

PROFILE OF EMPLOYMENT  
AND UNEMPLOYMENT

FEBRUARY 2010

## Executive Summary

- The purpose of this paper is to provide a detailed analysis of employment and unemployment within the labour market and to propose possible ways of targeting cohorts within the unemployed for specific activation measures in addition to those that are already in place.

### Broad labour market trends

- Total employment in the Irish economy now stands at 1,878,400, a decline of 184,700 on the previous year. Unemployment has increased from 159,200 in Q3 2008 to 279,800 (12.7 percent) in Q3 2009. The Central Bank and ESRI forecast the unemployment rate to rise to approximately 13.5 percent and 13.8 percent respectively in 2010, less than previously forecasted. This is partly due to a larger expected reduction in the size of the labour force in the coming year.
- While levels of employment overall have been declining in the past year, part-time employment is increasing. This indicates a number of factors: more people are on reduced working hours or have moved to shorter working weeks; people that have lost full-time employment are moving into jobs of a more temporary nature in high turnover sectors (e.g. catering, care, sales, temporary clerical work, and security). This is reflected in the Live Register for January 2010, which shows that 73,630 people on the LR are casual/part-time employed, and in sectoral trends which show minor increases of males in employment over the past year in sectors such as transport/storage and accommodation/food services.
- Males have been affected much more than females in relation to employment declines. While some of this is to be expected due to higher participation rates, most is related to declines in sectors such as construction and industry (manufacturing). Another notable pattern is that the numbers of males in the labour force has decreased in Q3 2009 by 55,100 compared to Q3 2007, while the number of females increased by 4,000 over the same period. This may reflect a reversal of roles in many households where females are re-entering the labour market to compensate for the loss of employment by males.
- Labour force participation has declined from 64.6 percent in Q3 2007 to 62.5 percent in Q3 2009, a figure unchanged from the previous quarter. This is primarily driven by a decrease in participation rates by 15-24 year olds. This is a positive indicator as it most likely means that this cohort is reacting to current labour market conditions by staying in education longer. This trend is supported by HEA statistics which show record numbers of students currently enrolled in undergraduate education (new entrants plus those staying longer in education).
- Total employment fell by 184,700 in Q3 2008 compared to Q3 2009. The sectors most affected in terms of declining employment were Construction (-80,300, -34.9%), Wholesale and Retail (-30,300, -10.1%), Industry (including manufacturing) (-39,700, -13.9%), Agriculture (-15,500, -14.0%). Together, these sectors account approximately 90 percent of total employment declines. Of particular concern is that much of employment declines in Construction, Industry (primarily traditional manufacturing) and some of retail (related to construction such as furniture and household goods) are likely to be permanent losses, which means structural unemployment is a pervasive feature of those that are unemployed. This trend is also reflected on an occupational basis which shows most employment declines in the groups of 'Craft and related' (-72,200) and Plant and machine

operatives (-33,600). This implies that many people will have to reskill to other sectors to secure employment.

- At present, there are few areas of skills or labour shortages. *Any shortages are now confined to areas for persons with third-level qualifications and specific expertise and work experience.* Thus, there is not a shortage of recent graduates, but rather persons with suitable experience. This complements the QNHS statistics which show a correlation between qualifications, age and likelihood of unemployment. The main occupations identified as requiring specific qualifications, expertise and experience in short supply are<sup>1</sup>:
  - Health (e.g. Doctors and Nurses); Software Engineers (with experience in networks and specific software applications (e.g. Java); Accountants (with expertise in regulation, compliance and risk); Actuaries; Marketing Managers (with considerable experience); Technical Sales Representatives with knowledge of particular products/service; Scientists (highly qualified and experienced professionals and technicians); IT specialists, including those with fluent foreign language skills; Engineers (experienced design and process engineers for manufacturing subsectors)

### Profile of unemployment

- Long-term unemployment (more than 1 year) is increasing. Given that the majority of unemployment is due to employment declines in the past five quarters, long-term unemployment is likely to increase substantially in the short-term.
- Those most vulnerable to long-term unemployment have been identified by the ESRI are those with a recent history of long-term unemployment, previous participation on the Community Employment (CE) scheme, advanced age, relatively high number of children, relatively low education, literacy/numeracy problems, located in urban areas, lack of personal transport, low rates of recent labour market engagement, and spousal earnings. Long-term unemployment is therefore a derivative characteristic of a number of variables which can be addressed through appropriate labour market interventions (for example, upskilling, literacy/numeracy interventions, job search supports, traineeships, work placements, specific skills training).
- Educational attainment is highly linked to current prospects in the labour market. The unemployment rate for those with third level degrees and above is 7.5 percent compared to 12.7 percent on average. For those with below third level educational attainment, unemployment rates exceed the national average.
- Age is also a strong determinant of unemployment. The under-25's represent 74,100 (26.6 percent) of total unemployment even though this cohort only represents 12.9 percent of the total labour force.
- However, further analysis shows that the unemployment profile is more nuanced than single characteristics such as age, gender, or qualifications. Cross-tabulating unemployment by age and educational attainment, it is clear from the table below that those with highest unemployment rates are: older low-skilled workers, younger age cohorts, (under 25's, particularly those with low educational attainment) and those in 25-34 year old age cohort with PLC/upper secondary educational attainment or below.

The table below identifies potential target cohorts in two ways:

---

<sup>1</sup> FÁS (June 2009) Job Opportunities in a Downturn

## Profile of employment and unemployment

- First, the squares in orange colour are those age/educational attainment cohorts that have higher unemployment rates than the national average of 12.7 percent.
- The second is a subset of the first of 4 distinct cohorts (A,B,C,D) that are likely to have different labour market activation, education or training requirements. Job Search supports are considered a basic intervention across all cohorts, except perhaps for 15-19 year olds where the primary objective should be to retain in/return to education.
- Those with characteristics most associated with long-term unemployment (older and low skilled, and younger, low skilled) are mainly covered by the highlighted sections in the table below.

