

The labour market and productivity

Dr Philip Wales

Head of Productivity

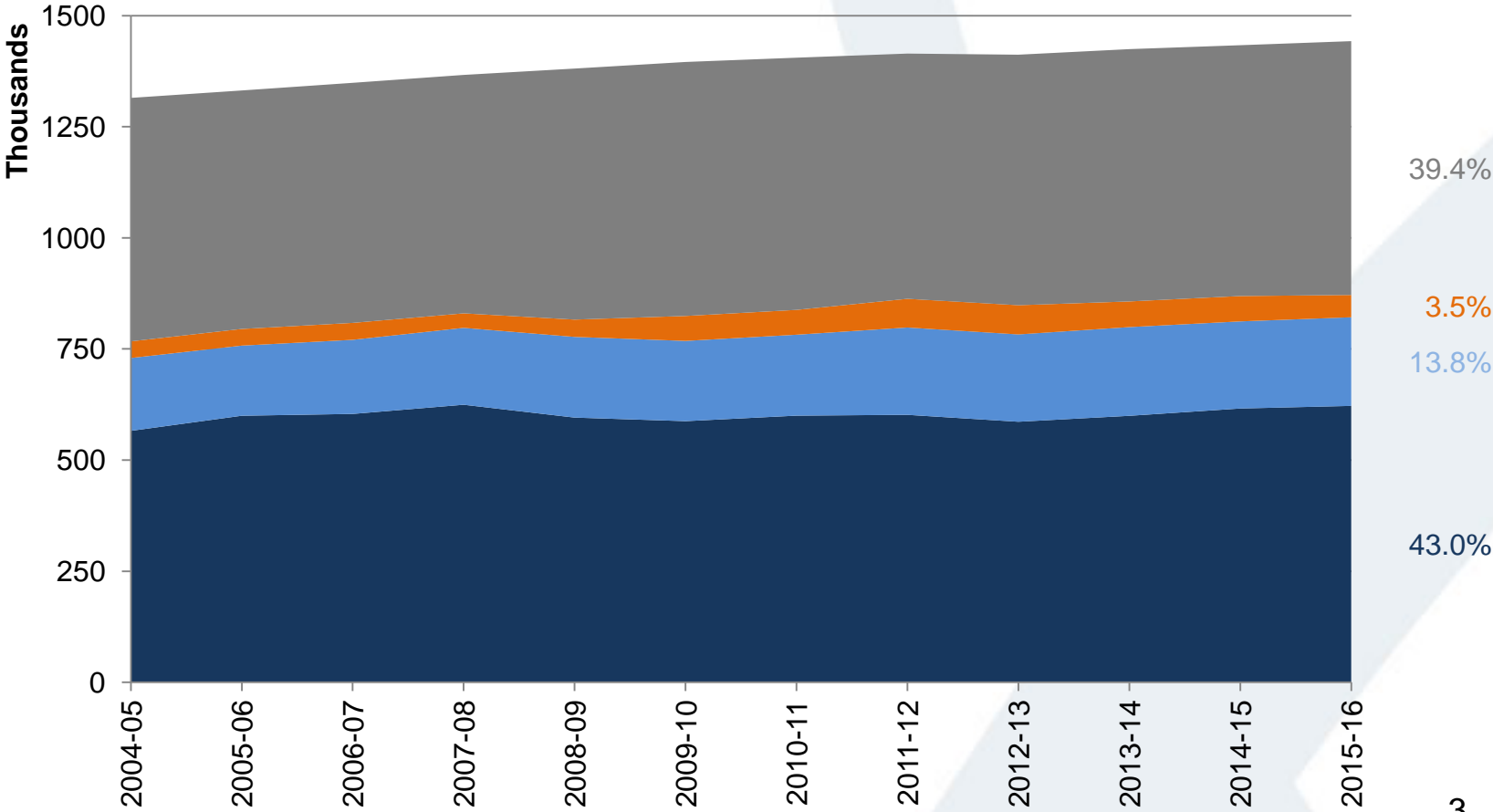
Labour market and productivity

- **Headline labour market quantities data**
- Key differences of the NI labour market
- Earnings in the NI and UK labour markets
- Productivity

The labour market in Northern Ireland

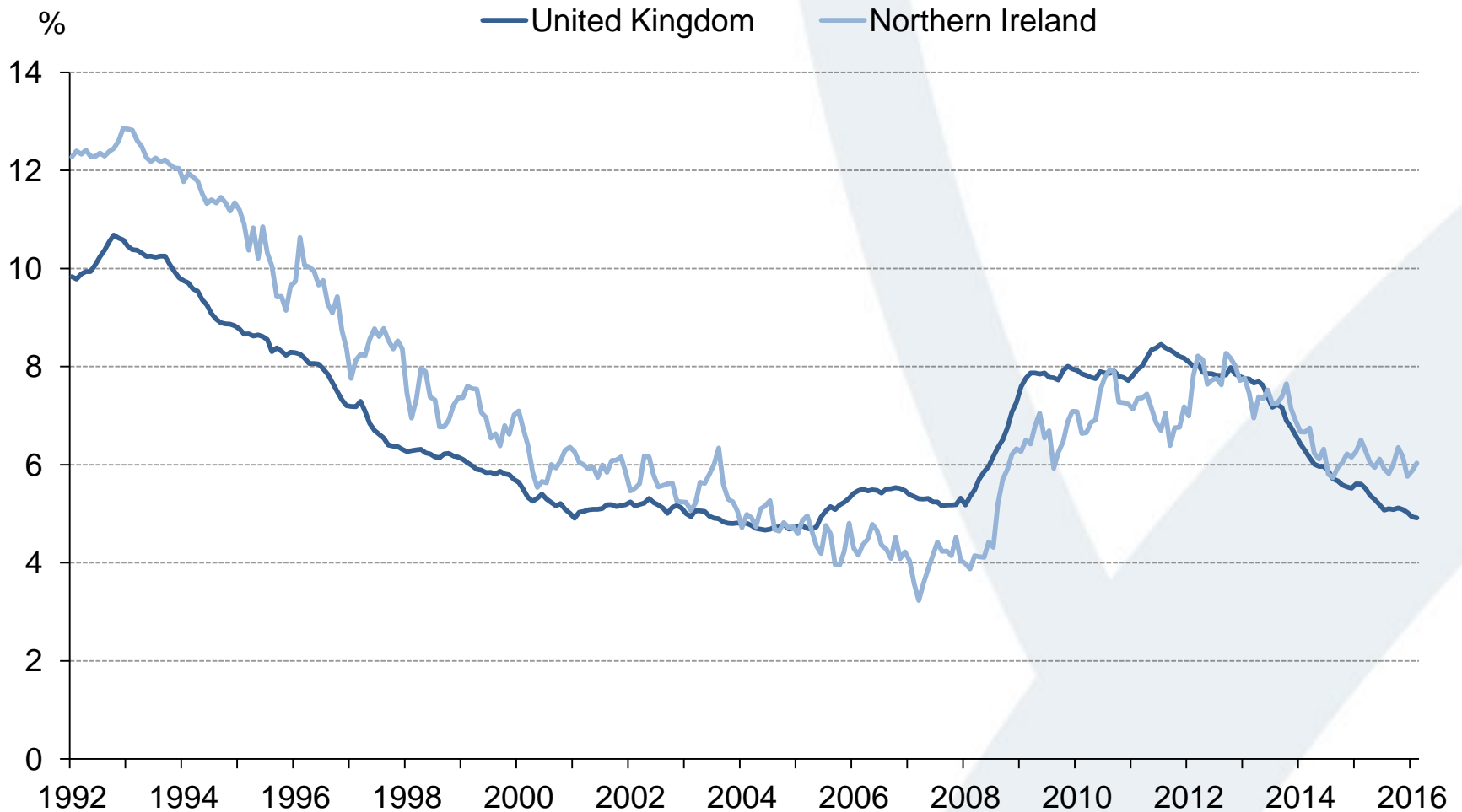
Labour market status of the NI population – all 16+

■ Full time Employment
 ■ Part time Employment
 ■ Unemployed
 ■ Inactive



Source: Labour Force Survey

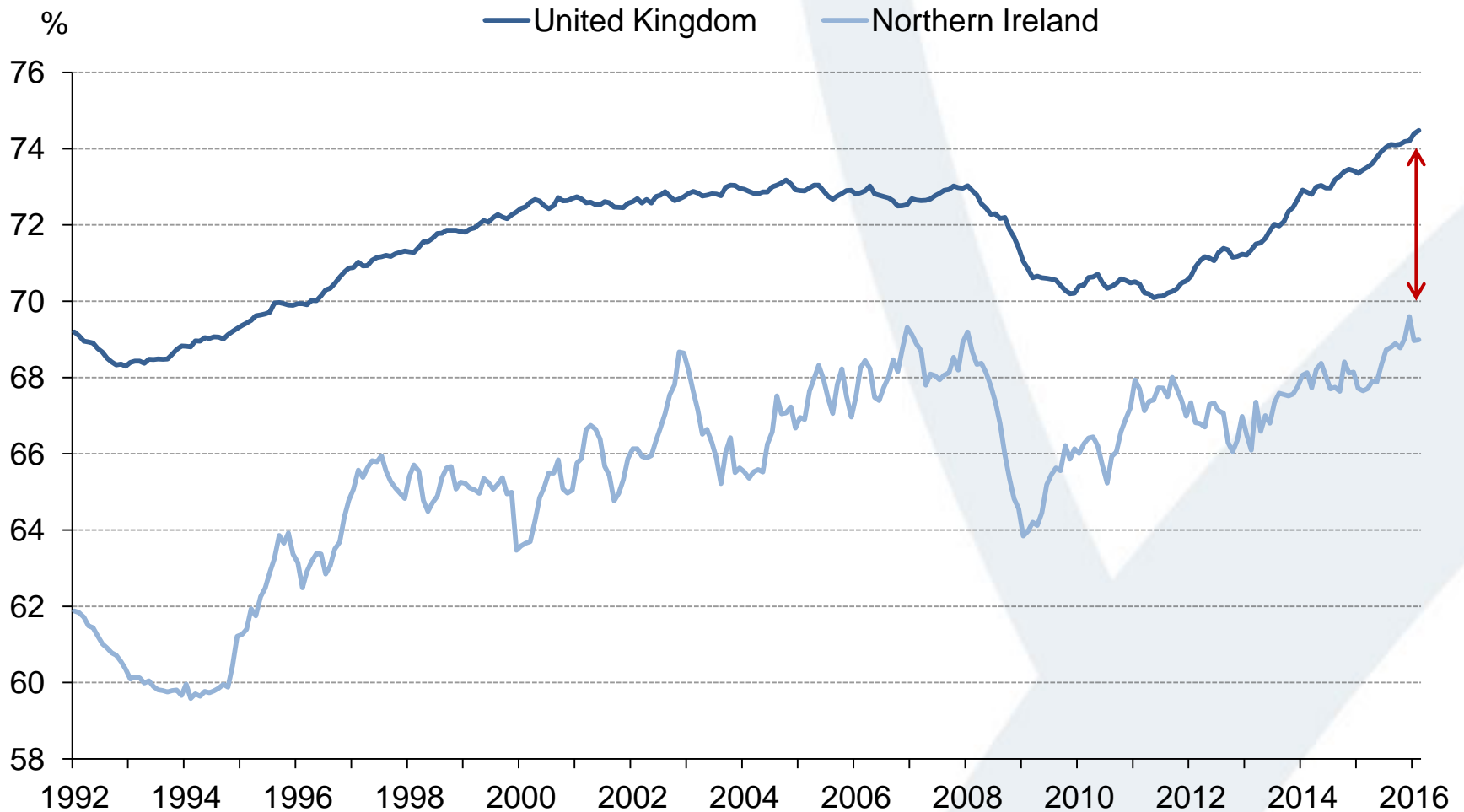
Unemployment rate



Source: Labour Force Survey

Note: Headline unemployment rate (among those aged 16+)

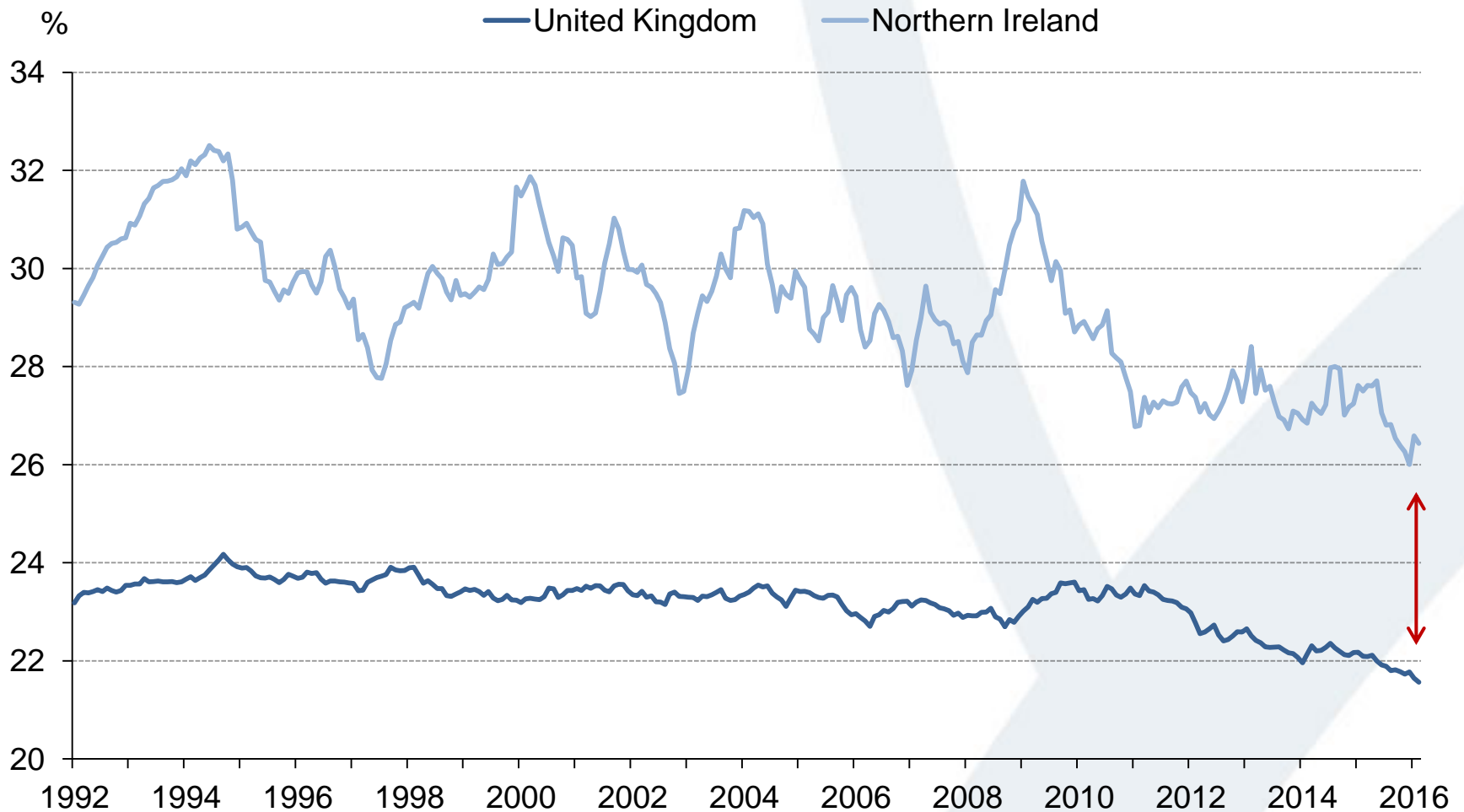
Employment rate



Source: Labour Force Survey

Note: Headline employment rate (among those aged 16-64)

Inactivity rate



Source: Labour Force Survey

Note: Headline inactivity rate (among those aged 16-64)

Labour market and productivity

Relative to the UK, Northern Ireland's labour market currently has a:

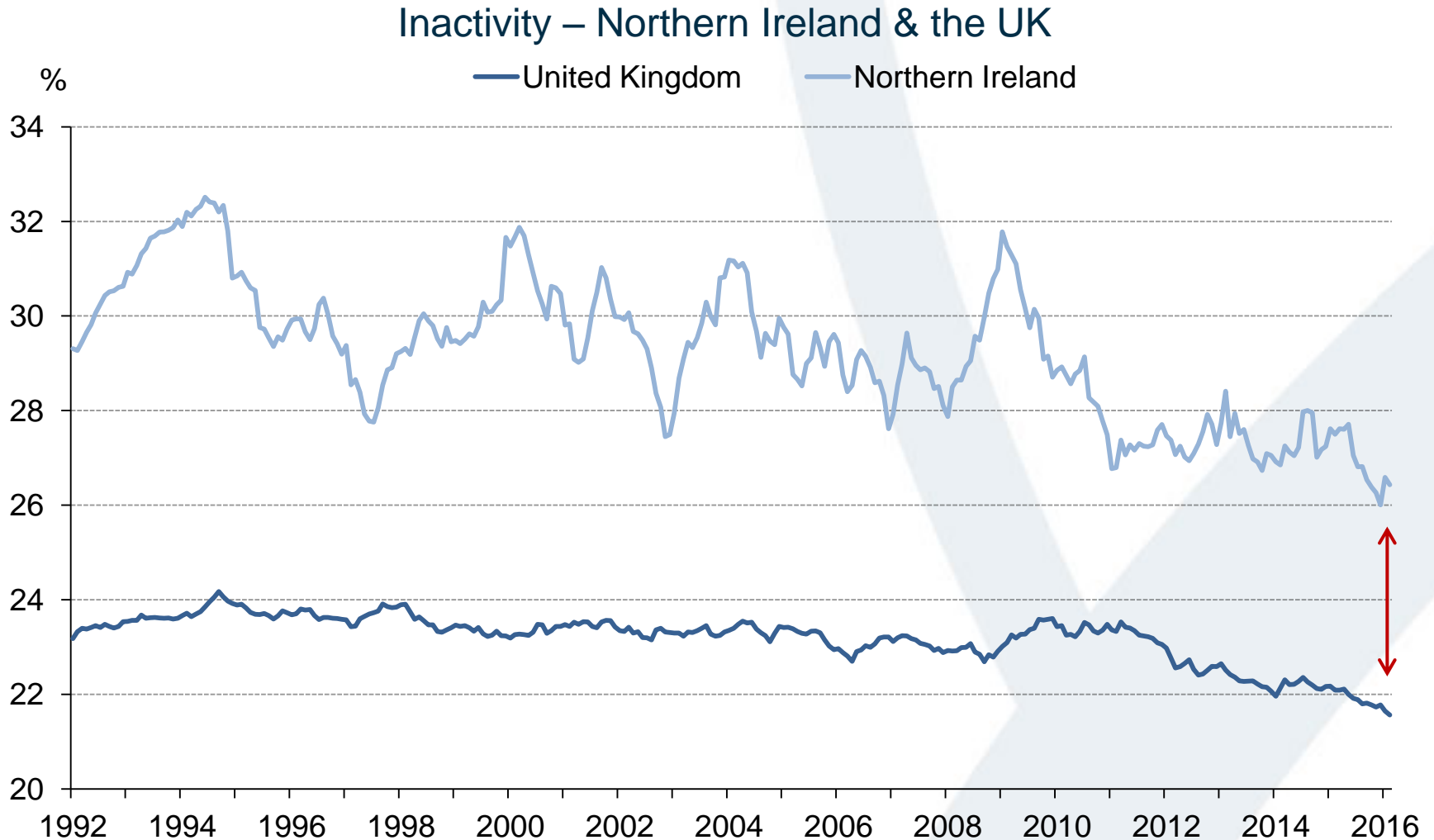
- A higher rate of inactivity
- A lower employment rate
- Similar unemployment rates

These are broadly consistent with historical trends: over the lifetime of the LFS, NI's employment and inactivity rates have been persistently 4 percentage points weaker than in the UK as a whole.

