



**An Roinn Coimirce Sóisialaí**  
Department of Social Protection

# Quarterly Labour Market Bulletin

December 2020





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## Key points

- Using the standard ILO classification, the fall in employment continues (-31,700) over the year to Q3 2020.
- The fall in employment was largely in part-time work.
- The number of people not in the labour force has increased, with discouraged workers almost doubling from 15,700 to 30,900 over the year to Q3 2020.
- Employment in the set of occupations categorised as 'Elementary' decreased from 258,200 to 227,300 over the year to Q3 2020.
- Some 350,072 people are in receipt of the Pandemic Unemployment Payment, which has wider eligibility than the Live Register payments: 177,380 women and 174,698 men.
- The Live Register has fallen slightly over the month of November, largely due to seasonal effects.
- The Employment Wage Subsidy Scheme (EWSS), which commenced in September, remained at 345,400 in October.
- Looking at NUTS3 regions, the largest number of prime working age adults (those aged 25-54) in receipt of an unemployment payment (excluding casual claims and those supported by wage subsidy schemes) is highest in the Dublin, Mid-East and South-West regions.
- As the share of the relevant regional population, the number of people in receipt of these payments is highest in the Border, South-East and West regions.
- Exits from PUP have remained low since October.

## Introduction

The move to Level 5 of the 'Plan for Living with COVID-19' on 21 October has curtailed economic activity and, consequently, the number of people in employment. The impact can be seen in the increase in the number of people in receipt of the Pandemic Unemployment Payment (PUP) and the continuation of a high level of State support under the Employment Wage Subsidy Scheme (EWSS).



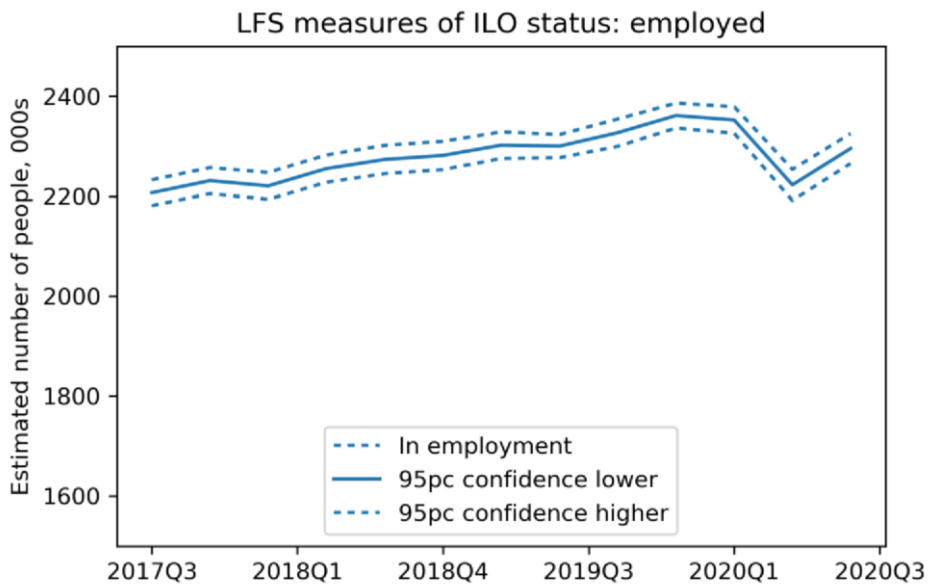
The number in receipt of PUP increased to 350,072 in mid-November, while the EWSS, which commenced in September, remained at 345,400 in October (having been at 347,000 in September).

This bulletin summarises the data in the Q3 2020 Labour Force Survey release as well as presenting analysis on Department of Social Protection administrative data (the PUP and the Live Register), examining trends in those on the Live Register with adult and child dependants, as well as the regional aspect of unemployment for those of prime working age.

## 1. Labour Force Survey

Using the standard ILO classification, the fall in employment continues (-31,700) over the year to Q3 2020. This amounts to an employment rate of 67.7 per cent, a decrease from the 69.6 per cent recorded in Q3 2019.

**Figure 1: Labour Force Survey, Q3 2020**



The fall in employment was largely in part-time work, with the number of women in part-time work decreasing by 32,000 from 333,200 in Q3 2019 to 300,800 in Q3 2020.

