

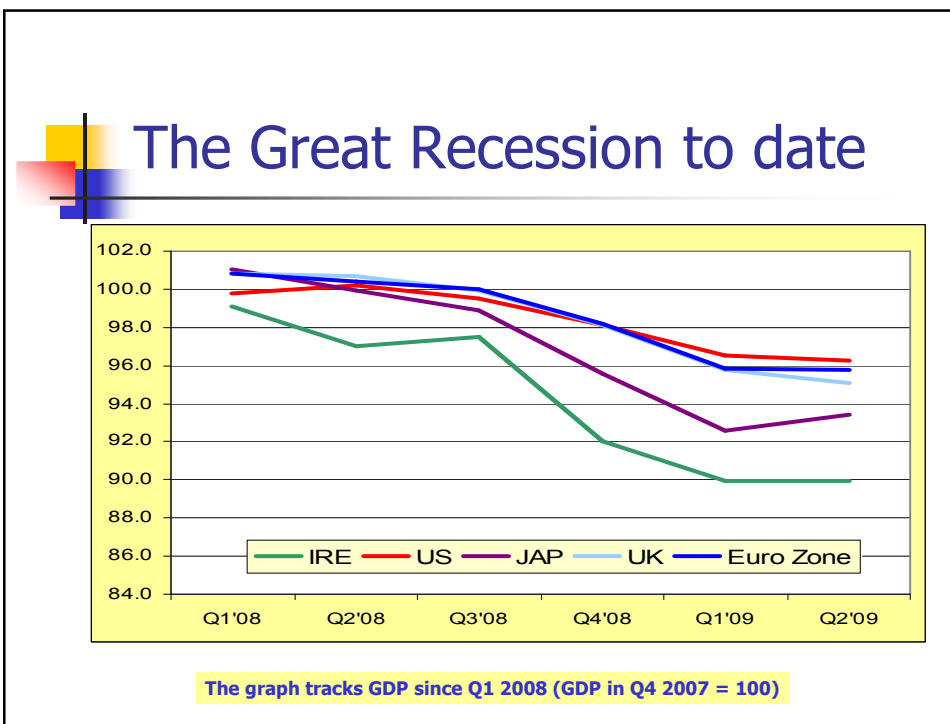


The Economy and the Labour Market: Review and Outlook

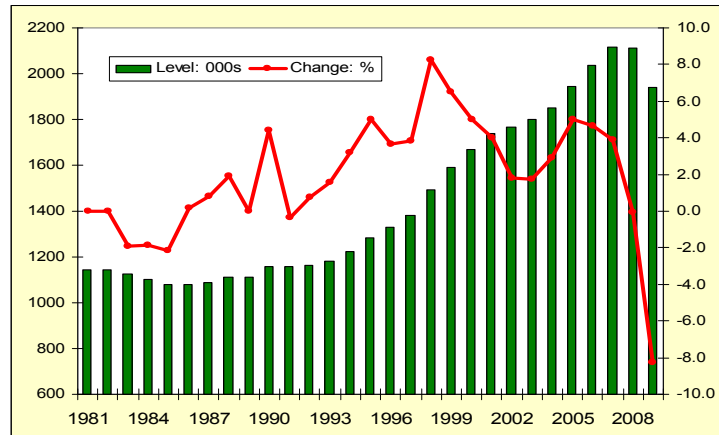
Jim O'Leary
(NUI-Maynooth)



