of the distribution and that hours worked at the upper end of NI's distribution has also fallen. The bottom 25% moved from working 37 hours or less in NI in 2013 to 37.5 hours or less by 2022. In ROI the bottom 25% went from working 38 hours or less to working 37.5 hours or less. If there was any discernible pandemic impact on working hours for those in full-time, it was to reduce hours worked. NI had reached a high 38 hours or less for the bottom 25% in 2020 before falling back. Similarly in ROI, the fall back to 37.5 hours or less only took place in 2021. At the upper end of the distribution, the pandemic reduced hours worked in NI for the upper 25% of full-time employees, but it had no impact in ROI where the upper 25% worked 40 hours or more consistently throughout the 10 years. In NI the upper 25% went from working a high of 45 hours or more in 2019, to working 42 hours or more by 2022. This is well below the 44 hour or more that were worked in 2013. The median hours worked for full-time employees is now the same for both economies, but there are still slightly more hours being worked at the upper end of the distribution of full-time employees in NI.

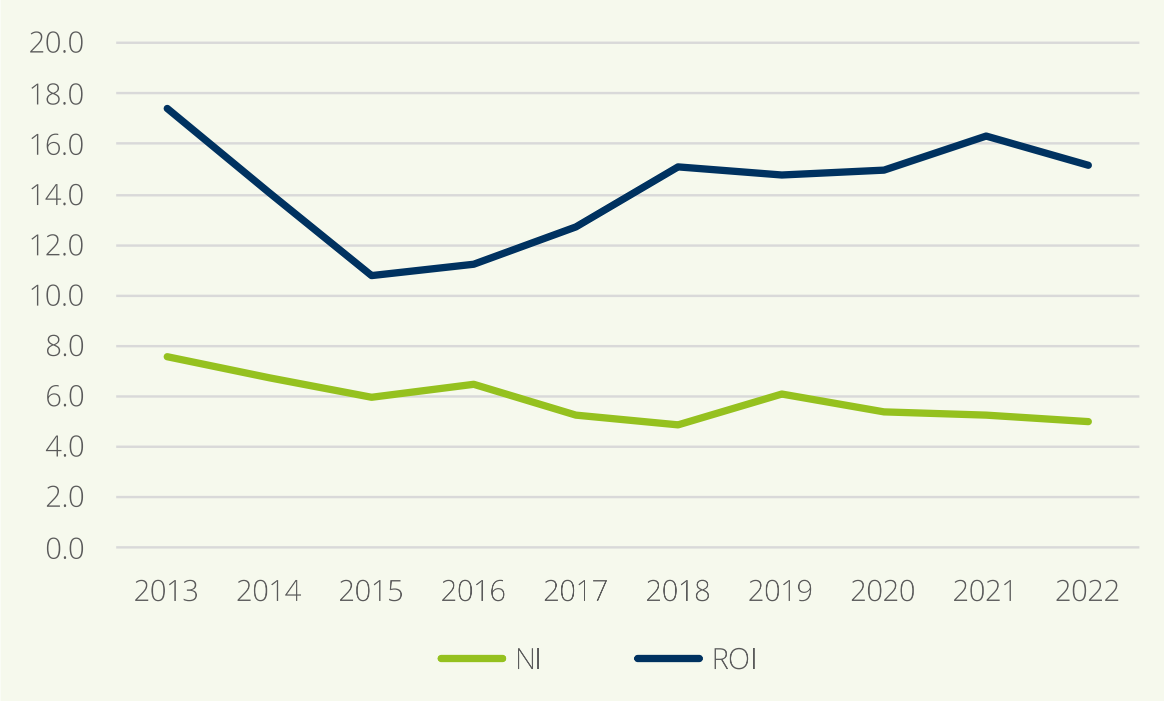
Chart 6 Part-time hours worked by employees (20-64) Northern Ireland and Republic of Ireland 2013-22



Source: Labour Force Survey ROI and NI

Turning to part-time employment, Chart 6 shows the distribution of hours in NI and ROI. What is immediately noticeable is that there is much less variation between NI and ROI in part-time hours. The median number of hours remains the same for both at 20 hours throughout the 10 years. The average number of hours worked by the bottom 25% falls from 16 hours or less to 15 hours or less in NI in 2017 before recovering back to 16 hours or less in 2020. The pandemic has had no identifiable impact. In ROI, the same effect in observed in 2016 and then again in 2020. At the upper end, the picture is much more consistent, part-time workers in the top 25% in NI work 25 hours or more while the same worker does 24 hours or more in ROI. The number of hours worked at the higher end of the distribution is consistently higher in NI over the entire period.

Chart 7 Percentage of those wanting more hours work (20-64) Northern Ireland and Republic of Ireland 2013-22



Note: Rate is as percentage of total employment (20-64)
Source: Labour Force Survey ROI and NI, authors calculation.

Looking more broadly at hours worked, Chart 7 shows how many employees desire more hours of work in their main job. What can be seen is that this has been noticeably higher in ROI compared to NI for many years. In 2013 17.4% of employees in ROI wanted to work more hours than they were currently doing, compared to only 7.6% in NI. The figures for ROI dropped significantly to 2015 when the figure was 10.8%, but by 2019, this had already risen again to 15.1%. There appears to have been no pandemic impact on this measure and apart from a jump to 16.3% in 2021, the figure for ROI has remained broadly stable at around 15%. In NI, the picture has been one of gradual decline. The rate jumped marginally in NI in 2016 and 2019 before falling back to 5% in 2022. This means that the gap between ROI and NI on this measure is actually wider in 2022 (10.2pps) than it was in 2013 (9.8pps). Given that significantly more workers would like more hours of work, and that ROI workers in many cases work fewer hours, there is clearly scope for this gap to be closed.

