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JUSTICE
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Social Justice Matters 2022 Annex
**Work, Unemployment and Job
Creation**



Annex 5 - Work, Unemployment and Job Creation

To accompany Chapter 5 in our Socio-Economic Review, in this annex we examine labour force trends in Ireland over time.

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 *Labour Force Survey (LFS)* and the *Live Register*¹. The former is considered the official and most accurate measure of employment and unemployment, although it appears only four times a year. Given this, in recent years the CSO have also provided a monthly unemployment estimate which represents an estimate of changes to the LFS measure based on trends indicated by the numbers on the Live Register.

The CSO’s LFS 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, as well as seasonal and casual employees entitled to Jobseekers Assistance or Benefit².

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 1991 there were 1,155,900 people employed in Ireland. That figure increased by over 1.3 million to peak at 2,471,000 in 2021. During early 2005 the employment figure exceeded two million for the first time in the history of the state – a figure once again exceeded during late 2014; the figure is likely to exceed 2.5 million people in the years immediately ahead. Overall, the size of the Irish labour force has expanded significantly and today equals 2.6 million people; 1.26 million more than in 1991 (see Chart A5.1).

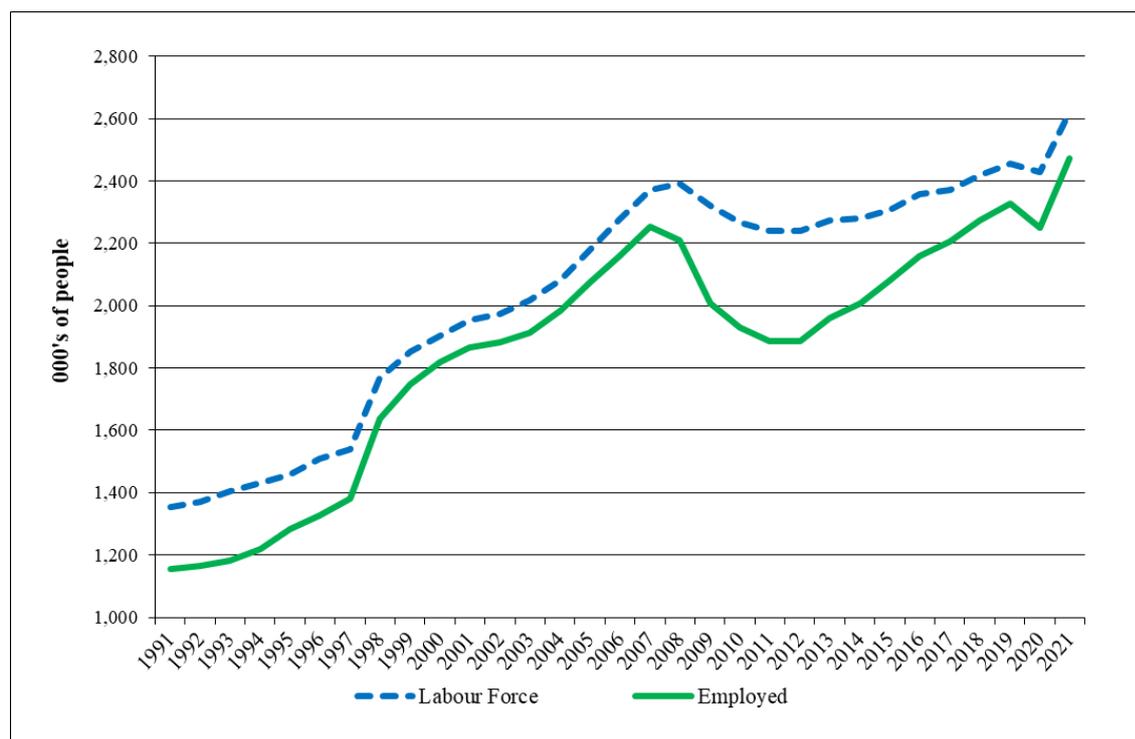
However, in the period after 2008 emigration returned, resulting in a decline in the labour force. Initially this involved recently arrived migrants returning home but was then followed by the departure of native Irish. CSO figures indicate that during the final quarter of 2009 the numbers employed fell below two million and that the level continued to fall until achieving some growth in late 2013 / early 2014 (see Chart A5.1).