Labour market and productivity

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- **Key differences of the NI labour market**
 1. **Inactivity**
 2. Employment
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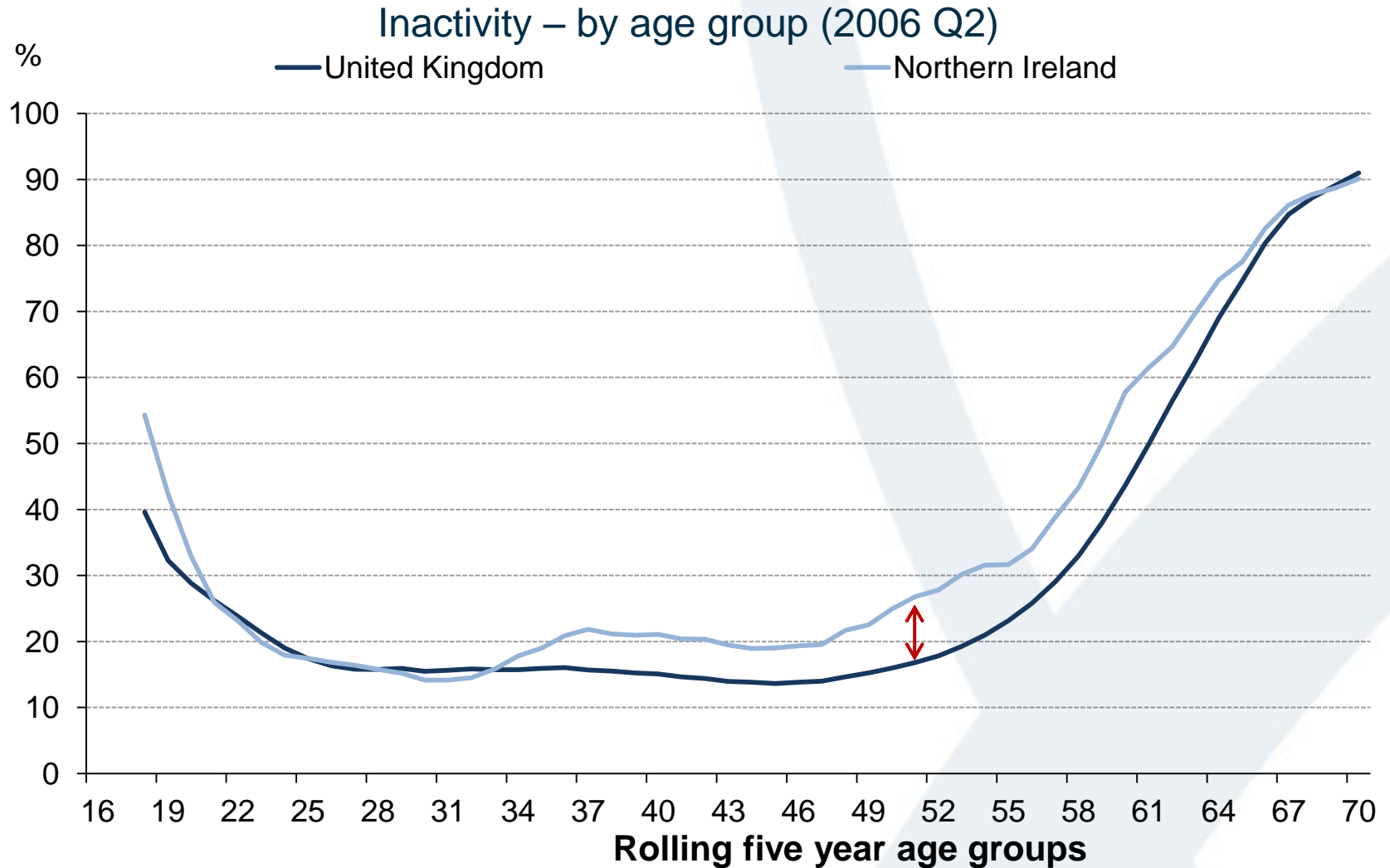
Key features of NI labour market



Source: Labour Force Survey

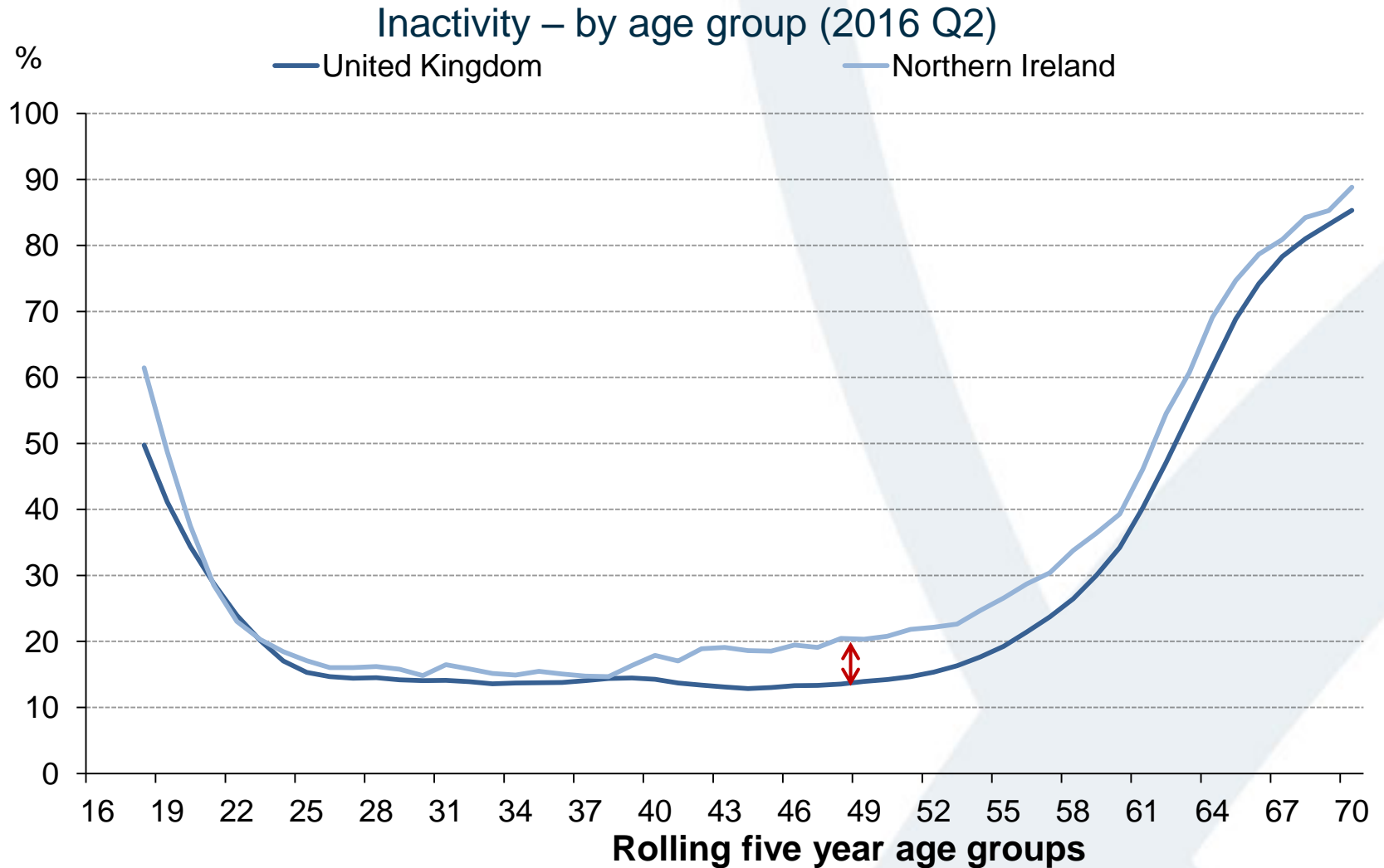
Note: Headline inactivity rate (among those aged 16-64)

Key features of NI labour market



Source: Labour Force Survey

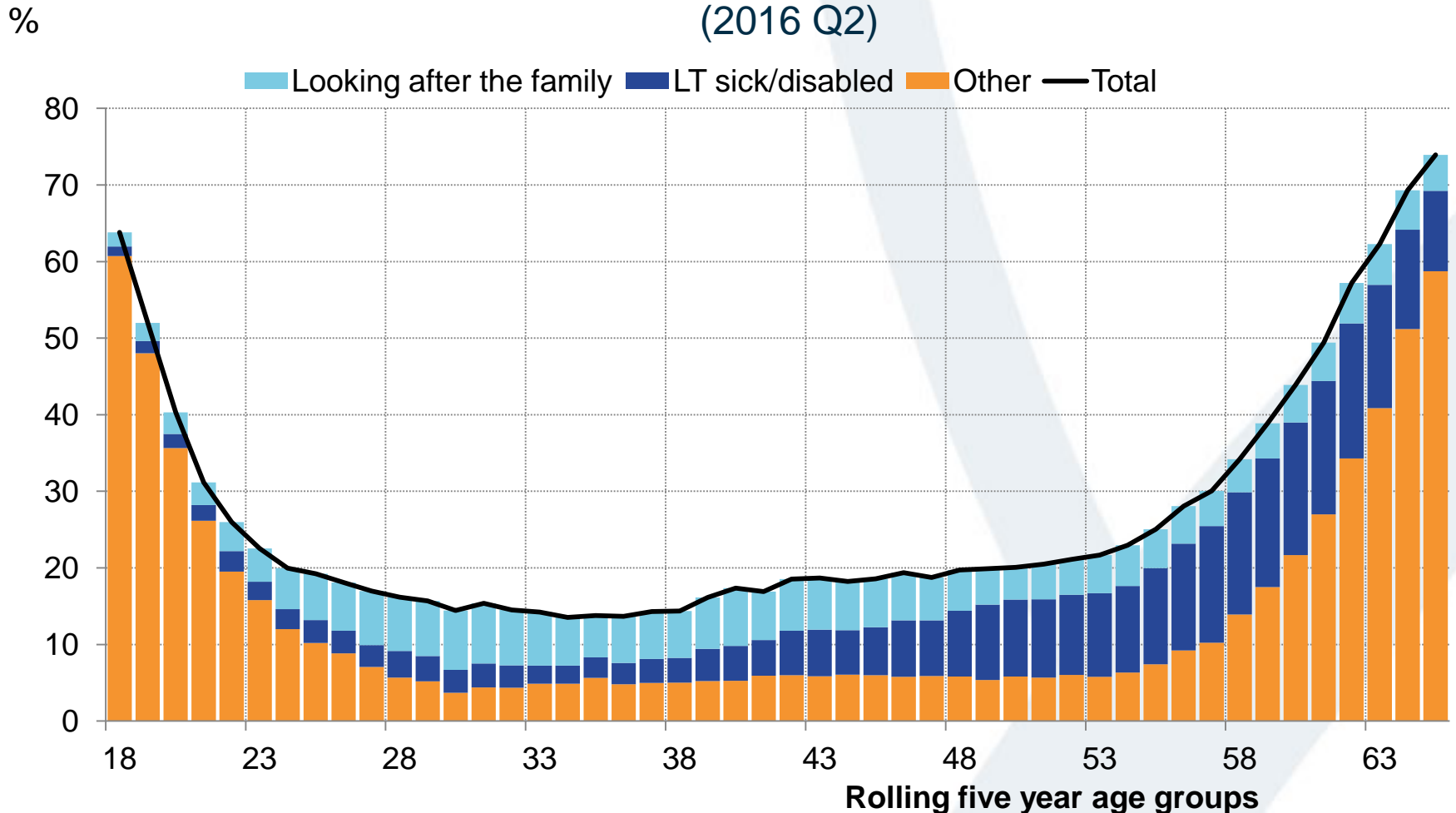
Key features of NI labour market



Source: Labour Force Survey

Key features of NI labour market

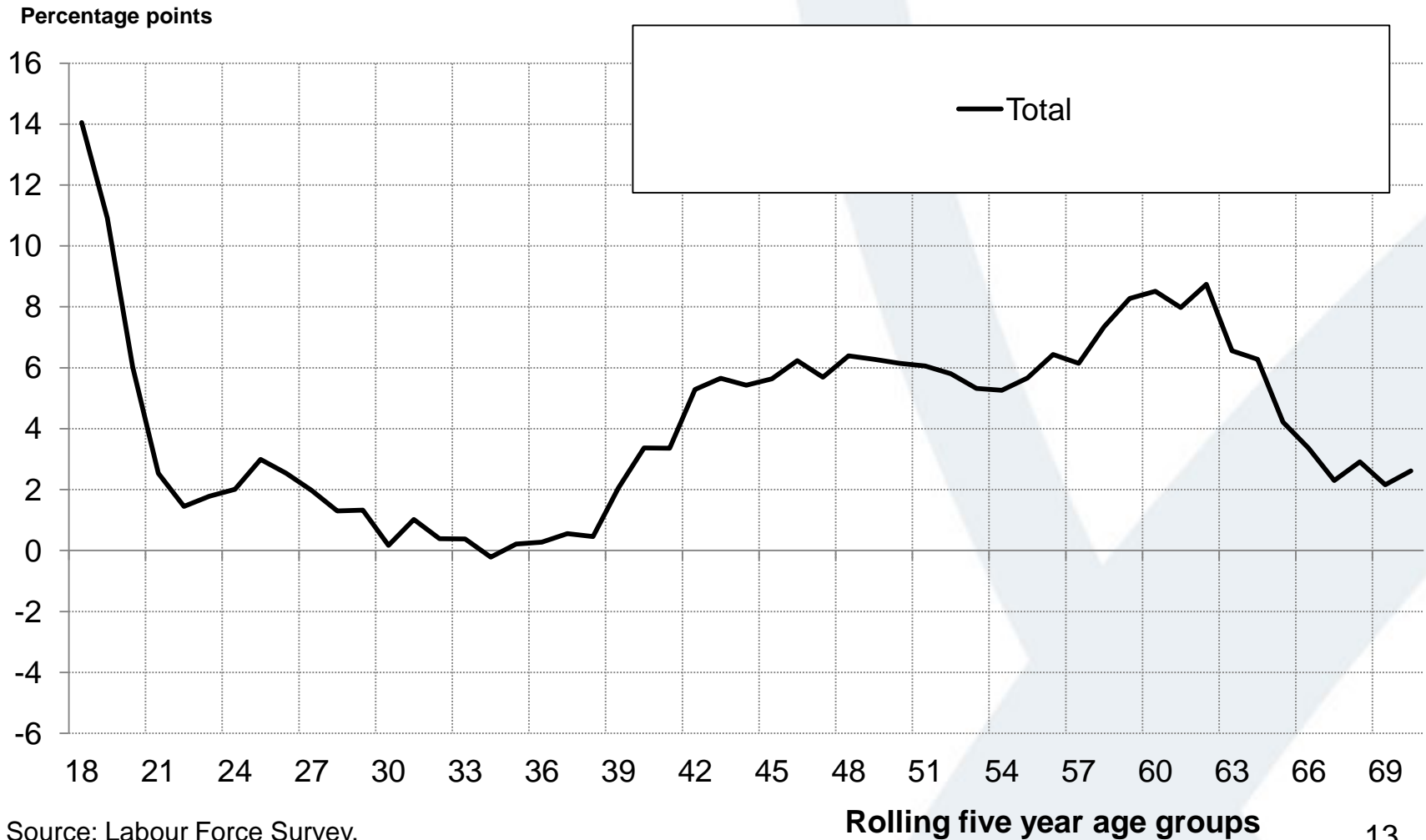
Contributions to inactivity by Reason, Northern Ireland – by age group
(2016 Q2)



Source: Labour Force Survey,
Note: 'Other' includes retired individuals, students and other reasons

Key features of NI labour market

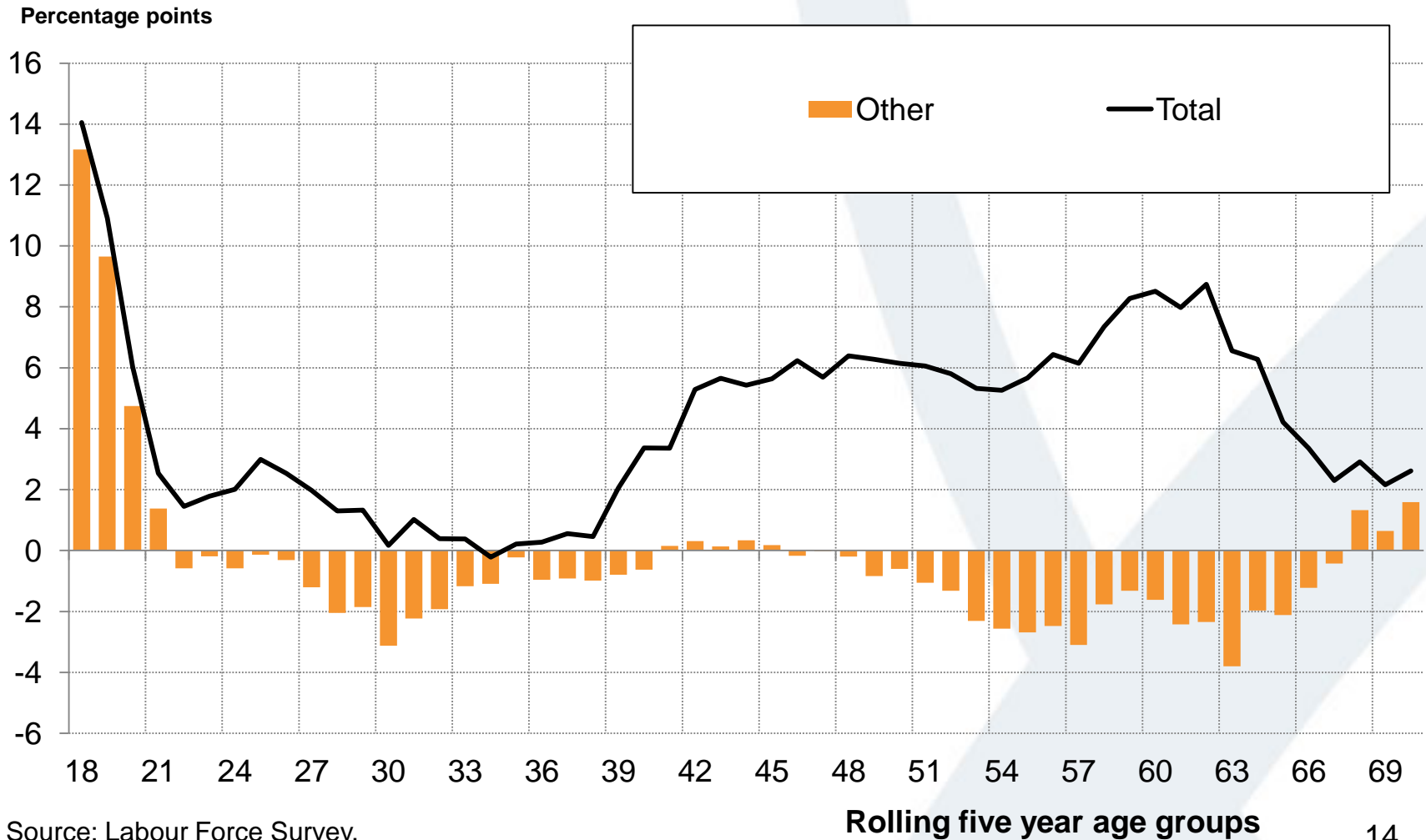
Inactivity by age – UK vs Northern Ireland (Q2 2016)



Source: Labour Force Survey,
Note: 'Other' includes retired individuals, students and other reasons

Key features of NI labour market

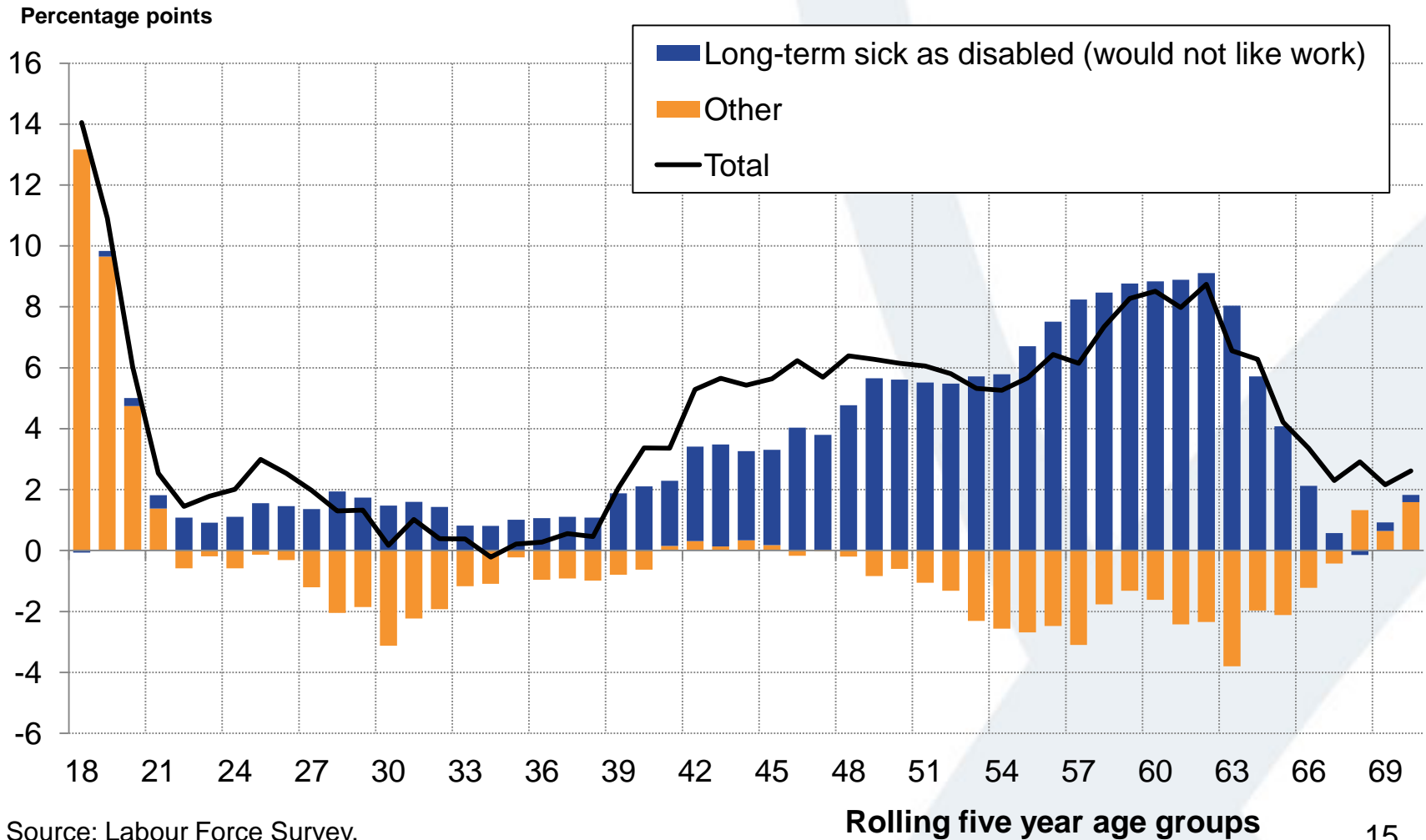
Contributions to inactivity by age – UK vs Northern Ireland (Q2 2016)