### Unemployment rates by age cohort and level of educational attainment Q3 2009

		15-19	20-24	25-34	35-44	45-54	55+	Grand Total
Other/not stated	Unemployment rate	*	15.3%	13.9%	14.1%	18.1%	*	14.6%
	% of total unemployment	*	0.4%	1.4%	0.8%	0.7%	*	3.5%
No formal/ primary education	Unemployment rate	53.8%	40.5%	35.0%	23.6%	17.5%	6.7%	16.3%
	% of total unemployment	0.5%	0.5%	2.2%	2.0%	2.7%	1.8%	9.7%
Lower secondary	Unemployment rate	36.2%	46.5%	28.3%	15.4%	12.1%	7.8%	18.9%
	% of total unemployment	3.1%	3.1%	4.9%	3.9%	3.5%	1.5%	20.0%
Upper secondary	Unemployment rate	28.4%	21.5%	16.3%	10.7%	6.0%	2.9%	13.4%
	% of total unemployment	3.2%	7.6%	8.4%	4.6%	2.3%	0.6%	26.6%
Post leaving cert	Unemployment rate	47.6%	29.2%	17.9%	12.3%	12.4%	11.9%	16.3%
	% of total unemployment	0.6%	3.1%	6.1%	3.3%	2.4%	1.2%	16.6%
Third level - non honours degree	Unemployment rate	*	19.0%	9.3%	7.2%	6.4%	3.9%	8.5%
	% of total unemployment		1.8%	4.5%	2.6%	1.4%	0.4%	10.9%
Third level - honours degree or above	Unemployment rate	*	20.0%	8.6%	5.3%	4.2%	4.1%	7.5%
	% of total unemployment	*	2.6%	5.9%	2.4%	1.1%	0.6%	12.7%
Grand Total	Unemployment rate	33.6%	24.2%	14.1%	10.3%	9.1%	6.1%	12.7%
	% of total unemployment	7.6%	19.0%	33.5%	19.6%	14.1%	6.2%	100.0%

Source: CSO Quarterly National Household Survey, Forfás calculations



Potential target cohorts (A, B, C, D) have been circled within the above table. They are likely to have different needs in terms of policy interventions. Of course, activation, education and training requirements differ on an individual basis. In this context, these groupings are intended to provide guidance for targeting resources at those cohorts that are most vulnerable in today's labour market.

### **Group A - 20-54 year olds with no formal/primary level of educational attainment**

This cohort accounts for 21,940 (7.8 percent) of total unemployment. The unemployment rate ranges from 17.5 percent for 45-54 year olds to 53.8 percent for 15-19 year olds.

The types of interventions primarily required by this cohort are likely to be in areas such as Job Search, numeracy/literacy support, bridging, VEC offerings, Community Employment (with educational content).

### **Group B - 15-19 year olds with lower secondary/upper secondary/ PLC educational attainment**

This cohort accounts for 19,500 (7 percent) of total unemployment. As mentioned previously, labour force participation within this cohort is declining. This trend is to be encouraged as it most likely means that more individuals within this cohort are remaining within the education system.

The primary intervention for this cohort is an enhanced focus on preventing early school leaving. An alternative that addresses the drop off in demand for apprenticeships which previously acted as a good intervention for early school leavers is required. VEC/PLC offerings should be considered in this regard.

### **Group C - 20-24 year olds with PLC, Third Level Non-Degree and Third Level Degree and above Educational Attainment**

This cohort represents 20,910 (7.5 percent) of total unemployment. This cohort has already completed specific qualifications. Their most pressing requirement is most likely in the area of gaining workplace experience and skills that will enhance employability. Structured work placements (non graduate for PLC cohort) and graduate placements for those with third level and above education are likely to be the most useful interventions for this cohort. Job Search supports should also be considered.

### **Group D - 20-24 year olds with Lower and Upper Secondary, 25-34 year olds with Lower Secondary, Upper Secondary and PLC, 35-44 year olds with Lower Secondary and Upper Secondary**

Together, these age/educational attainment cohorts represent 95,000 (34 percent) of total unemployment. This group is where unemployment seems to be most concentrated. The challenge with this group is that they have been out of the education system for a long time. Given that this is where unemployment is highly concentrated, it is likely that a high proportion of this cohort are affected by structural unemployment (i.e. their skill sets are specifically related to sectors that show no sign of recovery in the short to medium term, for example, in construction and traditional manufacturing).

A range of interventions are required for this cohort, primarily around retraining for other sectors. Retraining interventions should be certified with high progression outcomes. Traineeships (especially for males), Job Search, Specific Skills (in areas of identified shortage) and Further Education are likely to be more commonly required for this cohort.

Together, the identified cohorts (A,B,C,D) make up 157,700 (56 percent) of all persons that are unemployed (279,800). Recent analysis of existing labour market interventions funded by the Department of Enterprise, Trade and Employment could be used to check alignment of current labour market activation programmes and a similar exercise is required for those programmes funded by the Department of Education and Science.

It is important that activation measures are aligned with current and future skills and workforce requirements of enterprise and the economy (e.g. healthcare). The potential for developing Recognition of Prior Learning (RPL) should also be given significant consideration. Many of those that have lost their jobs recently, particularly in areas such as manufacturing, construction and retail, will have acquired significant skills through their work that are not necessarily formally recognised but highly valuable to the work environment. Benefits of widespread use of RPL would include recognising workers' skills in a way that has educational and ideally labour market value, and getting people onto the National Framework of Qualifications ladder, with scope to broaden their skills and move up the ladder through further study.

Ultimately, it is important to ensure that overarching economic development policy should facilitate enterprise growth and development, which will be the primary stimulus of job creation and reducing unemployment.

## 1. Introduction

The recent rise in unemployment is one of the most pressing issues in Ireland today. In the past two years, the Irish labour market has transformed from one that was characterised by employment growth driven by a combination of increased participation and immigration to one where there have been widespread job losses and a return to net emigration. This paper analyses where employment declines have taken place and identifies the common characteristics of those that are unemployed. The objective is to highlight where unemployment is concentrated and to inform the design and targeting of labour market activation measures. The paper is structured as follows:

- A commentary on available labour market statistics and issues around defining unemployment;
- Overview of broad labour market trends including shifts in employment, unemployment, labour market participation, educational attainment and employment by sector, occupation and nationality.
- Profile of current unemployment.
- Employment outlook - short and medium term including skills demands.
- Guiding principles for addressing the current rise in unemployment.