Those who are part-time underemployed continue to grow, partly due to the policy responses that encourage firms to retain the employer-employee link in the face of reduced demand (or restrictions that simulate the effect of reduced demand). Given the



reduction in women in part-time employment, the number of women who are underemployed decreased slightly.

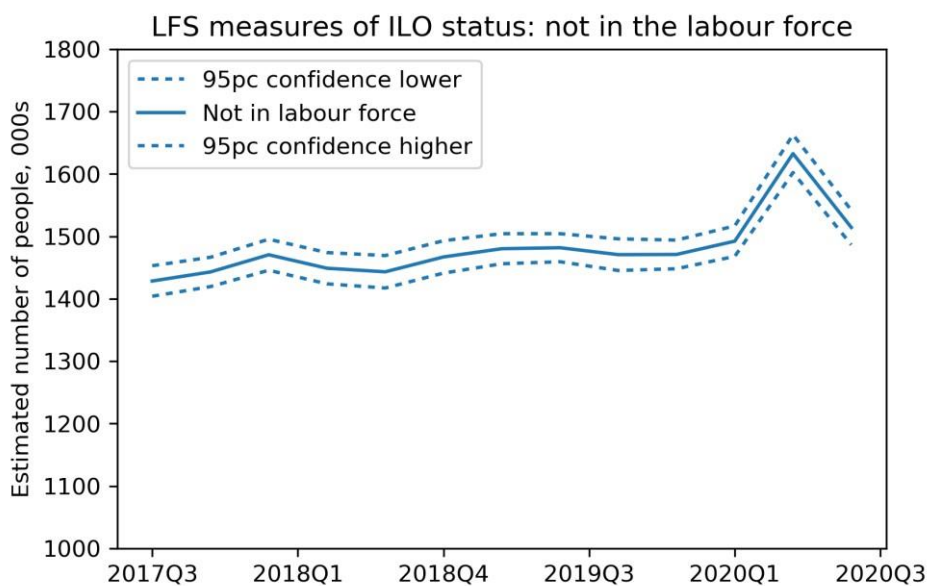
The number of people not in the labour force increased by 43,600 from the value one year earlier, with discouraged workers almost doubling from 15,700 to 30,900 over that period.

**Table 1: Labour Force Survey: Q3 2019 - Q3 2020, ILO status, (000s)**

Quarter	In employment	In part-time employment, underemployed	Not in labour force
2019Q3	2,326.9	111.8	1,470.7
2019Q4	2,361.2	108.4	1,471.0
2020Q1	2,353.5	111.8	1,490.5
2020Q2	2,222.5	107.4	1,632.6
2020Q3	2,295.2	117.7	1,514.3

The overall decrease in the self-employed is small, at 6,200 over the year, but has some compositional elements that may be worth monitoring given the changes in the female labour force: the number of self-employed women increased by 2,200, driven by those with no paid employees, while the number of men in self-employment decreased by 8,300.

**Figure 2: Labour Force Survey, Q3 2020**





Since early 2020, those noticeably affected by the decrease in employment are those in the Retail, Construction, Accommodation and food service activities, and Administrative and support service activities sectors, those with lower educational qualifications, and entrants to the labour force.

Somewhat unexpectedly, there was an overall increase in the Q3 2020 value for the number employed in 'Wholesale and retail trade; repair of motor vehicles and motorcycles' – an increase accounted for solely by men (Table 2).

The restrictions on economic activity continue to disproportionately affect particular occupational categories. Employment in the set of occupations categorised as 'Elementary' decreased from 258,200 to 227,300 over the year. The trend is especially marked for women, where this decrease was from 111,200 to 92,100.

In the 'Process, plant and machine operatives' category, the annual decrease is from 188,900 in Q3 2019 to 171,900 in Q3 2020. In both cases, the ability to work remotely is limited.

In contrast, there were minor increases across some categories, including 'Managers, directors and senior officials', from 186,300 to 189,300 and for the 'Professionals' category, from 483,300 to 487,600. The 'Associate professional and technical' and 'Administrative and secretarial' categories also increased, by 15,000 and 12,200 respectively.