Source: Labour Force Survey,
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Key features of NI labour market

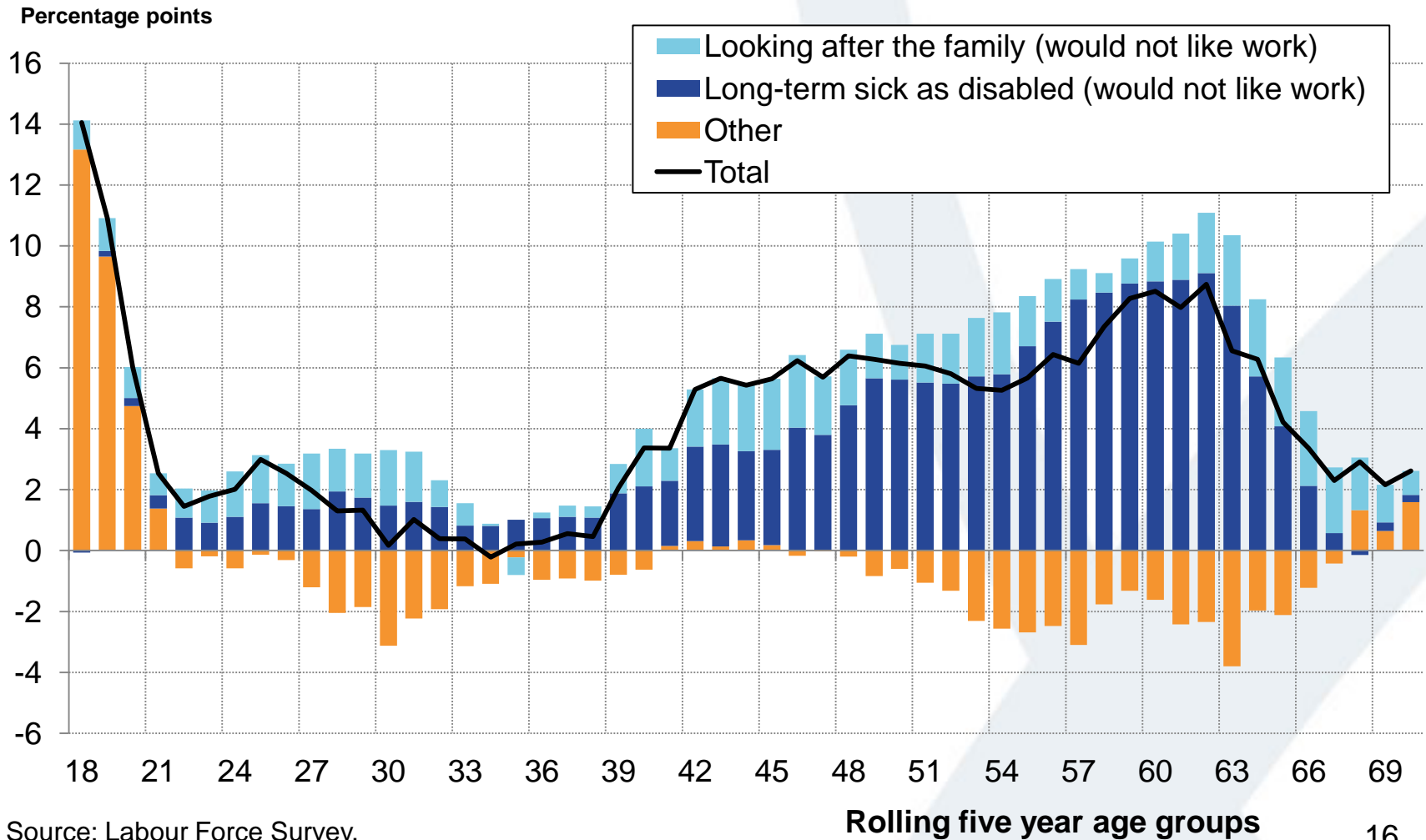
Contributions to inactivity by age – UK vs Northern Ireland (Q2 2016)



Source: Labour Force Survey,
 Note: 'Other' includes retired individuals, students and other reasons

Key features of NI labour market

Contributions to inactivity by age – UK vs Northern Ireland (Q2 2016)

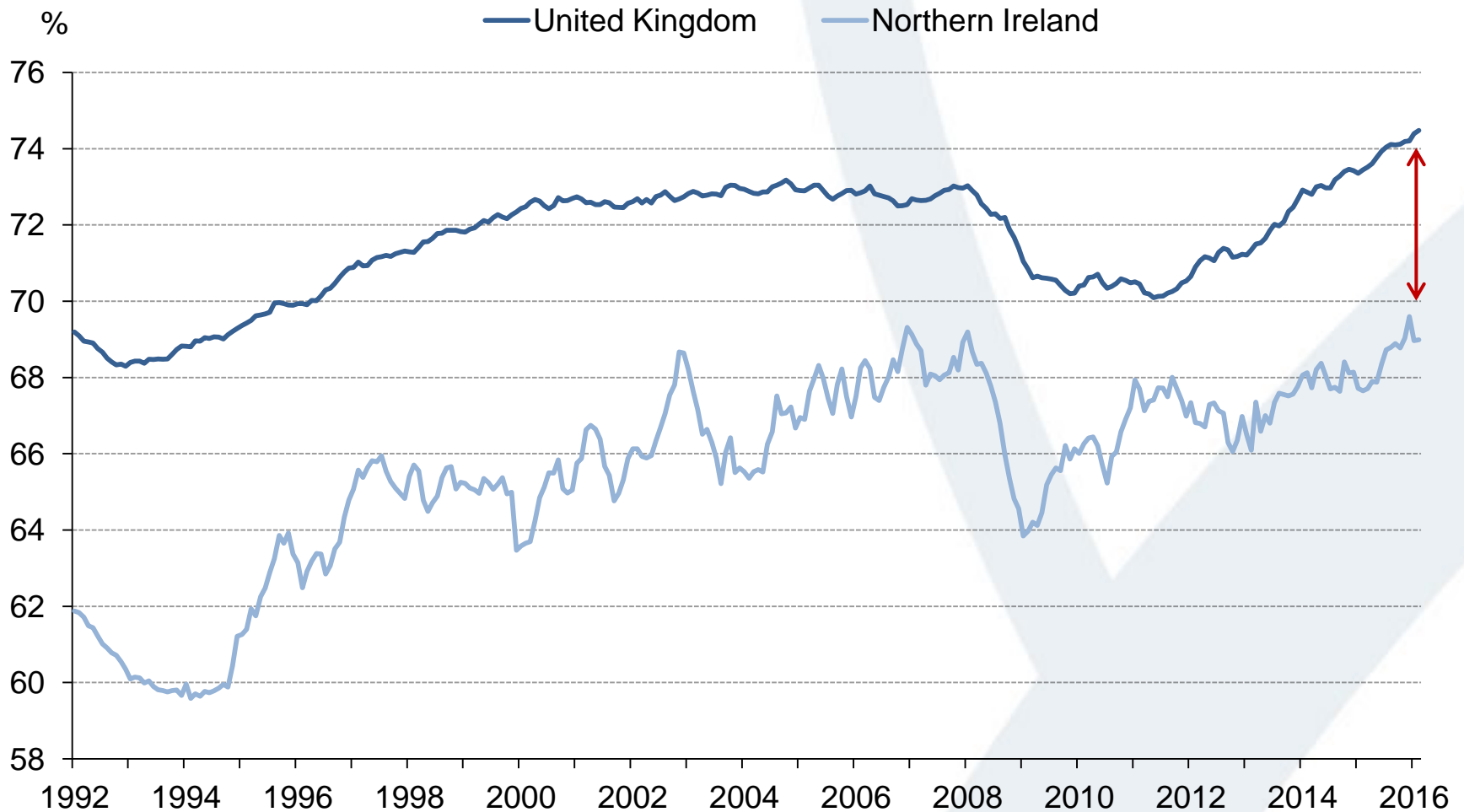


Source: Labour Force Survey,
 Note: 'Other' includes retired individuals, students and other reasons

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Employment rate

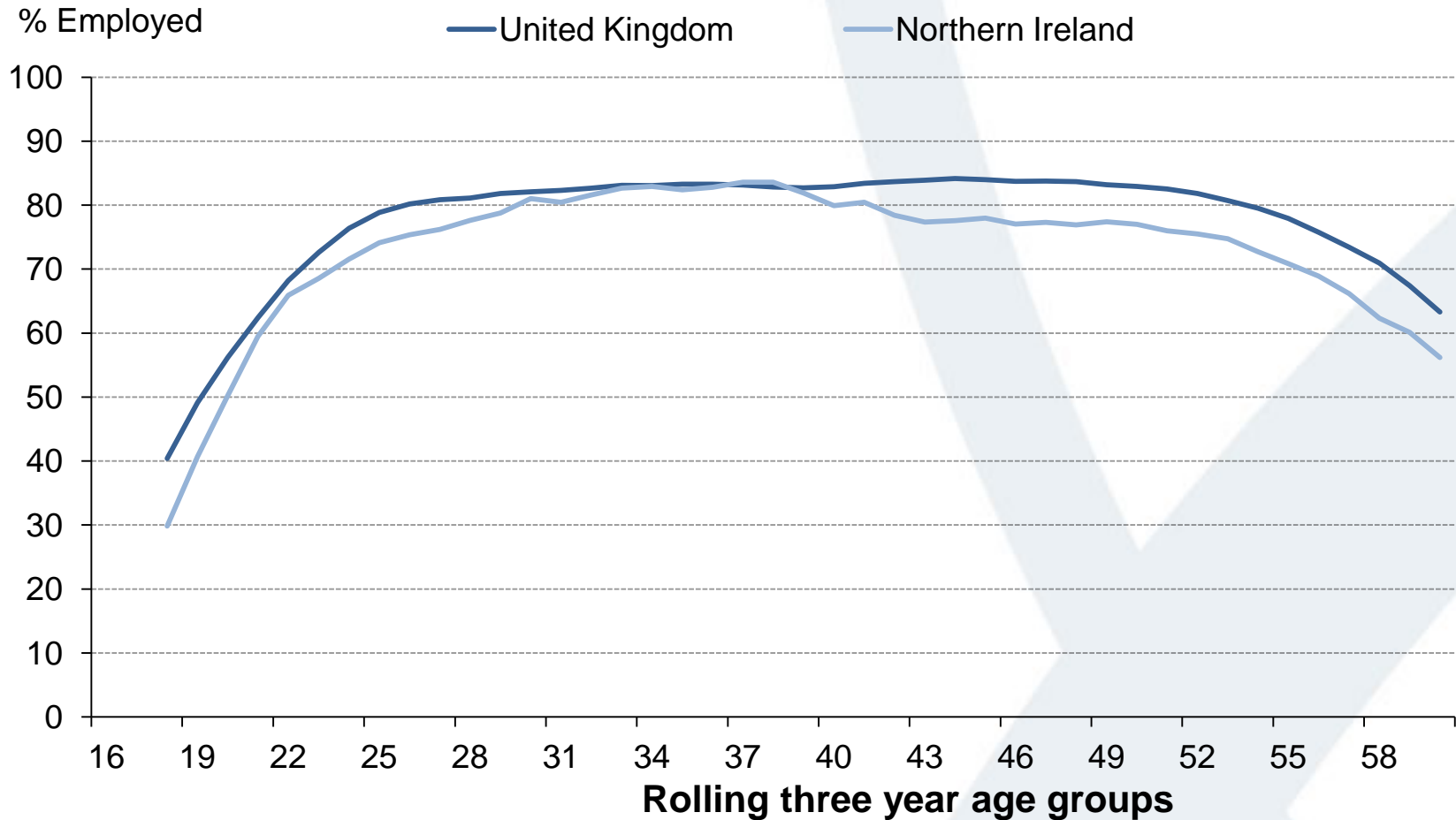


Source: Labour Force Survey

Note: Headline employment rate (among those aged 16-64)

Key features of NI labour market

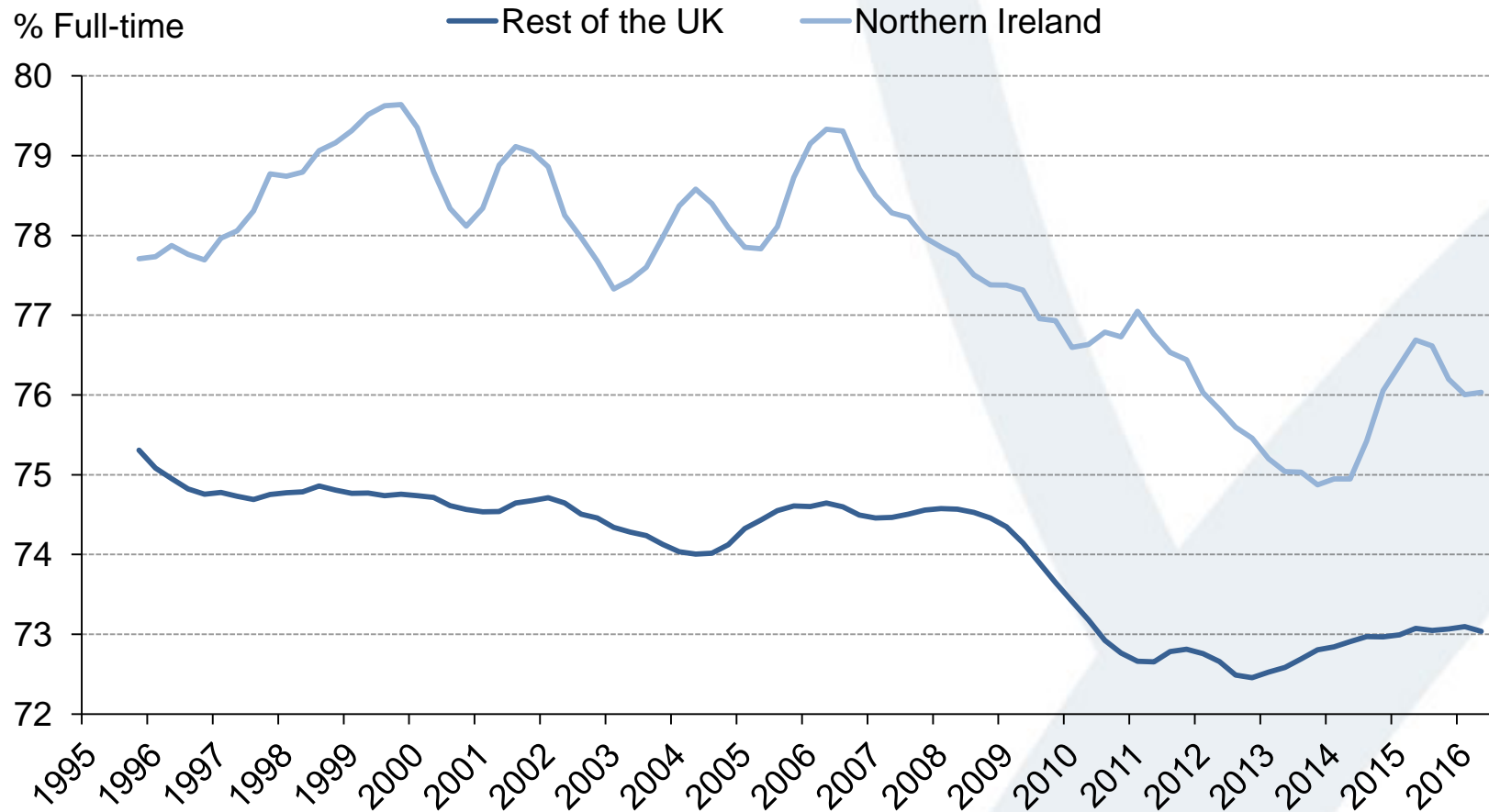
Employment rate – by age (year to 2016 Q2)