## 2. Understanding Unemployment

### 2.1 Labour Market Statistics

There are various sources available to analyse the labour market in Ireland. The most informative sources are the CSO Quarterly National Household Survey and the CSO Live Register. More widely, there are other useful sources of labour market information such as the CSO PPSN Allocations and Employment of Foreign Nationals, redundancy statistics provided through the Department of Enterprise, Trade and Employment, and PPSN allocation statistics from the Department of Social and Family Affairs. Broad economic indicators such as the Consumer Price Index, the Retail Sales Index, House Building Statistics, Tourism and Travel Statistics can also be used to provide early information on prospects for employment in certain sectors.

Unemployment is often incorrectly considered as the number of people on the Live Register. The CSO highlights that the Live Register is not designed to measure unemployment. It can include part-time workers (those who work up to three days a week), seasonal and casual workers entitled to Jobseekers Benefit or Allowance. For example, the latest Live Register (January 2010) estimates that there are 73,630 part-time/casual workers on the Live Register. People engaged in home care duties or care of the elderly may also be counted on the Live Register but may not classify themselves as within the Labour Force. The Live Register provides *an estimate of the unemployment rate* through a measurement called the Standardised Unemployment Rate, which is estimated on the basis of the most recent Quarterly National Household Survey. It is shown to be a quite good estimate historically but it is not the official unemployment rate.

True employment and unemployment is measured only by the CSO Quarterly National Household Survey which conforms to international standard definitions as classified by the International Labour Organisation (ILO). The latest QNHS data available relates to Q3 2009

(July/August/September) and is the latest data available. The ILO classification distinguishes the following main subgroups of the population aged 15 or over:

- In Employment: persons who worked in the week before the survey for one hour or more for payment or profit, including work on the family farm or business and all persons who had a job but were not at work because of illness, holidays etc. in the week.
- Unemployed: Persons who, in the week before the survey, were without work and available for work within the next two weeks, and had taken specific steps, in the preceding four weeks, to find work.
- Inactive Population (not in the labour force): All other persons.

The labour force comprises of persons employed plus unemployed as defined above. The QNHS also provides a subset of unemployment which classifies those as 'long-term' unemployed, that is, those unemployed for more than 1 year.

For the purposes of this paper, we use the QNHS data as the most comprehensive basis for profiling employment and unemployment, and supplement it by using other sources of data such as the Live Register as an indicator for explaining current trends in the Labour Market.

It should also be considered that when we examine unemployment statistics, they are not static statistics. Within the labour market there is a lot of turnover and the rate of that churn is variable. Even during a slow-down, there is always a demand for recruits in occupations employing large numbers of people where labour turnover is an on-going feature. Job opportunities arise for various reasons; to fill new jobs in new or expanding companies and to replace labour turnover due to retirement, sickness, maternity leave, emigration, promotion or moving to another job either in the same occupation or to another occupation.

## 2.2 Types of unemployment

It is also worth considering unemployment by *type* of unemployment. This is much less easily measured than standard definitions of unemployment, and is indeed subject to much debate and overlap. However, types of unemployment can help to frame the discussion about labour market activation requirements. There are four main types of unemployment:<sup>2</sup>

- Cyclical unemployment - The portion of unemployment that is due to the business cycle and thus rises in recessions but then disappears eventually after the recession ends.
- Structural Unemployment - Unemployment that results from a mismatch between supply and demand for workers. That is, workers who cannot find jobs, not because there are no jobs, but because they are not qualified for the jobs that are available.
- Seasonal Unemployment - A type of unemployment explained by a seasonal variation in the structure of jobs and/or labour offered. Seasonal unemployment typically repeats the same pattern annually.
- Frictional Unemployment - Unemployment of people who are changing jobs, careers, or locations.

In this paper the numbers that are categorised by these different types of unemployment are not measured, however, these broad classifications are used as a guide for identifying labour market cohorts that may be affected to different degrees by type of unemployment.

---

<sup>2</sup> Definitions adopted from Deardoff's Glossary of International Economics: <http://www-personal.umich.edu/~alandear/glossary/>



