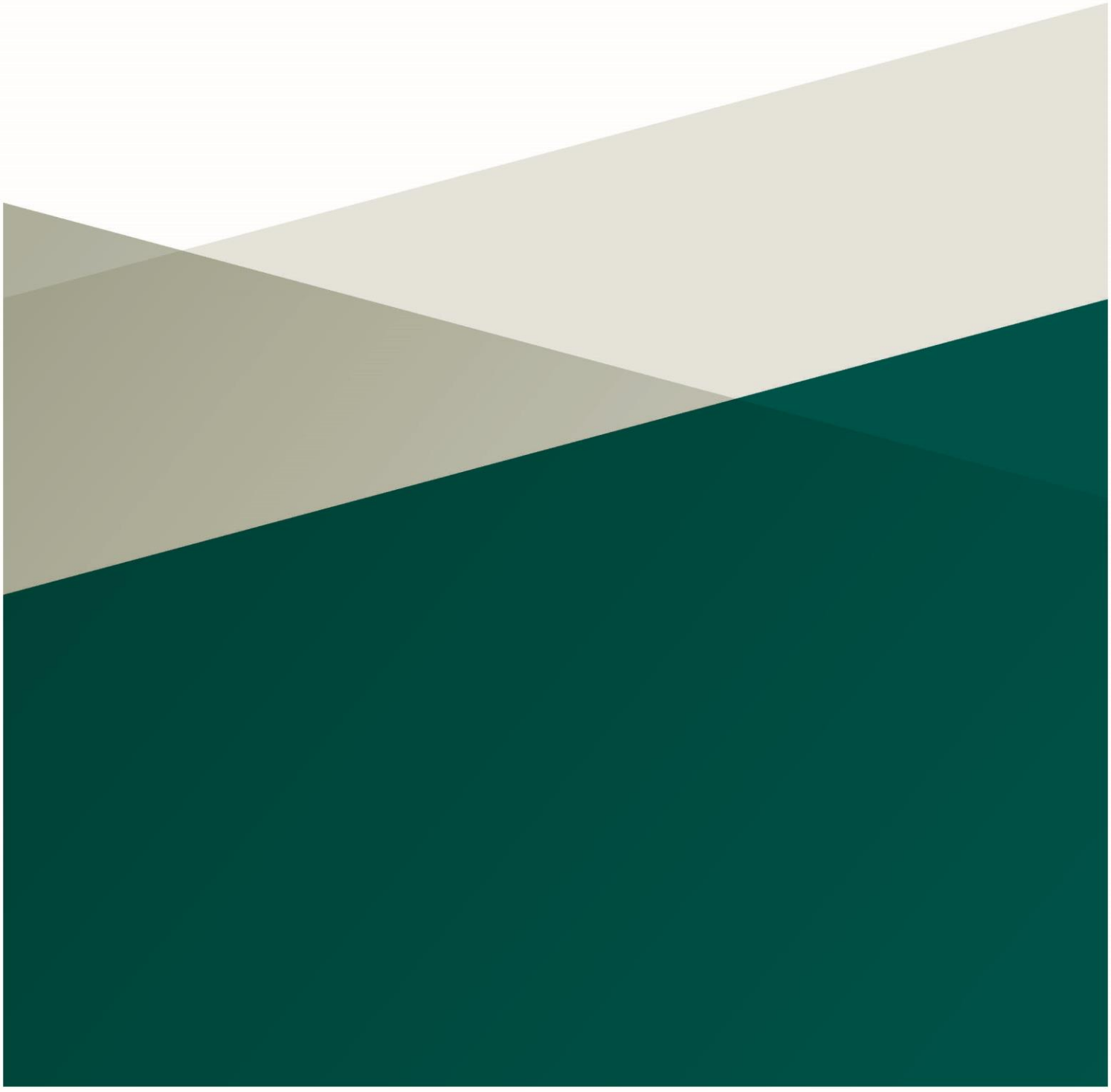
An Roinn Coimirce Sóisialaí
Department of Social Protection

Quarterly Labour Market Bulletin

March 2021



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Key points

- The labour market continues to be affected by the pandemic, with employment decreasing to 2,306,200.
- There was a large decrease in part-time work, with close to three quarters of the fall accounted for by women.
- There was also a large increase in the number of people who, although fulfilling the ILO criteria for being considered in employment, are classified as 'away from work', and there was a sharp decrease in the total number of hours worked.
- Underneath the overall decrease of 55,000, for those classified as 'in employment', there are initial indications of a shift between occupational groups – increases for Managers, directors and senior officials, and Professionals; decreases in the Process, plant and machine operatives and Elementary occupational categories.
- Recipients of the Pandemic Unemployment Payment increased by almost 198,000 following the introduction of Level 5 restrictions in late December to 464,860 in early March.
- Exits from PUP increased in December but turned out to be short-lived for a majority of those who exited.
- The average number of long-term Live Register claims for the quarter is 78,000 and the average number of casual claims over the quarter is 39,800.

1. Labour Force Survey

The Labour Force Survey for Q4 2020 reflects a labour market that is still affected by the Covid-19 pandemic, with employment decreasing to 2,306,200.

This represents an annual change of 55,000, with a decrease in the number of people in part-time employment accounting for the difference. Of the decrease in part-time work, close to three quarters of the fall is accounted for by women.

With the exception of a small increase in the Midlands, employment decreased across all regions. The decrease in the labour force followed a similar pattern, with a slight increase in the Midlands and the Mid-West.