Source: Labour Force Survey

Key features of NI labour market

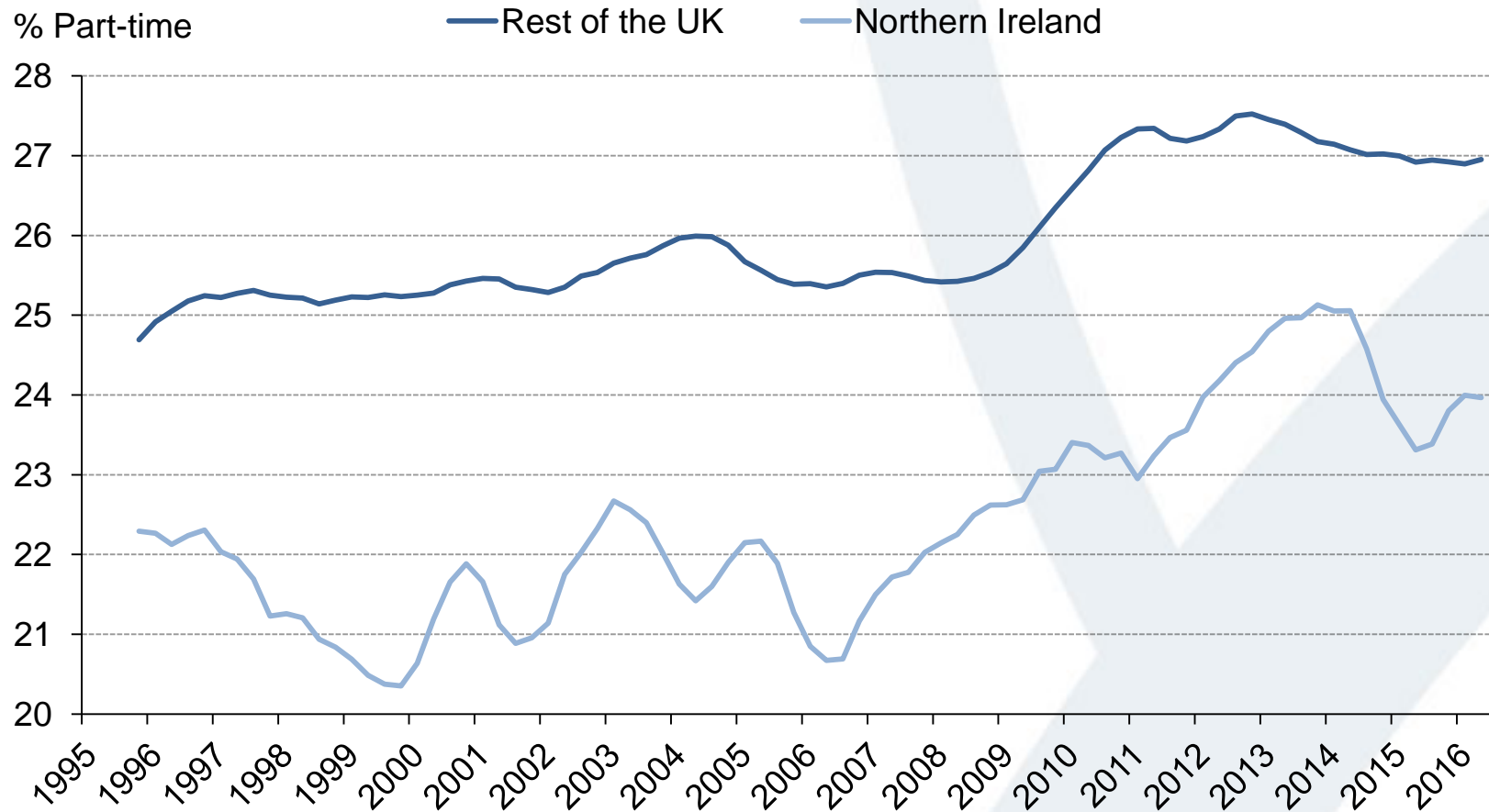
Full time share of employment



Source: Labour Force Survey

Key features of NI labour market

Part time share of employment



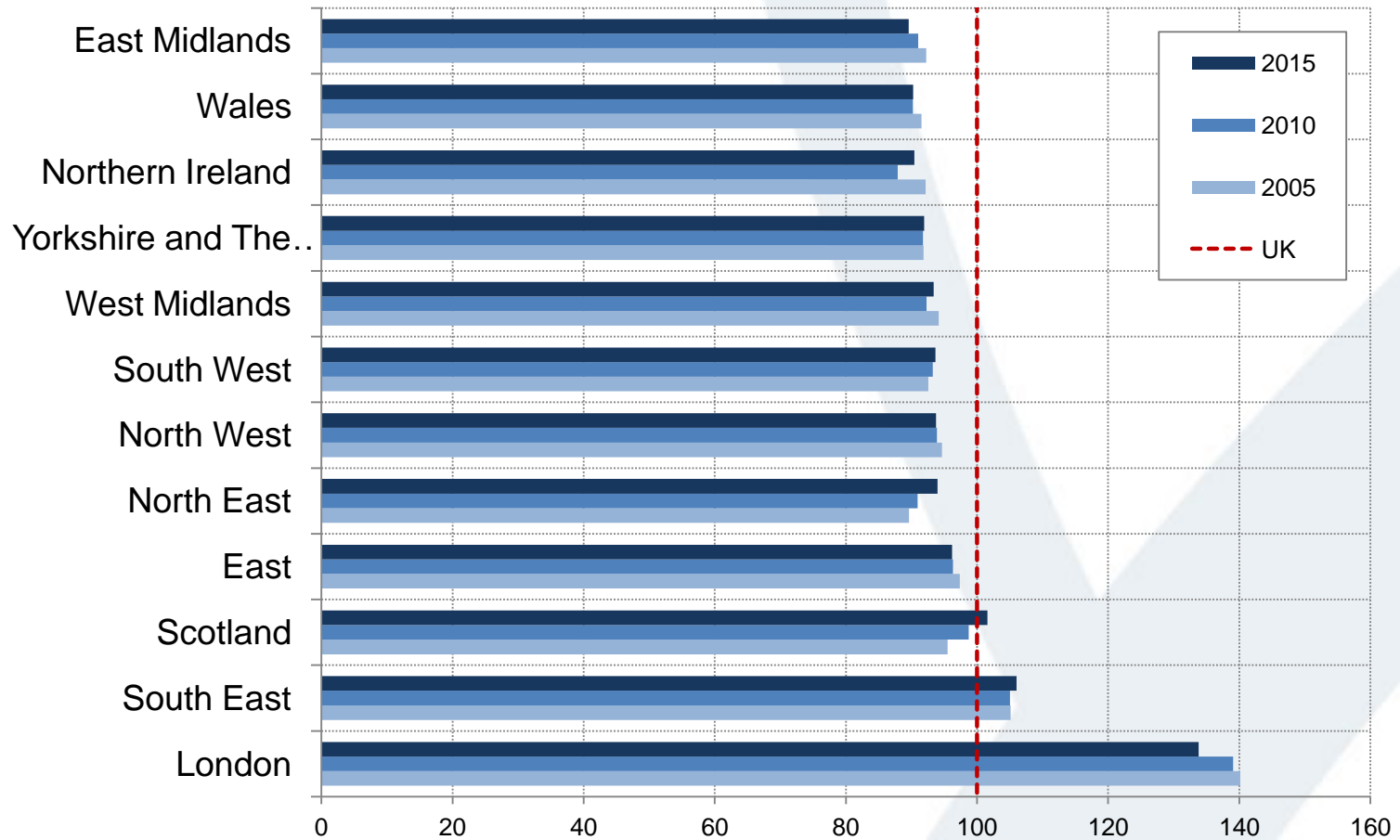
Source: Labour Force Survey

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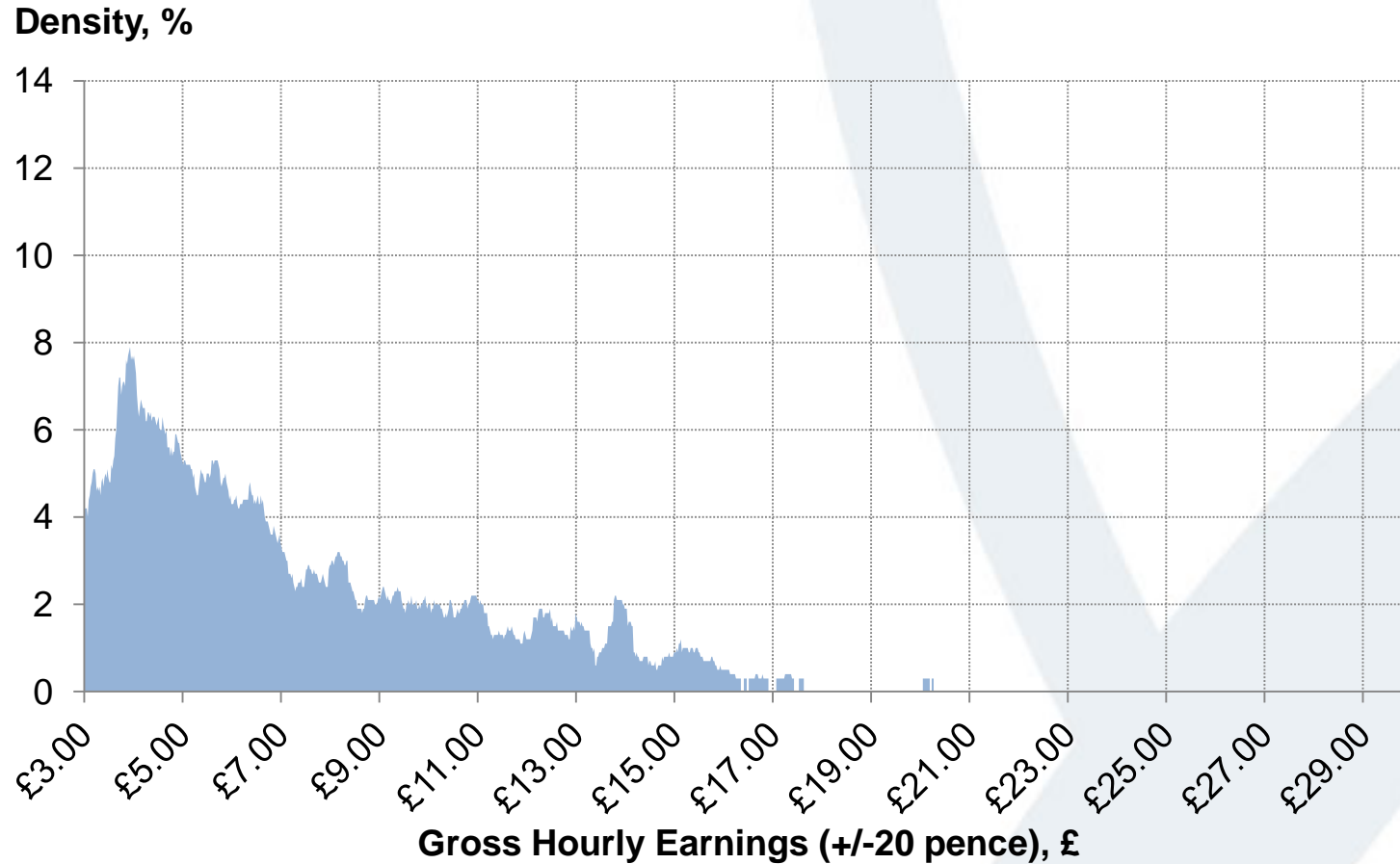
Earnings

Median earnings by region: 2005, 2010, 2015, UK=100



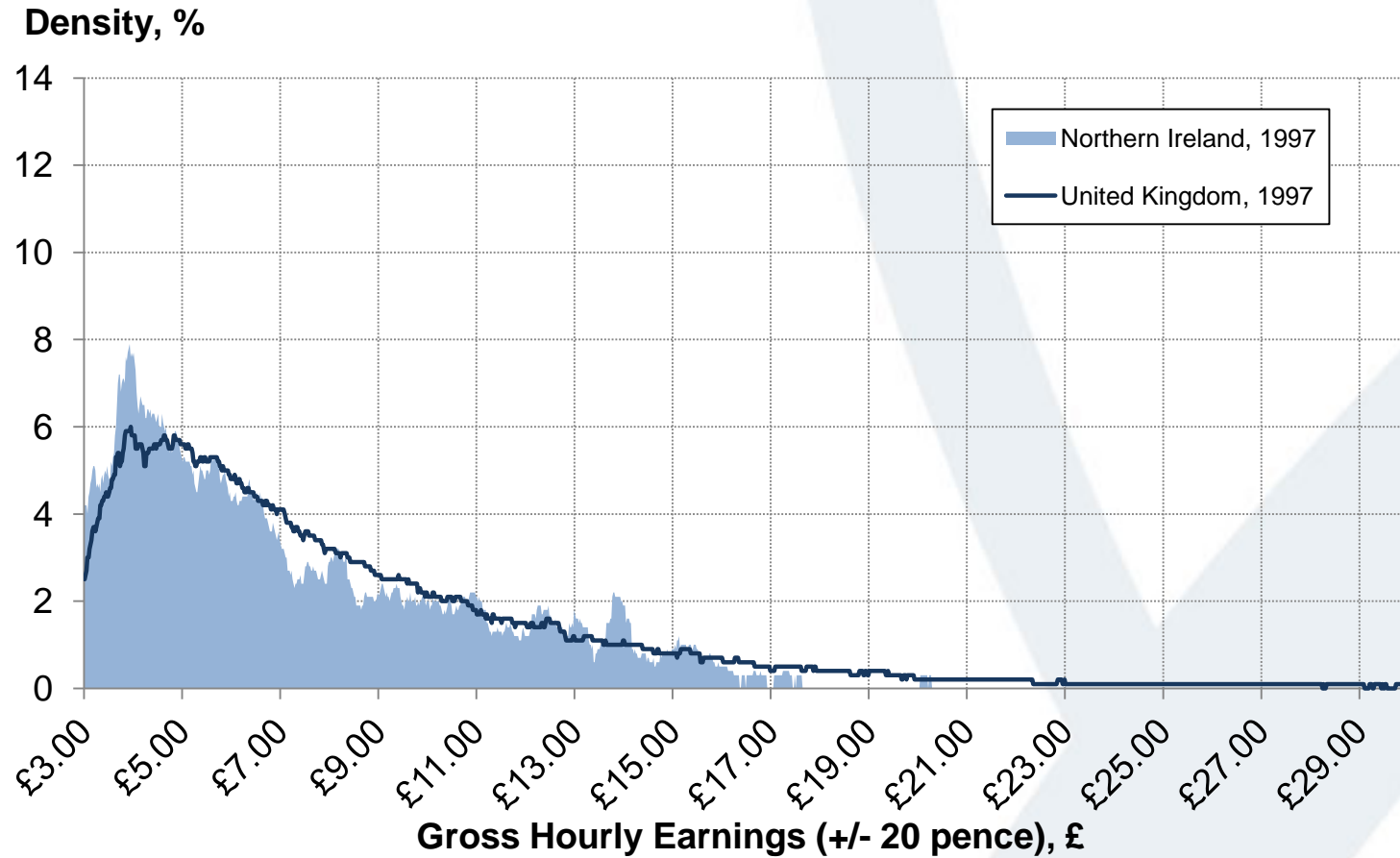
Earnings

Distribution of earnings: 1997



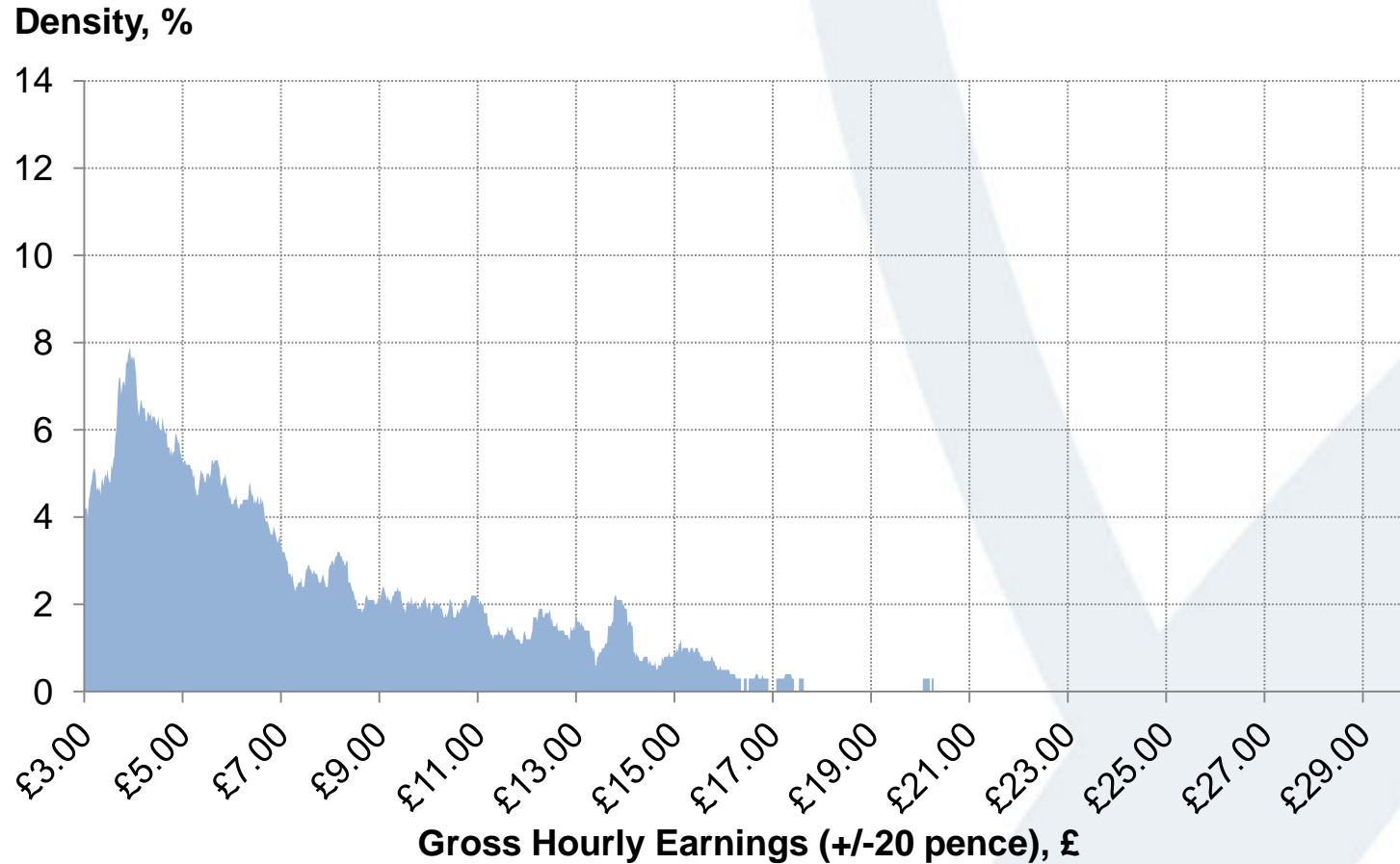
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Distribution of earnings: 1997



