

# The Evolving Employment Structure:

## Some Observations

Labour Market Policy Symposium  
Royal Irish Academy, 19<sup>th</sup> May 2015

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*Research for new economic policies*

## Outline

- 1. Employment Trends**
- 2. Employment: recovery & decline**
- 3. Long-Term Unemployment**
- 4. Low Pay**
- 5. Precarious Work**
- 6. Employment, Activation & Public Services**

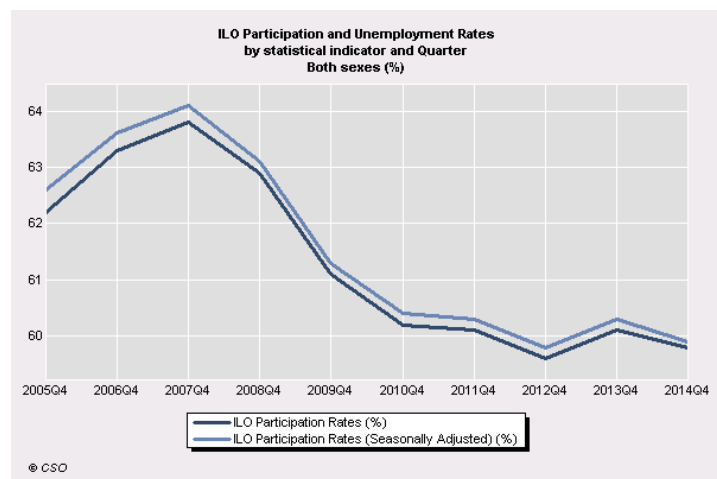


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# 1. Employment Trends

**Table 2.1 Key Economic Trends (2007-2014)**

|   | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|------|------|------|------|------|------|------|------|
| <b>Total Employment (% of working-age population)</b> |      |      |      |      |      |      |      |      |
| ROI   | 69.2 | 67.6 | 61.9 | 59.6 | 58.9 | 58.8 | 60.5 | n/a  |
| NI  | 68.4 | 67.9 | 64.7 | 66.1 | 67.4 | 67.1 | 66.8 | 68.1 |
| UK  | 71.5 | 71.5 | 69.9 | 69.4 | 69.3 | 69.9 | 70.5 | n/a  |
| Euro18  | 65.5 | 65.9 | 64.5 | 64.1 | 64.2 | 63.8 | 63.5 | n/a  |
| <b>Unemployment (% of labour force)</b>               |      |      |      |      |      |      |      |      |
| ROI   | 4.7  | 6.4  | 12.0 | 13.9 | 14.7 | 14.7 | 13.1 | 11.3 |
| NI  | 3.9  | 4.4  | 6.4  | 7.1  | 7.2  | 7.5  | 7.5  | 6.4  |
| UK  | 5.3  | 5.6  | 7.5  | 7.8  | 8.1  | 7.9  | 7.6  | n/a  |
| Euro18  | 7.5  | 7.6  | 9.5  | 10.1 | 10.1 | 11.3 | 12.0 | 11.6 |



## Number of People not in the Labour Force

| Year (Q4) | No.       |
|-----------|-----------|
| 2007Q4    | 1,283,100 |
| 2008Q4    | 1,331,800 |
| 2009Q4    | 1,400,700 |
| 2010Q4    | 1,430,800 |
| 2011Q4    | 1,433,200 |
| 2012Q4    | 1,453,000 |
| 2013Q4    | 1,434,300 |
| 2014Q4    | 1,449,300 |