**Table 2: Labour Force Survey: Q3 2019 - Q3 2020, Employment (000s) by NACE sector**

Quarter	Accommodation and food service activities(I)	Wholesale and retail trade, repair of motor vehicles and motorcycles(G)
2019Q3	177	300.9
2019Q4	179.2	310.2
2020Q1	170.6	309.8
2020Q2	127.5	282.3
2020Q3	148.4	307.5

## 2. Live Register trends

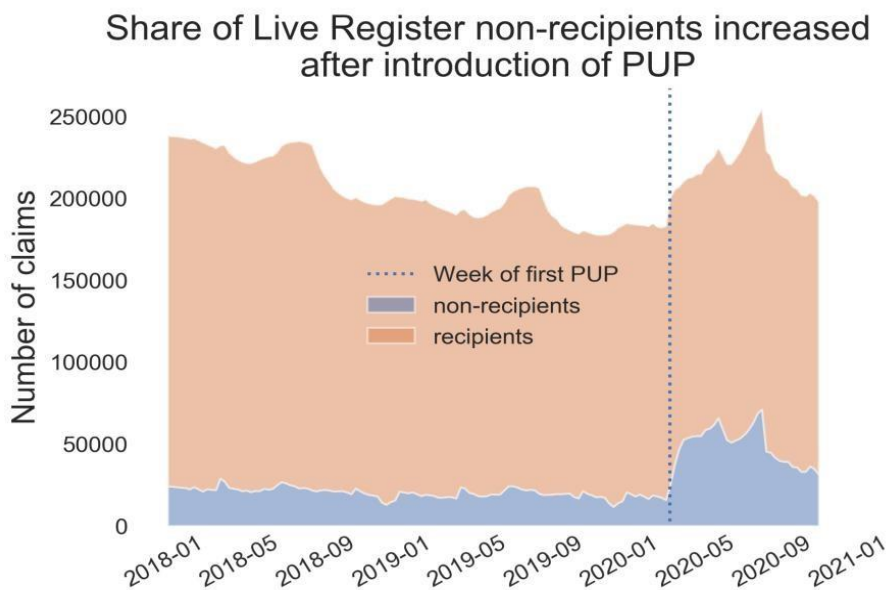
The Live Register is a count of applications for jobseeker claims. It has always included pending claims (those that will subsequently be awarded or disallowed). It also includes claims where payment has been suspended, which can occur for a number of reasons,



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 a more normal proportion (one in seven claims).

**Figure 3: Live Register recipients**



The seasonal effects in the Live Register are visible again over the autumn, with a decrease due to education workers over September and October before another, shorter increase and decrease over Halloween.

Long-term claims (those greater than one year) amounted to just over one in three of all Live Register claims in mid-March (36 percent) – well below the one in two claims the long-term unemployed represented in 2014. Since then, the slowdown in outflow has meant that the number of long-term claims has increased by over 8,000. Since the number of short-term claims rose more quickly at first, peaking in mid-August before falling again, the proportion of long-term claims fell to 30 per cent before increasing over the past few months to 38 per cent.

#### *Adult Dependant Allowance (ADA)*

The Covid-19 pandemic did not have a uniform impact on male and female unemployment, particularly initially. When the PUP was introduced, it was more



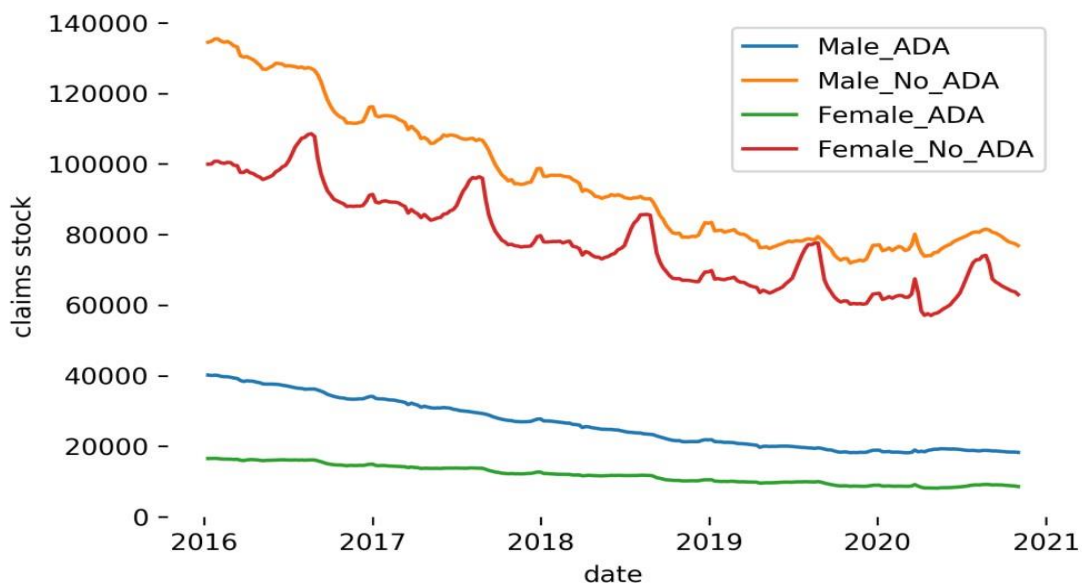
attractive than Live Register jobseeker payments for those with no adult or child dependent. In contrast, those with an adult dependent and one or more child dependents were better off on jobseeker payments, as were any claimants with four or more child dependents.