The decrease in the labour force is split evenly between men and women but more pronounced in the age groups under 34 years, with a corresponding decrease in the participation rate for the youth cohort.

The annual change in those who are 'Away from work' doubled, and increased by 26,000 on previous quarter, and 'Actual Hours' worked per week fell by 8.5%.[1]

Growth in the 'Away from work' status from Q4 2019 to Q4 2020 was particularly noticeable in the Accommodation and Food Service Activities, Other activities, Transportation and storage, and Wholesale and Retail sectors.

The challenge of reconciling ILO status with the policy responses are illustrated in the fact that just under one in eight PUP recipients correspond to an ILO status of 'unemployed' (11.5%), while only one in four self-identifies as being 'unemployed. The ILO status of 'unemployed' requires survey respondents to be state they are available for work in the forthcoming two weeks and to have actively sought work in the previous four weeks. Principal Economic Status (PES) is a subjective self-assessment by respondents of their economic status.

The labour force decreased slightly to 2,445,100, with participation rate decreasing to 61.3%.

Within the decrease in the total number with the ILO status of 'in employment', there is some initial evidence of a shift between occupational groups, with four of the ten showing an increase and five of the ten showing a decrease (the 'other' category fluctuates considerably):

[1] The 'away from work' category refers to those who, during the interview reference week, were absent from work but had a job to return to after the absence. Reasons for absence include temporary layoff, family related leave, illness or disability and education and training.

Increases in the year to Q4 2020

- Managers, directors and senior officials
- Professionals
- Associate professional and technical
- Administrative and secretarial

Decreases in the year to Q4 2020

- Skilled trades
- Caring, leisure and other services
- Sales and customer service
- Process, plant and machine operatives
- Elementary

The four occupational categories that have increased accounted for close to 50% of total employment since 2010, with little fluctuation until 2020, over the course of which they have increased steadily to 54%. Given the current challenges of measuring employment according to the ILO definition, the evidence is not conclusive but it is possible LFS data are detecting some underlying sign of movement. This will continue to be monitored.

Table 1: Annual percentage change in the number of people employed, by occupational group

Year and quarter	All groups	Managers, directors, senior officials	Prof	Assoc prof and tech	Admin, secretarial occupations	Sales and customer service	Caring, leisure, other service	Process, plant, machine ops	Elementary	Skilled trades	Other, not stated
2019 Q4	3.5%	0.6%	5.7%	2.3%	12.4%	2.8%	6.6%	6.4%	2.5%	-3.9%	-26.4%
2020 Q1	2.2%	3.3%	7.1%	1.5%	4.7%	-1.4%	2.7%	2.9%	0.4%	-2.0%	-44.7%
2020 Q2	-3.4%	-0.5%	7.4%	9.7%	7.1%	-11.0%	-8.2%	-10.2%	-24.9%	-9.6%	-42.0%
2020 Q3	-1.4%	1.6%	0.9%	5.5%	5.2%	-5.0%	-1.0%	-9.0%	-12.0%	-1.3%	-26.6%
2020 Q4	-2.3%	5.7%	0.5%	5.6%	5.5%	-3.4%	-4.8%	-7.7%	-16.4%	-6.9%	-34.8%

Alongside these changes in the occupational categories of those in employment, there are changes in the education level of those in employment. The overall decrease in employment sees decreases for those whose highest education level is Primary or below, Lower

secondary, Higher secondary and Post-secondary non-tertiary. In contrast, the number of people in employment with Third level degrees increased (see also Table 5 in the Appendix).

Table 2: Annual change, (000s) in the number of people employed, aged 15-64, by education level

Year and quarter	All levels	Primary or below	Lower secondary	Higher secondary	Post-secondary non-tertiary	Third level non-honours degree	Third level honours degree or higher	Other/ not stated
2019Q4	64.2	7.7	-2.6	29.2	1.6	-9.2	33.4	4.3
2020Q1	43.4	2.8	-11.1	5.4	13.9	3.2	27.9	1.4
2020Q2	-85.8	-13.6	-22.9	-84.1	-24.4	5.8	64.8	-11.5
2020Q3	-37.3	-12.2	-23.2	-40.3	-0.7	31.6	20.3	-12.8
2020Q4	-58.4	-17.2	-18.5	-58.6	-17.1	16.5	31.1	5.4

At a sectoral level, there were substantial annual increases in employment in Information and communication (9.3%), Financial, insurance and real estate activities (8.1%), and Industry, with modest increases in Public administration and defence; compulsory social security, Education and Wholesale and retail trade. The largest decreases were in Administrative and support service activities (26.8%) and Accommodation and food service activities (25.7%).

2. Measuring unemployment

As well as dramatically reducing employment, the restrictions on economic activity in response to Covid-19 have created particular challenges in measuring employment. The measurement challenges have been outlined in the August Quarterly Labour Market Bulletin – briefly, the characteristics of the restrictions mean people in similar situations may respond differently to questions determining ILO status. In such circumstances, the interpretation of the Unemployment Rate is unclear in Covid-19 era, whether as a LFS estimate or the output of forecasts for 2021 and 2022 based on macroeconomic modelling.

The ambiguity of the metric in these circumstances is reflected in the considerable range between the ILO Unemployment Rate and the Covid-adjusted Unemployment Rate.

