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Young Workers and Employment:

The extent, structure & security of employment for young workers in Northern Ireland

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SUMMARY

This *Research InBrief* looks in detail at how young workers have been faring in the labour market in Northern Ireland since the 2007-2008 global economic crisis. It presents evidence on the rate of employment and the structure of employment arrangements amongst young workers in Northern Ireland. In particular, we focus on the extent, structure and security of employment for young workers and how this has been changing over time. Young workers are defined within this *Research InBrief* as those aged 16-24.

Looking at trends in the rate of employment it is clear that the 2007-2008 economic downturn had a deep negative effect on employment amongst young workers, from which they are still seeking to recover. Additionally, whilst we might expect the youth unemployment rate to be higher than the working age rate, the gap between the two has widened since the 2007-2008 economic crisis.

Structural changes in the labour market since the economic crisis in 2007-2008 have significantly altered the nature of employment in Northern Ireland for young workers. Employment for young workers is now much more likely to be part-time and insecure in nature.

KEY POINTS

- In recent years the labour market has been performing strongly in terms of the quantity of jobs. This is evidenced by continued and sustained increases in the rate of employment in the years following the 2007-2008 economic crisis. By 2017 a full 'recovery' had been made in terms of the rate of employment.
- This recovery has not been shared across all workers however, and employment rates amongst young workers have still not recovered to their pre-crisis levels.
- Employment has become more insecure for all workers since the 2007-2008 economic crisis, but significantly more so for young workers. Almost 16% of young workers, who are not combining work with study, were employed on a temporary basis over the period April 2018 to March 2019. This compares to 6.2% of those of working age in employment.
- In 2018-2019, 28.5% of non-student young workers were employed on a part-time basis and 39% of non-student young workers were only in a part-time job because they could not find a full-time job.

Introduction

International evidence shows that young workers were particularly negatively impacted by the 2007-2008 global economic crisis (OECD, 2010). However, there has been a lack of research which has looked specifically at how young workers have been faring in the Northern Irish labour market.

This *Research InBrief* looks in detail at young workers in the labour market in Northern Ireland since the 2008 global economic crisis. It presents evidence on the rate of employment and the structure of employment arrangements amongst young workers in Northern Ireland. In particular, we focus on the extent, structure and security of employment for young workers and how this has been changing over time.

Data

The data utilised in this study is drawn from, the Annual Population Survey datasets from 2007-2019 conducted by the Northern Ireland Statistics and Research Agency in Northern Ireland and the Office for National Statistics in Great Britain and was accessed via the [UK data service](#). The Annual Population Survey is a continuous household survey, which covers all regions of the UK. It is not a stand-alone survey; it uses data combined from 2 successive waves of the main [Labour Force Survey \(LFS\)](#) over four quarters. Each quarter's LFS sample of private households is made up of five waves. Each cohort is interviewed in 5 successive

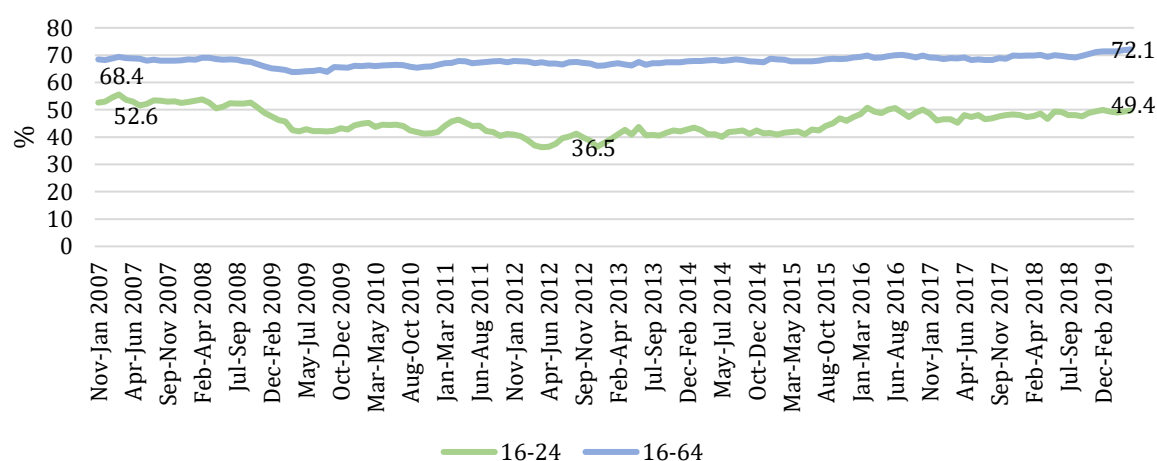
quarters, so that in any one quarter, one cohort receive their first interview (this is wave 1), another cohort their second (this is wave 2), and so on. Young workers are defined within this *Research InBrief* as those aged 16-24.