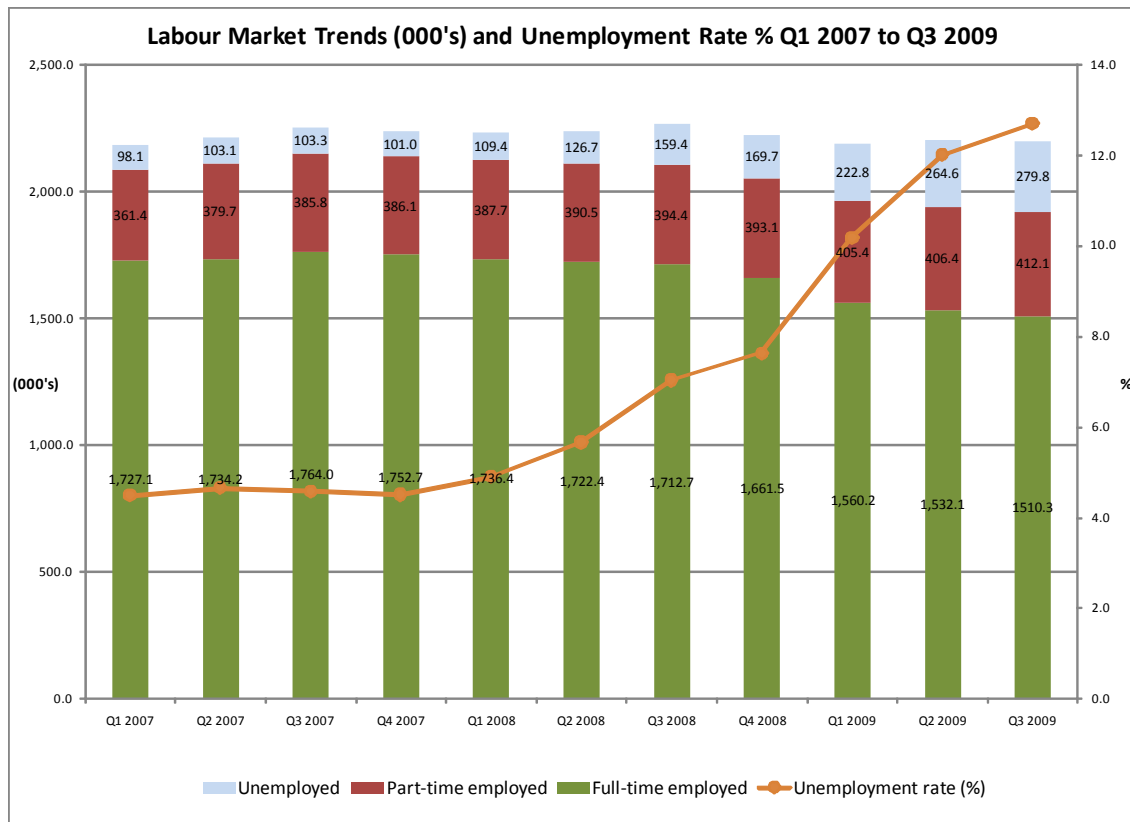
### 3. Recent Labour Market Trends

#### Summary

	Males	Females
General trends	<ul style="list-style-type: none"> <li>▪ Decreasing participation rates by under 25's</li> <li>▪ Employed: 1,040,000</li> <li>▪ Unemployed: 192,000, 15.6%</li> <li>▪ Part-time employment increasing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing participation rates by older cohorts</li> <li>▪ Decreasing participation rates by under 25's.</li> <li>▪ Employed: 882,400</li> <li>▪ Unemployed : 87,900, 9.1%</li> <li>▪ Part-time employment increasing</li> </ul>
Sectors	<p>Year on Year changes</p> <ul style="list-style-type: none"> <li>▪ Construction (-76,900)</li> <li>▪ Industry (-30,400)</li> <li>▪ Wholesale and retail (-15,700)</li> <li>▪ Agriculture (-11,900)</li> </ul>	<p>Year on Year changes</p> <ul style="list-style-type: none"> <li>▪ Wholesale and retail (-10,100)</li> <li>▪ Professional, scientific and technical activities (-9,700)</li> <li>▪ Accommodation and food services (-8,500)</li> <li>▪ Administrative and support services (-4,400),</li> <li>▪ Agriculture (-3,000)</li> <li>▪ Other NACE activities (-3,700)</li> </ul>
Occupation	<p>Year on Year changes</p> <ul style="list-style-type: none"> <li>▪ Craft and related (-67,800)</li> <li>▪ Plant and Machine operative (-28,800)</li> <li>▪ 'Other' (-26,900)</li> <li>▪ Sales (-1,700)</li> </ul>	<p>Year on Year changes</p> <ul style="list-style-type: none"> <li>▪ Clerical and secretarial (-15,300)</li> <li>▪ Sales (-9,000)</li> <li>▪ Other (-9,000)</li> <li>▪ Craft and related (-4,300)</li> <li>▪ Personal and protective services (-2,000)</li> <li>▪ Managers and administrators (-1,400)</li> </ul>

From a labour market activation perspective, there are a number of pertinent questions. What are the characteristics of people that are losing their jobs? What sectors and occupations are most affected? Are particular age cohorts disproportionately affected? Are there significant differences according to skills and qualifications? Are there differences on the basis of nationality? Are there significant gender differences? The following section uses CSO QNHS data to provide information in relation to these questions.