In contrast, eligibility for receipt of claims is something we can use to categorise people as being in a broadly similar situation. The link between ILO status and administrative counts has been stable over the past ten years, with the volume of unemployment as estimated by the LFS broadly corresponding to the number of full unemployment claims with an entitlement to a payment. In other words, removing those signing for credited contributions and those in part-time employment gives a claim total that is a close approximation of LFS estimates of the number of unemployed people as defined by ILO status.

The challenges and potential measurement pitfalls posed by the PUP, as well as the rationale for separating unemployment and underemployment and for the age restriction used here, are detailed in the November 2020 Quarterly Labour Market Bulletin.

Table 3: Prime working age (25-54) Live Register recipients (minus casuals) and PUP recipients, quarterly averages, 2019-2020

Quarter	Border	Dublin	Mid-East	Mid-West	Midland	South-East	South-West	West	Unknown or Other	Total
2019-Q1	8895	24633	13571	9636	6726	10063	10398	9048	206	93176
2019-Q2	8608	24463	13339	9058	6477	9746	9541	8643	160	90035
2019-Q3	9226	25531	14266	9746	6773	10484	10372	9136	308	95842
2019-Q4	8164	22498	12424	8632	5940	9275	9232	7982	231	84378
2020-Q1	13584	42078	21834	14353	9584	15036	18411	14205	421	149506
2020-Q2	39345	137746	66221	41519	26705	40678	59487	42189	1274	455164
2020-Q3	21305	88222	38312	23866	15248	22340	30876	22929	489	263587
2020-Q4	24334	98308	41479	25936	16342	25178	36292	25984	442	294295
2021-Q1	31775	123070	55861	33500	21779	33480	49306	34076	1211	384058

Table 3 shows the total number of fully unemployed Live Register and PUP recipients in each NUTS3 region. Fully unemployed means excluding those who are in part-time employment but also in receipt of a jobseeker payment in respect of some days each week (casual claims). The table extends the time series developed in the November 2020 Quarterly Labour Market Bulletin and shows the return to large volumes in Q1 2021.

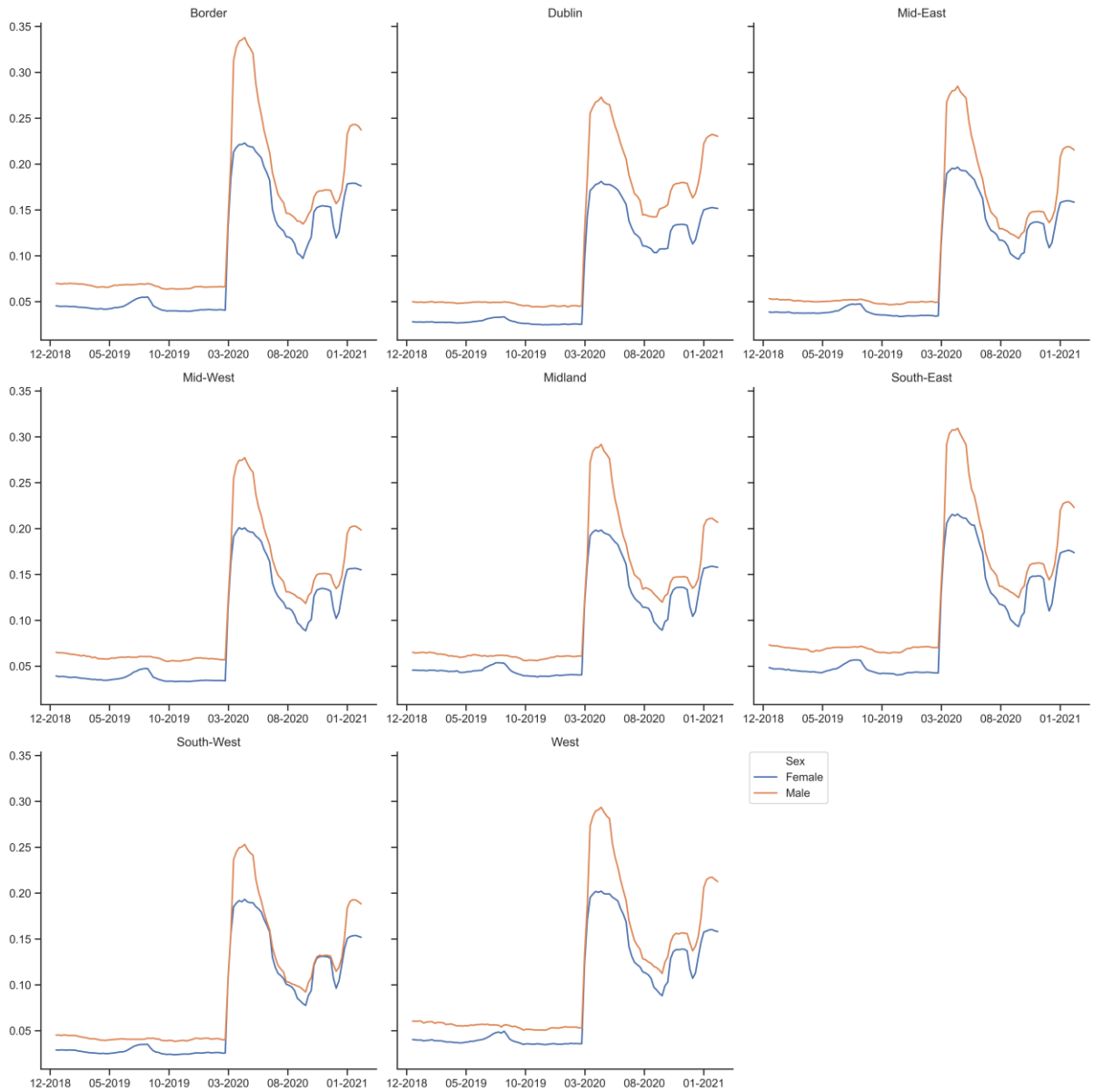
Compared to the Q1 2019 values, the number of prime working age people in the Midlands region who are Live Register or PUP recipients more than doubled, while the number of people in the South-West and Dublin increased by a factor between three and four.

