

Changes to the Irish Labour Market: *Has there been an even recovery?*

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Key Point:

During the Great Recession (2008-12) the Irish labour market experienced significant changes with the employment rate falling below 60% and the unemployment rate rising to almost 16% in 2012. This represented a drop in total employment of 335,000 and an increase in unemployment and long-term unemployment of 233,000 and 177,000 respectively between these years. In 2012, the share of the labour force in employment was highest in the Dublin, South West, Mid-East and West regions with employment rates ranging between 60-62%, compared to the Midlands with the lowest employment rate at 51%. The highest rates of unemployment in 2012 were in the Mid-West and Midlands regions: with the unemployment rate rising to 19% and 22% respectively. Seven years into economic recovery, there has been a dramatic change to the Irish labour market: the national unemployment rate has fallen to 5.4% and employment has increased to almost 70% in 2019. While employment has risen across all regions, the experience of economic recovery has not been even. In early 2019, the Dublin region has the highest employment rate at 73.5%, by comparison to the Midlands which continue to have the lowest employment rate in the country (63% in 2019). Similarly, the highest rates of unemployment are in the South-East (8%) and the Midlands (7%).

Changes to the Irish Labour Market, 2007-2019

Table 1 and Figure 1 show summary data on the main changes to the Irish labour market between the years 2007, the end of the economic boom, through 2012, in the depth of the crisis, and 2019 during recovery. The Great Recession (2008-2012) had a profound impact on the Irish labour market, with a dramatic contraction in employment and rise in unemployment (O’Connell, 2017). Total employment fell by 335,000 (-15%) between 2007 and 2012, but, with recovery, increased by 22.5% in the following 7 years (2012-2019). The employment rate (percentage of the population aged 15-64 years at work), fell from almost 72% in 2007 to less than 60% in 2012, and then increased once again to almost 70% in 2019.

The number unemployed increased from 120,000 in 2007 to 353,000 in 2012 (+194%) before falling steadily to 131,000 in 2019 (-63%). Total long-term unemployment (LTU) increased from 34,000 in 2007 to 211,000 in 2012 (+520%), but then decreased to 41,000 in 2019 (-81%). Figure 1a shows the unemployment rate increasing from 5.2% of the labour force in 2007 to almost 16% in 2012. Similarly, the LTU rate increased from

1.5% in 2007 to 9.5% in 2012. Over the following years, the unemployment and LTU rates decreased steadily to 5.4% and 1.7% respectively in 2019.

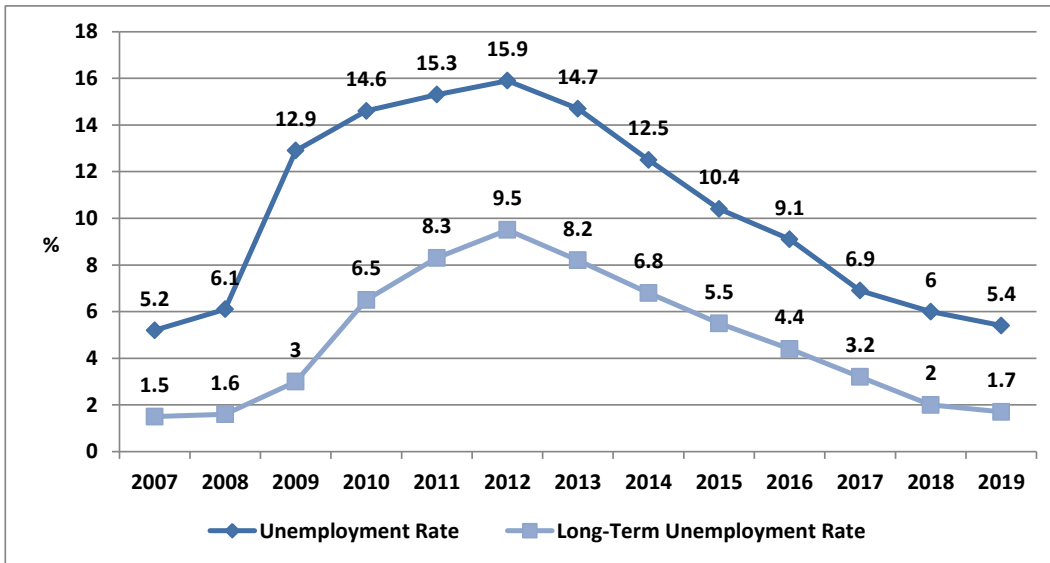
Males were more likely than females to be unemployed during the recession: with the rate of unemployment increasing to 18% for males, by comparison to almost 13% for females in 2012. However, as economic growth resumed unemployment rates for males and females fell steadily to 5.6% and 5.2% respectively in 2019.