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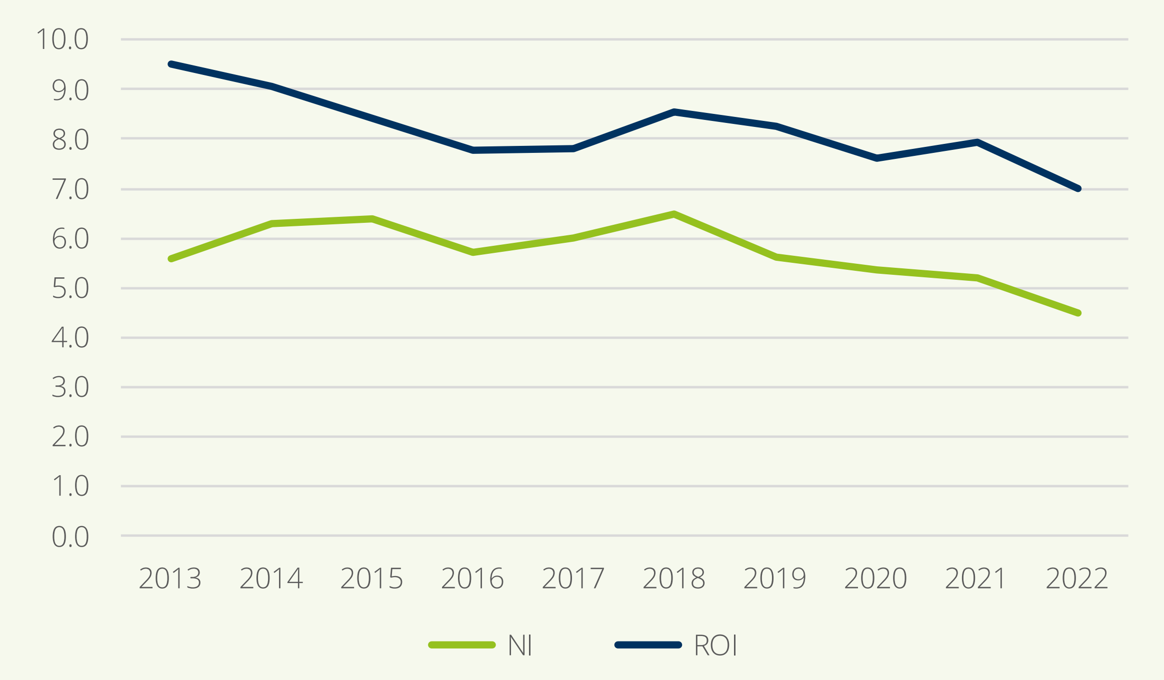
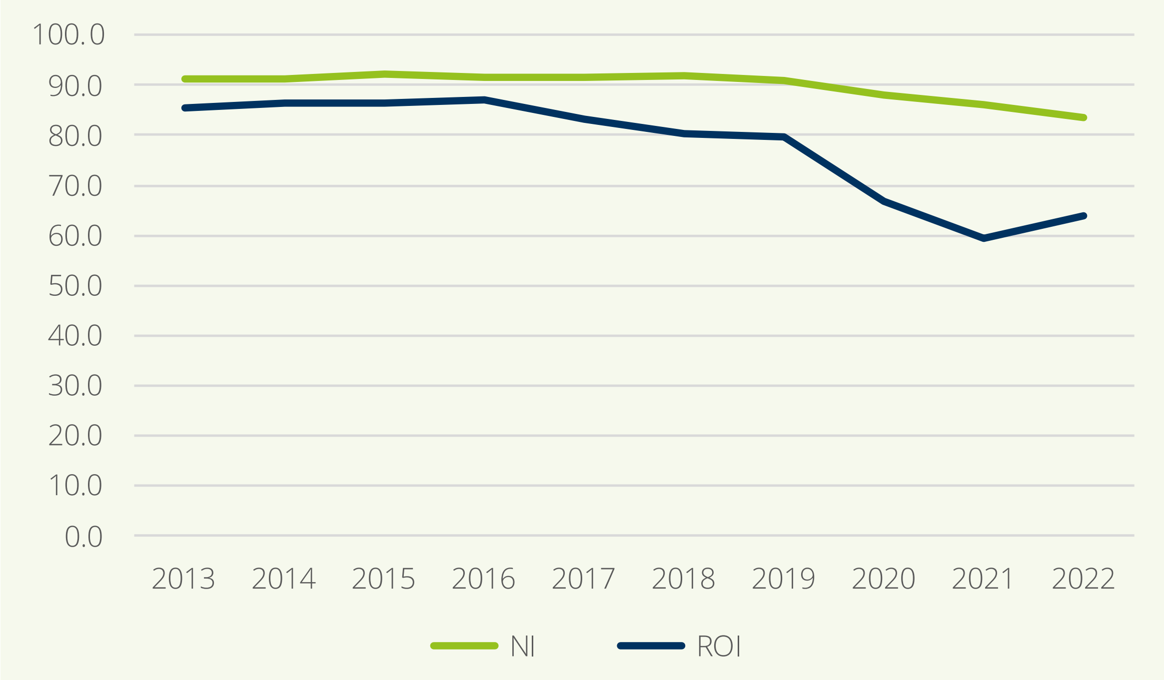
Chart 8 Rate of temporary employment (20-64) Northern Ireland and Republic of Ireland 2013-22



Note: Rate is as percentage of total employment (20-64)
Source: Labour Force Survey ROI and NI

Looking more broadly at patterns of employment, Chart 8 shows the proportion of employees whose job is in some way temporary in nature. This measure encompasses those who have a temporary job or whose contract of employment is of limited duration. Once again, while the trend has been downward in recent years for both ROI and NI, the rate is still significantly higher in ROI. In 2013, the rate of temporary employment was 9.5% in ROI compared to only 5.6% in NI. Up to 2019, the rate increased in NI reaching a high of 6.5% in 2018, before falling back to 5.6% the following year. If there has been any pandemic related impact, it seems to have had the effect of reducing the rate of temporary employment in every year up to 2022 where it stood at 4.5%. In ROI, the rate actually fell in the years leading up to 2018, falling to a low of 7.8% in 2015 and 2016, before climbing to 8.5% in 2018. Since then there have been steeper falls in every year with the exception of 2021, where the rate crept back up to 7.6%, before finishing in 2022 at 7%. The rate of temporary employment is still 1.4pps higher in ROI in 2022 than it was in NI back in 2013.

