

Underemployment in Northern Ireland

Labour Force Survey, January - March 2015

Date: June 2015

Geographical Area: Northern Ireland

Theme: Labour Market



Northern Ireland has a higher rate of economic inactivity compared to the rest of the United Kingdom. However, among the working population there are also those who would like to work more hours. Under international definitions these people are referred to as the “underemployed”.

This short topic paper examines the scale of this issue in Northern Ireland.

Key Points

- One worker in fifteen or 53,000 workers would like to work more hours.
- The proportion of workers who were underemployed has doubled since 2008. In the three years up to 2008 underemployment stood around 4% (Figure 1).
- Just below 1 in 5 part-time workers wanted to work more hours (34,000 part-time workers – Figure 2).
- Northern Ireland had a lower proportion of workers wanting to work more hours (6.5%) than the UK average (9.6%).
- Northern Ireland underemployment rate has been consistently below the UK average over the last 10 years.

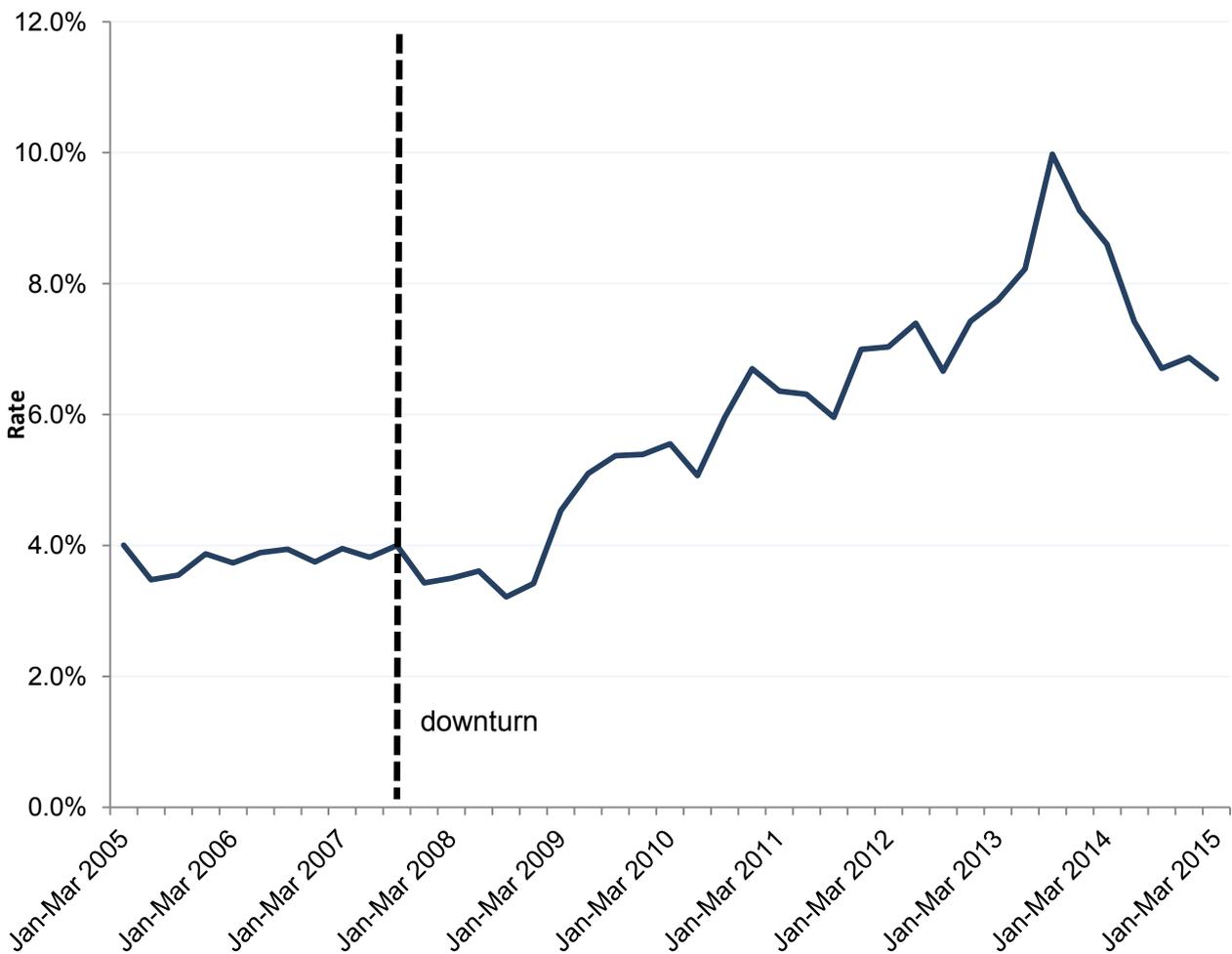
Underemployment in Northern Ireland

Underemployment refers to the under-use of the working population. In this topic paper it solely relates to those people who would like to work more hours but cannot do so. The International Labour Organisation definition is given in the box below.