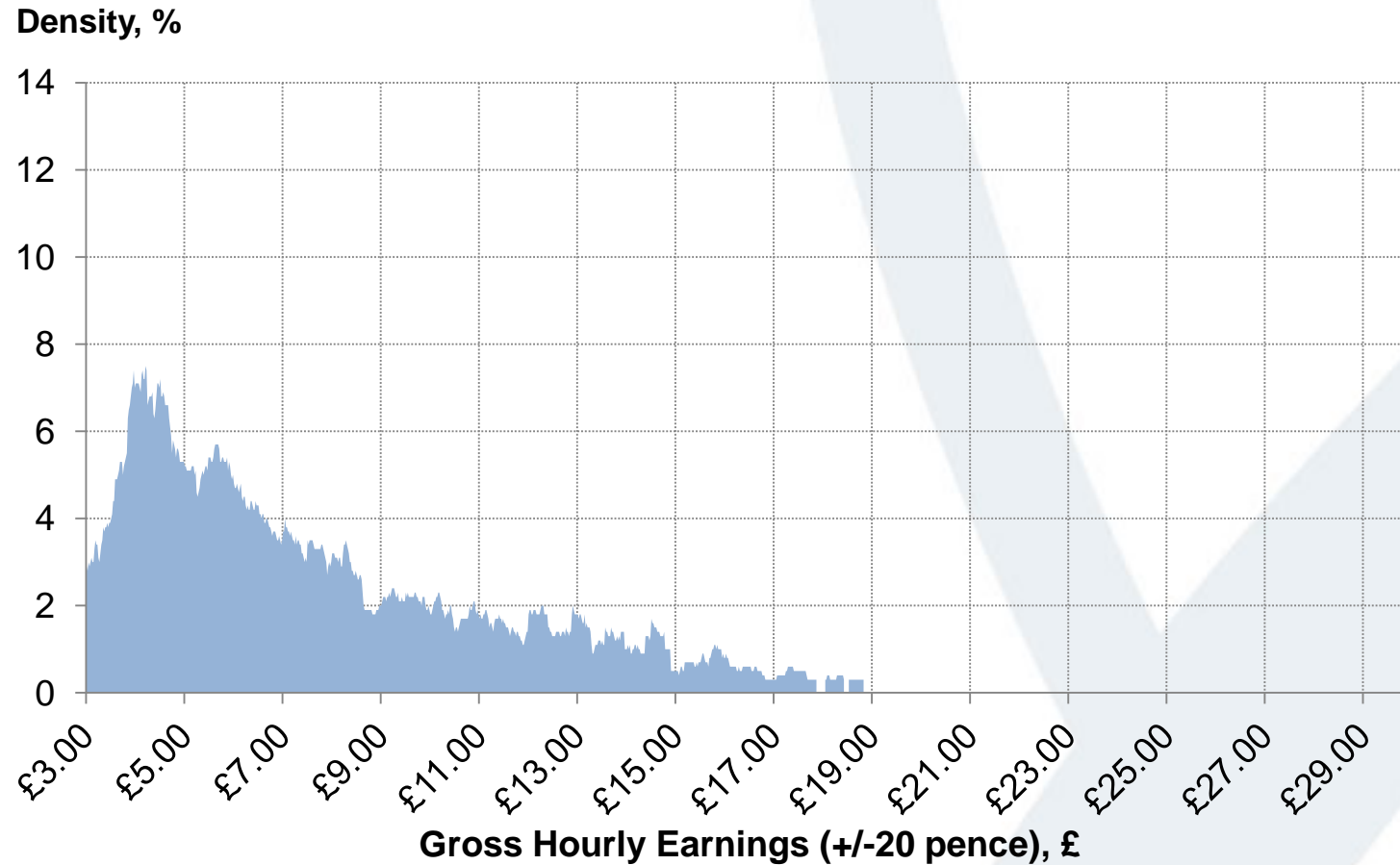
Earnings

Distribution of earnings: 1997



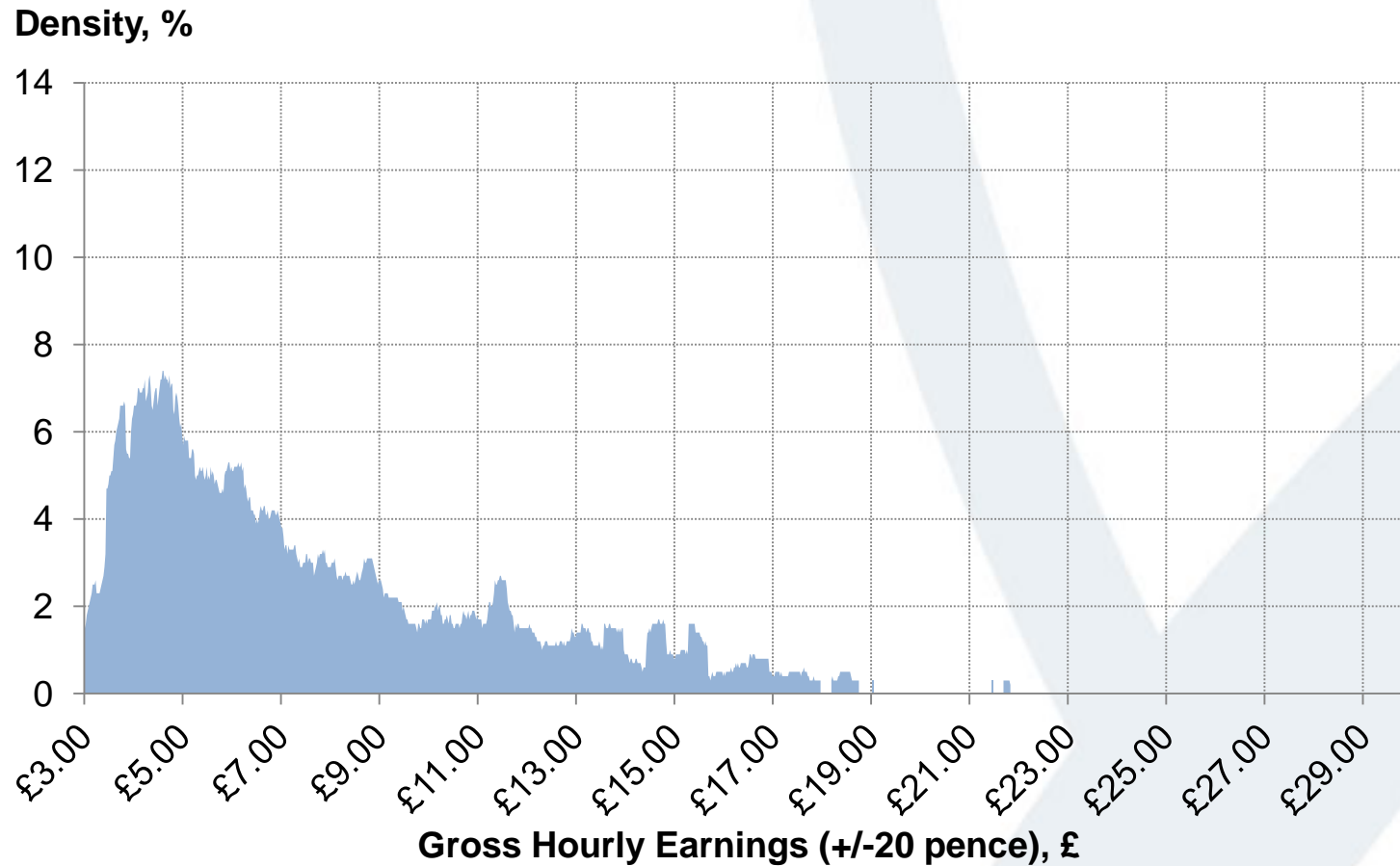
Earnings

Distribution of earnings: 1998



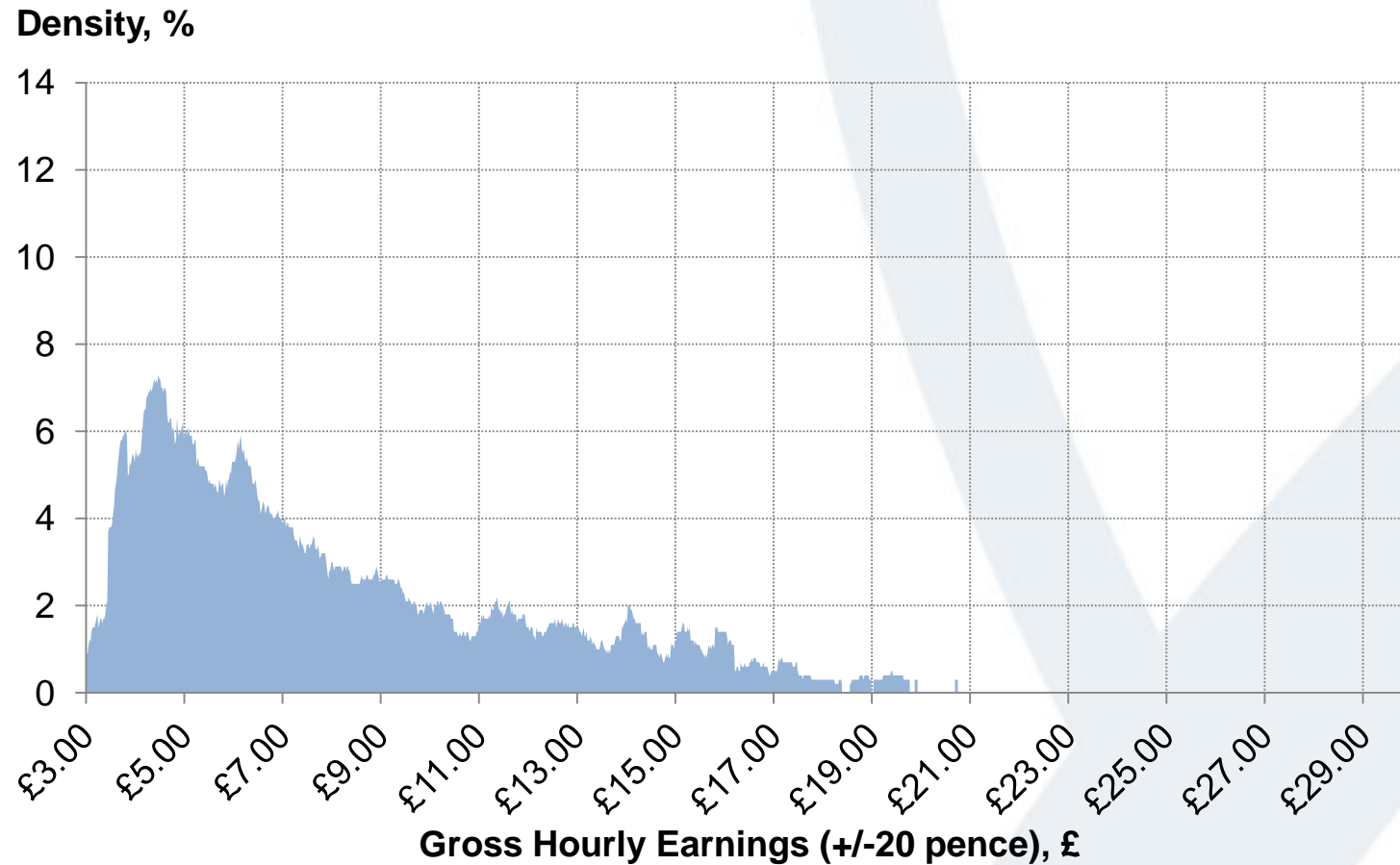
Earnings

Distribution of earnings: 1999



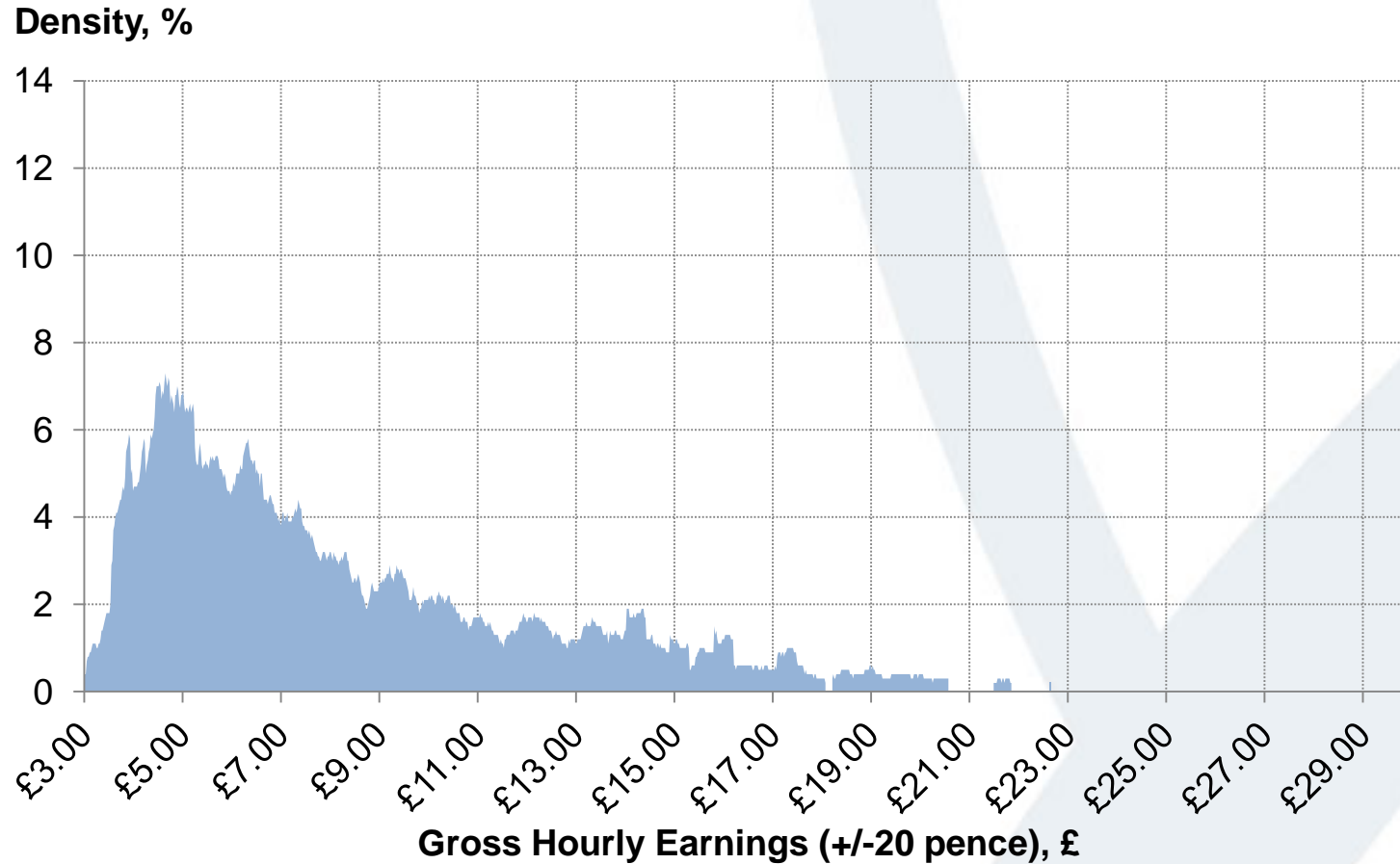
Earnings

Distribution of earnings: 2000



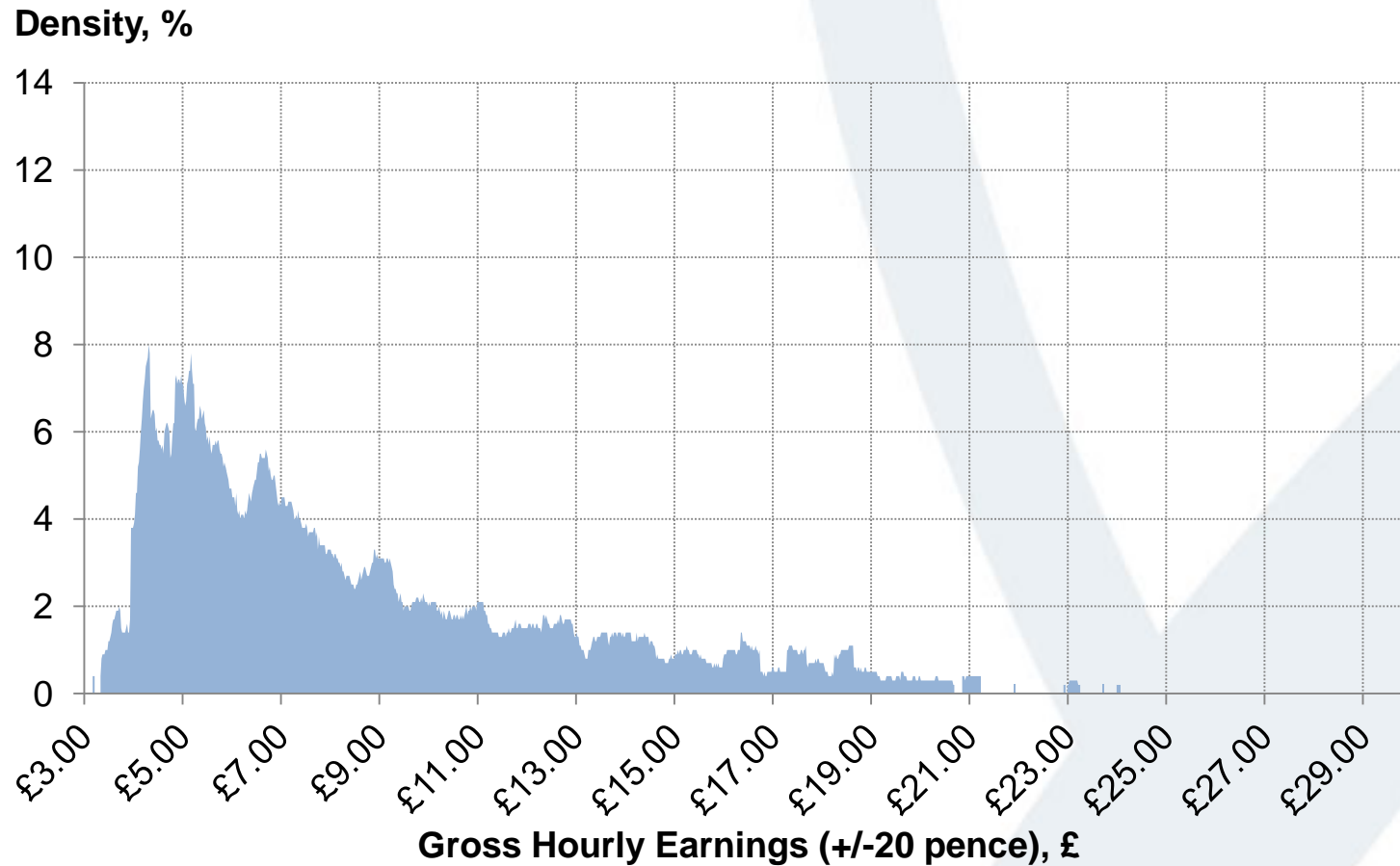
Earnings

Distribution of earnings: 2001



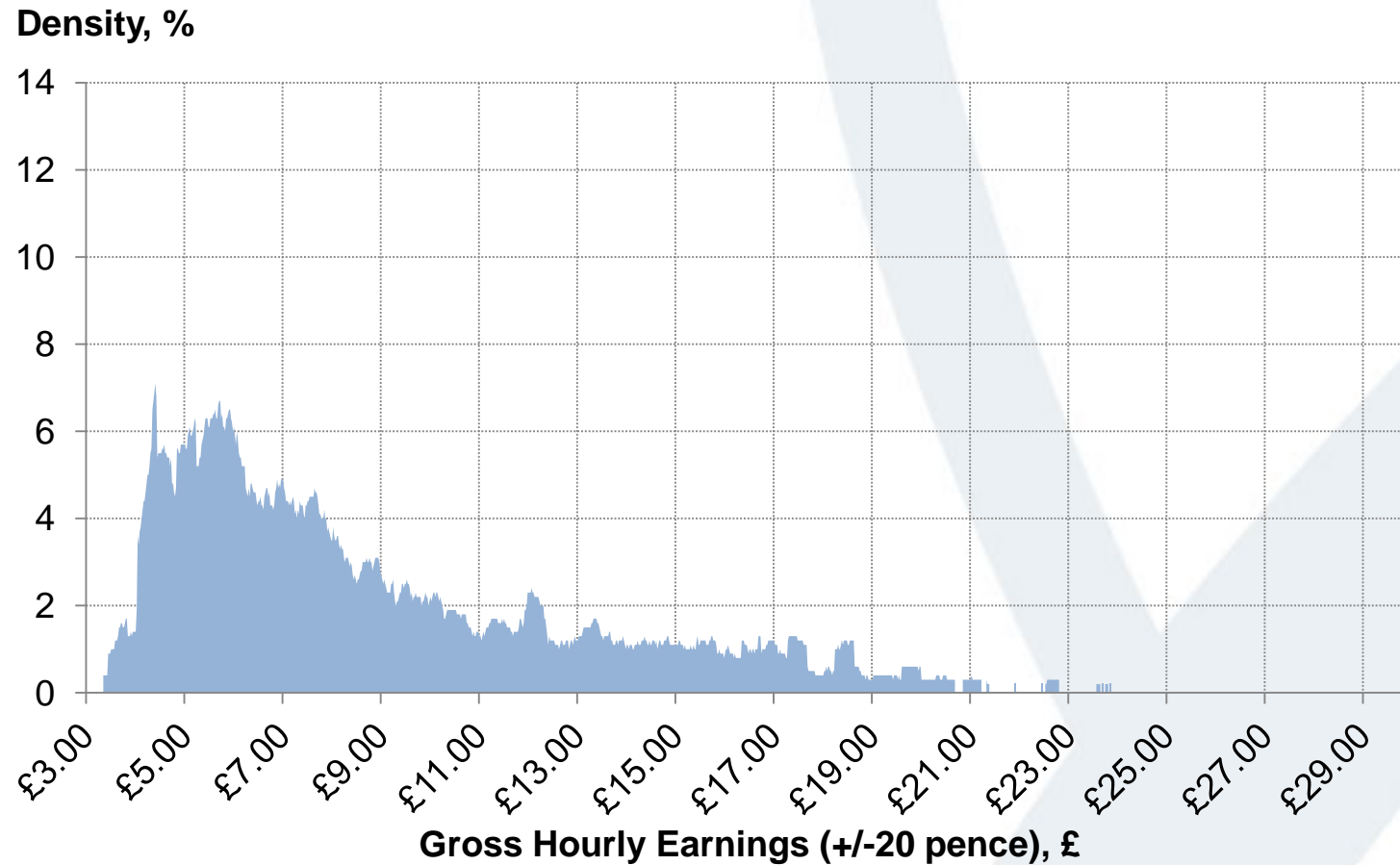
Earnings

Distribution of earnings: 2002



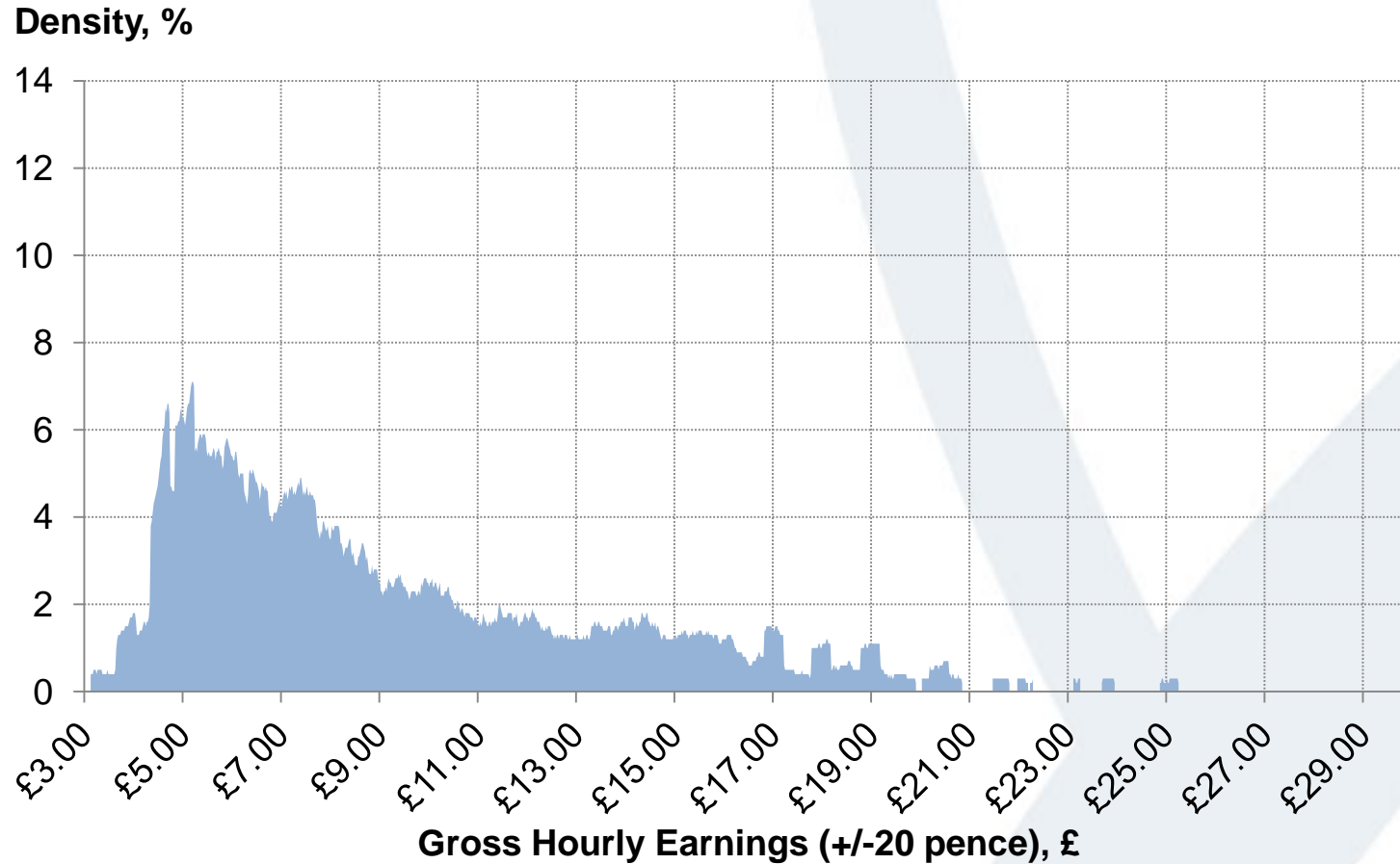
Earnings

Distribution of earnings: 2003



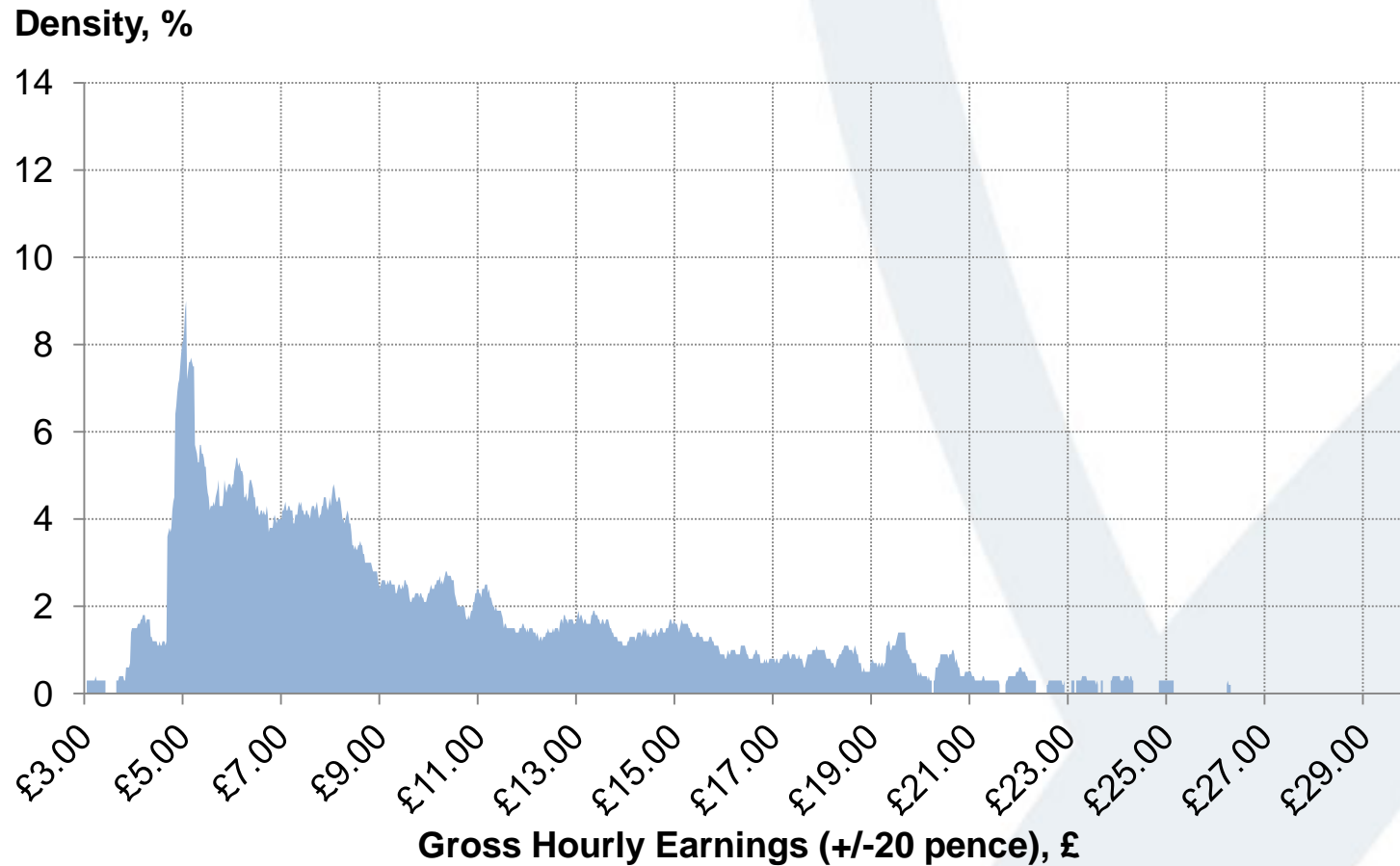
Earnings

Distribution of earnings: 2004



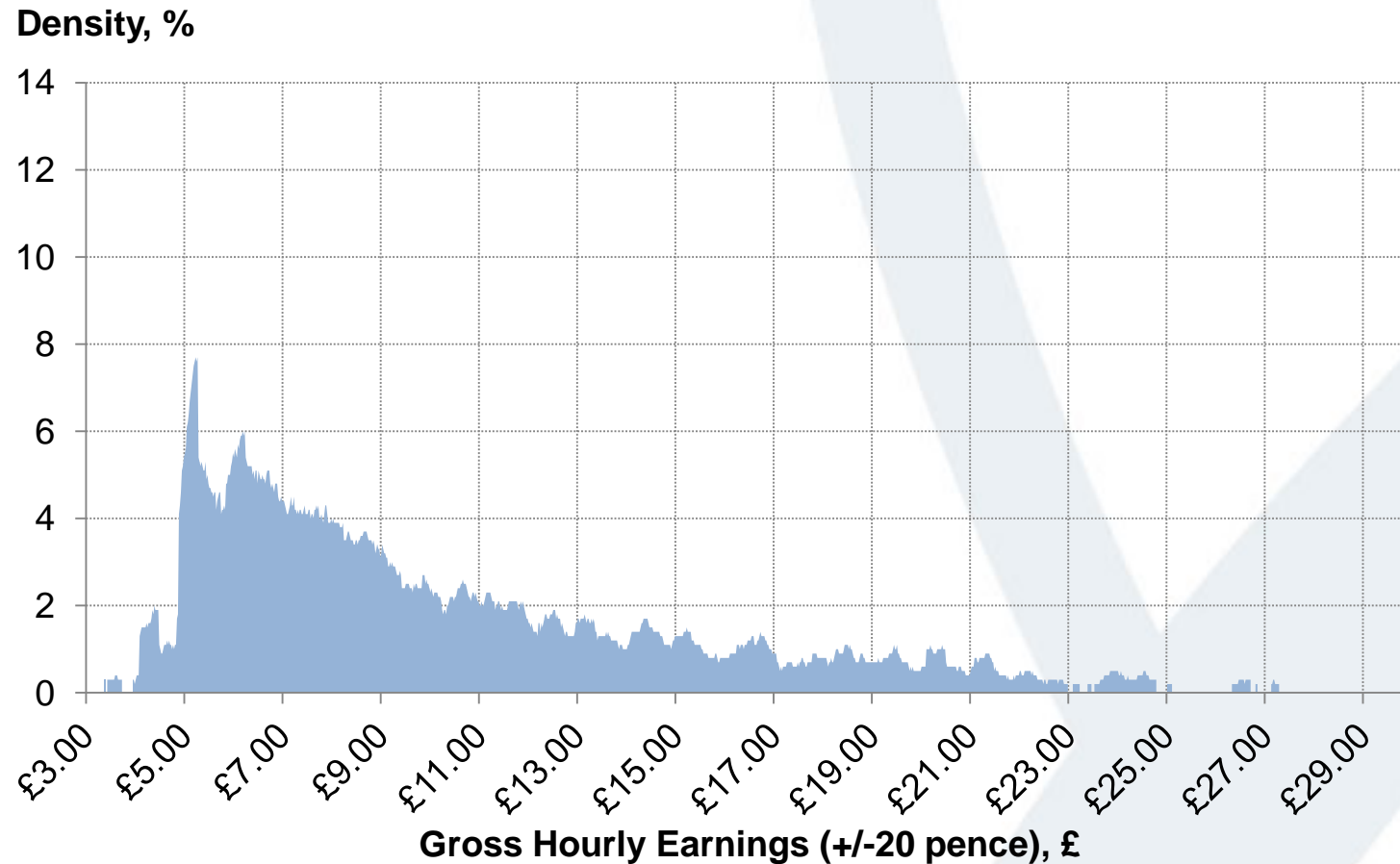
Earnings

Distribution of earnings: 2005



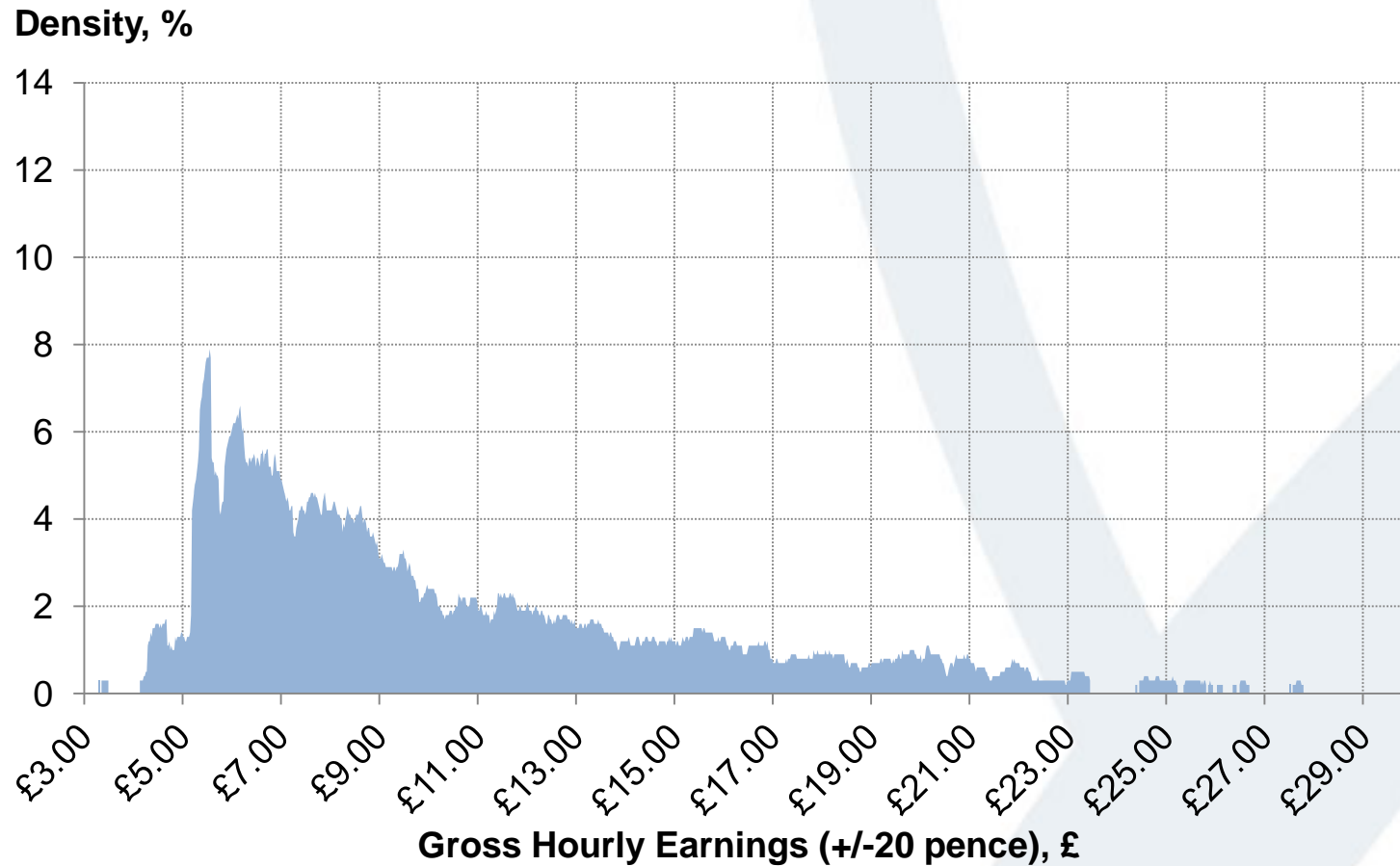
Earnings

Distribution of earnings: 2006



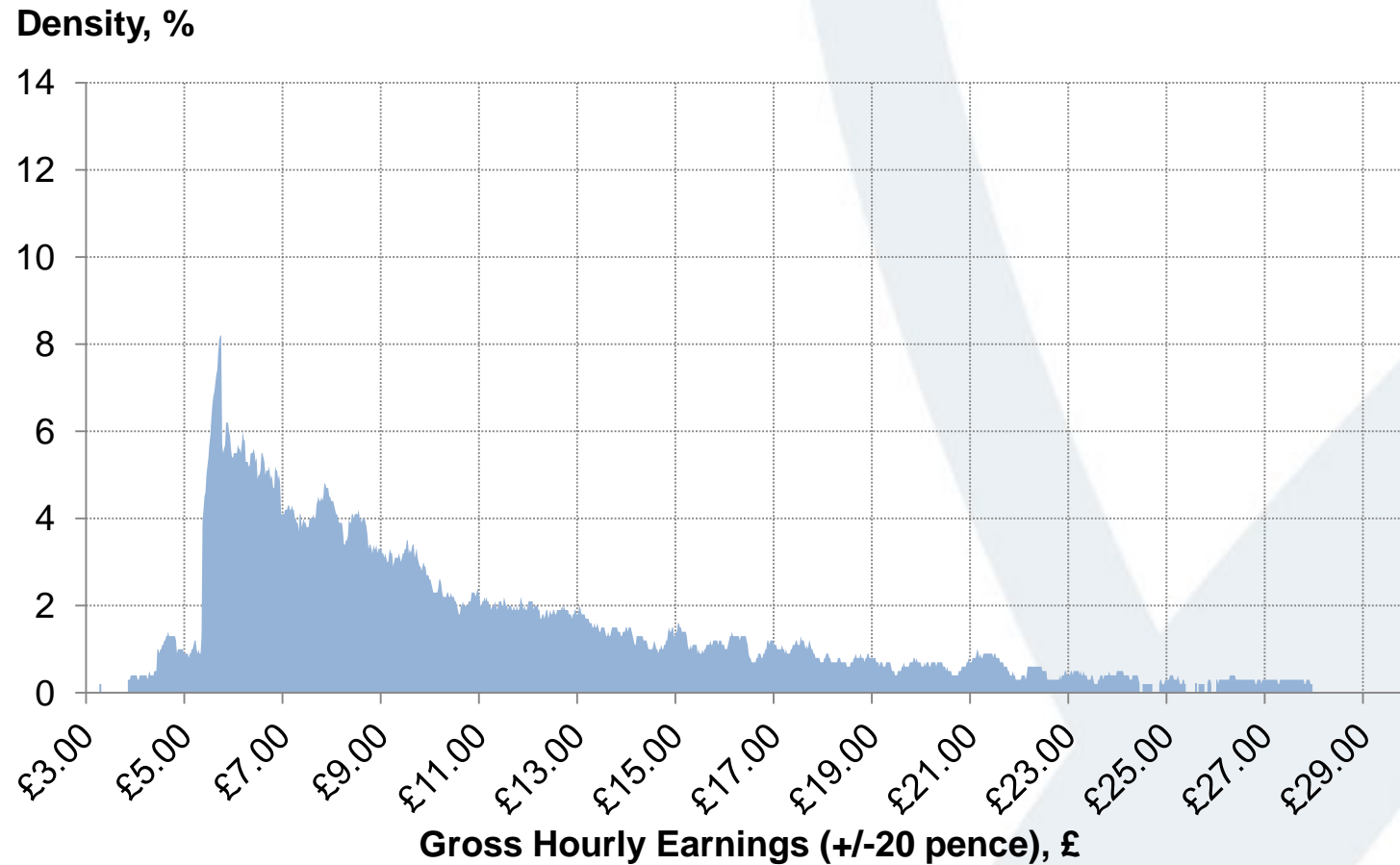
Earnings

Distribution of earnings: 2007