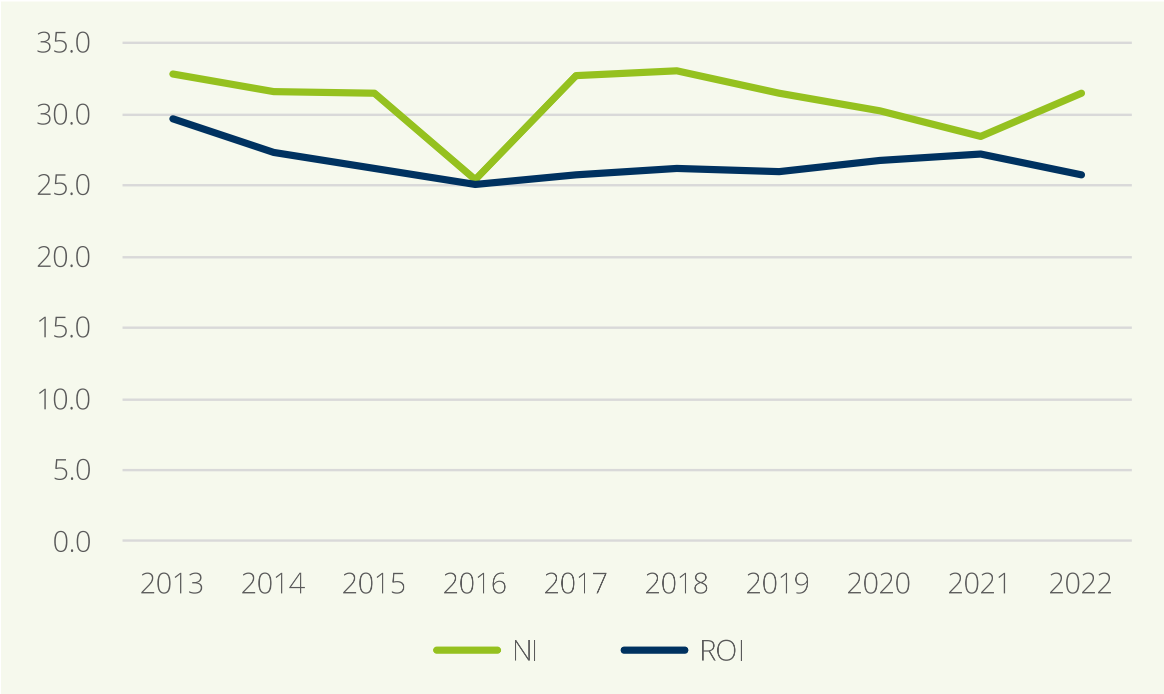
Chart 9 Percentage of those working outside the home (20-64) Northern Ireland and Republic of Ireland 2013-22



Note: Rate is as percentage of total employment (20-64)
Source: Labour Force Survey ROI and NI

The Covid-19 pandemic induced a whole series of changes to our labour market since 2020. Some of these changes have had a more lasting impact than others, but the move toward home working has been one of the most significant and persistent legacies of the pandemic. Looking at the patterns for NI and ROI it is clear that there was a large gap between both labour markets on working from home (WFH) to begin with. In 2013, 91.3% of all employees worked from outside of the home compared to only 85.5% of employees in ROI. The rate of home working remains fairly stable in NI in the years from 2013 to 2019, but in ROI, the shift toward home working is already in train by 2017 and this continues on in 2019. In ROI the proportion of people still working outside the home falls from 87% in 2016 to 78.7% in 2019, before any pandemic related issues come into play. Then as the pandemic comes into focus in 2020, we see shifts to home working in both NI and ROI, but the change is much more substantial in ROI. Interestingly, while NI sees falls in those working outside of the home in every year post-2020, ROI sees the rate fall in 2020 and 2021, but then increase again in 2023. Over the pandemic period, in NI the proportion of employees working outside of the home falls from 91% in 2019 to 83.5% in 2022. Whereas in ROI, it falls from 79.7% in 2019 to 66.9% in 2020 and then further to 59.5% in 2021 before bouncing back to 63.9% in 2022.

Chart 10 Rate of Trade Union Membership (20-64) Northern Ireland and Republic of Ireland 2013-22



Note: Rate is as percentage of total employees
Source: Labour Force Survey ROI and NI

Falling rates of workplace organisation and trade unionism have been observed in many parts of western Europe over the last 4 decades. Looking at NI and ROI we can see a picture of some stability in the proportion of workers who are members of trade unions over the last 10 years. In ROI, in 2013 trade union membership was 29.7% and this falls every year to 2017 where it reaches 25.7%. From 2018 onwards, the ROI figure stabilises within the 25-27% range ending up in 2022 at almost exactly the same level that in was in 2017. NI begins in 2013 above ROI with 32.8% trade union membership amongst employees and this falls as low as 25.4% in 2016, before firmly bouncing back to 32.7% in the following year. There is more volatility in the NI in the years from 2018 onwards as the rate of trade union membership ranges between 28.5% and 31.5% in the intervening years.