Definition of underemployment: A person who is in employment, working less than 48 hours per week, would like to work more hours and is available to start in the next fortnight.

It is estimated based on the Labour Force Survey (January - March 2015) that 831,000 people were employed in Northern Ireland. Of these 53,000 were underemployed or 6.5% of workers¹. The change over time in the proportion of workers who were underemployed is shown in Figure 1 below.

Figure 1: Underemployment rate in Northern Ireland (2005 to 2015)



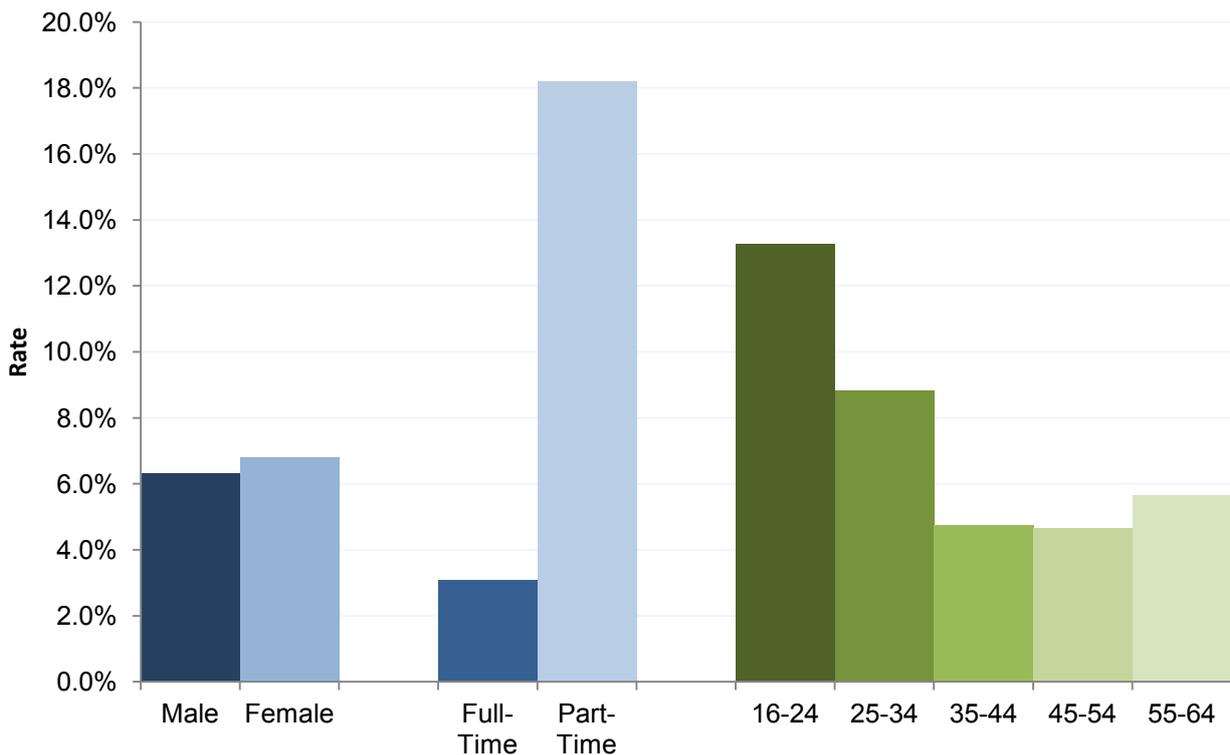
¹ Underemployment rate calculated as a percentage of those in employment who answered the underemployment question (811,000).

Characteristics of the underemployed

Looking in more detail at the underemployed indicates that:

- females were slightly more likely to want to work more hours than males (7% of female workers were underemployed and 6% of male workers were underemployed)
- part time workers were significantly more likely to be underemployed than full-time workers² (18% of part-time workers were underemployed and 3% of full-time workers were underemployed). In total there were 34,000 underemployed part-time workers
- Younger workers were more likely to be underemployed (13% of 16-24 year olds and 9% of 25-34 year olds were underemployed).