Trends in employment amongst young workers

The latest data show that the employment rate for young workers (the proportion of people aged between 16-24 who were in work) was 49.4%. Young people in full-time education are included in the employment estimates if they have a job. That being said, young people are much more likely than the working-age population at large to still be in full-time education and thus not engaged in the labour market. As such, rates of employment amongst young workers are expectedly significantly below that of the working-age population as a whole for whom the employment rate was 72.1%.

Importantly, however, looking at trends in the rate of employment it is clear that the 2007-2008 economic downturn had a deep negative effect on employment amongst young workers, from which they are still seeking to recover. Specifically, Figure 1 shows that over the period 2007 to 2012 there was a sharp decline in the employment rate for young workers, declining from 52.6% in Nov-Jan 2007 to a low of 36.5% by Sept-Nov 2012. Since then, the rate of employment for young workers has been

Figure 1: Seasonally adjusted employment rate, by age, 2007-2019



steadily increasing, although it still has not returned to where it was pre-crisis.

In contrast, whilst the working age population as a whole also experienced a decline in the rate of employment in the years following the economic crash in 2007-2008, the rate of employment has now surpassed where it was pre-crisis. Moreover, whilst the labour market has been performing well in recent years in terms of creating a considerable number of new jobs for young workers, there still remained 18,000 fewer young workers in employment in May-July 2019 than in Nov-Jan 2007. This is in the context of there being 77,000 more workers aged 50-64 over the same period.

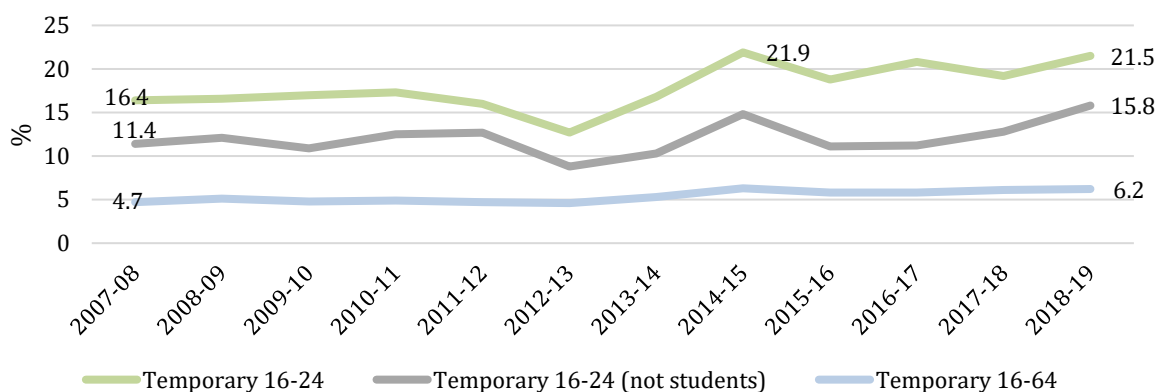
The rise of temporary employment amongst young workers

When we look within the labour market to the structure of employment it is clear that employment has become less secure in nature, marked by a rise in temporary employment over the period since the 2007-2008 economic crisis. Young workers however are much more likely than those of working-age to be in temporary employment. Specifically, 6.2% of all of those of working-age in employment were employed on a temporary basis over the year April 2018 to March 2019. For young workers, we present separately estimates for all young workers and young workers who are not students and so are not combining work with education. This is important because one might expect young workers who are combining work with

education to be more likely to be in temporary employment than workers as a whole. Thus, evidence that higher proportions of young workers are employed on a temporary basis than all workers might not come as much a surprise. However, it is clear from the data that young workers who are not combining work with study are still much more likely than those of working-age in employment to be in temporary employment. Specifically, in 2018-2019 15.8% of young workers who were not combining work with study were in temporary employment. What is more, this rate has increased significantly since the 2007-2008 when 11.4% of non-student young workers were employed on a temporary basis.