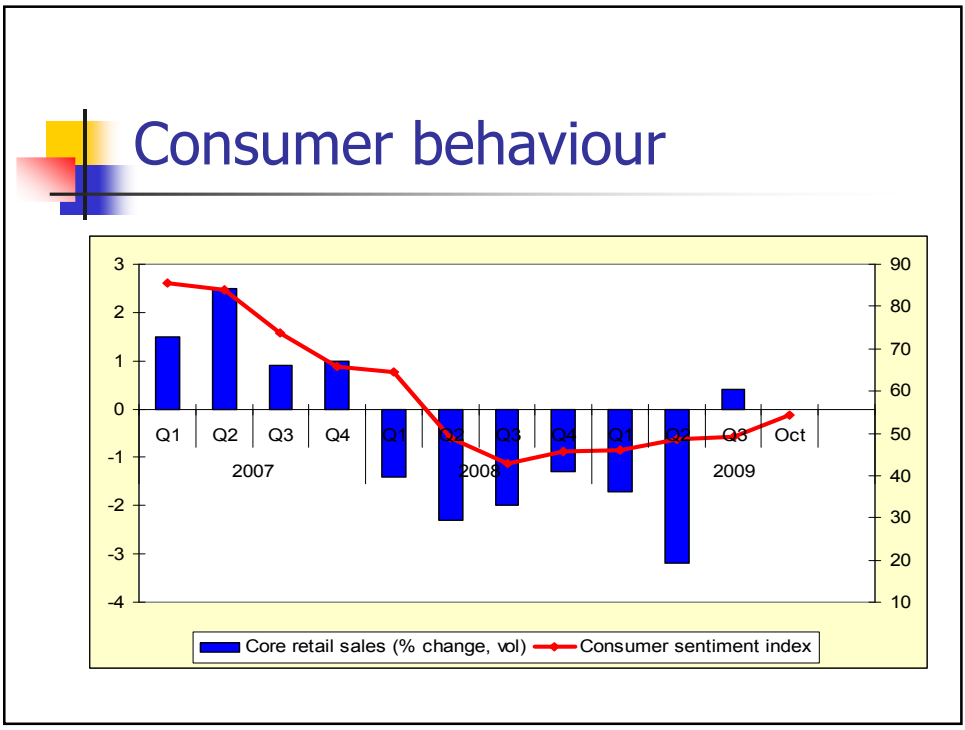
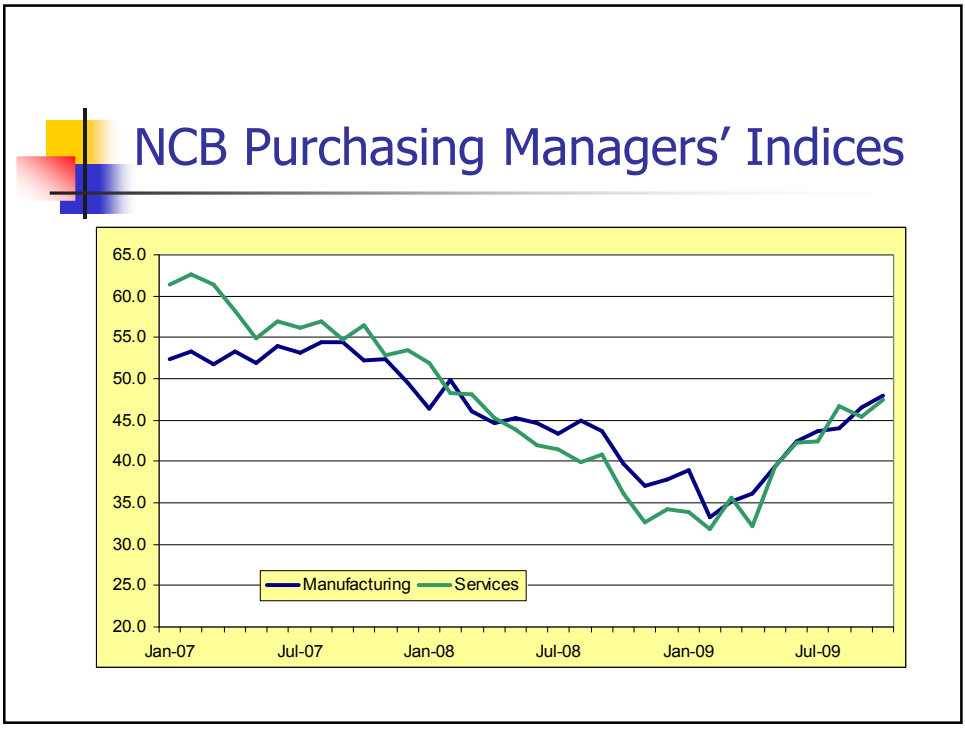
The recession in context

