



Today

's labour market statistics reveal more positive headlines, particularly in relation to unemployment. The headline ILO unemployment rate eased to 3.8% in the three months to November - its lowest rate since August 2007, and moving closer towards the all-time-low of 3.2% (July 2007).

NI labour market not outperforming UK

While the local unemployment rate compares favourably with the UK it would not be right to draw the conclusion that Northern Ireland's labour market is outperforming the UK. It is not. Invariably economic inactivity and employment rates speak louder than unemployment rates. With both these measures, the UK economy continues to make steady progress. The UK's employment and inactivity rates hit record highs and lows respectively in November.

Economic inactivity rising

Northern Ireland's employment rate increased in the latest quarter after following a downward trend through most of 2017. Conversely, the local economic inactivity rate, having hit a record low in the summer of 2016, has been moving in the opposite direction.

Economic inactivity is affecting some age-groups more than others. For example, the proportion of 18-24 year olds not in or looking for work is significantly higher now than in 2007. Meanwhile other age-groups are generally posting lower economic inactivity rates relative to a decade ago.

Male inactivity appears to be a particular problem within the 18-24 year-old age group. The inactivity rate for this cohort has jumped from less than one-third to over 42% in a year (UK = 28.8%). This represents the highest rate of male economic activity since the survey began in 1992. While part of the rise in 18-24 year old economic inactivity will be due to a rise in student numbers, it is clear that economic inactivity and lack of skills / employment opportunities for this cohort is a serious problem.

Falling unemployment due to males

At a national level, there is no difference between the UK's male and female unemployment rates. Both are currently at 4.3%. However, at a Northern Ireland level the difference between male and female unemployment rates are more marked. That said, the gap between male and female unemployment rates has been narrowing considerably. Northern Ireland's male unemployment rate has fallen from 6.2% to 4.5% over the space of one quarter. Conversely, the female unemployment rate remained unchanged at 3.0% over the same period.

But falling male unemployment rate for the wrong reasons

The decrease in Northern Ireland’s male unemployed (and the unemployment rate) is being accompanied by rising economic inactivity. As noted above, this is due to a marked pick-up in economic inactivity amongst 18-24yr olds.

Increasing number of people in work



Notwithstanding the issues concerned with Northern Ireland’s economic inactivity problem, there were some positive signs when looking at employment. The Labour Force Survey highlights an increasing number of people in work. During the three months to November there was a 0.7% q/q rise in the number of people in work. This follows a similar rate of growth in the previous quarter, although this follows three quarters of decline. As a result,

the year-on-year growth in employment is marginal at +0.2% - well below the 1.3% rise for the UK.

Number of full-time workers rose

Looking at the time of work being undertaken by individuals, it is encouraging to note that the number of full-time workers rose (+2.6% q/q) at its fastest rate in 2-½ years. As a result, full-time work posted its first year-on-year rise (+1.6% y/y) in five quarters. Meanwhile part-time worker numbers recorded their first year-on-year decline (-4.7%) since June - August 2015. While the employment data within the Labour Force Survey offers some signs of encouragement, Northern Ireland's pace of growth lags well behind the UK.

Share this:

- [Twitter](#)
- [Facebook](#)
- [LinkedIn](#)

- Email