Separately, the closures of schools and crèches may have changed the labour supply of unemployed people with child dependants. Figure 6 presents the number of Live Register recipients with associated Adult and Child Dependant Allowances (ADA and CDA) over time. (This excludes non-recipients, many of whom may have been in receipt of PUP – see Background Notes for further explanation of the ADA.)

The large increase in Live Register recipients in 2020 for those with no adult dependent was accompanied by a much smaller increase in recipients with an adult dependant. This is somewhat surprising given that anyone moving from employment without an adult dependent would receive a higher rate under the PUP. One factor may be that households with two adults who were both eligible to claim PUP chose this option rather than one being in receipt of a jobseeker payment, with an increase in respect of the dependant adult.

For all recipients, the number of men is higher than women, for whom claims without an adult dependant are highly seasonal.

**Figure 4: Live Register recipients – non-ADA and ADA, by sex (sum to Live Register recipients total)**







### *Child Dependant Allowance (CDA)*

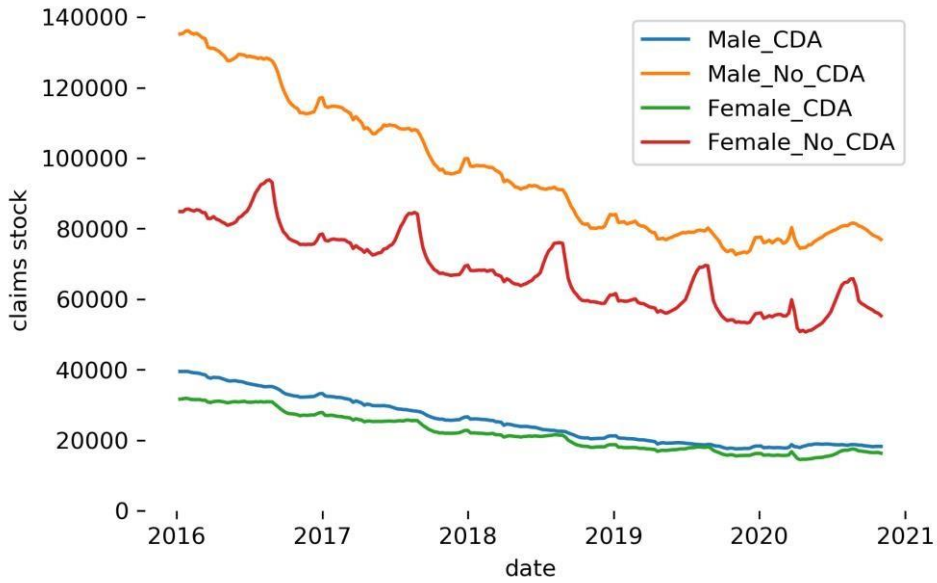
Figure 5 shows the changes observed in 2020 for CDA and non-CDA Live Register recipients are similar to those observed for ADA and non-ADA recipients. As was the case for female ADA recipients (see Figure 4 above), the large seasonal increase in women without child dependants in 2020 was not followed by a drop of the same speed and magnitude, unlike preceding years.

Figure 6 looks more closely at ADA and CDA Live Register recipients for both men and women in 2020. In all cases, there was a spike in March. For men, the March spike was larger for CDA than for ADA claims. Male CDA claims then fell back to their pre-pandemic levels before rising again. They are now almost identical to male ADA claims, meaning that the number of male recipients with only an adult dependant is approximately equal to the number of men with only child dependants.