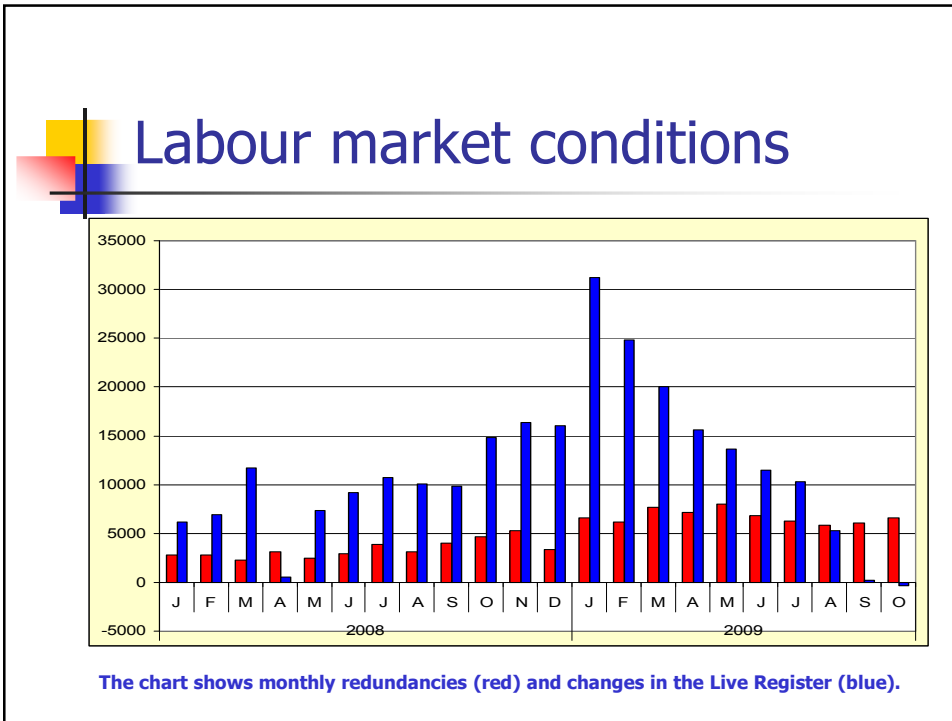


Ireland: Employment, 1981-2009



Latest economic indicators





The economic outlook

Latest OECD GDP forecasts

(% change)	2009	2010	2011
US	-2.5	2.5	2.8
UK	-4.7	1.2	2.2
Euro zone	-4	0.9	1.7
OECD	-3.5	1.9	2.5

Source: OECD Economic Outlook, November 2009

Finland: the early 1990s

- Cumulative GDP decline of 13.5%
- Recession lasted 3 years; another 3 years elapsed before pre-recession peak reached again
- Exports led the recovery
- Investment, especially house-building lagged well behind
- Improvement in labour market conditions also lagged behind
- Employment fell in each of the years 1990 through 1994 (cumulative 18%)
- Unemployment rate rose from 4.4% in 1989 to 17.9% in 1994 before starting a slow decline



Ireland: latest 'consensus' macro forecasts

<i>(% change)</i>	2009	2010	2011
Consumer spending	-7.6	-2.7	1.1
Investment	-30.0	-17.0	1.6
Exports	-3.0	1.0	3.2
GDP	-7.5	-1.5	2.2
GNP	-9.5	-2.0	2.3
CPI	-4.3	-0.5	1.5



The labour market: trends and prospects

Ireland: labour market prospects

(%)*	2008	2009	2010	2011
Employment growth	-0.6	-7.9	-3.6	0.8
Unemployment rate	6.4	12.2	13.8	13.3

* Average of 8 recent forecasts

Total employment seen falling by 2010 to its level of early 2004;
unemployment rate rising to its highest value since 1994