Unemployment

Looking next at how employment is spread across the sectors of the economy, Table 1 shows employment by the NACE (European Classification of Economic Activities) sector classification used by the Central Statistics Office and Eurostat. This requires some reclassification of the NI data as it is recorded under the UK Standard Industrial Classification (SIC) code of sectors. As SIC is more detailed than NACE, it is therefore easier to present comparable data using the latter classification. As chart 1 shows, between 2013 and 2022 employment in NI grew significantly, and therefore, even though the total numbers of employed in any one sector may stay the same or even increase

slightly, this may still result in a fall in the share of total employment. Table 1 shows that there have been significant falls in Industry (including Manufacturing), Wholesale and Retail and Hospitality. The relative decline of each of these three sectors took place in the first half of the 10-year period and well before the onset of the Covid-19 pandemic. The main increases in employment share took place in Professional and Technical along with a smaller increase in Information and Communication. The rest of the increases were spread out between all other sectors.

Looking next to ROI, Table 2 shows the same breakdown of employment over the same time period. The fall in Wholesale and Retail has been broadly similar to that in NI, but the fall in Hospitality has been more muted in ROI. This means that Hospitality now accounts for a much larger share of employment in ROI than it does in NI. Also, in contrast to NI, Industry (including Manufacturing) has slightly increased its share of total employment compared to a significant fall in NI. Growth in the Information and Communication sector has been of the same order as that in NI, but the sector now accounts for a much larger share of employment in ROI. Other notable contrasts include the Health sector which fell slightly more in NI than in ROI. Public Administration accounts for a much larger share of employment in NI, but the gap between NI and ROI is relatively unchanged over the 10 years. Once again, the figures in Tables 1 and 2 refer to the share of total employment, not absolute numbers and this should be emphasised before making comparisons.