For women, the picture is very different. Far fewer women have an adult dependant. Many more (though fewer than men) have a child dependant. The trajectory of women receiving an increase in respect of an adult or child dependant is also quite different. In both cases, following the early spike, they fell below the pre-pandemic levels observed in the 1st quarter of 2020 and only rose above those levels in the 3rd quarter. While that may appear counterintuitive, the likely explanation is that at least some adult dependents of women found themselves eligible to claim the PUP directly, while women with no adult dependent and fewer than four child dependents claimed the PUP instead, particularly when it was €350 for all claims.

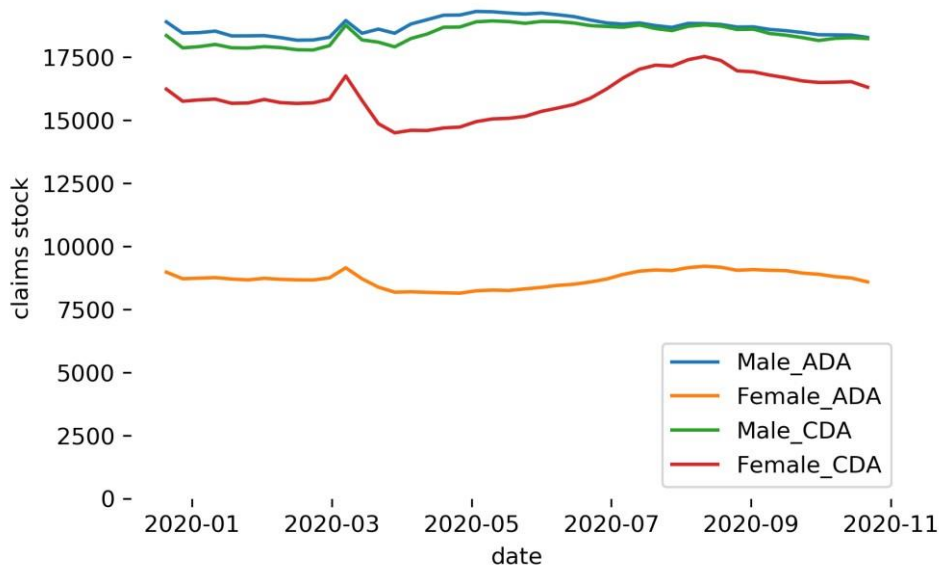


**Figure 5: Live Register stock – non-CDA and CDA Live Register recipients by sex (sum to Live Register recipients total)**





**Figure 6: Live Register stock – ADA and CDA Live Register recipients by sex in 2020**



### 3. 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 and unemployment. 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, for both the LFS estimates to date and 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 unemployment 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.



However, the introduction of the PUP complicates matters somewhat as it has broader eligibility than the jobseeker schemes that comprise the Live Register. In light of the difficulty in interpreting unemployment volumes from the LFS, and given the lag in data production in a rapidly changing environment, much of the Covid-related analysis has focussed on administrative data counts – typically aggregating Live Register schemes, the PUP and wage subsidy schemes. While this approach may produce a striking statement about the number in receipt of State support, it is compromised (conceptually) by conflating those fully employed with those fully unemployed and (methodologically) by not distinguishing claims from recipients, leading to double counting.

Given that the Live Register schemes, the PUP and wage subsidy schemes cover a range of disparate employment statuses, this analysis proposes separating unemployment from underemployment. While the two categories are most clearly divided in the Labour Force Survey, the administrative equivalent proposed here is to treat unemployment as comprising PUP recipients and Live Register recipients other than casual jobseekers (those in part-time employment); underemployment comprises employer subsidies, short-time work and casual jobseekers. The design of the wage subsidy schemes means they can cover a range of ILO employment statuses: while some firms will be operating at full capacity for retained employees, the scheme design enables firms to reduce hours across the headcount.

When aggregating PUP and Live Register values, it is appropriate to select only Live Register recipients – a feature of the Live Register methodology is that it has always counted claims rather than recipients. This is explained more fully in the August 2020 Quarterly Labour Market Bulletin.