Unemployment and GDP

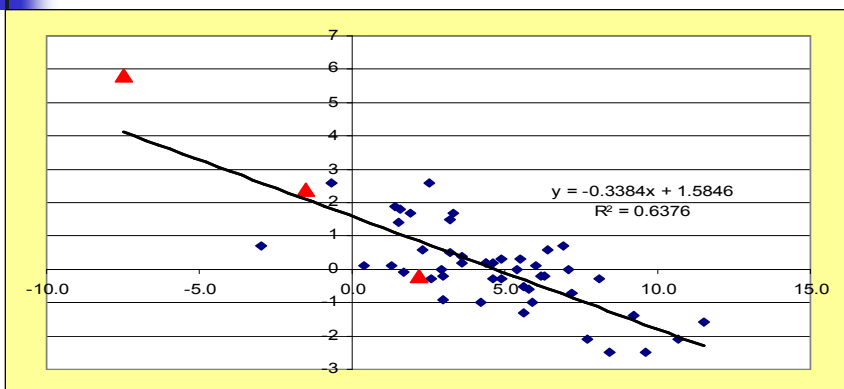
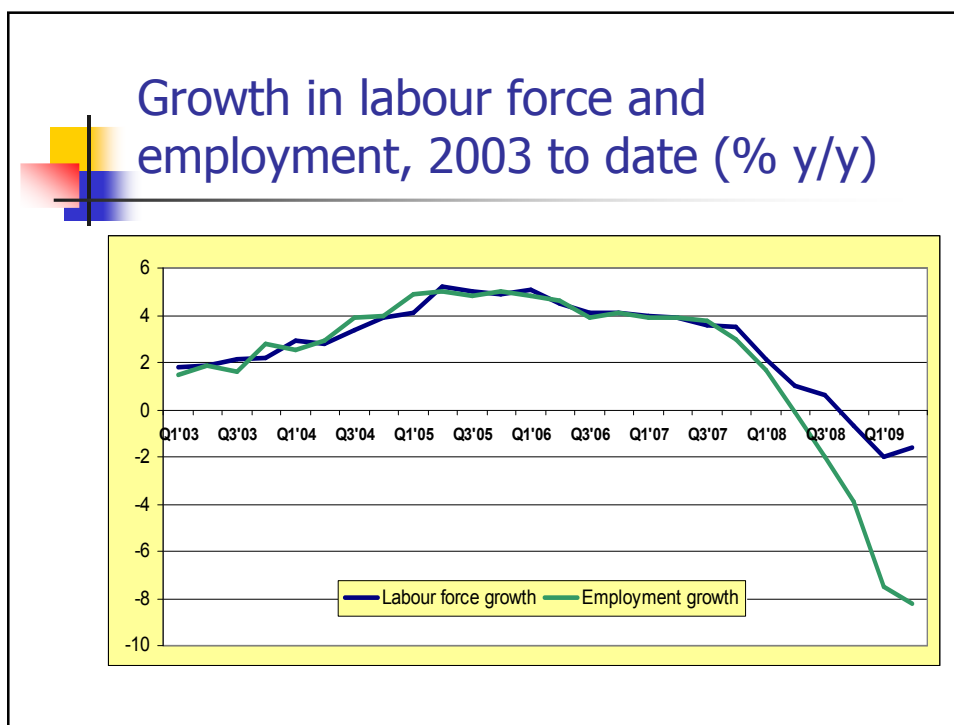
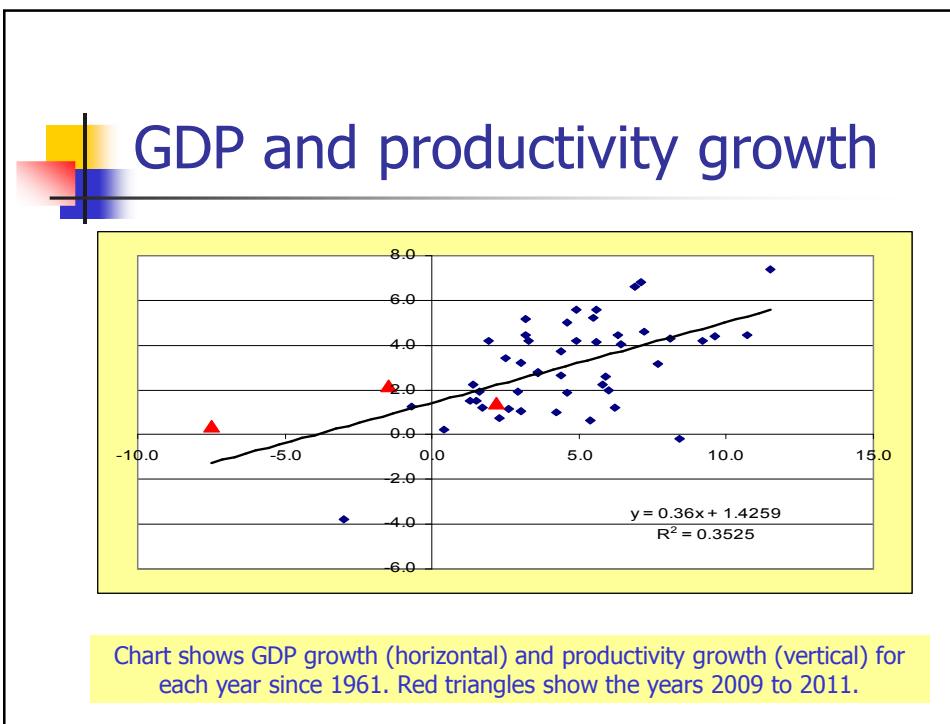