However, current volumes are considerably lower than the Q2 2020 peak, despite the level of restrictions on economic activity being somewhat similar. This is true across all NUTS3 regions – there is a substantially lower volume of people fully unemployed as measured by this metric than in Q2 2020. This presumably reflects an ability to adapt on the part of both employers and employees – for organisations to shift between working on premises and

remote working and for employees to move between sectors subject to restrictions and those where employment remains possible.

Estimating the labour force is a particular difficulty in 2021 but the prime working-age population estimate can be used to normalise the number of prime working age Live Register and PUP recipients. This results in a comparison across NUTS3 regions of the share of prime working age adults (those aged 25-54) in receipt of an unemployment payment. It does not include jobseekers in part-time employment (casual claims) or those supported by wage subsidy schemes.

Figure 1: Prime working age PUP and LR recipients, as share of the prime working age population by sex, 2019-2021 (Source: CSO PEA04)



A number of points are worth highlighting in respect of the population aspect: regions differ by the proportion of the population in the labour force for a variety of reasons (this is reflected in the participation rate) and a region's age structure is reflected in the share of the population in the prime working age cohort. Also, the extent to which firms can maintain employment by remote working differs across regions, both in terms of the suitability of tasks to remote working and the required communications infrastructure.

The measure of prime working age Live Register recipients (minus casual jobseekers) and PUP recipients as a share of the relevant regional population shows the impact in the Border, South-East and West regions. When normalised by population, the regions with the highest volume of claims (Dublin, the Mid-East and the South-West) are less striking. Again, the proportion of the prime working age population in receipt of these payments is lower than in Q2 2020 and a downward trend is visible in the most recent data points.

The higher number of men, relative to women, in receipt of jobseeker payments as a share of their respective prime working age populations is an established pattern. Initially, Covid-19 restrictions led to a much larger share of male recipients (as a proportion of the prime working age population); since then, the proportions have returned closer to parity in some regions (particularly in the South-West) but remain on different tracks in Dublin.

3. PUP duration and exit

The number of people in receipt of the PUP stands at 464,860 in early March having decreased from 351,400 to 277,700 over the course of December before increasing over January and early February.

Since the introduction of the PUP, exits from the payment have been monitored closely as an indication of how the easing of restrictions translates to a resumption of employment of PUP recipients (who had been, as a condition of the scheme, previously employed).

The extent to which exits precede re-entry is also worth considering when interpreting exits from PUP as a metric of resumption of employment. Figure 2 provides three levels of stringency when determining exit status for a PUP claim. In other words, it counts the number of exits that lasted one week, the number of exits that lasted at least three weeks, and the number of exits that lasted at least seven weeks. It shows a majority of exits in June 2020 lasted at least five weeks, as did exits in August 2020. In contrast, exits in early December were, in the main, one week exits.

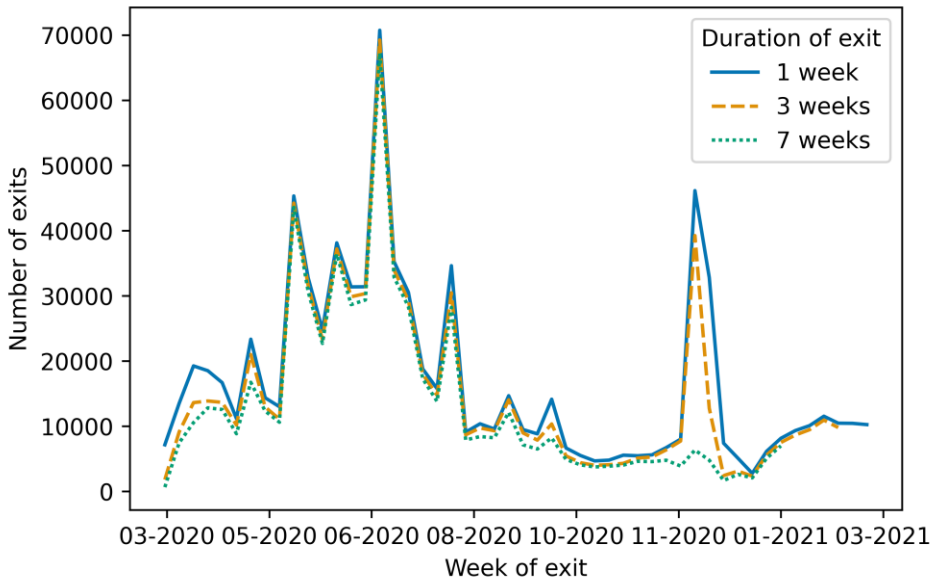
It is worth monitoring the extent to which transitions from PUP to employment are stable – presumably, where firms are unsure of demand levels or of how to operate with a full roster under public health restrictions related to Covid-19, not all exits from PUP will be permanent.