**Table 6: 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
2019-Q1	8,895	24,633	13,571	9,636	6,726	10,063	10,398	9,048	206
2019-Q2	8,608	24,463	13,339	9,058	6,477	9,746	9,541	8,643	160
2019-Q3	9,226	25,531	14,266	9,746	6,773	10,484	10,372	9,136	308
2019-Q4	8,164	22,498	12,424	8,632	5,940	9,275	9,232	7,982	231
2020-Q1	13,584	42,078	21,834	14,353	9,584	15,036	18,411	14,205	421
2020-Q2	39,345	137,746	66,221	41,519	26,705	40,678	59,487	42,189	1,274
2020-Q3	21,305	88,222	38,312	23,866	15,248	22,340	30,876	22,929	489
2020-Q4	24,334	98,308	41,479	25,936	16,342	25,178	36,292	25,984	442

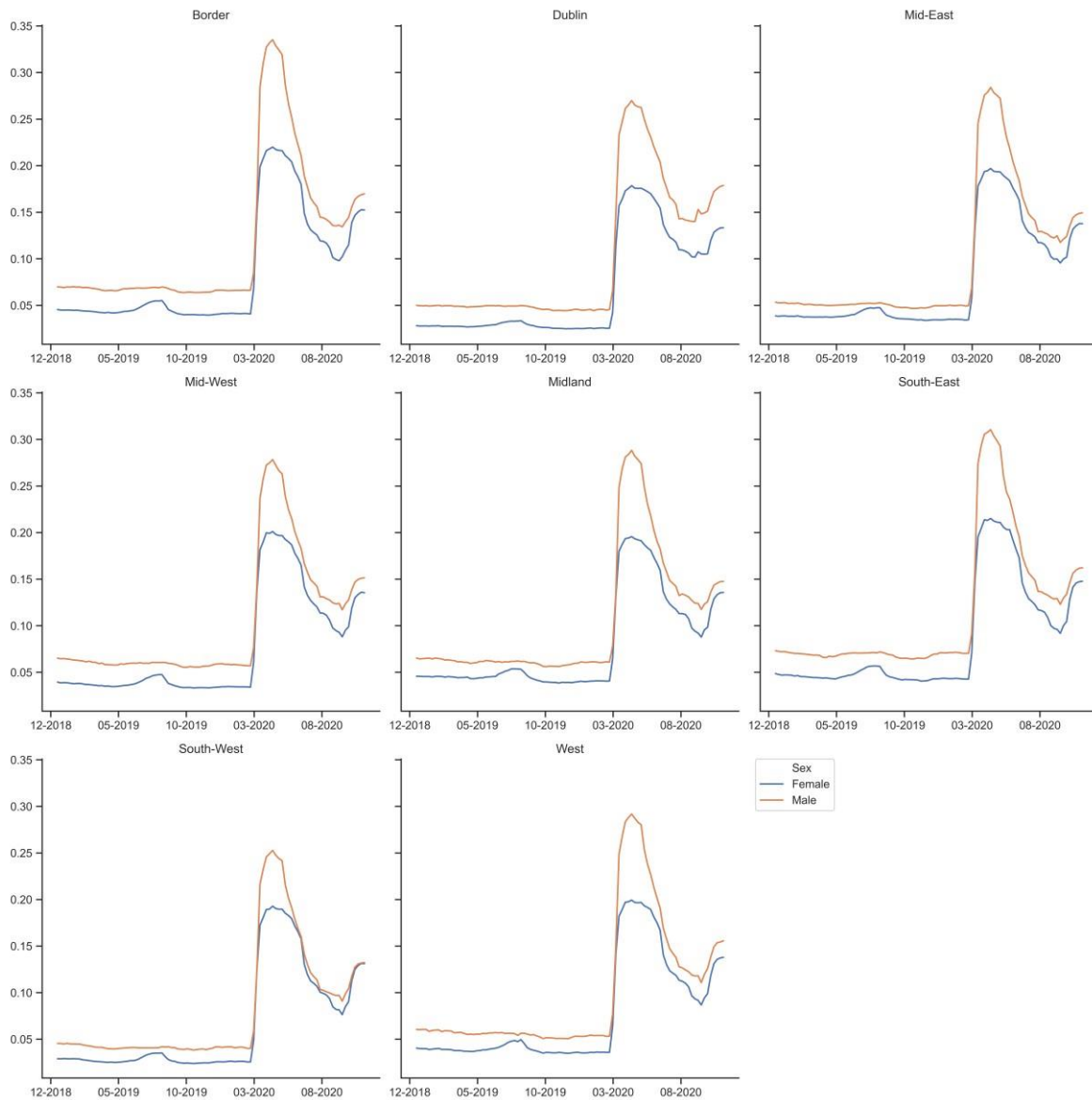


This results in a time series that is comparable over time and comparable across NUTS3 regions. Table 6 shows large increases, particularly in Quarter 2 2020, in Dublin, the MidEast and the South-West regions.