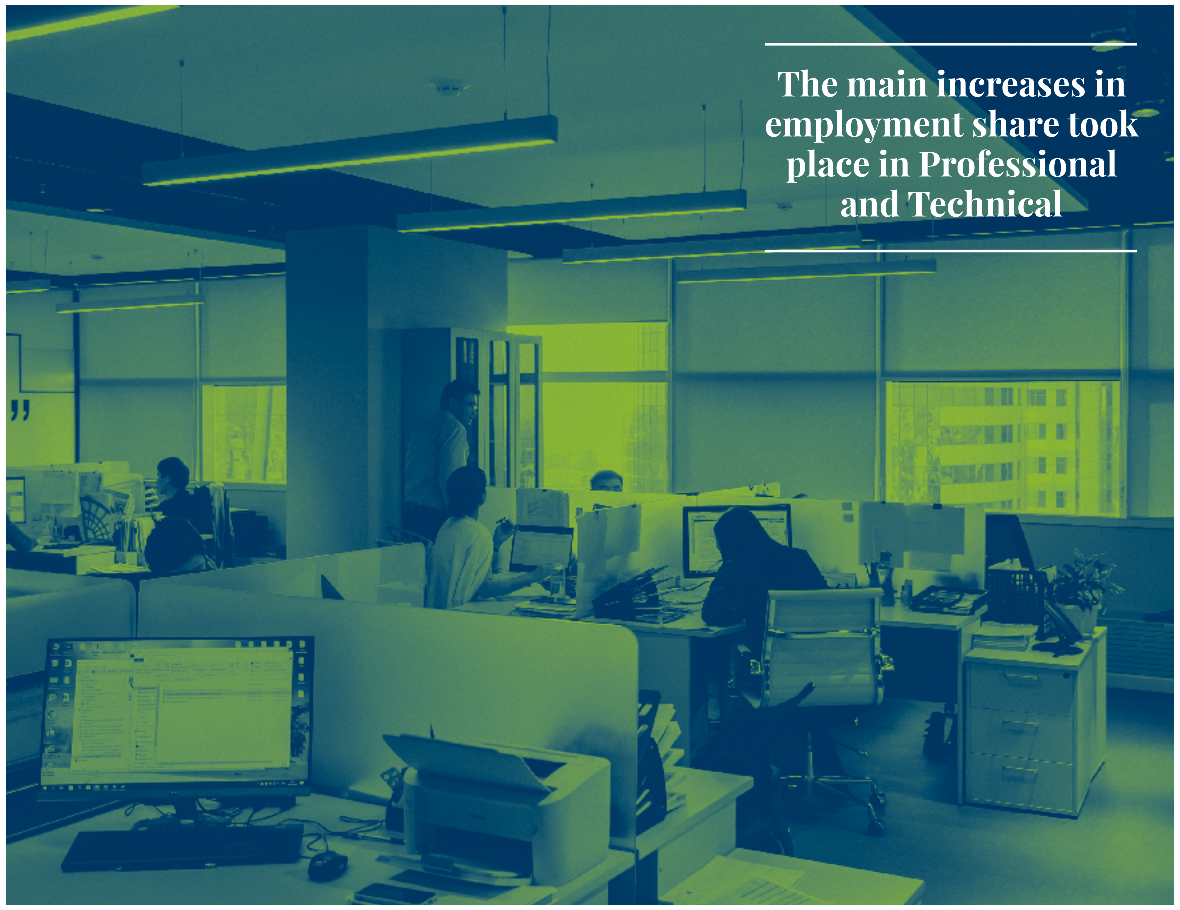


Table 1 Employment by NACE sector (20-64) Northern Ireland 2013-22

Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Agriculture	3.3	2.9	2.2	2.5	2.7	2.4	2.5	2.3	2.0	2.0
Industry (inc. Manufacturing)	13.0	12.9	12.8	13.1	12.7	13.9	12.1	11.4	11.9	11.1
Construction	7.2	8.1	8.3	7.6	7.9	7.5	7.7	7.9	6.3	7.0
Wholesale and Retail	15.0	12.9	13.8	13.9	12.8	11.5	12.6	12.4	12.6	12.7
Transport and Communications	3.3	3.7	5.1	4.9	3.0	3.5	4.4	4.0	3.9	3.8
Hospitality	5.4	4.5	4.2	5.1	5.4	4.4	3.9	4.3	3.6	3.5
Information and Communication	2.1	2.2	2.1	1.9	2.0	2.8	2.8	3.4	3.1	3.2
Finance and Real Estate	4.0	3.4	3.7	3.5	3.5	4.0	4.5	5.0	4.7	4.6
Professional, Scientific and Technical	3.7	4.0	3.8	5.6	7.0	6.2	5.9	6.0	6.0	6.4
Administration and Support	3.6	3.9	3.6	4.3	4.5	4.6	4.1	4.0	4.0	4.0
Public Administration	9.2	9.8	9.6	9.1	8.4	9.4	8.8	9.0	9.8	10.2
Education	9.6	10.9	11.0	9.7	9.8	9.3	10.3	9.8	11.1	10.4
Health	15.6	15.4	14.2	12.8	13.6	13.9	13.5	14.8	14.8	14.8
Other Services	4.3	4.8	4.6	5.3	6.3	6.1	6.5	5.4	5.6	5.7

Source: Labour Force Survey ROI and NI

Table 2 Employment by NACE sector (20-64) Republic of Ireland 2013-22

Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Agriculture	4.9	4.6	4.5	4.4	4.1	3.7	3.5	3.5	3.3	3.1
Industry (inc. Manufacturing)	13.1	13.0	13.2	13.4	13.4	12.9	12.9	13.4	13.5	13.3
Construction	4.5	4.8	5.4	5.7	6.0	6.4	6.4	6.1	5.8	6.6
Wholesale and Retail	14.2	14.0	13.7	13.4	13.4	13.0	12.7	12.8	12.3	11.8
Transport and Communications	4.4	4.4	4.4	4.4	4.3	4.4	4.6	4.5	4.3	4.4
Hospitality	6.7	6.9	6.8	6.8	7.0	7.4	7.1	5.7	5.1	5.5
Information and Communication	5.2	5.1	5.2	5.3	5.5	5.5	5.6	6.2	6.7	6.8
Finance and Real Estate	5.5	5.4	5.3	5.4	5.1	4.9	5.1	5.8	5.8	5.5
Professional, Scientific and Technical	6.3	6.5	6.4	6.5	6.2	6.1	6.1	6.4	6.9	6.7
Administration and Support	3.9	4.1	4.0	4.1	4.3	4.7	4.8	4.1	4.0	4.3
Public Administration	4.7	4.7	4.7	4.6	4.7	4.9	5.1	5.5	5.6	5.5
Education	7.6	7.6	7.5	7.4	7.6	7.8	8.2	8.6	9.2	8.6
Health	13.8	13.6	13.5	13.3	13.2	13.1	12.9	13.2	13.4	13.6
Other Services	5.4	5.3	5.4	5.4	5.2	5.2	5.0	4.3	4.2	4.4

Source: Labour Force Survey ROI and NI

Table 3 Employment by SIC Occupation (20-64) Northern Ireland 2013-22

Occupation	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Managers, Directors & Senior Officials	8.9	6.7	7.2	7.7	7.7	7.9	8.4	8.1	8.0	7.9
Professional	19.2	20.1	19.7	19.0	19.5	19.4	21.0	23.0	24.2	24.4
Associate Professional	9.4	10.2	10.5	9.8	10.3	10.7	10.9	12.4	12.2	11.2
Administrative And Secretarial	11.7	12.5	12.4	11.5	11.3	13.0	11.4	11.1	11.4	11.6
Skilled Trades	14.5	14.2	13.1	13.7	13.4	13.0	13.1	11.7	10.1	10.7
Caring, Leisure And Other Service	10.0	10.2	9.2	9.7	10.1	9.4	9.6	9.7	8.9	9.5
Sales And Customer Service	8.3	7.0	8.3	9.8	8.8	8.8	9.1	8.8	9.4	9.0
Process, Plant And Machine Operatives	7.0	7.4	8.9	8.2	7.9	7.8	7.0	6.4	7.1	6.8
Elementary Occupations	10.3	11.3	9.6	10.1	10.3	9.5	9.0	8.5	8.0	8.5