Figure 2 shows the number of exits from PUP where exit is defined as either one, three or seven weeks without PUP, having received it for at least one week previously. This does not take into account whether the exit is associated with a (self-declared) return to work.

The analysis serves two purposes:

- to identify the extent to which an individual's exit is followed by re-entry, and
- to identify the extent to which the shorter exits act as a leading indicator of longer exits.

Figure 2: Exits from the Pandemic Unemployment Payment, by exit criteria



The majority of PUP exits in mid-December were relatively short-lived, with few lasting to seven weeks. This is in contrast to the in late Spring 2020 and Summer 2020 where there is little variation in the large volume of exits, whether measured as one week of not receiving PUP or as seven weeks of not receiving PUP.

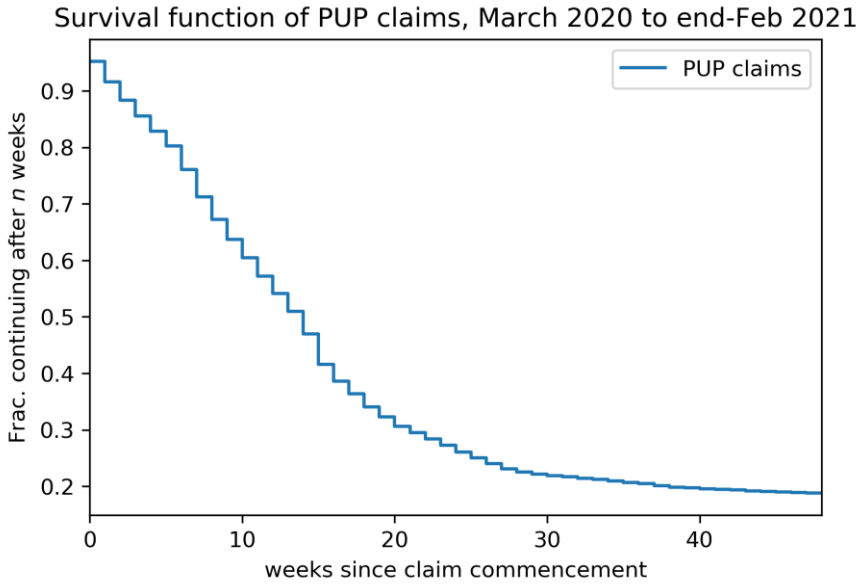
Duration in receipt of the Pandemic Unemployment Payment is best illustrated by plotting the survival function (Figure 3). This aligns all claims at week 0 and computes probability that a claim continues (or survives) to each consecutive week. Without conditioning on other factors (age, sector, the level of public health restriction), the survival function allows us to observe the likelihood of a claim continuing to a given duration. The probability of reaching a certain week is calculated on the condition of having reached the week before – in other words, the probability at each point is scaled by the probability at the previous time. This allows us to come to an expectation of how long a PUP claim will last, and what proportion will survive to a series of time points – clearly, a range of factors that are not controlled for here will influence the duration of any PUP claim, not least the level of restrictions on economic activity at a given point.

Table 4 shows the share of claims commencing that continue to four, 12, 24 and 36 weeks. One in five claims continues to 36 weeks. Note that the calculation is based on claims, not individuals. Work on analysing the survival function for discrete groups is ongoing.

Table 4: share of claims commencing and continuing to 4, 12, 24 or 36 weeks

Duration, in weeks	Share of those who commence continuing to 4, 12, 24 or 36 weeks
4	0.83
12	0.56
24	0.27
36	0.20

Figure 3: PUP duration, all claims March 2020 to end-Feb 2021



4. Live Register update

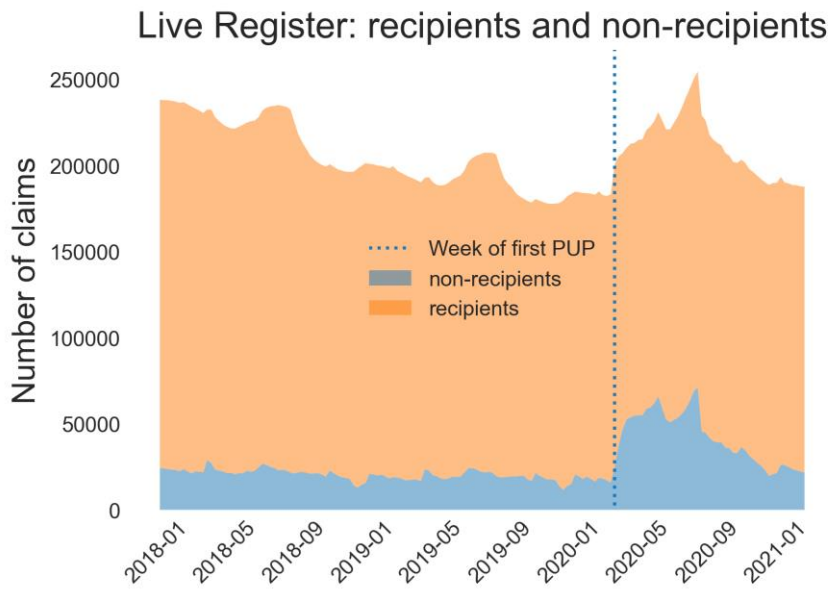
The Live Register is a count of applications for jobseeker claims. It has always included pending claims (those that will subsequently be awarded or disallowed). It also includes claims where payment has been suspended, which can occur for a number of reasons, such as where jobseekers on casual claims are working for more than three days in a seven-day period. All claims where people are not receiving a payment (awaiting processing or suspended) can be classified as non-recipient claims.