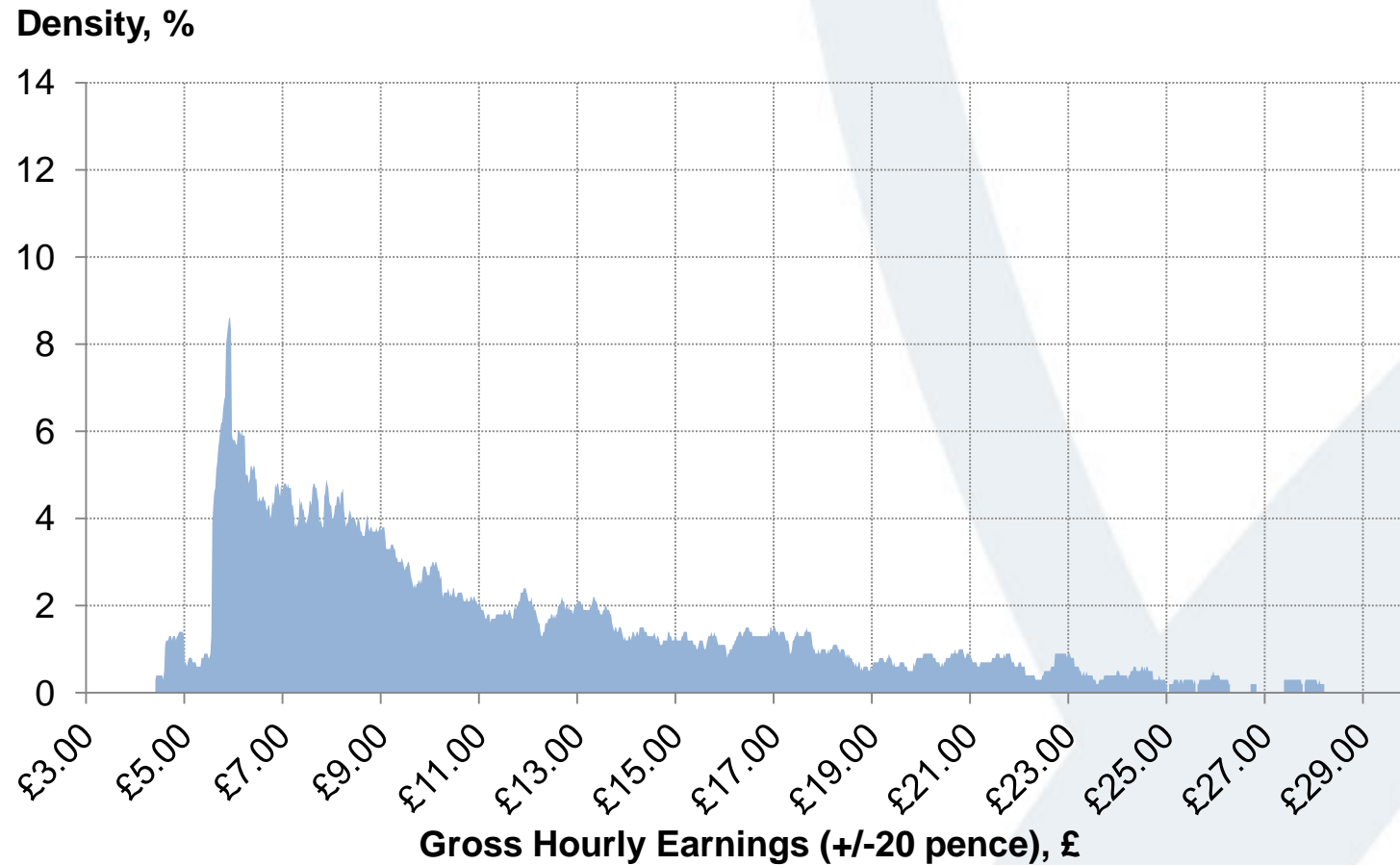
Earnings

Distribution of earnings: 2008



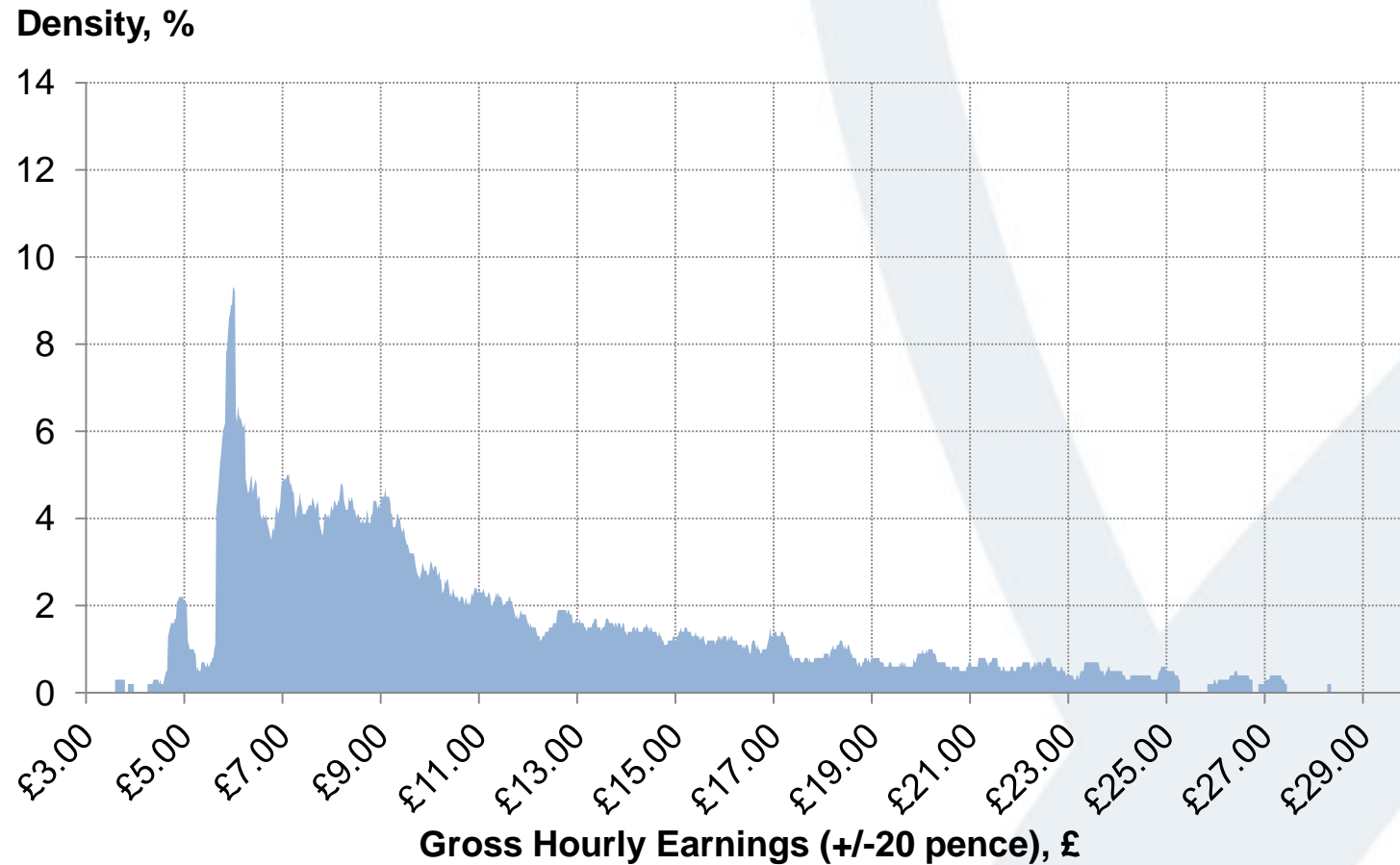
Earnings

Distribution of earnings: 2009



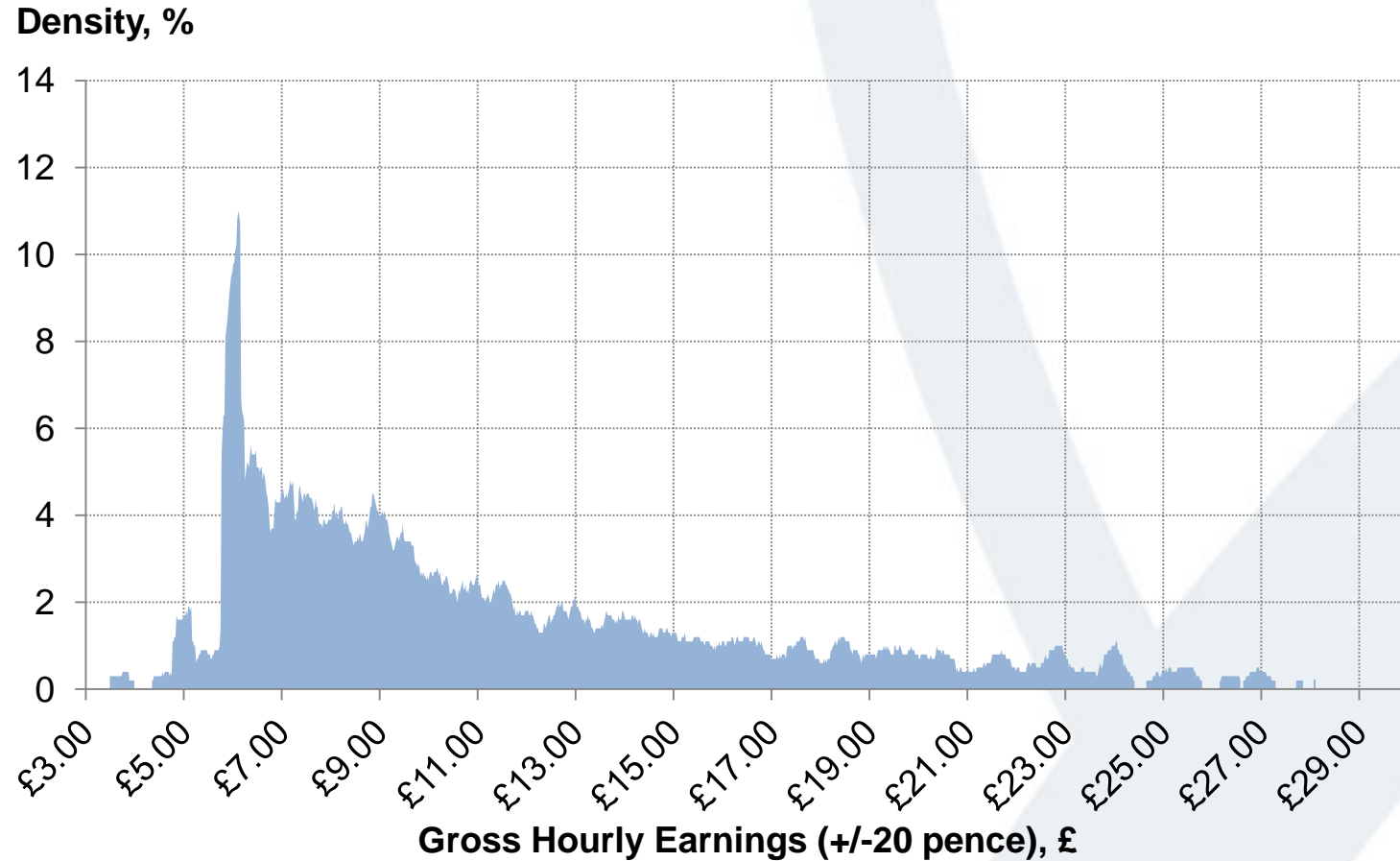
Earnings

Distribution of earnings: 2010



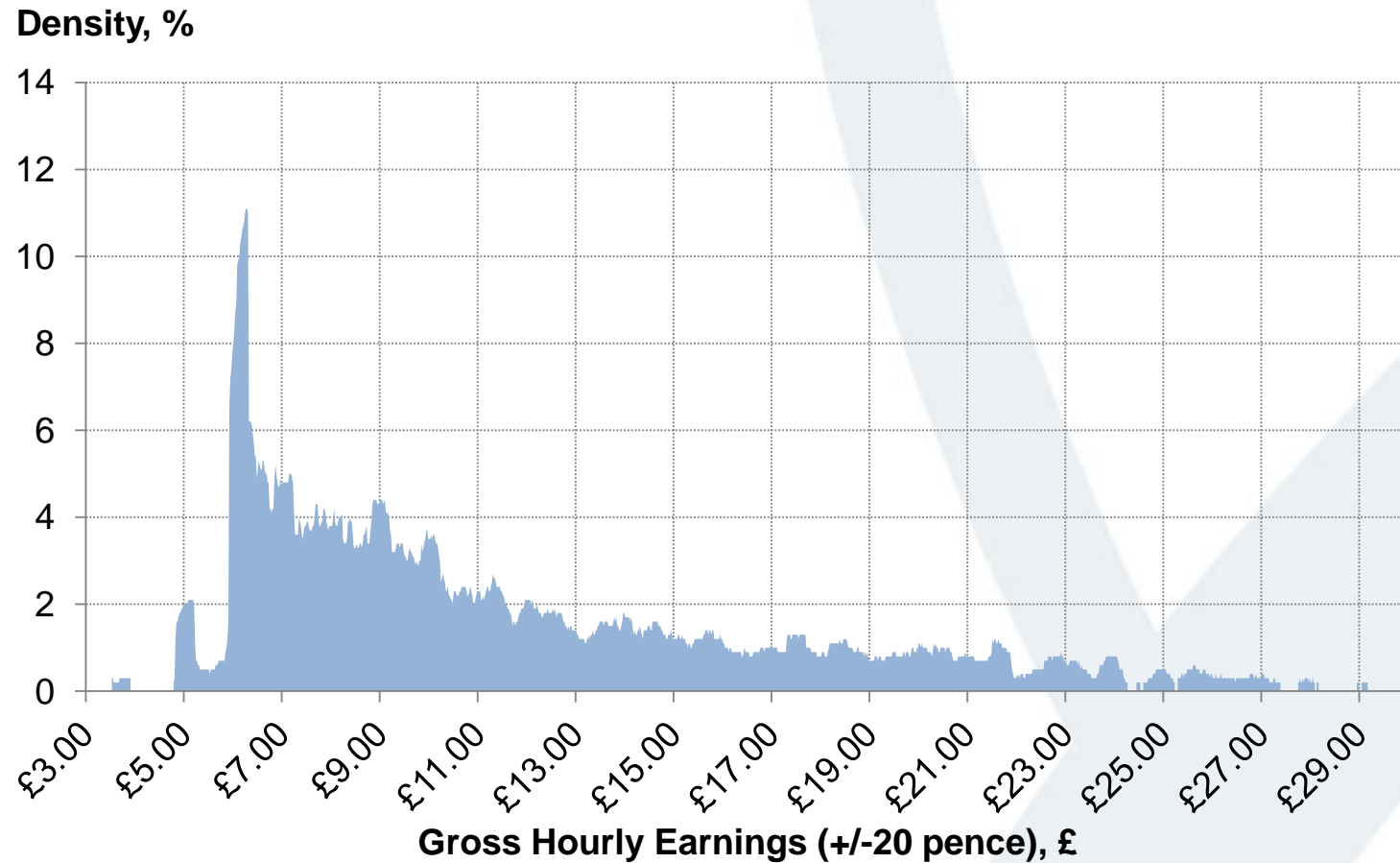
Earnings

Distribution of earnings: 2011



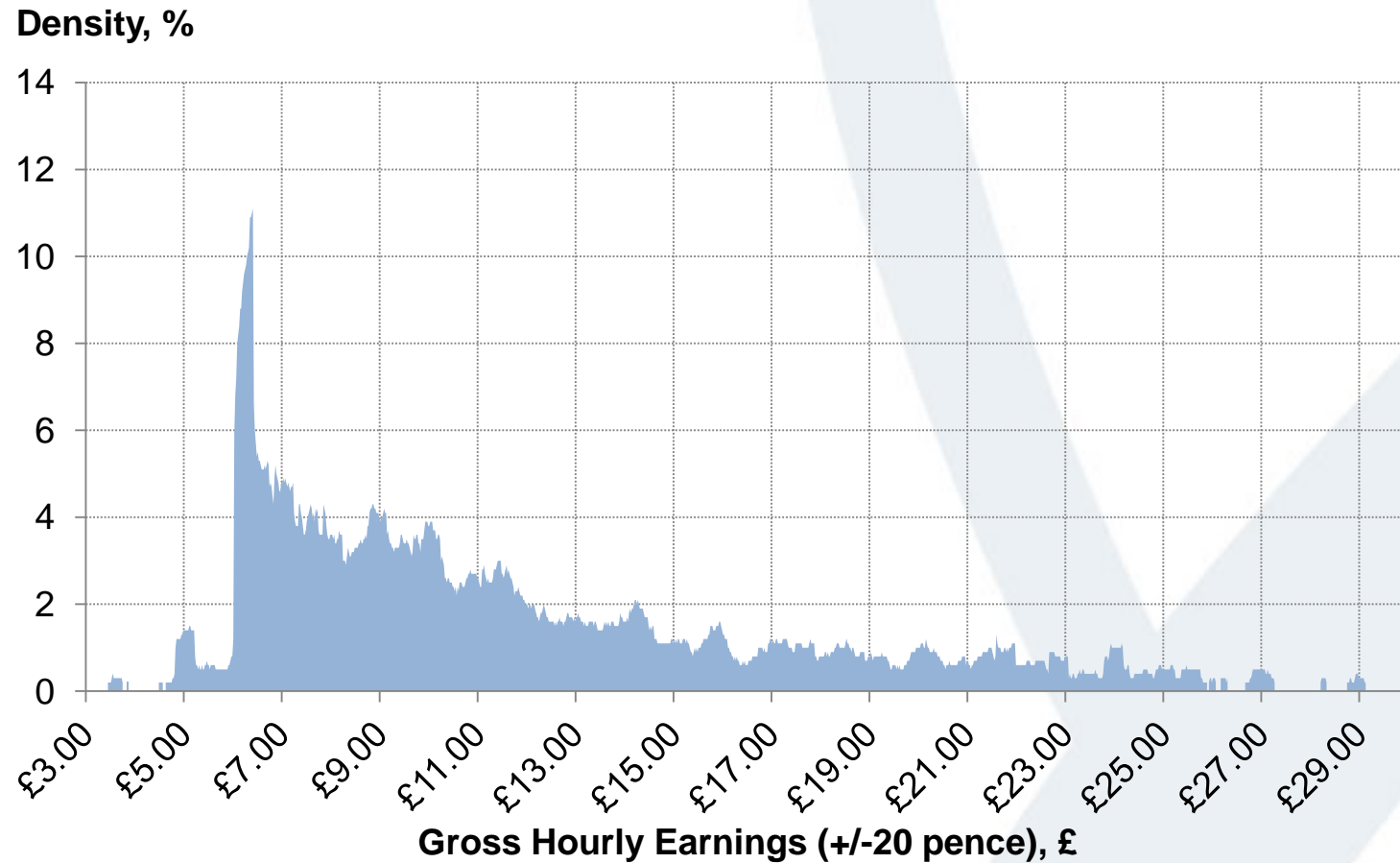
Earnings

Distribution of earnings: 2012



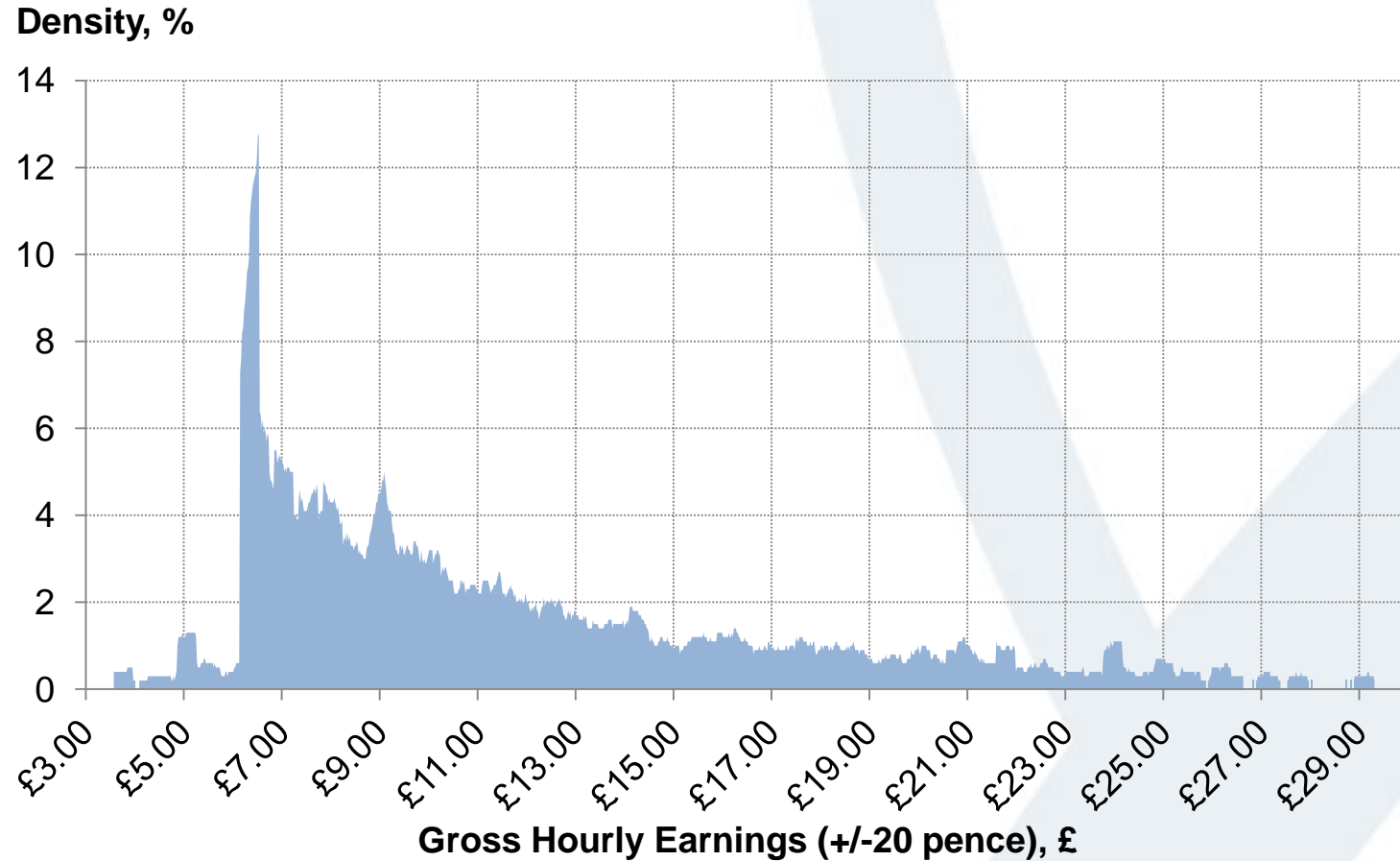
Earnings

Distribution of earnings: 2013



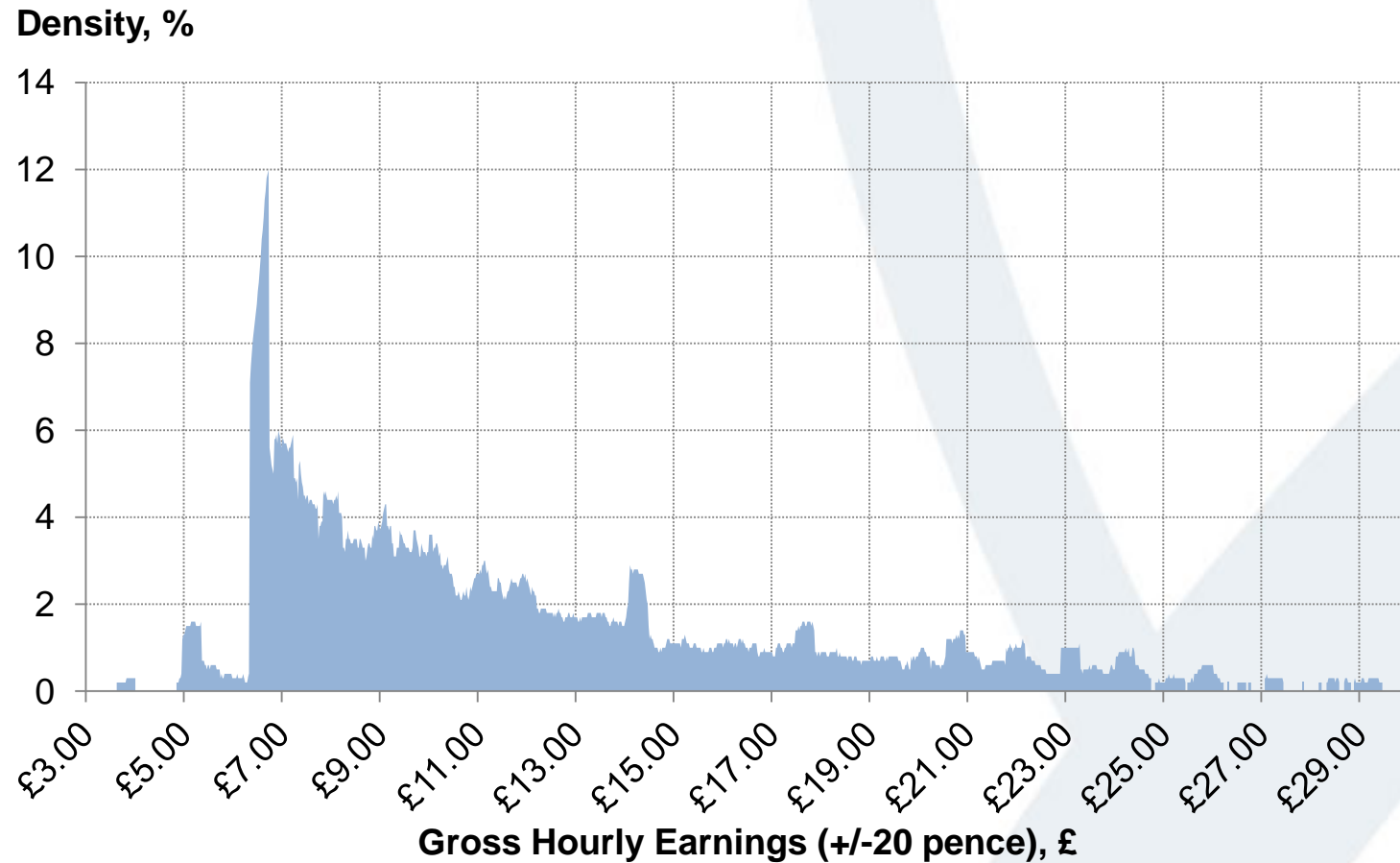
Earnings

Distribution of earnings: 2014



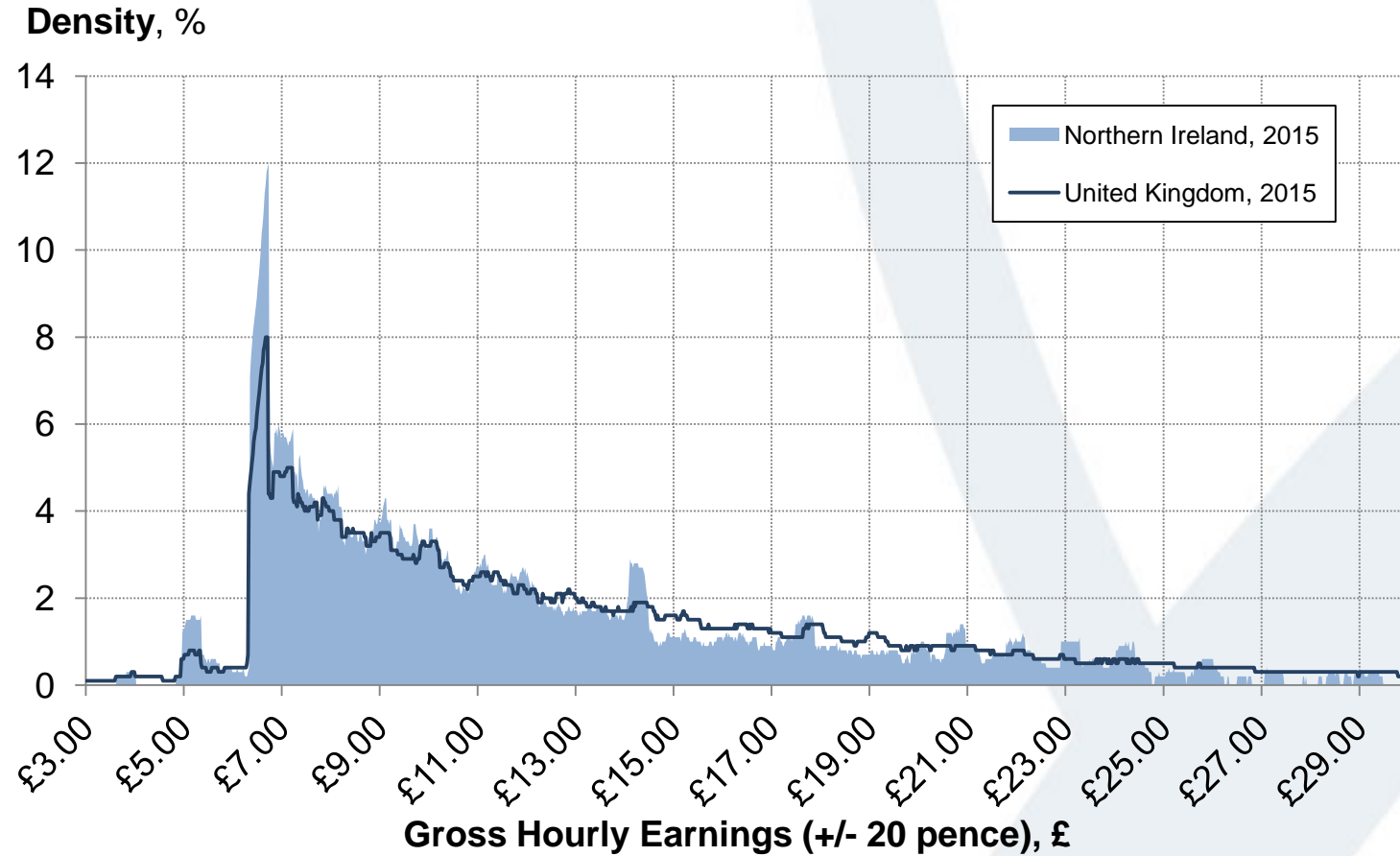
Earnings

Distribution of earnings: 2015



Earnings

Distribution of earnings: 2015



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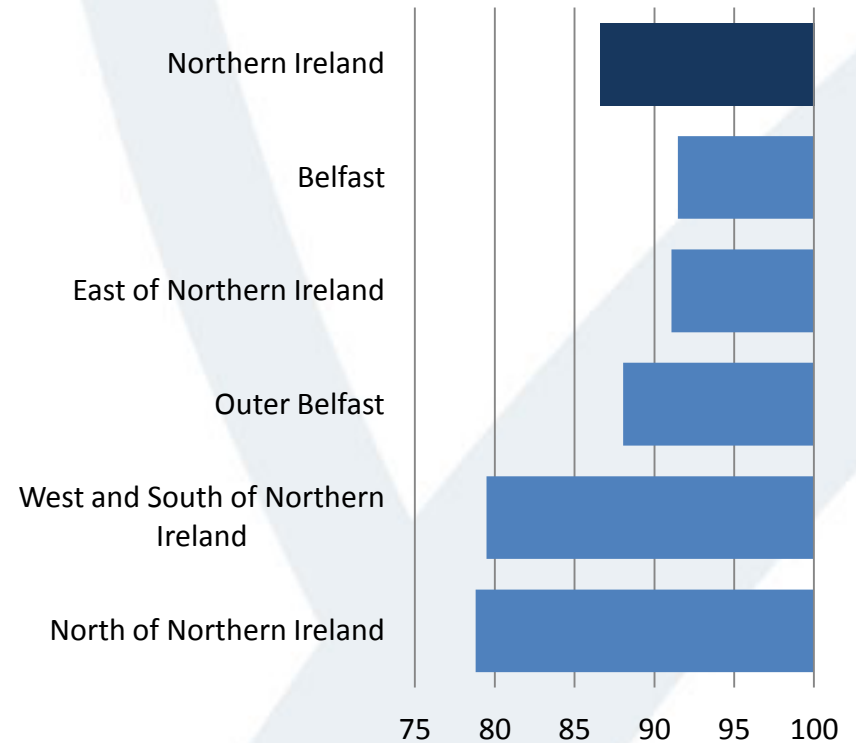
Productivity

Regional Productivity – nominal terms

GVA per job filled, 2014, UK=100