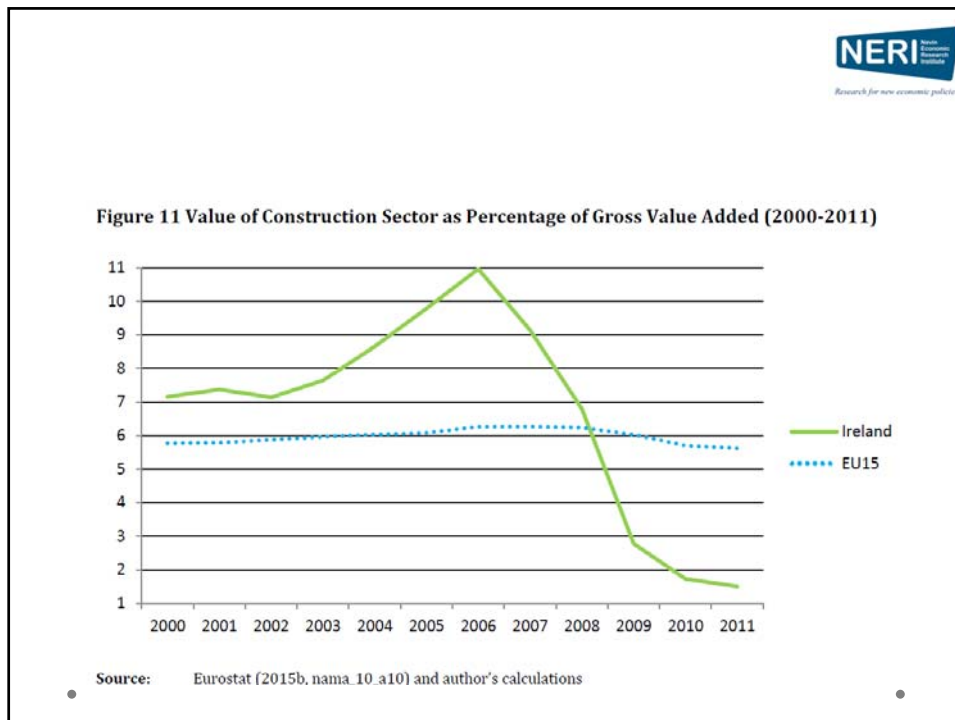
## 2. Employment & Recovery

Table 2 Employment Shifts by Economic Sector (Q3 2007 - Q3 2014)

| Economic Sector                    | Q3 2007          | Q3 2012          | Q3 2014          | Change 2007 to 2014 | Employment Q3/14 relative to Q3/07 |
|------------------------------------|------------------|------------------|------------------|---------------------|------------------------------------|
| <b>Declining Sectors</b>           |                  |                  |                  |                     |                                    |
| Construction                       | 270,800          | 100,000          | 112,400          | -158,400            | 41.5%                              |
| Industry                           | 307,400          | 230,800          | 238,800          | -68,600             | 77.7%                              |
| Admin. and support service         | 83,600           | 64,700           | 65,200           | -18,400             | 78.0%                              |
| Wholesale and retail trade         | 310,900          | 270,900          | 275,200          | -35,700             | 88.5%                              |
| Public admin. and defence          | 107,900          | 99,300           | 98,100           | -9,800              | 90.9%                              |
| Transportation and storage         | 92,800           | 90,000           | 87,500           | -5,300              | 94.3%                              |
| Financial, insurance, real estate  | 106,600          | 100,900          | 103,100          | -3,500              | 95.2%                              |
| Agriculture, forestry and fishing  | 112,200          | 84,800           | 109,700          | -2,500              | 97.8%                              |
| <b>Expanding Sectors</b>           |                  |                  |                  |                     |                                    |
| Accommodation and food             | 139,000          | 119,300          | 139,800          | +800                | 100.6%                             |
| Professional, scientific and tech. | 115,400          | 101,700          | 116,900          | +1,500              | 101.3%                             |
| Other NACE activities              | 97,700           | 100,800          | 101,600          | +3,900              | 104.0%                             |
| Education                          | 133,700          | 145,900          | 144,100          | +10,400             | 107.8%                             |
| Human health and social work       | 218,900          | 243,700          | 249,500          | +30,600             | 111.3%                             |
| Information/communication          | 67,400           | 78,300           | 79,300           | +11,900             | 117.7%                             |
| <b>Total in employment</b>         | <b>2,169,600</b> | <b>1,832,700</b> | <b>1,926,900</b> | <b>-242,700</b>     | <b>88.8%</b>                       |

Source: CSO (2015b, QNQ03)

Note: Q3 2007 to Q3 2012 broadly equates to the peak to trough period. Total employment fell by 336,900 during this period with over half of the job losses in construction (170,800).