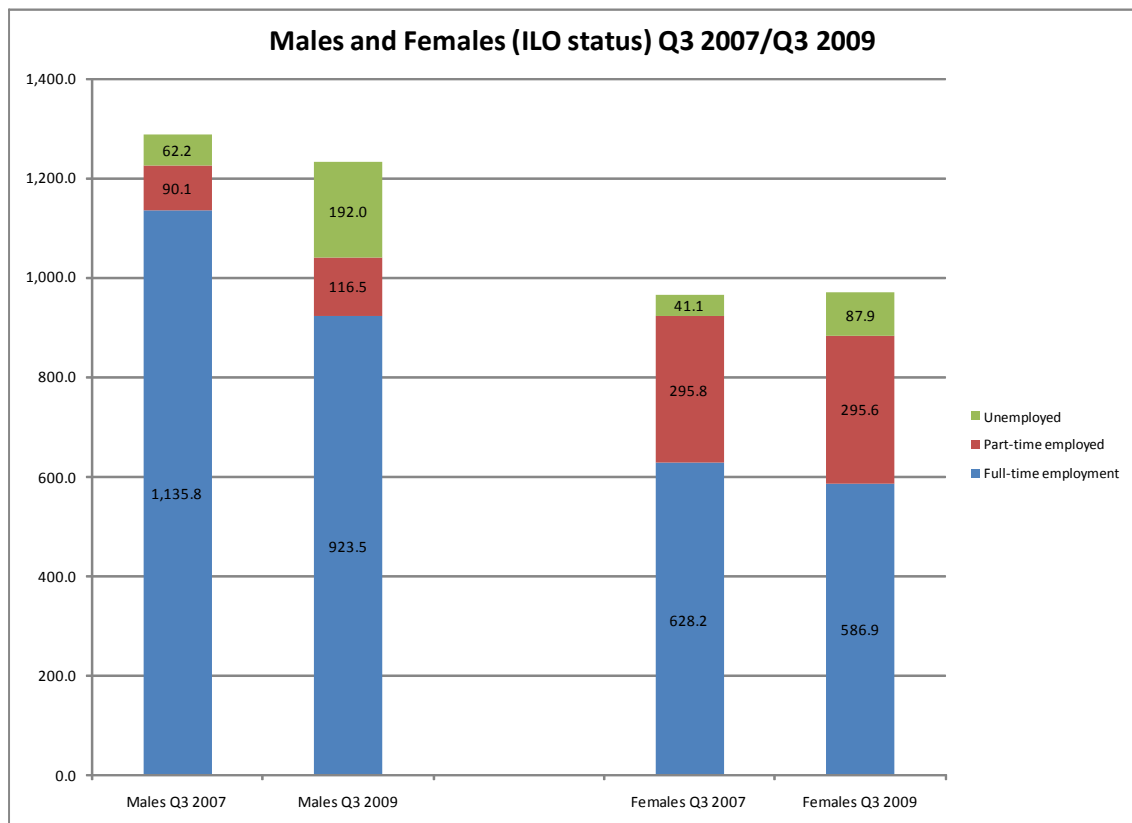
### 3.1 Broad Labour Market Trends



Source: CSO Quarterly National Household Survey

The labour market has changed dramatically over the past two years. Employment in Ireland peaked in Q3 2007. Since then, full-time employment has declined by 253,700 to 1,510,300 and unemployment has increased from 103,300 to 279,800 (12.7 percent unemployment rate). One notable trend over the same period is the steady rise of part-time employment, increasing from 361,400 in Q1 2007 to 412,100 in Q3 2009. The rise of part-time employment may be reflecting a number of factors such as reduced working hours in existing occupations, reduced aggregate demand for labour, or that people are moving into sectors/occupations that are more temporary in nature.

Comparing the labour force by gender in Q3 2009 to Q3 2007, the number of males unemployed has more than tripled from 62,200 to 192,000, while the number of females unemployed has more than doubled to 87,900. While rises in unemployment may be expected for males to a greater extent due to higher participation rates, analysis presented later will highlight that unemployment rises are largely due to declines in certain sectors which tend to have a high majority of males employed.

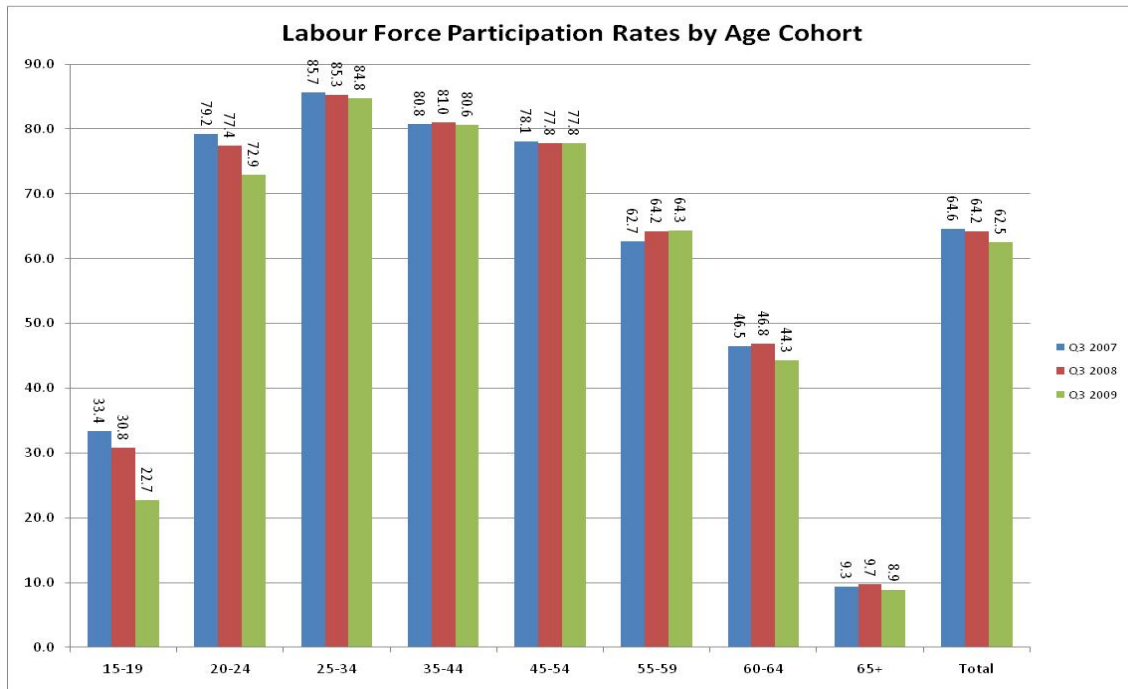


Source: CSO Quarterly National Household Survey

The number of males in full-time employment in Q3 2009 is 212,300 less than in Q3 2007. Another notable pattern is that the numbers of males in the labour force has decreased in Q3 2009 by 56,100 compared to Q3 2007, while the number of females has increased by 5,200 on the same basis. This may reflect a reversal of roles in many households where females are re-entering the labour market to compensate for the loss of employment by males.

### 3.1 Labour Force Participation

The Labour Force participation rate is the number of persons in the labour force expressed as a percentage of the total population aged 15 or over. Looking at labour force participation rates by age cohort, the decline in the past two years has been driven mainly by a 10.7 percent decline in participation by 15-19 year olds, and a 6.3 percent decline in 20-24 year olds, with most other age cohorts remaining relatively stable. Both male and female participation rates within these age cohorts have fallen over the past two years. This could indicate that many younger age cohorts are remaining longer in education. In 2009, CAO first preference applications increased by 4.4 percent for NFQ level 8 programmes, and by 3.1 percent for 6/7 programmes. The CAO Board of Directors report for 2008 showed that applications through the CAO system for persons aged 23 and over increased by 8.1 percent to 3,012 in 2008 compared to 2007 for level 8 programmes and by 8.6 percent to 1,418 in 2007. More recently, in November 2009, the HEA announced that 110,000 students were enrolled in undergraduate education, the highest on record, and that more students are staying longer in higher education.