Figure 2: Underemployment rate by characteristics of the working population



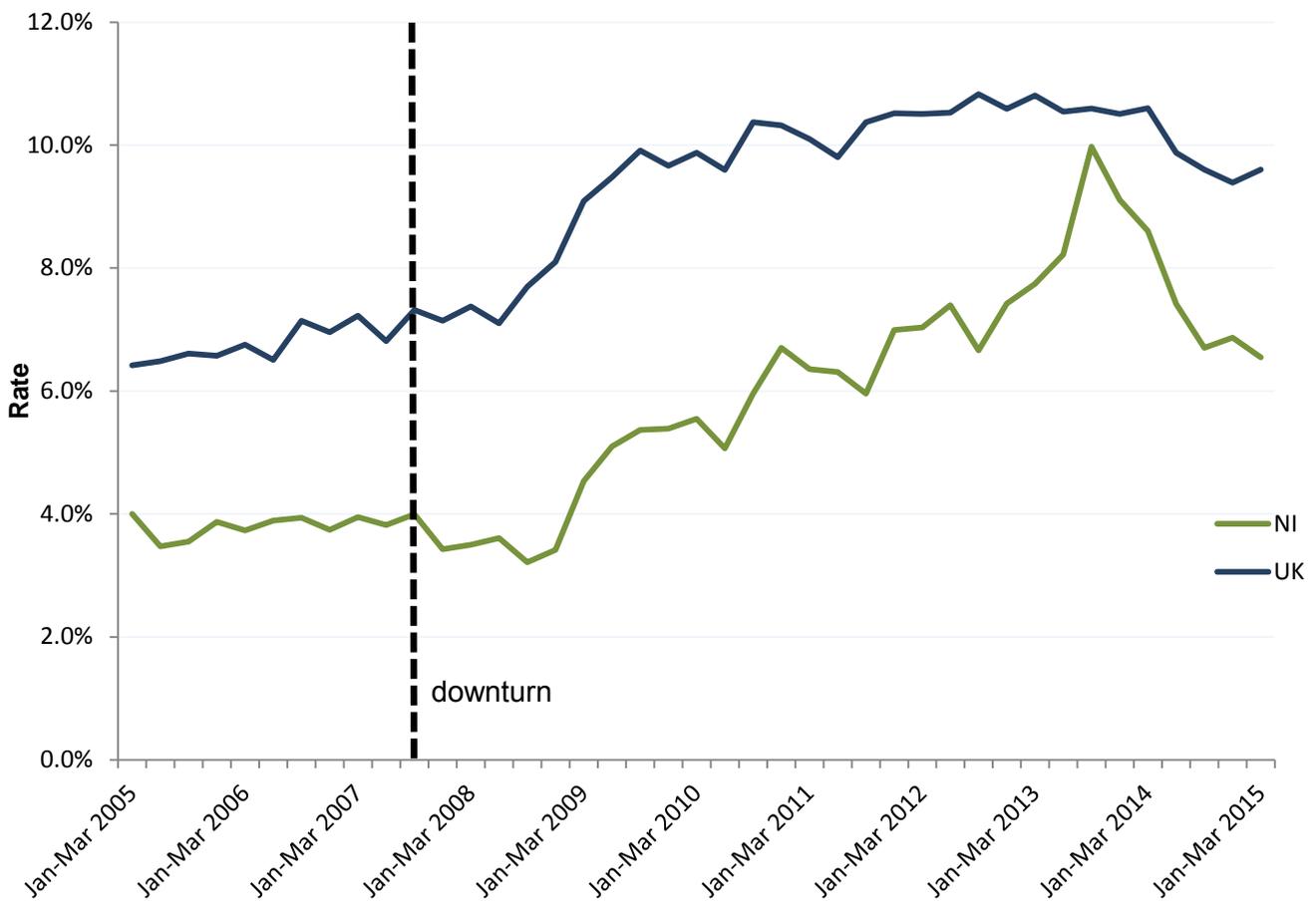
² A full time worker is self defined on the LFS with 30 hours or more per week being used as a general guide.

Comparison with United Kingdom

Northern Ireland had a lower rate of underemployment than the UK average (see Figure 3). In total 9.6% of workers across the UK were underemployed - there were 2.9 million underemployed workers across the United Kingdom. In Northern Ireland there were 53,000 underemployed workers or around 6.5% of all workers.

Figure 3 also shows that Northern Ireland has had a lower rate of underemployment than the UK over the last decade. The gap between Northern Ireland and the UK rates has ranged from 0.6 to 4.7 percentage points throughout this period.

Figure 3: Underemployment rate in United Kingdom and Northern Ireland (2005 to 2015)



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FURTHER INFORMATION

The Labour Force Survey (LFS) is a voluntary sample survey carried out by interviewing individuals in households. It is the most comprehensive source of information on their circumstances and work. Figures taken from the LFS are subject to sampling error that decreases as the sample size increases. Above estimates are not seasonally adjusted.

ILO Definition

Underemployed workers are those people in employment who would like to work more hours, either by working in an additional job, by working more hours in their current job, or by switching to a replacement job. They must also be available to start working longer hours within two weeks and their current weekly hours must be below 40 hours if they are between 16 and 18 and below 48 hours if they are over 18.

More labour market and economic statistics can be found at:

www.statistics.defini.gov.uk

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