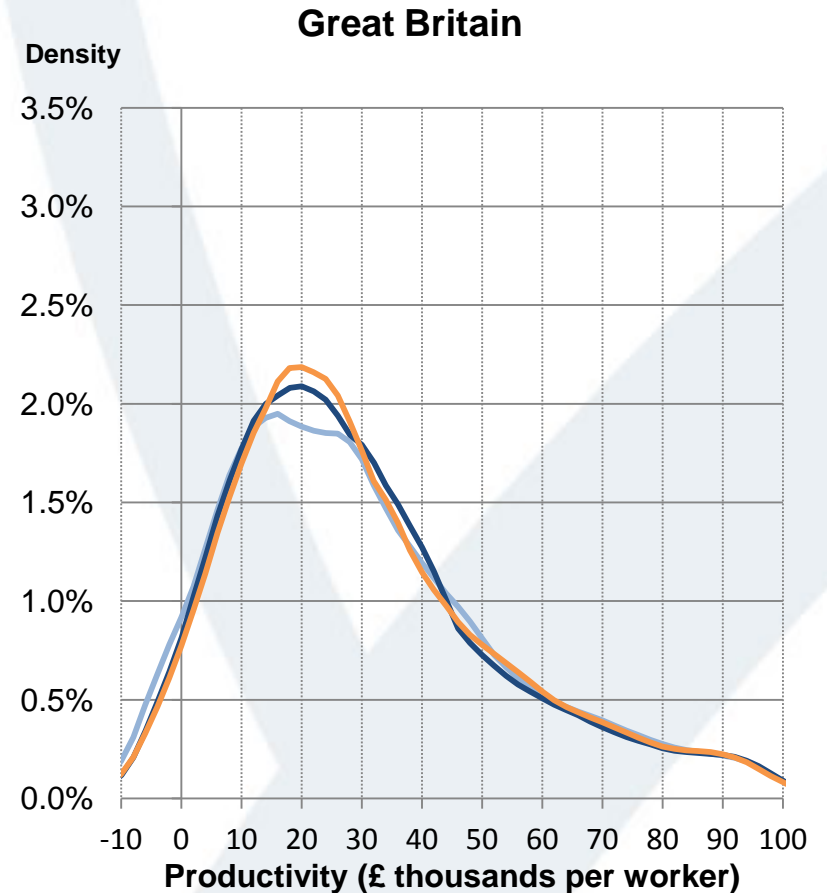
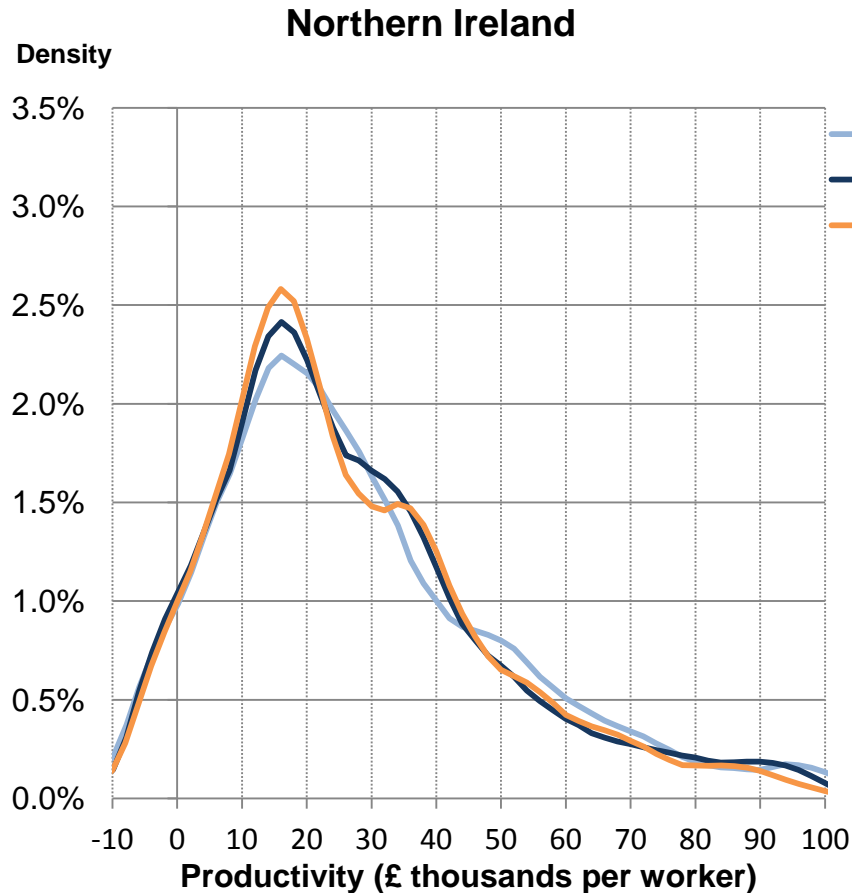
GVA per job filled, 2014, UK=100



Source: ONS sub-regional productivity estimates

Productivity

Regional Productivity – distribution of firm-level labour productivity

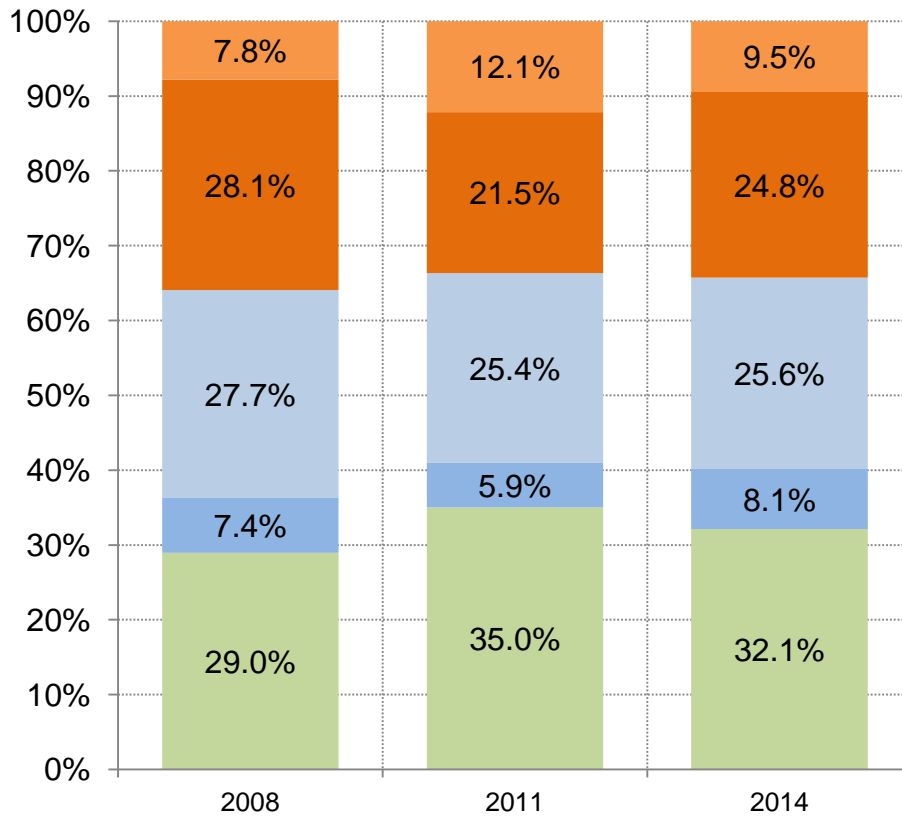


Source: Annual Business Inquiry, Annual Business Survey
Note: Includes Private, non-financial firms.

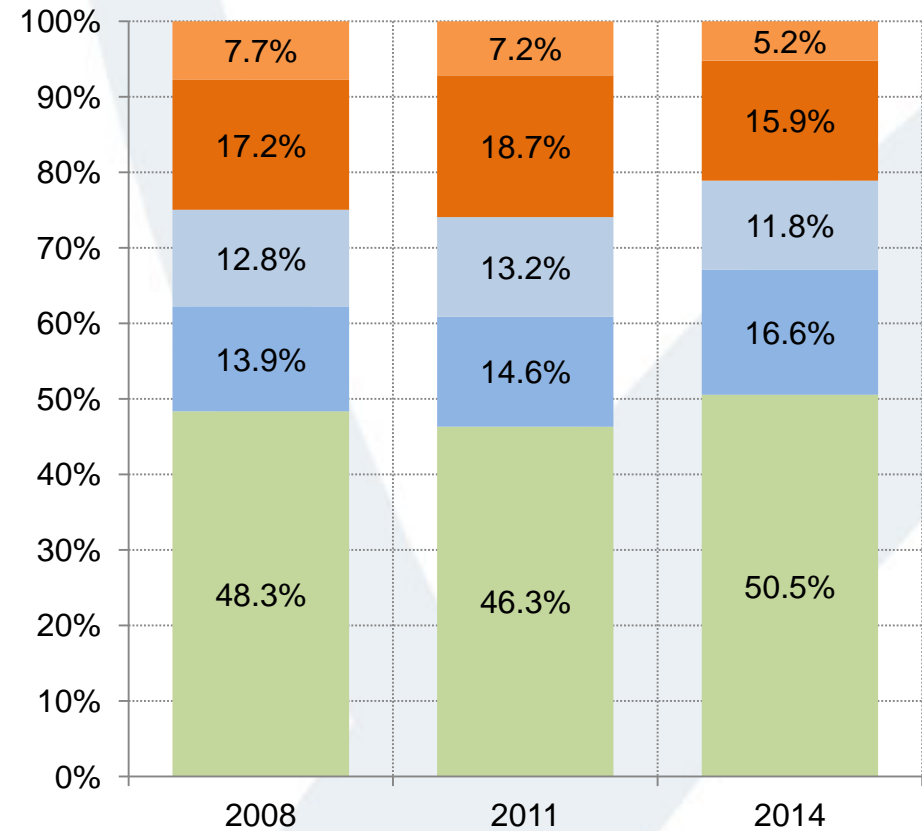
Productivity

Regional Productivity – composition of the top 10% of firms by productivity

Northern Ireland



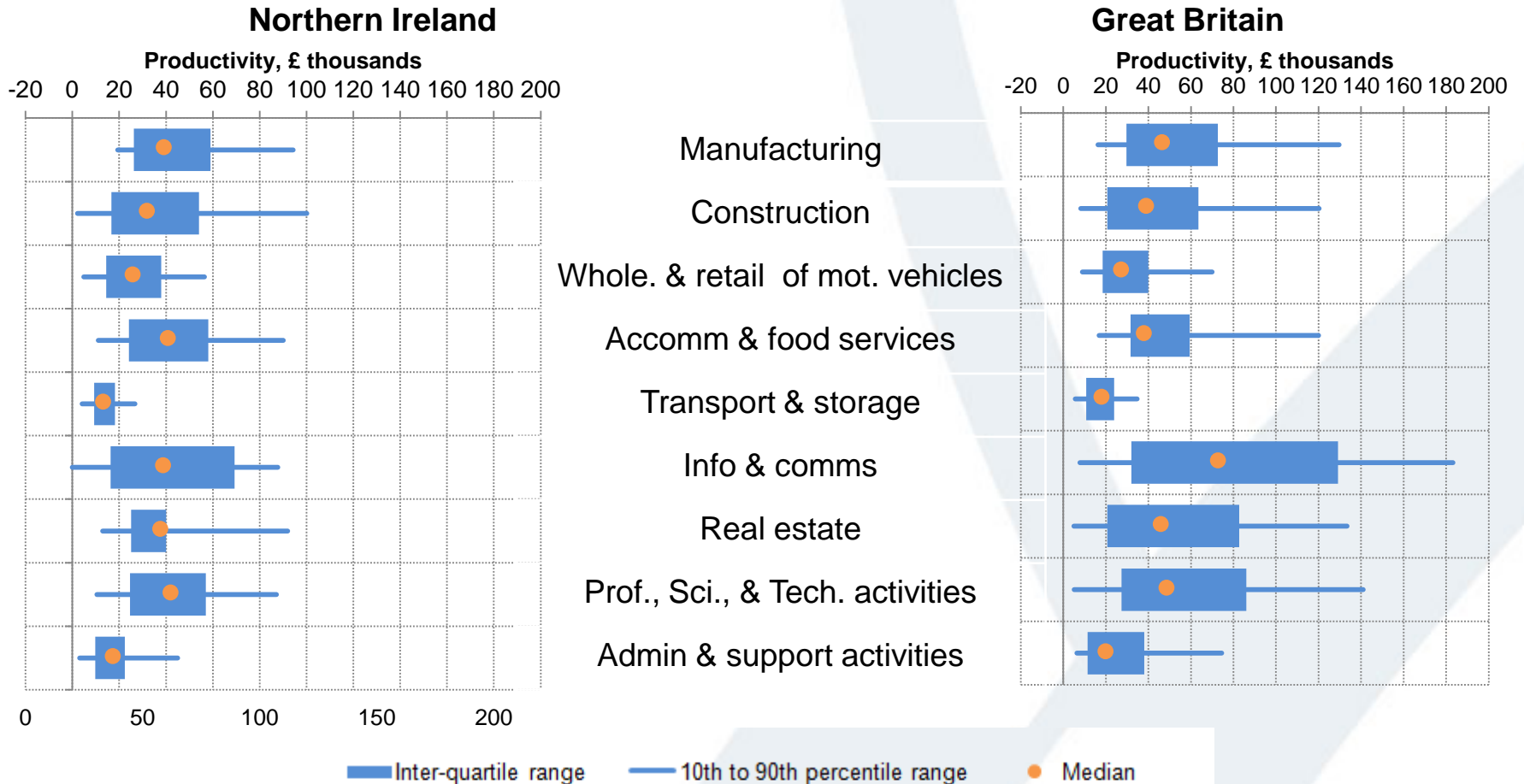
Great Britain



- Production
- Construction
- Services: Distribution, hotels & restaurants
- Services: Transport, storage, & communication
- Services: Business and other

Productivity

Regional Productivity – intra-industry distribution of productivity



Source: Annual Business Inquiry, Annual Business Survey, ONS analysis
 Note: Includes Private, non-financial firms.

Labour market and productivity

- UK labour market is recovering strongly from the economic downturn: labour market in NI appears to have a similar headline unemployment experience, but has been weaker in terms of its inactivity and employment rate performance
- The UK's income distribution has changed markedly over the last ten years, with a growing concentration of workers at or around the national minimum wage. This is broadly consistent with the experience in Northern Ireland – although the prevalence of low pay is more marked here than in the UK as a whole
- The average level of nominal productivity in Northern Ireland is notably lower than in the UK average. However, there are a range of firm-level performances both within and between industries in NI, mirroring the range for the rest of GB.

Questions



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