Estimating the labour force is a particular problem in 2020 but the prime working-age population estimate can be used to normalise values. 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 7: Prime working age PUP and LR recipients, as share of the prime working age population, 2019-2020, by sex (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). Similarly, the extent to which firms can maintain employment by remote working differs across regions, both in terms of the suitability of the work 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.

The higher number of men in receipt of jobseeker payments is an established pattern (related to the main claimant and adult dependant aspect outlined above). Initially, Covid-19 restrictions led to a much larger share of male recipients; since then, the proportions have returned closer to parity in some regions (particularly in the South-West) but remain on different tracks in Dublin.

The reasons for the differing regional impact include:

- the participation rate,
- the mix of occupations in a region (some of which are more suited to remote working or are now in greater demand), and
- the dominant sector in a region,

To outline the reasons for the age restriction, it is worth recalling that the estimate of the under-25 labour force, which has decreased in size over the past decade, is volatile and subject to significant revision. The assumption in this analysis is that the population estimates are also more prone to measurement error, at least in respect of NUTS3 region, for under-25s than for over-25s. This is one of the reasons to focus on the 25-54 age group.

Furthermore, the 8.1 per cent of PUP recipients who self-certify as registered full-time students represent one in four of PUP recipients under 25 years old. Under normal circumstances, they would not be eligible for jobseeker claims. Accordingly, adding the under-25 PUP recipients to Live Register recipients in these circumstances dilutes the coherence of the measure.

## 4. Long-Term Unemployment

Given the uncertainty about employment growth over the coming year, the extent to which PUP claims will translate into long-term unemployment is unclear. There is also uncertainty about the volume of Live Register claims that will become long-term claims.



Figure 8 presents some indication of what may happen based on the past five years, showing the number of claims crossing the threshold of 365 days (becoming long-term) as well as the Live Register inflow from one year earlier.

The extent to which Live Register inflow translates to long-term claims one year later depends on a variety of factors, including the employment growth over the period, and a range of personal and claim characteristics. In the years since 2014, the inflow to long-term claims as a share of the number of claims commencing one year earlier has varied. Inflow to long-term unemployment has fallen as a proportion of the Live Register inflow one year earlier every year from 2014 to 2019. However, this proportion rose in the second half of 2020 and may rise further in 2021 following the economic shock caused by the current pandemic, as well as from Brexit.

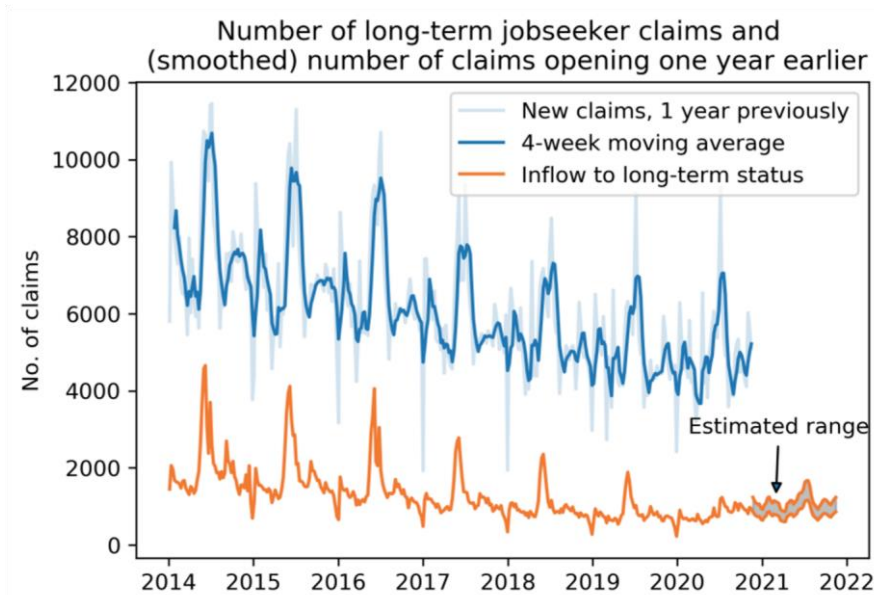
Using the full period 2014 to the present, taking the 25<sup>th</sup> and 75<sup>th</sup> percentiles for this proportion (0.164 and 0.237) multiplied by the 4-week moving average of Live Register inflow for the past 12 months provides an estimated range of the inflow to long-term unemployment from the Live Register alone in the next 12 months (Figure 8). Over the next 12 months, the four-week moving average of the weekly inflow to long-term unemployment from the Live Register is estimated to range between approximately 600 and 1,671.