Since 2018, non-recipients have accounted for, on average, one in eight claims; having grown to one in four over the summer, it has since fallen back to one in eight for the quarter to date. The latest Live Register stood at 185,831, comprising 165,062 recipients and 20,769 non-recipients. The recipient total was only 139 higher than that of 12 months ago, although

the number of non-recipients was lower. The proportion of non-recipient claims is currently just over 11.2% (1 in 9) compared with 9.5% (1 in 11) 52 weeks prior.

The Live Register average for the quarter to date is 188,600. Of this, the number of long-term claimants is currently 79,657. The LTU average for the quarter is 78,000. The average number of casual claims over the quarter is 39,800.

Figure 4: Live Register time series, 2018 to date



5. Live Register Seasonal Patterns

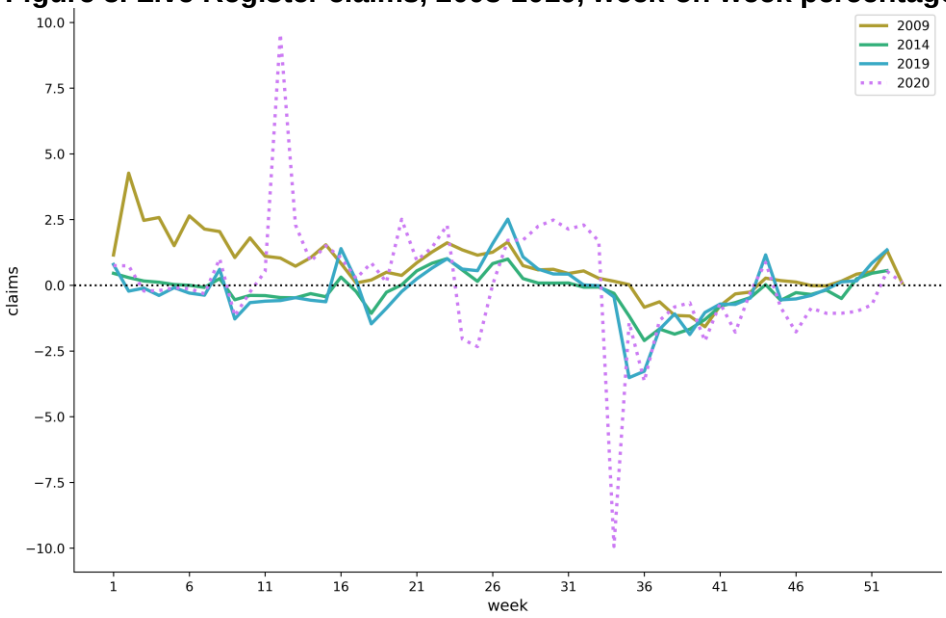
The Live Register follows a seasonal pattern. There are, typically, increases in the number of claims at Easter and over the summer months, followed by decreases thereafter. There are also smaller increases at the beginning of the year and decreases towards the end of the year. If the change from week to week follows the same pattern, regardless of the volume claims, this indicates a seasonal pattern.

Prior to the effects of the pandemic in 2020, the Live Register had been following a similar pattern each year, with seasonal temporary changes at Easter, Summer and Christmas (Figure 5). The impact of the pandemic on the labour market, including the measures introduced to mitigate its impact, have transformed the Live Register in 2020 and 2021 to date. However, given that the seasonal pattern illustrated here has stayed reasonably

consistent across periods of high and low unemployment, it is reasonable to assume the seasonal pattern will reassert itself in time.

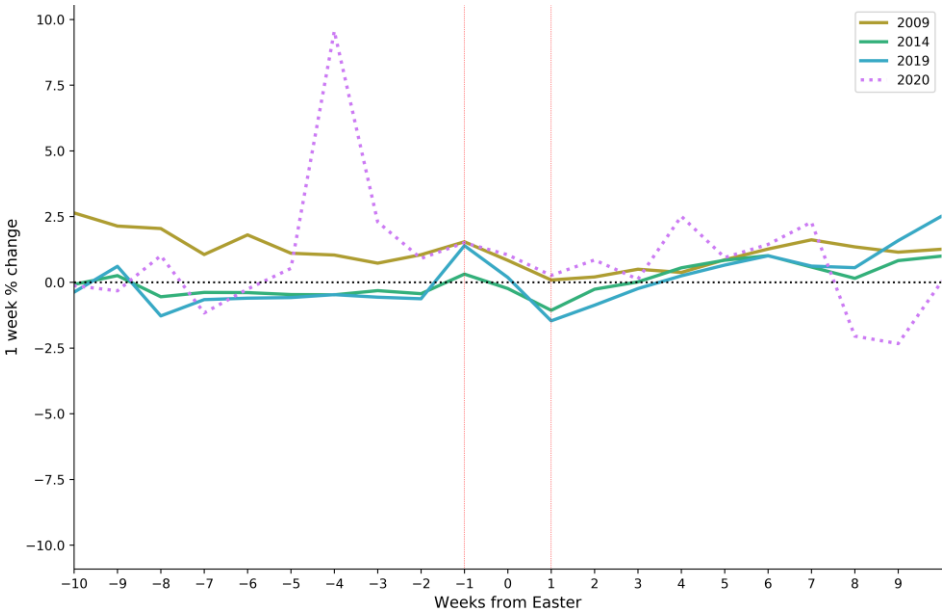
Figure 5 shows the weekly percentage change for selected years (from 2009 to 2020). The seasonal pattern is broadly similar for years that were, in all other respects, very different. Figure 5 includes 2009, when the number of people on the Live Register was high (reaching 423,595), and 2019, when the Live Register was much lower (annual average: 191,956).