Chart shows GDP growth (horizontal axis) and change in unemployment rate (vertical) each year since 1961 for Ireland. The years 2009-2011 are highlighted in red. On average over this period, a GDP growth rate of **4.7%** has been required to stop unemployment rising.



Evidence on recent migration behaviour

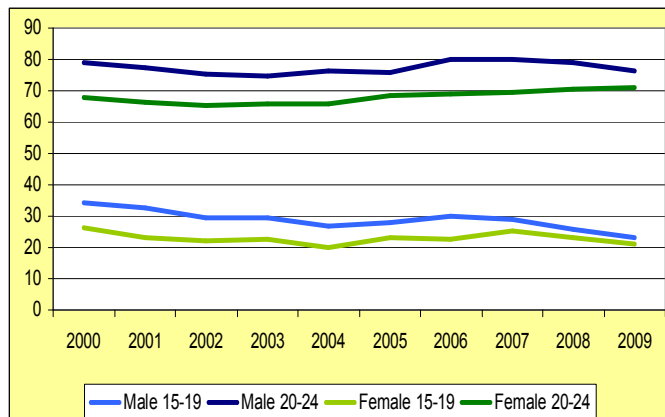
- Net emigration of 8,000 in year ending April 2009 (average net immigration of 53,000 in 2004-08 period)
- Estimated population of adult non-nationals fell from 479k to 445k between Q2 2008 and Q2 2009
- Since April the number of non-nationals on the Live Register has fallen slightly despite continued rise in overall Register (382k to 412k) and continuation of heavy redundancies

Conditions in other relevant labour markets

(%)	Unemployment Rate		Employment Growth	
	2009	2010	2009	2010
Ireland	12.2	13.8	-7.9	-3.6
Poland	8.4	9.9	-0.7	-1.1
Latvia	16.9	19.9	-11.9	-5.6
Lithuania	14.5	17.6	-8.3	-2.4
UK	7.8	8.7	-2.4	-0.9
US	9.2	10.1	-0.5	0.3