As Charts A5.2 and A5.3 show, the period from 1993 was one of decline in unemployment. By late-2000 Irish unemployment reached its lowest level at 3.8 per cent of the labour force. Subsequently the international recession and domestic economic crisis brought about increases in the rate. By 2006 unemployment had exceeded 100,000 on an annualised basis for the first time since 1999 with an average of 106,325 people recorded as unemployed in mid-2006. As Chart A5.2 shows, it exceeded 200,000 in early-2009, 300,000 in late-2009 and peaked at 356,000 in the third-quarter of 2011. The Covid-19 lockdowns caused further job losses with the numbers rapidly peaking and then declining again in 2020/21.

¹ The LFS replaced the Quarterly National Household Survey (QNHS) from Q3 2017. The QNHS ran from late 1997 to 2017. Prior to this the CSO conducted an earlier version of the LFS.

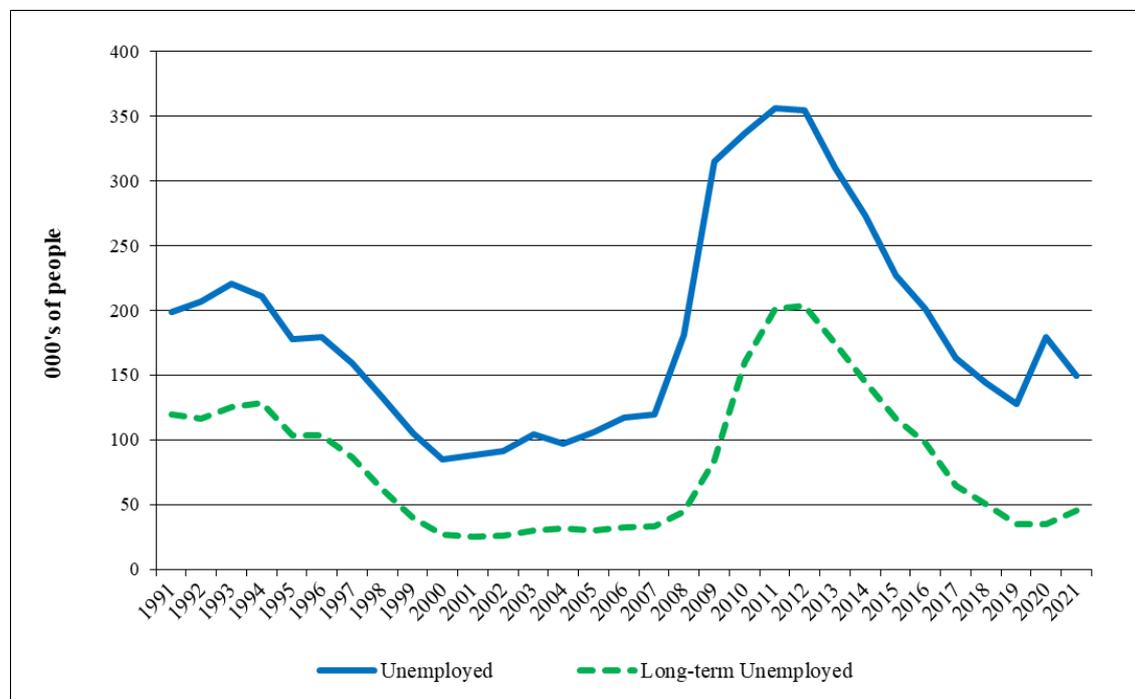
² See Healy and Collins (2006) for a further explanation of measurement in the labour market.

