

# LABOUR MARKET NOTES

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## Employment

### Quarterly Snapshot

The summer months are quiet from a news point of view but there was one important recent release that is worthy of attention, the Quarterly National Household Survey. This presented a healthy picture on total employment but a less encouraging picture on employment quality.

The number of persons in employment was 1,976,500 in Quarter 1, 2016, an annual increase of 46,900 or 2.4%. Between Quarter 1, 2010 and Quarter 1, 2016 the number in employment increased by 84,600 (+ 4.5%). This **growth was unevenly spread** across different categories.

The total number of **'self-employed'** persons increased by 5.5% from 308,500 in Quarter 1, 2010 to 325,500 in Quarter 1, 2016. The number of employees increased by 67,200 or 4.3% to 1,636,400, during this time.

The trend towards self-employment was **especially pronounced in construction** where the number of 'self-employed' persons in the skilled trades occupational group increased by 11,400 or 9.2% between Quarter 1, 2010 and Quarter 1, 2016. The reasons behind this alarming trend may be found in the Congress document on bogus self-employment.<sup>1</sup>

### Full Time or Part Time?

In the first quarter of this year some 23.1% of jobs were part time, compared to 22.5% in 2010. The level of part time work in industry was 12%, compared to 12.6% in 2010, while in the services sector it stood at 36%, having grown from 25.8% in 2010.

The largest single reason for working part time was given by respondents as *'could not find a full time job'*. This category represented 31% of those working part time in 2016 compared to 26% in 2010. This means that although **there is an increased amount of work in the economy there is still a shortage of full time work**. This disproves the assertion - often made by employer groups - that the main driver of part time work is a desire for more flexible work patterns.

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<sup>1</sup> [http://www.ictu.ie/download/pdf/false\\_economy\\_the\\_growth\\_of\\_bogus\\_self\\_employment\\_in\\_construction.pdf](http://www.ictu.ie/download/pdf/false_economy_the_growth_of_bogus_self_employment_in_construction.pdf)

### Temporary or Casual?

There were 126,000 in this category in 2016 compared to 142,000 in 2014. Almost half the respondents gave the reason for their being in a temporary or casual job as '*could not find a full time job*', up significantly from 27% in 2010.

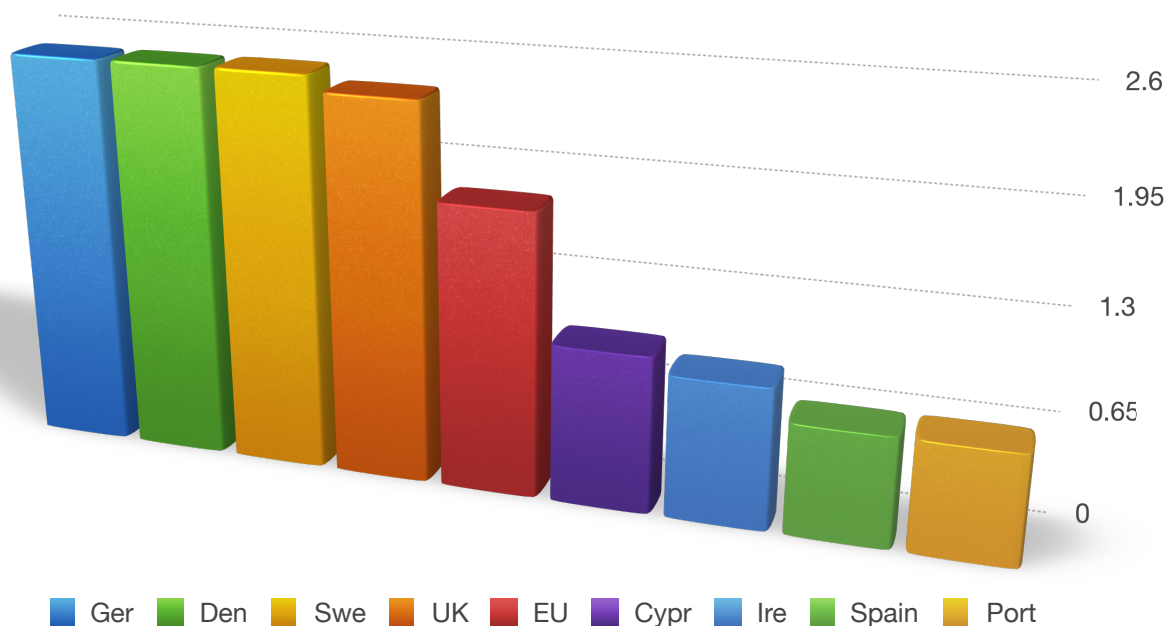
By comparison **just 13%** of the respondents stated that they did not want a full time job. These figures show that **improvements in the labour market are clearly not translating quickly enough into improvements in job quality.**