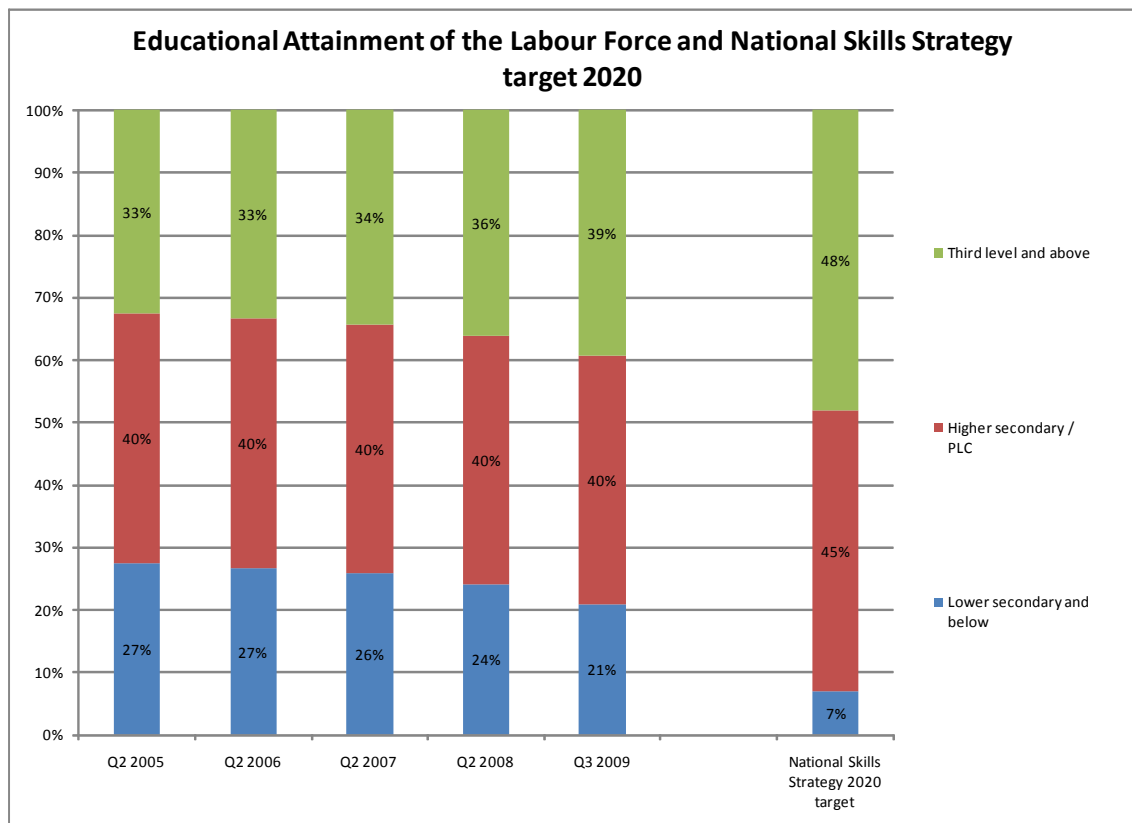
Source: CSO Quarterly National Household Survey

### 3.2 Educational Attainment

Educational attainment levels within the labour force have increased substantially in recent years, especially for females. 39 percent of the current workforce has educational attainment of third level and above (see figure on next page). For females, this rate is 46 percent, which is almost at the National Skills Strategy target for 48 percent of the labour force to have third level educational attainment or higher (see Appendix I). There remains a significant cohort (20.9 percent) of the labour force with highest educational attainment of lower secondary and below, which is higher for males (26.1 percent). The level of educational attainment is highly linked to participation - the more educated a person is, the more likely they are to participate in the labour market.

#### Labour Force by highest level of Educational Attainment Q3 2009 (CSO QNHS)

	In employment 000's	Unemployed 000's	In labour force	Unemploy- ment rate %	Participat- ion rate%
Primary or below	118.9	26.9	145.8	18.4	41.1
Lower secondary	235.7	56	291.7	19.2	54.8
Higher secondary	477.4	74.4	551.9	13.5	73.3
Post leaving cert	235.5	46.5	282	16.5	82.0
Third level non-honours degree	323.6	30.4	354	8.6	85.7
Third level honours degree or above	430.8	35.5	466.2	7.6	88.9
Other	56.5	9.7	66.2	14.7	72.0
Total persons aged 15 to 64	1,878.4	279.4	2,157.8	12.9	*



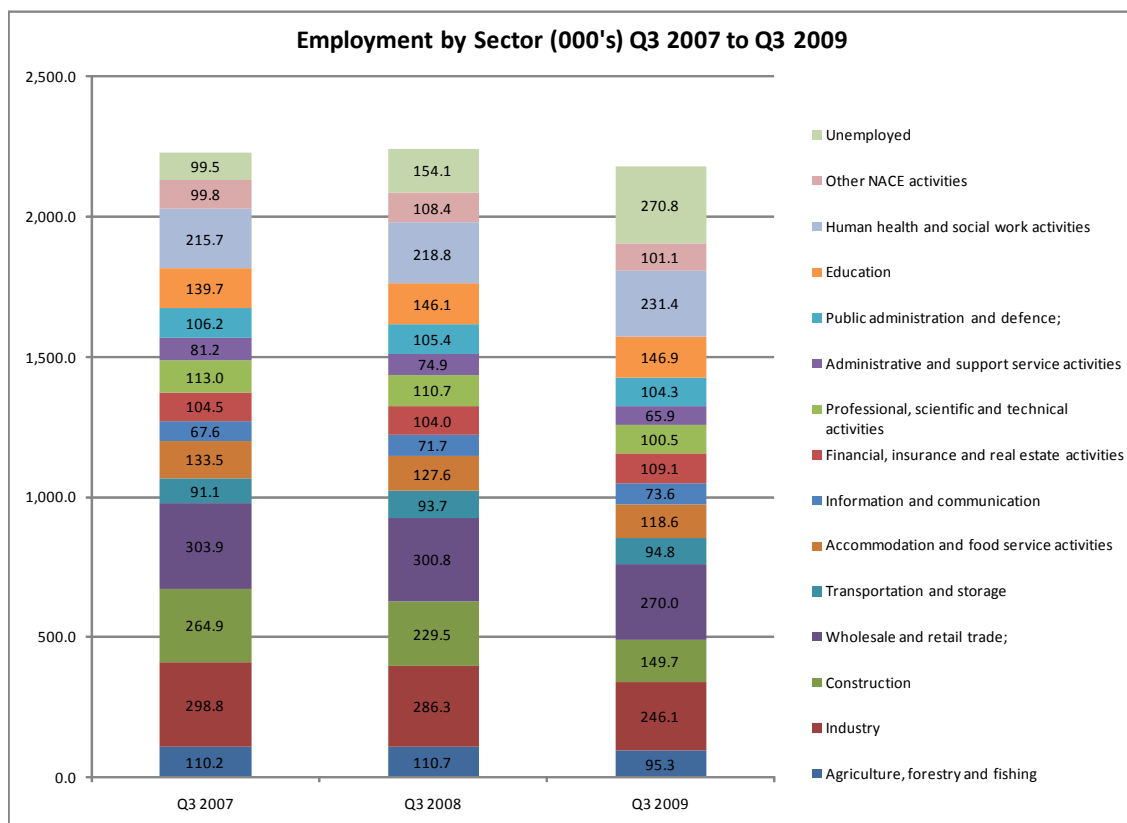
Source: CSO Quarterly National Household Survey