Chart A5.1: The Numbers of People in the Labour Force and Employed in Ireland, 1991-2021



Source: CSO, Labour Force Survey and QNHS various editions

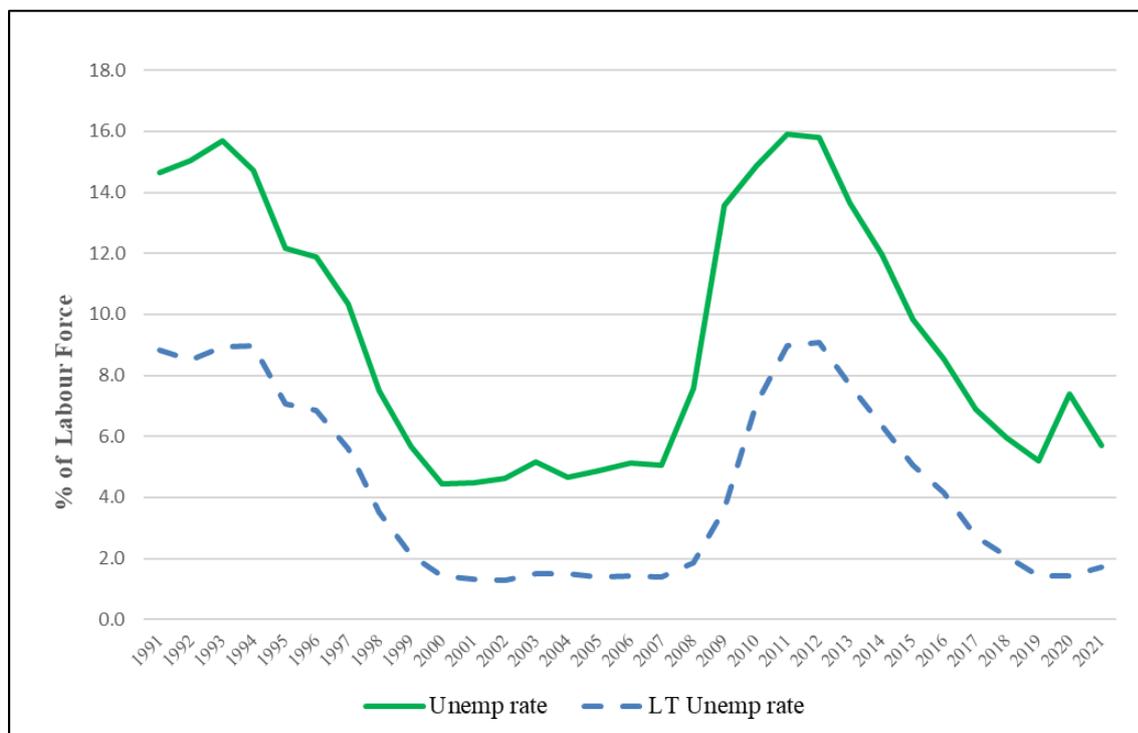
Chart A5.2: The Numbers of Unemployed and Long-Term Unemployed in Ireland, 1991-2021



Source: CSO, Labour Force Survey and QNHS various editions

Unemployment has since declined, reaching a figure of 149,000 in late 2021. The chart also highlights the trends in the number of long-term unemployed (those unemployed for more than 12 months). The CSO reports that there were 45,100 people in long-term unemployment at the end of 2021; a figure which is still higher than in 2007.

Chart A5.3: Rates of Unemployment and Long-Term Unemployment in Ireland, 1991-2021



Source: CSO, Labour Force Survey and QNHS various editions

References

Healy, S. and Collins, M.L. (2006) “Work, Employment and Unemployment”, in Healy, S., B. Reynolds and M.L. Collins eds. *Social Policy in Ireland: Principles, Practice and Problems*. Dublin: Liffey Press.

Online database

CSO online database, web address: <http://www.cso.ie/en/databases/>