Source: Labour Force Survey ROI and NI

Table 4 Employment by SIC Occupation (20-64) Republic of Ireland 2013-22

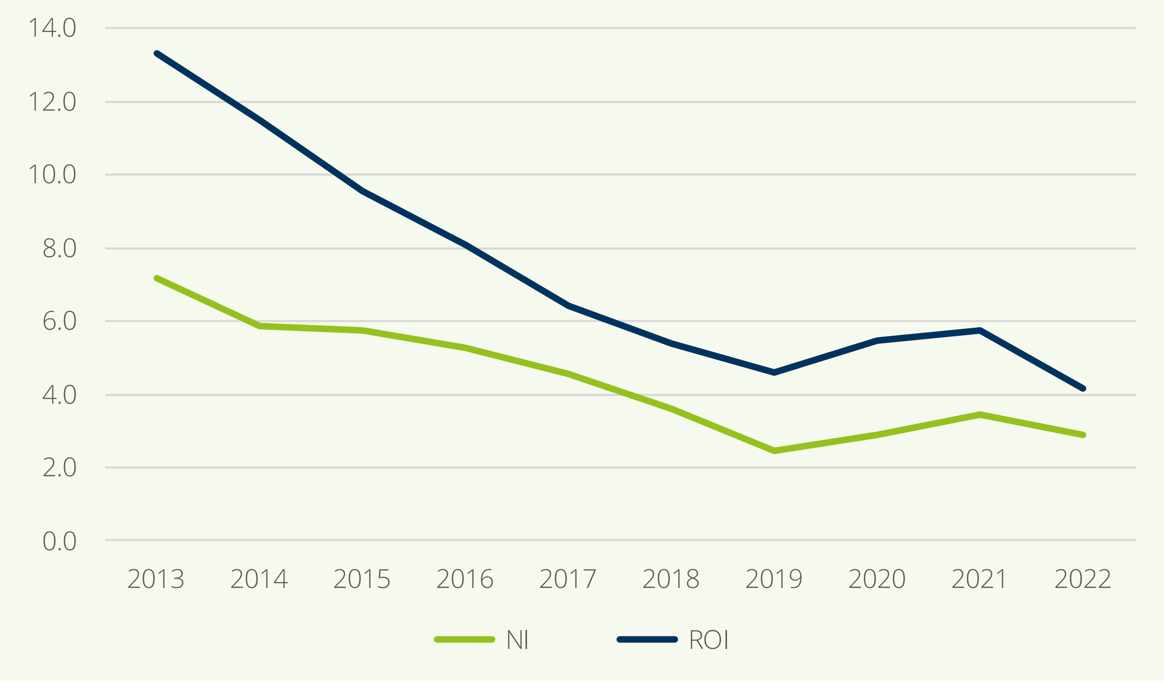
Occupation	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Managers, Directors & Senior Official	8.4	8.5	8.7	8.9	8.9	8.5	8.1	8.4	8.8	9.2
Professional	21.3	20.6	20.5	20.7	20.8	21.2	21.8	23.1	23.7	23.2
Associate Professional	12.4	12.7	12.9	13.0	12.8	12.3	12.1	13.0	13.8	13.7
Administrative And Secretarial	10.4	10.5	10.0	9.9	9.9	10.0	10.3	11.1	11.3	10.6
Skilled Trades	13.1	13.5	13.6	13.5	13.7	13.6	13.1	12.5	11.3	12.3
Caring, Leisure And Other Service	7.4	7.6	8.0	8.0	8.3	8.4	8.5	8.2	8.2	8.4
Sales And Customer Service	7.8	7.7	7.7	7.5	7.6	7.8	7.8	7.3	7.1	6.7
Process, Plant And Machine Operatives	7.8	7.5	7.6	7.8	7.6	7.9	8.1	7.7	7.4	7.7
Elementary Occupations	11.2	11.4	11.0	10.7	10.4	10.4	10.3	8.9	8.5	8.3

Source: Labour Force Survey ROI and NI

Looking next at occupations, Table 3 shows the share of employment in each occupational group in NI under the UK SOC (Standard Occupational Classification) 90 classification. As this classification is also used for ROI data, no further reclassification is necessary. Table 3 shows that Professional Occupations have seen the largest increase over the 10 years jumping from 19.2% in 2013 to 24.4% in 2022. This followed by a smaller increase in Associate Professionals which increased from 9.4% to 11.2% over the same period. At the same time the biggest drop-off has been in Skilled trades which fell from 14.5% in 2013 to 10.7% in 2022. Elementary Occupations also saw a fall from 10.3% to 8.5% but there was also fall in Managers, Directors and Senior Officials which fell from 8.9% to 7.9%.

Table 4 shows the occupational share of employment in ROI over the same period. The increase in Professionals and Associate Professional occupations is replicated in ROI, but the changes are not just as large. Professionals increased from 21.3% to 23.2%, while Associate Professionals increased from 12.4% to 13.7%. Similarly, there was a falloff in Skilled Trades and Elementary Occupations, but the magnitude of the decline is smaller in the former and larger in the latter for ROI. In contrast to NI, Managers, Directors and Senior Officials in ROI increased its share of total employment. Caring and Leisure decreased its share in NI and increased it in ROI, while Sales and Customer Service Occupations increased in NI and fell in ROI.

Chart 11 Unemployment Rate (20-64) Northern Ireland and Republic of Ireland 2013-22

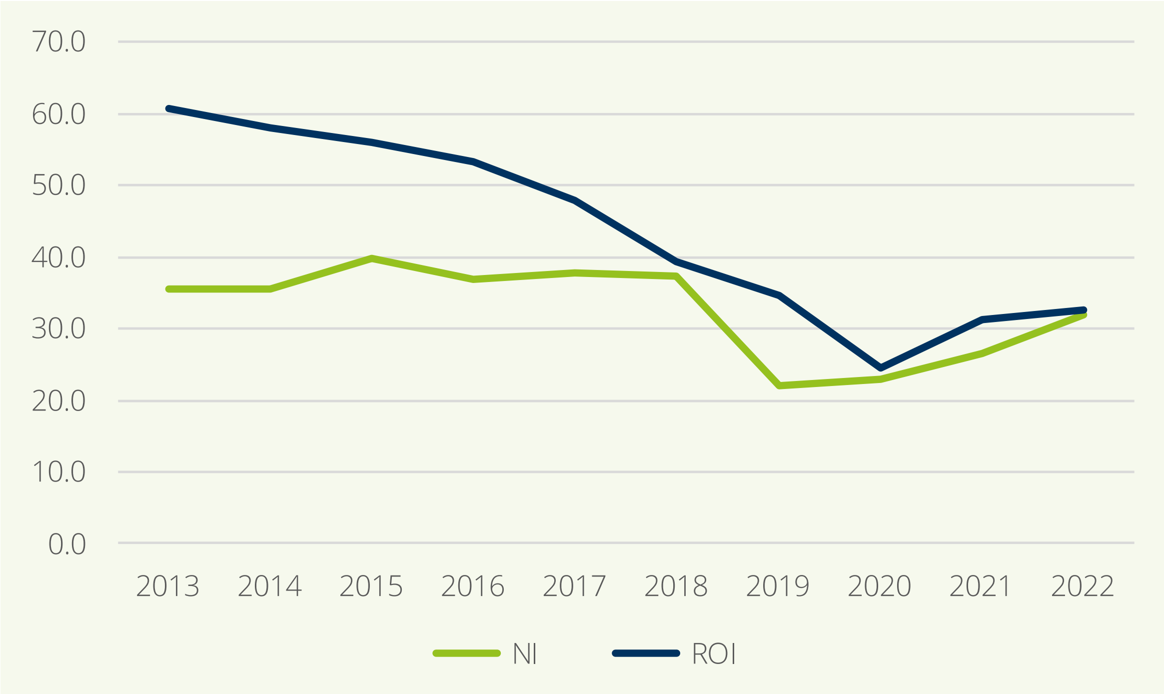


Note: rate is as percentage of economically active population (20-64)
Source: Labour Force Survey ROI and NI