### 3.3 Employment by Sector

The sectors where most employment declines are comparing Q3 2008 to Q3 2009 are:

- Construction (-80,300, -34.9%)
- Wholesale and Retail (-30,300, -10.1%)
- Industry (including manufacturing) (-39,700, -13.9%)
- Agriculture (-15,500, -14.0%)
- Professional, scientific and technical activities (-10,900, -9.8%), which includes legal, accounting, R&D and Advertising/Marketing activities
- Administrative and support service activities (-9,000, -12%), which includes rental/leasing activities, travel/tour operators and office support activities.
- Accommodation and Food Service activities (-10,400, -8.1%).





Source: CSO Quarterly National Household Survey

There have been some employment gains in human health and social work (+11,300), finance, insurance and investment (+5,100), education (+1,000), financial, insurance and real estate activities (+3,400), information and communication (+1,700) and transport and storage (+100).

In Q3 2007, the construction sector represented 12.4 percent of total employment compared to just 7.8 percent in Q3 2009. The decline in the construction sector is most likely impacting on declines in employment in other sectors, such as Wholesale and Retail (for demand in products such as household goods and furniture), professional activities (such as architects and legal services), industry (such as manufacture of building materials).

However, there are also factors that are impacting employment such as:

- Global restructuring by multinationals and some relocation of manufacturing facilities out of Ireland;
- Increased household savings rate - due to depressed consumer confidence and heightened uncertainty;<sup>3</sup>
- Declining demand for luxury goods, for example, particularly within the motor trade;
- Trips by Irish residents abroad have declined by 8.1% over the 12 months to November 2009;

<sup>3</sup> The latest ESRI Quarterly Economic Commentary (Winter 2009) estimates that the savings rate has increased from 2.3 percent of disposable income in 2007 to 10.75 percent in 2010.

- Declining overseas visitors - latest CSO figures show overseas visitors to Ireland declined annually by 881,200 (12%) to November 2009;
- Increased competition amongst retailers, reflected in the declining consumer price index.

Both the Central Bank and the ESRI have recently commented that a recovery in the global economy will help to drive underlying export growth in Ireland but that the domestic sector will remain weak in the short term.

There are noticeable differences between males and females in terms of sectoral trends over the past year (See Appendix II). For males, employment declines have been almost entirely confined to Construction (-76,900), Industry (-30,400), Wholesale and Retail trade (-15,700) and agriculture (-11,900), administrative and support services (-4,700) and professional, scientific and technical activities (-4,500). The fact that employment declines for males are concentrated so heavily in Construction and Industry indicates that there could be significant structural unemployment arising.

There were increases in employment for males in financial, insurance and real estate activities (+3,200), human health and social work (+2,300), information and communication (+2,000) and education (+600), and accommodation and food services (+300).

For females, employment shifts were much more evenly spread out across sectors with declines in wholesale and retail (-10,100), professional, scientific and technical activities (-9,700), administrative and support services (-4,400), agriculture (-3,300) and 'other' NACE activities (-3,700), financial, insurance and real estate activities (-500). Increases in employment in Q3 2009 compared to Q3 2008 for females were almost entirely confined to public service related sectors (health, education and public administration and defence), and there was also an increase in employment in the Information and Communication sector (+400).

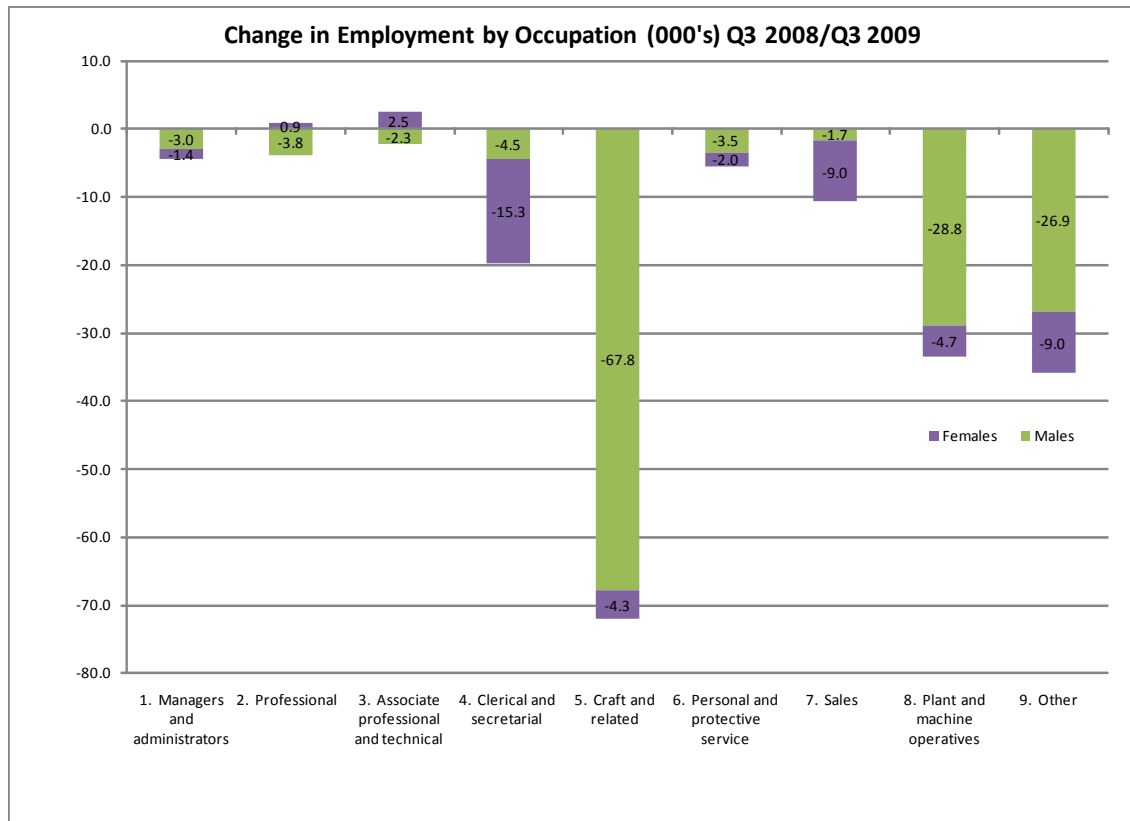
It is notable that the number of males employed increased in some sectors while the number of females decreased in the same sectors such as accommodation and food services, and financial, insurance and real estate activities.