Interestingly, as temporary employment amongst young workers has been increasing there has been a decline in the proportion of non-student young workers who are involuntary temporary employed i.e. those who are only in temporary employment because they could not find permanent employment. Specifically, in 2007-2008 63.6% of non-student young workers were involuntary temporary employed by 2018-2019 this declined to 38%. In absolute terms there are still many more non-student young workers who are involuntary temporary employed because they could not find a permanent job than there was in 2007-2008. This is because temporary employment has increased as a share of the labour force. Nonetheless, further research is needed to investigate changes in the reasons for

Figure 2: Percentage of labour force in temporary employment, by age, 2007-2019



temporary employment amongst non-student young workers. In particular this research should focus on why there has been such a significant drop in the proportion of temporary employed non-student young workers who did not want a permanent job.

The rise of part-time employment amongst young workers

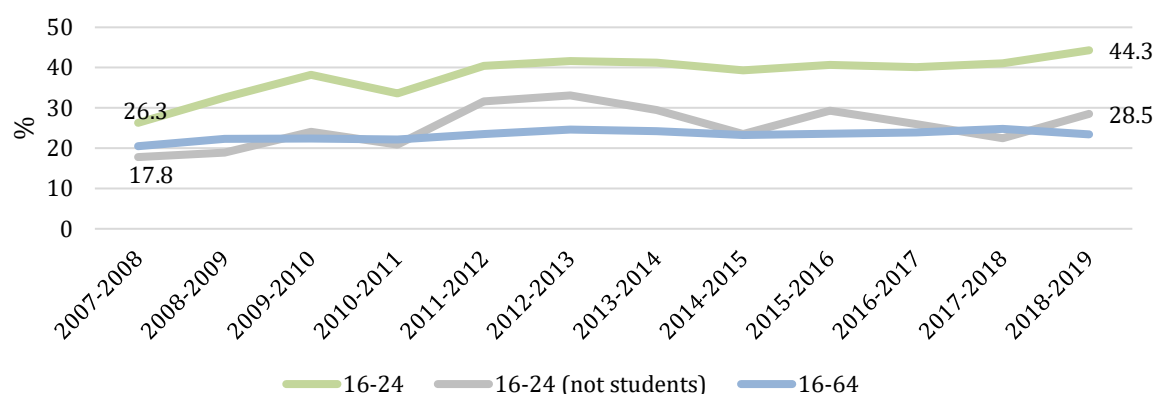
In terms of working hours, the increase in part-time employment since the 2007-2008 economic crisis is notable across all workers, but particularly so for young workers. As shown in Figure 3 below in 2007-2008 17.8% of non-student young workers were employed on a part-time basis and 26.3% of all young workers were employed on a part-time basis, by 2018-2019 this had increased to 28.5% and 44.3% respectively.

workers who are only in part-time employment because they could not find a full-time job. Specifically, in 2007-2008 28.5% of non-student young workers were only in a part-time job because they could not find a full-time job. By 2018-2019 this had increased to 39%.

Conclusion

Structural changes in the labour market since the economic crisis in 2007-2008 have significantly altered the nature of employment in Northern Ireland for young workers. Employment for young workers is now much more likely to be part-time and insecure in nature.

Figure 3: Share of labour force in part-time employment, by age, 2007-2019



It is important to remember that this increase in part-time employment is in the context of increasing employment and appears to represent a structural change in the way people are employed in the Northern Irish labour market. This, in and of itself, is not necessarily bad and indeed some may argue that it illustrates that many workers are opting for more flexible working arrangements. The problem, however, is that part-time jobs tend to be lower paid, tend to offer less security and have little opportunities for skills development or career progression (Wilson, 2017; Wilson, 2019).

Moreover, as more and more young workers are employed on a part-time basis, we are also seeing a rise in the proportion of young

References

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