Looking next to unemployment, what is common to both regions is the significant decline in the unemployment rate over the last 10 years. The difference in unemployment rates between NI and ROI was quite stark in 2013 with ROI recording 13.3% and NI recording almost half that rate at 7.2%. Both regions saw significant declines in every year thereafter up until 2020. The rate fell to 2.5% in NI and 4.6% in ROI. The pandemic saw increases in both unemployment rates in 2020 with NI increasing to 2.9% and a larger increase to 5.5% in ROI. In contrast to both the employment rate and the rate of economic inactivity, the pandemic managed to push up the unemployment rate in both ROI and NI in 2021 with the rate jumping to 5.7% and 3.4% respectively. While the increase in NI in 2021 was of the same order as that of 2022, the increase was smaller in ROI. Both NI and ROI then saw decreases in 2022 to 2.9% and 4.2% respectively. Overall, in the 10 years, the decline has been most dramatic in ROI where the rate has fallen by 9.1pps from 13.3% in 2013 to 4.2% in 2022. In NI, the

decline has been a more modest 4.3pps. While the unemployment rate is 1.3pps lower in NI, as Chart 2 shows the gap could be more than explained by the much higher rate of economic inactivity in NI.

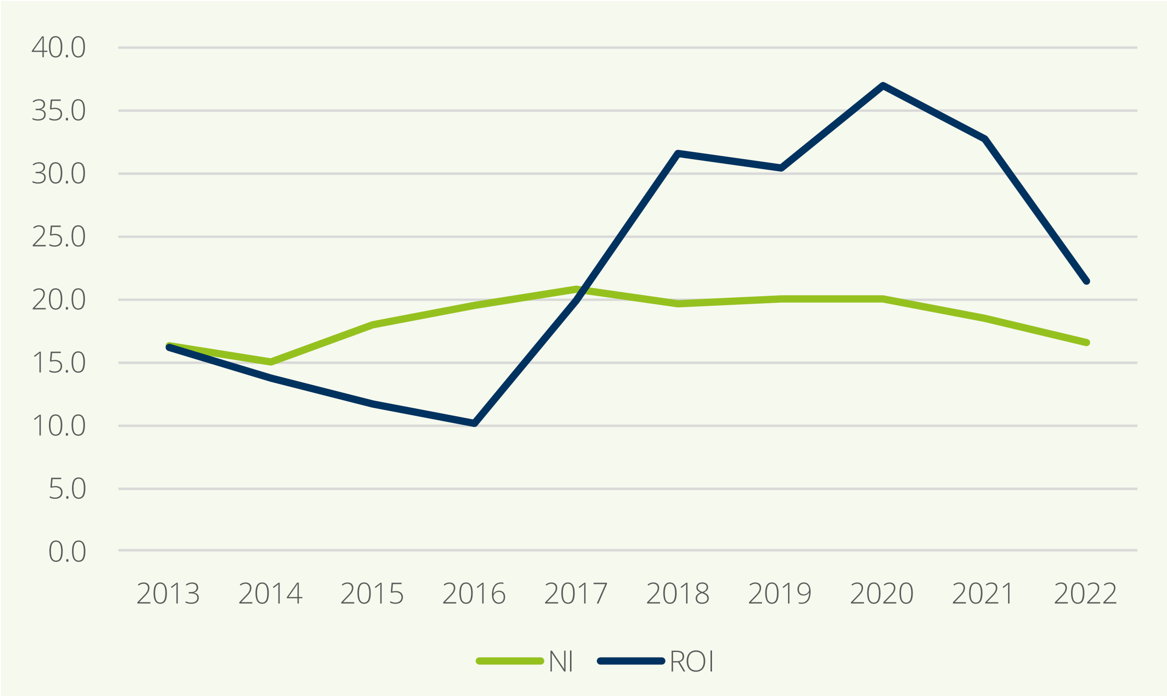
Chart 12 Long term Unemployment Rate (20-64) Northern Ireland and Republic of Ireland 2013-22



Note: Rate is as a percentage of total unemployed
Source: Labour Force Survey ROI and NI

Looking at those in long term unemployment (defined as 12 months or longer) Chart 12 shows that, like unemployment more generally ROI began with a much higher rate, but the decline has been even more dramatic on this measure. For NI, in 2013 the rate of long-term unemployment was 35.5% and that remained static in the following year. There was then a jump up to 39.8% in 2015 but the rate then began to drop before falling quite sharply to 22.1% in 2019 and only rising marginally to 22.9% in 2020. The rate begins to climb steadily after that reaching 32% in 2022. In ROI in 2013, the rate of long-term unemployment stood at 60.7%. The difference in long term unemployment rates between NI and ROI in 2013 largely matches the gap in overall unemployment rates. After 2013 the rate begins to fall in ROI, but only gradually in the first 3 years so that by 2016, the rate is still 53.4%. In 2017 the rate of decline begins to increase sharply so that by 2020 it has more than halved to 24.5%. As in NI, the pandemic effect on long term unemployment does not kick in until 2021. This is to be expected as long-term unemployment is, by its nature, a lagged indicator. The ROI rate climbs to 31.2% in 2021 and 32.5% in 2022. So, in 2013 the gap in long term unemployment between NI and ROI stood at just over 25pps, but by 2022, the rates have almost equalised.