This does not include the 2020 PUP cohort. There are two reasons why we might expect that the movement from PUP claims to long-term status might be low compared to that for new jobseekers on the Live Register: a large number of those on the PUP would have been similar in profile to Jobseekers Benefit claimants, relatively few of whom end up in long-term unemployment; and some of those on the PUP will be ineligible for Live Register payments when the PUP comes to an end.





**Figure 8: Long-term (LTU) claims on the Live Register and the previous year's inflow**



## 5. PUP exits

Since the introduction of the PUP, exits from PUP 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 an individual's exit precedes re-entry is worth considering when interpreting exits from PUP as a metric of the resumption of employment. Figure 9 provides a number of levels of stringency in classifying an exit from a PUP claim. It is worth monitoring the extent to which exits from PUP are sustained – 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 9: Exits from the Pandemic Unemployment Payment, by exit criteria**

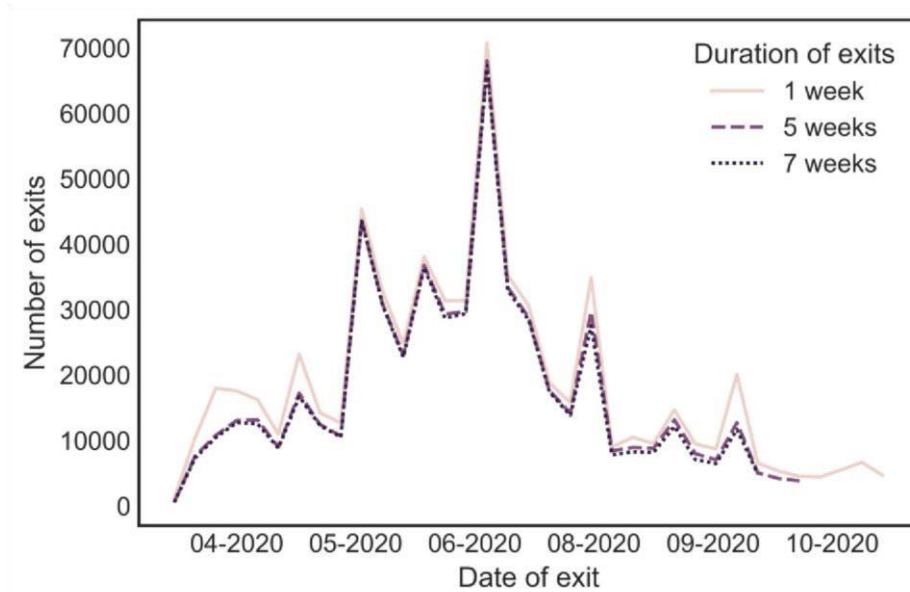


Figure 9 shows the number of exits from PUP defined as either one, five or seven weeks without PUP having received it for at least one week previously. This does not take into account whether the exit is associated with a (self-declared) return to work.

The analysis serves two purposes: to identify the extent to which an individual's exit is followed by re-entry, and the extent to which the shorter exits act as a leading indicator of longer exits. The pattern over the summer months is particularly reassuring, with sevenweek exits almost identical to one-week exits. There has been increased divergence between the two measures since the move to Level 5 of the Resilience and Recovery 20202021: Plan for Living with COVID-19.



## Background Notes



Labour Force Survey (formerly Quarterly National Household Survey), figures are sourced from the Central Statistics Office (<https://statbank.cso.ie/webserviceclient/>).

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 used by the Central Statistics Office for production of the published monthly Live Register.

### Adult Dependant's Allowance

The Adult Dependant's Allowance is an increase to an individual's personal rate of payment. An adult dependant is usually a spouse, civil partner or cohabitant. A cohabitant is one of two adults who live together as a couple in an intimate and committed relationship. To receive the Adult Dependant's Allowance, the main claimant must be getting a social welfare personal payment and his or her income must be below a certain level. The adult dependant should not be receiving any social welfare payment with the exception of Child Benefit, Disablement Benefit, Domiciliary Care Allowance, Guardian's Payment, Half-rate carer's Allowance, Occupational Injuries or Death Benefit in respect of an orphan, or the Supplementary Welfare Allowance.

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