

Public Service Numbers and Pay: *from austerity to recovery*

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Key Point:

During the Great Recession (2008-12) a key emphasis of government policy focused on reducing public service numbers and pay. This led to total employment in the public service falling by 33,000, from 325,000 in 2008 to 292,000 in 2013. The sectors most affected were the Non-Commercial State Agencies and Local Authorities Sector: with total employment decreasing in these sectors by 2,870 (-22%) and 7,464 (-21%) respectively during the years 2008-13. Five years later, total public service employment has risen substantially to 330,576 in 2018. This represents an increase of almost 39,000 or 13% on 2013. Expenditure on public service pay and pensions has also increased substantially from the lowest level of €16.2bn in 2014 to almost €21bn 2019, exceeding the 2008 level of €18.7bn.

Public Service Numbers

Table 1 summarises the main changes to each sector of the public service over the last decade 2008-18. The impact of the Great Recession (2008-2012) had an immediate and dramatic impact on the Irish public sector, in terms of public service numbers and pay. A key emphasis of government policy during these years focused on the reduction of public service numbers with the aim of further reducing the size of the public service pay bill (Boyle, 2017). Between the years 2008 and 2013, the total number of persons employed in the public service fell from 325,117 to 291,838 – a decline of just over 33,000 or 10% on 2013. While total employment decreased across all sectors of the public service, some have been more affected than others. The greatest proportional decrease in public service employment during these years was in the Non-Commercial State Agencies and Local Authorities Sector: with total employment decreasing by 2,870 (-22%) and 7,464 (-21%) respectively during 2008-13. Total employment also decreased in the Defence and Justice sectors by 1,468 (-13%) and 2,671 (-17%). In the health sector, public service employment fell by over 12,000 (-10.5%) – of which total employment in the Health Service Executive decreased by almost 9,000 (-11.5%). The sectors of the public service least affected during the recessionary years were the civil

service and education, where employment decreased by 8 and 4 percent respectively during these years.

In the context of economic recovery, public service employment has increased to 330,576 in 2018: representing an increase of almost 39,000 or 13% on 2013. The Non-Commercial State Agencies and Education sectors experienced the greatest rise in public service employment: increasing by 3,517 (+34.5%) and 15,358 (+17%) respectively on 2013. Increases in public service employment also occurred in the Health sector (+14%), Justice (+10.5%), Civil Service (+10.5%) and Local Authorities (+3%). The Defence sector experienced a further drop in total employment: with a decrease of 394 or 4% on 2013.

Table 1: Public Service Employment Numbers by Sector 2008-2018 (Q4)