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## 3. Long-Term Unemployment

- The defining public policy issue of the next decade
- not yet....
- Implications:
  - retraining
  - getting construction/Investment going
  - CE schemes
    - distant unemployed role
    - role in broader societal sense

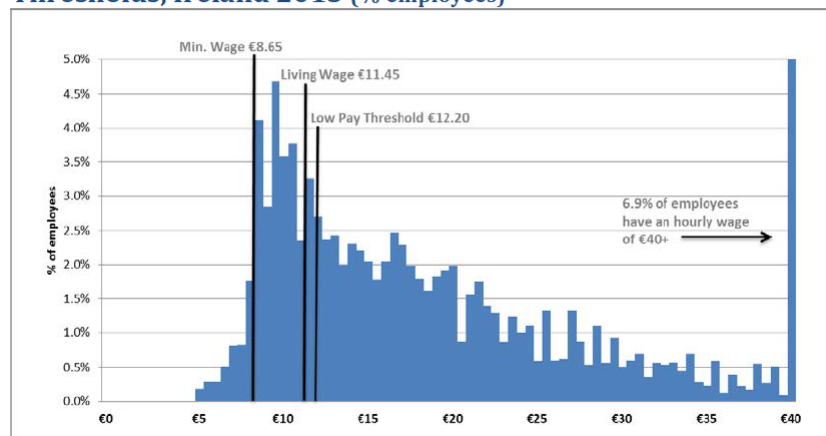
## 4. Low Pay

- Recent NERI QEO and forthcoming paper
  - first detailed examination of hourly earnings in Ireland since 1990s
  - 2013 data
  - Representing 1,345,000 employees

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**Chart 4.1: Distribution of Hourly Earnings and Selected Pay Thresholds, Ireland 2013 (% employees)**



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**Table 4.3 Distribution of Hourly Earnings by Selected Pay Thresholds, Ireland 2013 (% employees)**

| Threshold    | % above | % below |
|--------------|---------|---------|
| Below €8.65  | 94.4%   | 5.5%    |
| Below €10.00 | 86.2%   | 13.8%   |
| Below €11.45 | 74.3%   | 25.6%   |
| Below €12.20 | 69.7%   | 30.3%   |

Notes: See notes to Chart 4.1

**Approximately:**

- 345,000 employees below €1.45 per hour
- 400,000 employees below €12.20 per hour

***Who are the low paid?***

- Of all those who are low paid:
  - 60% women
  - 34% aged 18-29; 28% 30-39yrs; 20% 40-49yrs...
  - 25% in wholesale and retail sector
  - 17% in accommodation and food sector
  - 44% work 35hrs+ ; 25% work less than 20hrs
  - 84% permanent workers

## 5. Precarious Work

- A growing trend
  - across the labour force
  - previously low skilled / low paid
  - but, spreading upwards...
- Data deficits
- Small insights:
  - QNHS Q4 2014: 446,500 part-time workers of whom 115,500 were underemployed
  - Live Register March 2014: 71,404 casual and part-time workers on the register (2.5% of total LF)
  - FIS data

**Table 4: Family Income Supplement, 2003-2013**

| Year | No of families | No of children | Cost €m |
|------|----------------|----------------|---------|
| 2003 | 12,317         | 26,409         | 45.4    |
| 2004 | 14,727         | 29,991         | 55.8    |
| 2005 | 17,448         | 33,956         | 72.2    |
| 2006 | 21,800         | 43,861         | 107.1   |
| 2007 | 22,823         | 47,529         | 140.0   |
| 2008 | 27,798         | 58,019         | 170.3   |
| 2009 | 25,963         | 55,716         | 167.1   |
| 2010 | 28,223         | 62,240         | 186.0   |
| 2011 | 28,876         | 65,281         | 204.5   |
| 2012 | 32,307         | 73,238         | 223.6   |
| 2013 | 44,159         | 98,350         | 261.8   |

Source: Social Justice Ireland Policy Briefing 2015:p4

**Approx.:**

- 5% of all households with employee income
- 10% of all children

## 6. Emp., Activation & Pub. Services

- Joining up the dots...
- Living Wage Technical Group experience...
- Judging earnings from the perspective of adequacy throws up a no. of issues for low earning groups:
  - mainly linked to public service provision
  - Childcare & Housing...
  - not appropriate for employers to carry the cost for these broader societal deficits/decisions...
  - impede participation (single parents, low income families, women...)
  - necessitates ongoing state subsidisation of employment

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