Figure 5. Live Register claims, 2003-2019, week-on-week percentage change



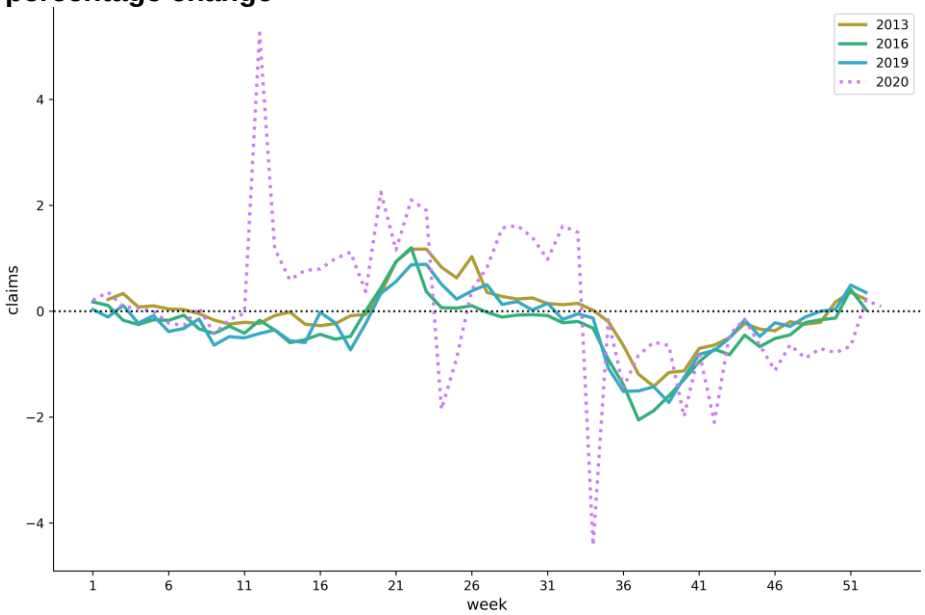
The seasonal pattern appears somewhat out of kilter over Weeks 12-16. This is due to the timing of Easter, which varies from year to year. Figure 6 confirms the impact of Easter on the Live Register by centring the plot on the week of Easter Monday and plotting the week-to-week percentage change in the number of Live Register claims for the ten weeks before and after the week of Easter Monday.

Figure 6. Live Register claims, 2003-2019, week-on-week percentage change (week numbers labelled relative to week beginning Easter Monday)



Jobseekers Allowance claims have always been the greatest in number – typically three quarters of the total – so it is unsurprising that the seasonal pattern of the total Live Register is seen most clearly in that claim type (Figure 7)

Figure 7. Jobseekers Allowance claims (excluding casuals), 2013-2019, week-on-week percentage change



6. Live Register and PUP: comparing age profiles

Figure 8 shows the evolution of Live Register and PUP claims, with the Live Register segregated into short-term (under 12 months) and long-term (over 12 months).

Figure 8. Short-term and long-term Live Register claims, and PUP recipients, 2020 to date.

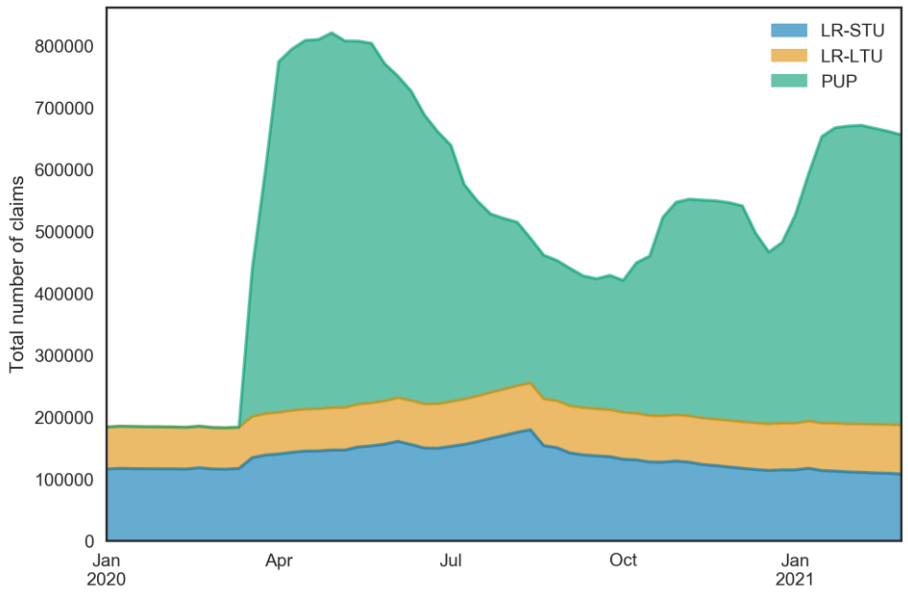


Figure 9 plots the age profile of recipients of the Pandemic Unemployment Payment, as well as of jobseeker payments comprising the Live Register. The age distribution is markedly different, reflecting, among other things, the different eligibility criteria and the age profile of those employed in the sectors most affected by restrictions on activity. With many full-time and part-time students employed in the most affected sectors, the age profile is lowered by a cohort that would not, typically, be eligible for Live Register payments.