Table 1: Changes in the Irish Labour Market 2007-2019 (Q2)

				Change	
	2007	2012	2019	2007-12	2012-19
Employment (000's)	2,213.4	1,878.0	2,300.0	-15.1%	22.5%
Employment Rate (%)	71.7	59.8	69.1	-11.9 %-points	9.3 %-points
Participation Rate (%)	66.7	61.9	62.1	-4.8 %-points	0.2 %-points
Unemployment (000's)	120.1	352.7	130.8	193.7%	-62.9%
Unemployment Rate (%)	5.2	15.9	5.4	10.7 %-points	-10.5 %-points
Long-Term Unemployment (LTU) (000's)	34.0	210.8	40.8	520%	-80.6%
LTU Rate (%)	1.5	9.5	1.7	8 %-points	-7.8 %-points
Men					
<i>Employment Rate (%)</i>	<i>80.4</i>	<i>63.4</i>	<i>74.6</i>	<i>-17 %-points</i>	<i>11.2 %-points</i>
<i>Unemployment Rate (%)</i>	<i>5.0</i>	<i>18.4</i>	<i>5.6</i>	<i>13.4 %-points</i>	<i>-12.8 %-points</i>
Women					
<i>Employment Rate (%)</i>	<i>62.8</i>	<i>56.3</i>	<i>63.7</i>	<i>-6.5 %-points</i>	<i>7.4 %-points</i>
<i>Unemployment Rate (%)</i>	<i>5.3</i>	<i>12.9</i>	<i>5.2</i>	<i>7.6 %-points</i>	<i>-7.7 %-points</i>

Source: CSO (2019a)

Figure 1: Long-Term and Total Unemployment Rates, 2007-2019 (Q2)



Source: CSO (2019a)

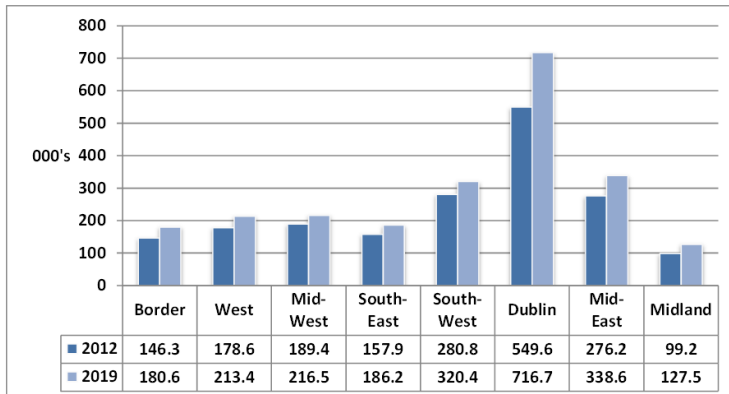
Regional Employment and Unemployment Trends, 2012 and 2019

Figures 2a and 2b shows the share of the labour force in employment by NUTS2 and NUTS3 Regions¹ during the years of economic recovery (2012-2019). In 2012, total employment was highest in the Dublin region at 550,000, followed by the South-West (281,000); Mid-East (276,000); Mid-West (189,000); West (179,000); and South-East (158,000) and Border (146,000) regions. Total Employment was lowest in the Midlands region at almost 100,000.

As economic growth resumed, the share of the labour force in employment increased across all regions. The rise in total employment in nominal terms was greatest in the Dublin region: with employment increasing by 167,000 or 30% on 2012. This region was followed by the Midlands (+28.5%); Border (+23%); Mid-East (+23%); West (+19.5%) and South-East (+18%). Employment growth was lowest in the Mid-West and South-West regions: increasing by 14% respectively between 2012 and 2019.

¹ See Appendix 1

Figure 2a: Persons aged 15 years and over in employment, 2012 and 2019 (Q2)



Source: CSO (2019a)