### Europe

#### EU Job Vacancy Rates

Eurostat publishes regular statistics on the percentage of jobs vacant throughout the European Union. The top flight consists of Germany, Denmark and Sweden with a rate of 2.5% and the UK just behind at 2.4%.

Job Vacancy Rates in the EU



Of the 'programme countries' Ireland stood at just 0.9%, behind Cyprus at 1% but ahead of Spain and Portugal at 0.7%. It is clear there is some way to go before the Irish labour market fully recovers from the crash of 2008.

## Ireland's Employment Rate

According to Eurostat, Ireland's employment rate in 2015 stood at 68.7% or 1.4% below the average for the EU 28. In 2006 our employment rate stood at 73.4%, or 4.5 percentage points above the EU average. The composite Irish rate of 68.7% masks diverging rates for men (75.1%) and women (62.6%).

## What is Full Employment?

Full employment means an unemployment rate of between 3% and 4%. This unemployment will be due to frictional factors such as those in education or caring duties, or people taking time between jobs.

Another definition from the **American Economic Association**<sup>2</sup> states: *"Full employment means that qualified people who seek jobs at prevailing rates can find them in productive activities without considerable delay. It means full time jobs for people who want to work full time. It does not mean people like ... students are under pressure to take jobs when they don't want jobs or that workers are under pressure to put in undesired overtime."*

## CSO Figures

### Monthly Unemployment Figures

CSO figures released on 3 August show the decline in unemployment stalling. In July 2016 the seasonally adjusted unemployment rate was 9.1% for males, unchanged from June 2016 and down from 10.6% in July 2015. For females the unemployment rate in July 2016 was 6.2%, unchanged from June 2016 and down from 7.6% in July 2015. There were 169,100 persons unemployed in July 2016.

## Preliminary Census Results

The census is a tool for states to measure their citizens – it goes back to the time of the Roman Empire. The first census in Ireland was taken in 1821. Census counts are held in years 01 and 06 of each decade. Exceptions were 1921 when things were too disturbed to hold a census, 1976 when the census was cancelled due to budget cuts and 2001 when the census was deferred due to foot and mouth disease. The effects of emigration are shown by the slowing in population growth from 2006 onwards.

Year	Population	Increase	% Increase
2006	4,239,848	291,116	2.0
2011	4,588,252	348,404	1.6
2016	4,757,976	169,724	0.7

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<sup>2</sup> <https://www.aeaweb.org>

This population growth was not uniform. All counties showed growth except Sligo, Mayo and Donegal. The strongest growth areas were in the province of Leinster, among which one county, Fingal showed the highest level of growth at 8.1%. Population growth is therefore concentrated in urban areas and the surrounding counties.

### Mind the Gap (in the statistics)

The latest addition to our continuing series on international statistical tables from which Ireland is mysteriously absent, is a detailed table on the gender pay gap.<sup>3</sup>

This represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.

Here Ireland seems to fare well, with the gender pay gap standing some 2.2% lower than the EU average. However on closer examination it becomes clear that **the data from Ireland is from 2012**, while the figures from most others are from 2104.



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<sup>3</sup> <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc340&plugin=1>