For those who are long-term unemployed on the Live Register, the age profile shifts somewhat to the right, with more people in the 55-64 age group (see Figure 10). For PUP, the profile remains much younger, although the distribution is less skewed towards the younger age group for those who have remained on the payment the longest.[2]

[2] As PUP has been running since mid-March 2020, long-term counts those who have been in receipt of the payment for 50 weeks.

Figure 9. Density plot of Live Register and PUP recipients by age.

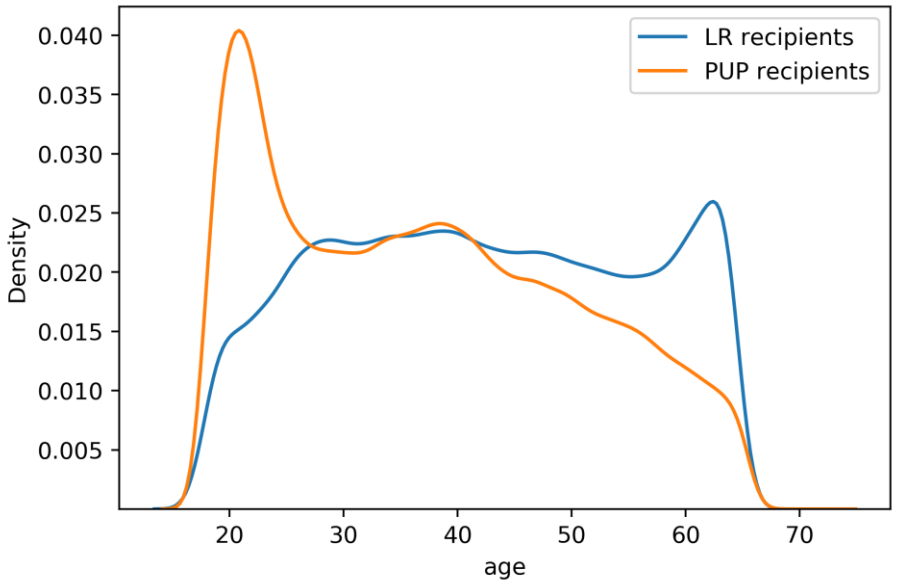
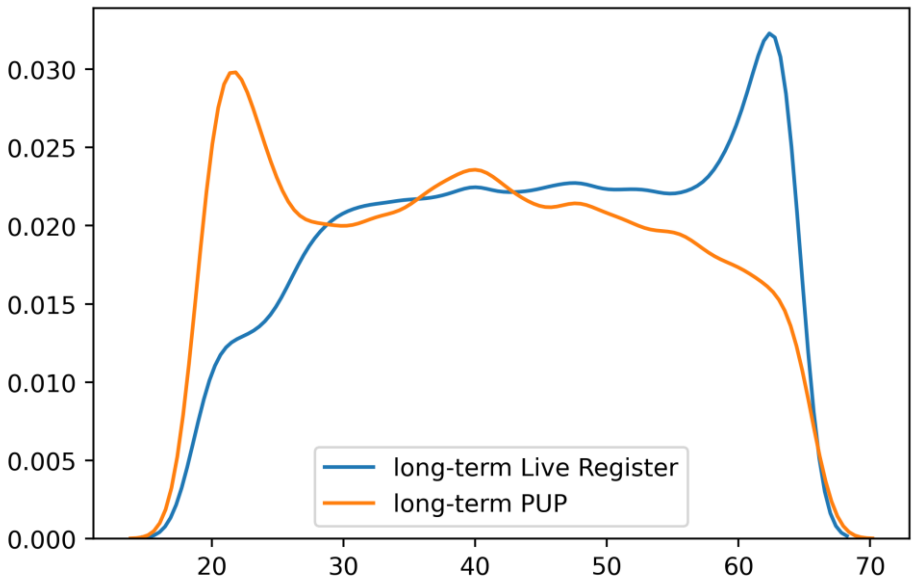


Figure 10. Density plot of long-term Live Register and long-term PUP recipients, by age.



Appendix

Table 5: annual percentage change, for each level of education, in the number of people in employment.

Year and quarter	All levels of education	Primary or below	Lower secondary	Higher secondary	Post-secondary non-tertiary	Third level non-honours degree	Third level honours degree or higher	Other/not stated
2019Q4	2.9%	15.5%	-1.4%	5.8%	0.5%	-3.7%	4.0%	7.4%
2020Q1	2.0%	5.3%	-5.7%	1.0%	4.5%	1.3%	3.3%	2.4%
2020Q2	-3.9%	-24.5%	-12.0%	-16.1%	-7.5%	2.3%	7.9%	-21.2%
2020Q3	-1.7%	-20.6%	-11.9%	-7.7%	-0.2%	13.1%	2.4%	-20.5%
2020Q4	-2.6%	-30.0%	-9.8%	-11.0%	-5.2%	6.8%	3.6%	8.7%

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Department of Social Protection

Background Notes

Labour Force Survey (formerly Quarterly National Household Survey), figures are sourced from the Central Statistics Office Open Data Portal (https://data.cso.ie/).

Unless noted otherwise in the text, all other data are sourced from DSP.

Weekly Live Register data are produced by Labour Market Analytics Unit, DSP, using the same data sources and methodology as the Central Statistics Office for production of the published monthly Live Register.

Labour Market Analytics Unit

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