Figure 2b: Percentage Change in Employment, 2012-2019

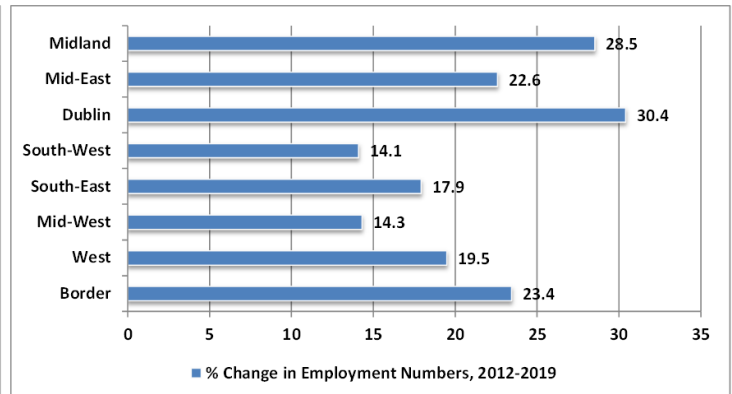
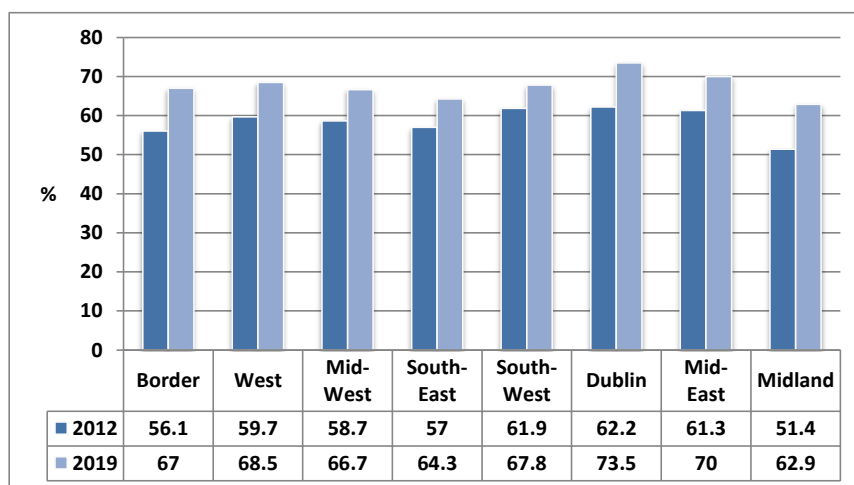


Figure 3 shows the employment rate for persons aged 15-64 years by NUTS2 and NUTS3 Regions between 2012 and 2019. In 2012, the highest employment rate was in the Dublin and South West Regions at 62% respectively. Five regions had an employment rate ranging between 56-61% – Border (56%); South-East (57%); Mid-West (59%); West (60%); and Mid-East (61%). The lowest employment rate was in the Midlands at 51% in 2012. Seven years into the economic recovery, employment rates have increased significantly across all regions. The greatest share of the labour force in employment is in the Dublin region at 73.5% in 2019: increasing by over 10 percentage points on 2012. High employment rates are also evident in the Mid-East (70%); West (68.5%); South-West (68%); Mid-West (67%); Border (67%) and South East (64%) regions. Although the employment rate in the midlands has increased by 12 percentage points since 2012, this region maintain the lowest rate of employment in the country at 63% in 2019.

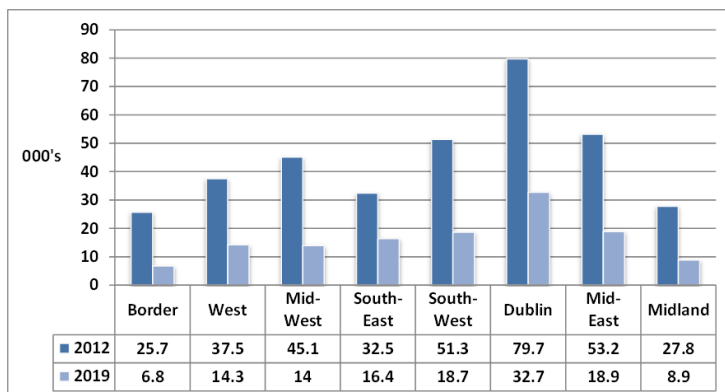
Figure 3: Employment rates for persons aged 15-64 years by NUTS2 and NUTS3 Region, 2012 and 2019 (Q2)



Source: CSO (2019b)

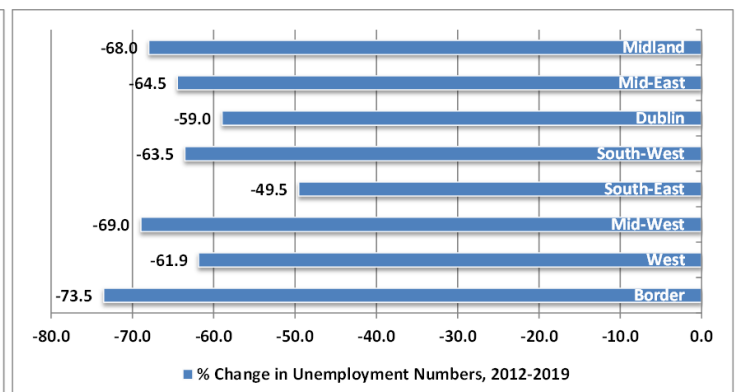
Figure 4a and 4b shows the share of the labour force unemployed by NUTS2 and NUTS3 Regions during the years of economic recovery (2012-2019). In nominal terms, total unemployment was greatest in the Dublin region in 2012: with 80,000 persons unemployed. This region was followed by the Mid-East (53,000); South West (51,000); Mid-West (45,000); West (37,500); Border (26,000); and Midlands (28,000).