Chart 13 Percentage of economically inactive who would like work (20-64) Northern Ireland and Republic of Ireland 2013-22



Note rate is as percentage of economically inactive population
Source: Labour Force Survey ROI and NI

To be counted as unemployed in a labour force survey, the respondent in question must be actively looking for work in the previous month or to be ready for work in the next fortnight. This measure excludes many people out of work who would seek work but are prevented from doing so by their immediate circumstances. The labour force survey can capture an estimate of this group by seeking to measure those who are not currently looking for work but would like to work in the future. Chart 13 shows the number of those who are not currently seeking work, but would like a paid job, as a proportion of the economically inactive population. In NI in 2013, 16.4% of those economically inactive would like to have worked but were not actively seeking it at the time. The rate dipped in 2014 before climbing steadily to a high of 20.8% by 2017. This elevated rate remains stable until 2021 when the rate falls from 20% to 18.5% in 2021, before returning to 16.6% in 2022, only marginally above where it began in 2013. For ROI, the starting point in 2013 is just below that of NI at 16.2%. The rate falls consistently up until 2017 when it jumps from a low of 10.2% back up to 19.9%. It then jumps again to 31.6% in 2018 and remains stable until 2020 when it jumps to a new high of 37%. The rate falls in 2021 and then more substantially in 2022, ending up at 21.5%.

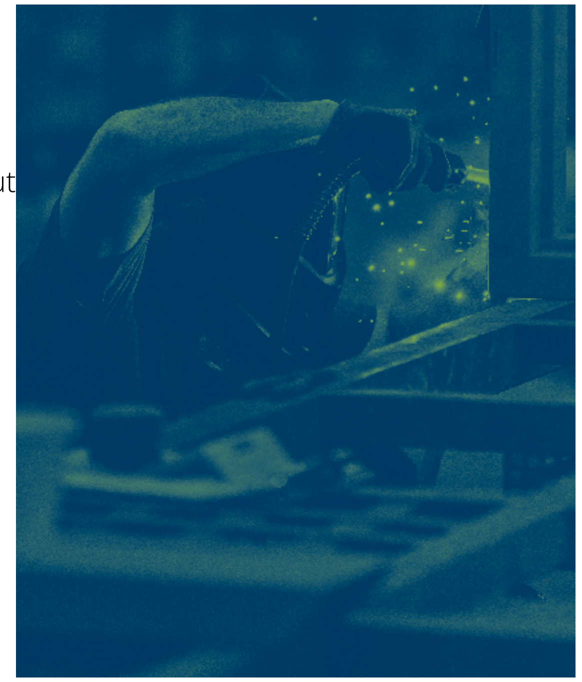
Overall, it is another case where both ROI and NI have begun in 2013 with almost identical positions and end up in 2022 in quite different spaces. The rate of willingness to work is much more volatile in ROI, but given the much smaller proportion of economically inactive, this may not be that surprising. As the economically inactive population in NI is more stable over the 10 years, it is more plausible that that group remains quite similar and that move toward willingness to work are more gradual and less dramatic.

Conclusion

The experience of the labour markets in NI and ROI over the past 10 years has been turbulent. Beginning with the lingering effects of the GFC and then faced with the economic shocks of Brexit and the Covid-19 pandemic. Having a comparable set of statistics, North and South, allows us to see how these shocks have impacted both labour markets from their initial positions. While the impact of the pandemic can be seen in the indicators covering employment and unemployment, it is more difficult to discern a BREXIT impact. While there are some indications of a weakening position in the NI labour market in 2016-18, it is marginal. In reality, given that the UK's final exit did not take place until 2020, it is difficult to disentangle these impacts from those related to the pandemic. It can be seen that on many measures the two labour markets began in quite a similar position and ended up far apart and the reverse is true on many other measures. On some indicators, very little has changed between the two regions and on some measures, it remains to be seen whether recent trends will continue over the medium term.

Of the findings presented here there are some which could prompt further research. Firstly, economic inactivity is an issue which has prompted much policy work in NI, but less so in ROI. While the pandemic has changed the path of economic inactivity in ROI considerably, it is worth emphasising that ROI was able to begin in 2013 with almost exactly the same level of economic inactivity and bring it down considerably over the following 10 years. This experience should be mined to see what, if any, lessons can be brought to bear on reducing economic inactivity in NI. While in the past many of the policy proposals on inactivity in NI have focused on reaching UK averages, it would be more fruitful in the future to look at reaching levels achieved in ROI.

Hours of work is another area where a broader examination would be warranted. Given the disparity in productivity between the two regions, it is clear that this gap is not only created through lower overall output, but also a significantly greater number of hours going in to produce it. The fact that these extra hours are concentrated among those who already work long hours could help understand where significant productivity gaps lie within sectors and occupations.



Finally, NI does seem to perform more strongly on certain measures in the labour market relating to temporary employment and underemployment. Not only does ROI have higher reported levels on both these measures, it also exhibits much greater volatility than NI. Such volatility may be due to the fact that the growth in employment has been much stronger in ROI over the last number of years, and much of this growth may have come from, or may have resulted in, increased temporary employment. The increased levels of underemployment may suggest that the employment growth there has been in ROI may not be enough to satisfy the demand for work for some cohorts.

This report has set out to present a comparable time series of a selection of labour market statistics for both NI and ROI. While these results only give a partial analysis, they may point to the way for areas of further research that may prove fruitful for policy analysis.

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