EU Commission forecasts: Autumn 2009

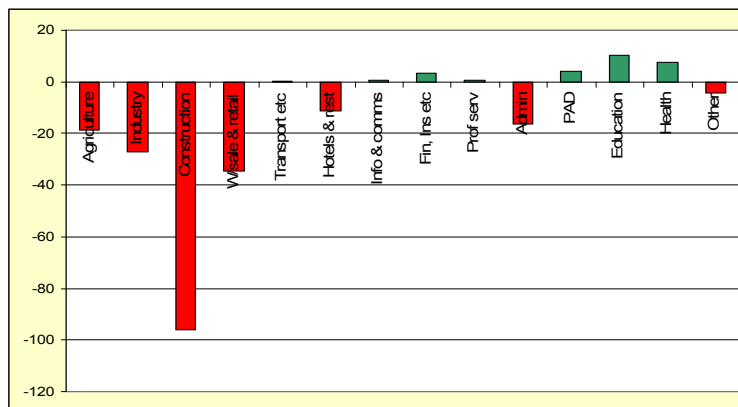
Labour force participation rates, 2000-2009



Labour market trends by age-group: Q1 2008 – Q2 2009

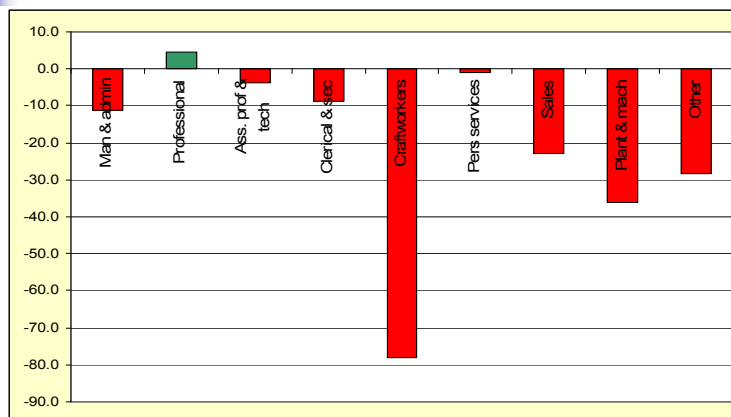
Age	Employment (000s)	Employment (%)	Unemployment (000s)
15-19	-22.0	-36.0	12.8
20-24	-59.9	-25.7	30.7
25-34	-62.5	-9.8	55.2
35-44	-25.4	-5.0	31.1
45-54	-12.3	-3.0	17.1
55-59	2.5	1.8	4.5
60-64	-4.1	-4.5	3.6
65+	-1.8	-3.9	0.0

Job gains/losses by sector: Q1 2008 – Q2 2009 (000s)



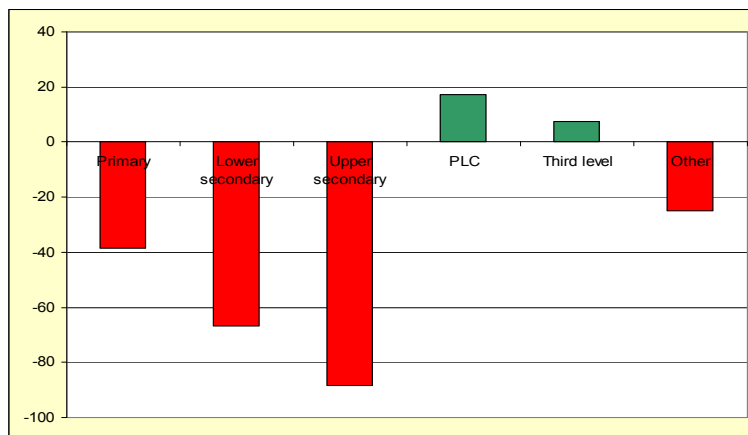
Employment has fallen by 195,000 over this period. Construction accounts for almost 50%, wholesale and retail trade for about 18% and manufacturing for 14%.

Job gains/losses by occupation: Q1 2008 – Q2 2009 (000s)



Almost 42% of the decline in employment is accounted for by craftworkers, another 20% by plant and machinery operatives and a further 12% by salesworkers.

Job gains/losses by education attainment:
Q1 2008 – Q2 2009 (000s)



Change in Live Register by region,
Oct 2007 - Oct 2009 (%)