Figure 4a: Persons aged 15-74 years unemployed, 2012 and 2019 (Q2)



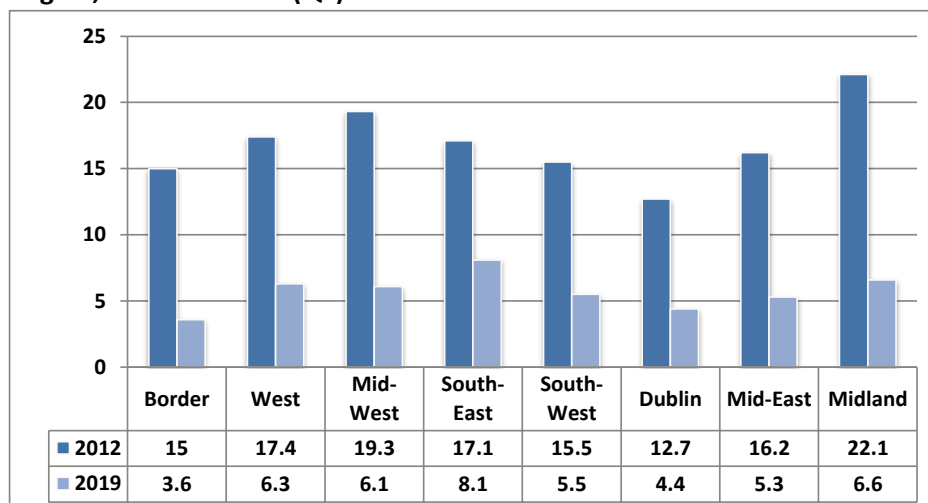
Source: CSO (2019a)

Figure 4b: Percentage Change in Unemployment, 2012-2019 (Q2)



The share of the labour force unemployed has fallen significantly in 2019 across all regions. The greatest decrease in total unemployment was in the border region: with a drop of almost 19,000 or 73.5% on 2012. Other regions experiencing a significant fall in unemployment include the: Mid-West (-70%); West (-62%); South-West (-63.5%); and Dublin (-60%). The nominal decrease in unemployment was lowest in the South-East region at -49.5% in 2019.

Figure 5: Unemployment rates for persons aged 15-74 years by NUTS2 and NUTS3 Region, 2012 and 2019 (Q2)



Source: CSO (2019a)

Figure 5 compares the unemployment rates of persons 15-74 years by NUTS2 and NUTS3 Region. In 2012, the rate of unemployment was lowest in the Dublin region at 13%, while the highest unemployment rate was in Mid-West (19%) and Midlands (22%) regions. However, with economic recovery, the proportion of the labour force unemployed in the Mid-West and Midlands regions has fallen considerably: decreasing by 13 and 15 percentage points respectively in the following years (2012-19). In early 2019, the Border and Dublin regions hold the lowest rate of unemployment at 4%, with the greatest share of the labour force unemployed residing in the Midlands and South East regions at 7% and 8% respectively.

References

Central Statistics Office (2019a) *Labour Force Survey Supplementary Tables* [online]

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O'Connell, P.J. (2017) 'Unemployment and Labour Market Policy' in Roche, W.K., O'Connell, P.J. and Prothero, A. (2017) *Austerity & Recovery in Ireland: Europe's Poster Child and the Great Recession*. Oxford: Oxford University Press. pp. 232-51.

Appendix 1

The regional classifications are based on the Nomenclature of Territorial Units (NUTS) classifications used by Eurostat. Each county in Ireland is broken down into the following regions:

- **Northern & Western NUTS Region:**
 - *Border* – Cavan, Donegal, Leitrim, Monaghan and Sligo
 - *West* – Galway, Mayo and Roscommon
- **Southern NUTS Region**
 - *Mid-West* – Clare, Limerick and Tipperary
 - *South-East* – Carlow, Kilkenny, Waterford and Wexford
 - *South-West* – Cork and Kerry
- **Eastern & Midland NUTS Region**
 - *Dublin* – Dublin City, Dun Laoghaire-Rathdown, Fingal and South Dublin
 - *Mid-East* – Kildare, Meath, Wicklow and Louth
 - *Midland* – Laois, Longford, Offaly and Westmeath