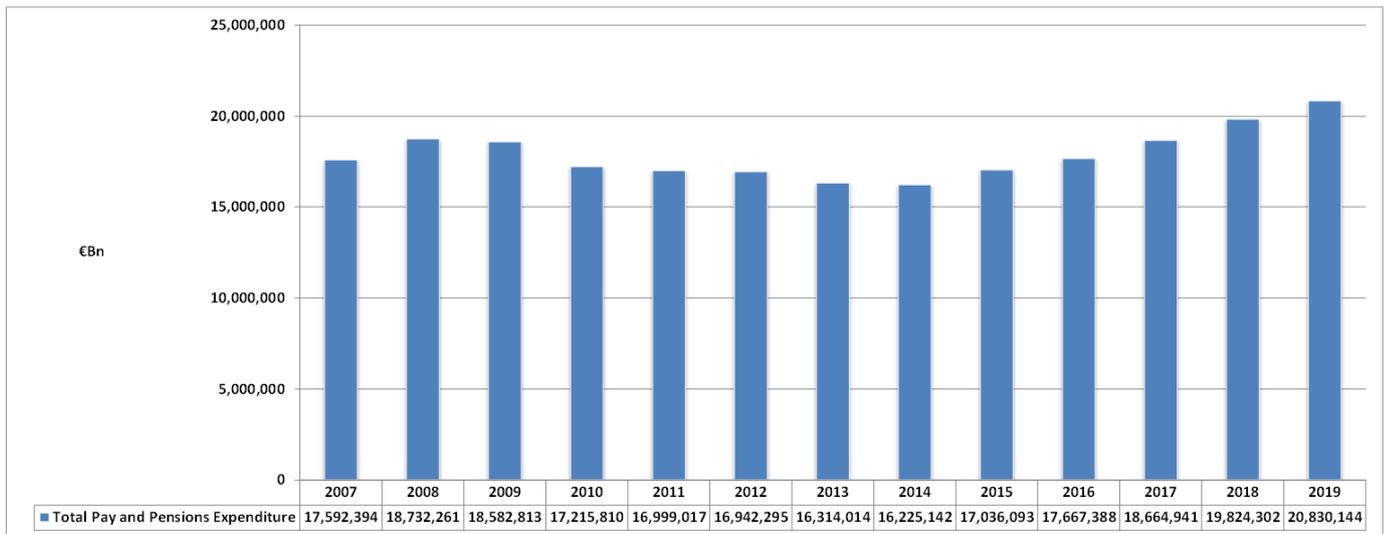
Public Sector Area	2008	2013	2018	% Change 2008-13	% Change 2013-18
Civil Service	39,313	36,118	39,922	-8.1	10.5
Defence Sector	11,265	9,797	9,403	-13.0	-4.0
Education Sector	95,024	91,590	106,948	-3.6	16.8
Health Sector	115,755	103,580	117,857	-10.5	13.8
<i>of which contains Health Service Executive Agency</i>	77,425	68,545	76,372	-11.5	11.4
Justice Sector	15,692	13,021	14,395	-17.0	10.5
Local Authorities	35,008	27,544	28,342	-21.3	2.9
Non-Commercial State Agencies	13,060	10,190	13,707	-22.0	34.5
Total	325,117	291,838	330,576	-10.2	13.3

Source: Department of Public Expenditure and Reform Databank (2019a)

Public Service Pay

Figure 1 shows changes in public service pay and pensions between the years 2008 and 2019. In 2008, the total public service pay and Pensions bill reached a peak of €18.7bn. As the cuts in public service numbers and pay introduced by government took effect, total expenditure on public service pay and pensions fell from its peak of €18.7bn to €16.2bn in 2014. In 2019, expenditure on public service pay and pensions increased substantially to almost €21bn in 2019: representing an increase of €4.6bn or 28.4% on 2014, or 26% in real terms, adjusting for changes in consumer prices.

Figure 1: Total Public Service Pay and Pensions Expenditure, 2007 to 2019



Source: Department of Public Expenditure and Reform Databank (2019b)

Table 2: Public Service Pay Expenditure by core sectors, 2014-19

	2014	2019	% Change 2014-19
Health (including Health Service Executive Agency)	5,657,833	7,949,696	40.5
Education and Skills	4,745,173	5,936,478	25.1
An Garda Síochána	872,180	1,112,847	27.6
Defence	438,593	513,417	17.1
Other sectors of the Public Service	2,046,377	2,592,023	26.7
Total	13,760,156	18,104,461	31.6

Source: Department of Public Expenditure and Reform Databank (2019b). Note: Voted expenditure for some sectors has exceeded the vote, particularly in the case of health.

Table 2 compares the public service sectors with the highest pay expenditure between the years 2014 and 2019. In economic recovery, total public service pay has risen by €4.4bn from €13.7bn in 2014 to €18.1bn in 2019: representing an increase of 32%, or 30% in real terms. The public service sectors with the highest pay expenditure in 2014 were the Health (incl: Health Service Executive Agency) and Education and Skills sectors at €5.6bn and €4.7bn respectively. In 2019, total pay expenditure has risen in both of these sectors: with the health sector increasing by €2.3bn (+40.5%) and Education and Skills by €1.2bn (+25%) on 2014. During these years, An Garda Síochána and Defence also experienced a significant rise in pay expenditure: with both sectors increasing by 240,667 (+28%) and 74,824 (+17%) respectively on 2014.

References

Boyle, R. (2017) 'Public Service Reform' 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. 214-31.

Department of Public Expenditure and Reform (2019a) *Public Service Numbers by Sector* [Online] available at: http://databank.per.gov.ie/Public_Service_Numbers.aspx

Department of Public Expenditure and Reform (2019b) *Net Expenditure Analysis by Vote* [Online] available at: <http://databank.per.gov.ie/Expenditure.aspx>