

Annex 5

WORK, UNEMPLOYMENT AND JOB CREATION

Measuring the labour market

When considering terms such as “employment” and “unemployment” it is important to be as clear as possible about what we actually mean. Two measurement sources are often quoted as the basis for labour market data, the *Quarterly National Household Survey* (QNHS) and the *Live Register*. The former is considered the official and most accurate measure of employment and unemployment although, unlike the monthly live register unemployment data, it appears only four times a year.

The CSO’s QNHS unemployment data use the definition of ‘unemployment’ supplied by the International Labour Office (ILO). It lists as unemployed only those people who, in the week before the survey, were unemployed *and* available to take up a job *and* had taken specific steps in the preceding four weeks to find employment. Any person who was employed for at least *one hour* is classed as employed. By contrast, the live register counts everybody ‘signing-on’ and includes part-time employees (those who are employed up to three days a week), those employed on short weeks, seasonal and casual employees entitled to Jobseekers Assistance or Benefit.¹²³

Labour force trends

The dramatic turnaround in the labour market after 2007 (see chapter 5) contrasts with the fact that one of the major achievements of the preceding 20 years had been the increase in employment and the reduction in unemployment, especially long-term unemployment. In 1992 there were 1,165,200 people employed in Ireland. That

¹²³ See Healy and Collins (2006) for a further explanation of measurement in the labour market.

figure increased by almost one million to peak at 2,169,600 in mid-2007. During early 2006 the employment figure exceeded two million for the first time in the history of the state. Overall, the size of the Irish labour force has expanded significantly and today equals over 2.17 million people, eight hundred thousand more than in 1992 (see chart A5.1).

However, in the period since 2007 emigration has returned, resulting in a decline in the labour force. Initially this involved recently arrived migrants returning home but was then followed by the departure of native Irish. CSO figures indicate that during the first quarter of 2009 the numbers employed fell below two million and that the level continued to fall until achieving some growth in 2013. By the end of 2014 there were just over 1.9 million people employed (see chart A5.1).

Chart A5.1: The Numbers of People in the Labour Force and Employed in Ireland, 1991-2014

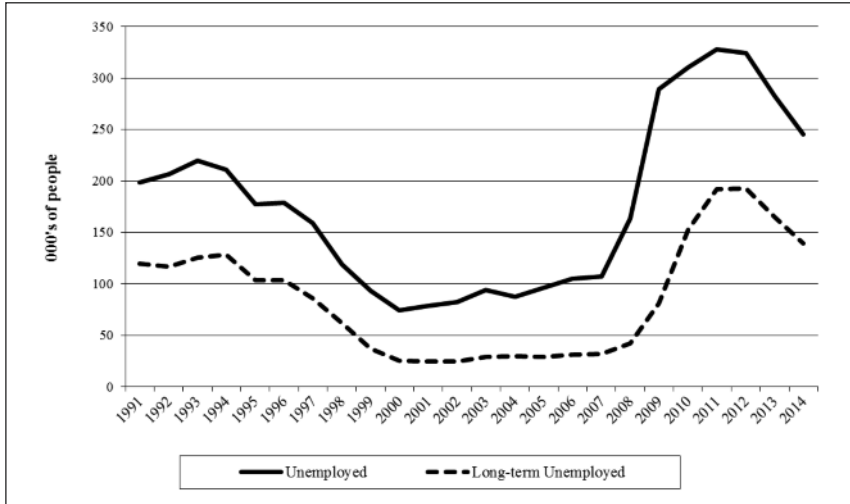


Source: CSO, Labour Force Survey and QNHS various editions

As chart A5.2 shows, the period from 1993 was one of decline in unemployment. By mid-2001 Irish unemployment reached its lowest level at 3.6 per cent of the labour force. Subsequently the international recession and domestic economic crisis brought about increases in the rate. During 2006 unemployment exceeded 100,000 for the first time since 1999 with a total of 105,100 people recorded as unemployed in mid-2006. As chart A5.2 shows, it exceeded 200,000 in early-2009, 300,000 in 2010 and peaked at 328,000 in 2011. Unemployment has since declined, reaching a figure of 245,000 in 2014. The chart also highlights the rapid growth in the number of long-term unemployed (those unemployed for more than 12 months). The CSO

reports that there are now almost 140,000 people in long-term unemployment and that this figure has increased more than four-fold since 2007. Quite simply, given the nature and duration of the recent economic crisis, many of those who entered unemployment in 2007-2010 have remained unemployed for more than 12 months and therefore became long-term unemployed.

Chart A5.2: The Numbers of Unemployed and Long-Term Unemployed in Ireland, 1991-2014



Source: CSO, Labour Force Survey and QNHS various editions