### 3.4 Employment by Occupation

Employment declines are now evident across occupational groupings, although some are affected much more than others. In Q3 2009 compared to Q3 2008:

- The decline in craft and related occupations (-72,200) is connected strongly to the construction sector and is almost entirely confined to males.
- There is also a notable decline in Plant and Machine operatives (-33,600), which is also mostly confined to males and related to the manufacturing sector.
- For females, the largest employment decline is in clerical and secretarial occupations (-8,900) and sales occupations (-5,700), which is most likely related to declines in the retail sector.
- The occupational groups that seem to be least affected by employment declines are professional, associate professional/technical, and personal and protective services (for males).

- The fact that employment declines for professional/associate professional occupations are relatively minor indicates that skilled and highly qualified occupations are still in demand relative to other occupational groups.
- The fact that employment declines are heavily skewed towards craft and related occupations, plant and machinery operatives and 'other' occupations with many of those jobs unlikely to return in the short term indicates that much of recent unemployment may be structural in nature and that there could be significant skills mismatch in the economy.



Source: CSO Quarterly National Household Survey

### 3.5 Employment by Nationality

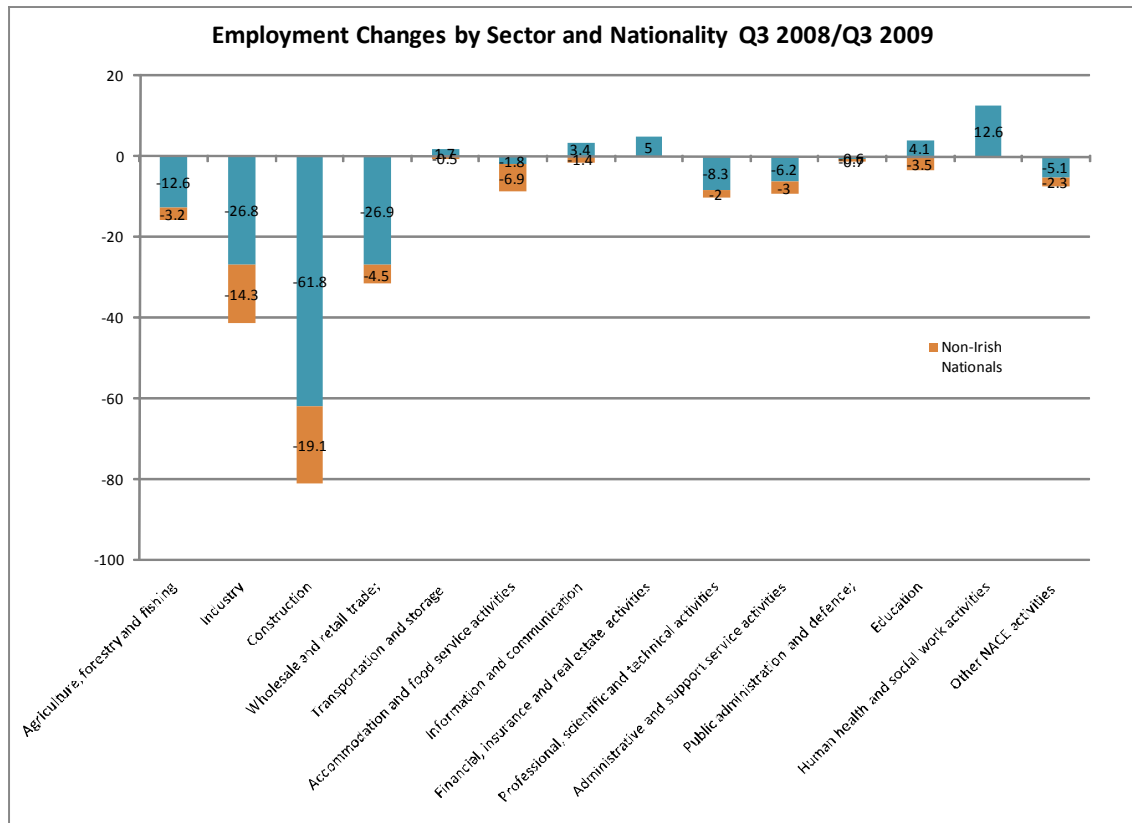
There is evidence that a significant proportion of non-Irish nationals are leaving the workforce. From Q3 2008 to Q3 2009, the number of non-Irish nationals in the labour market declined by 40,500, from 358,000 to 317,500. The main driver of this decline is a decrease of 24,400 in the number of people from EU 15-27<sup>4</sup> member states and a decrease of 12,500 people from non-EU countries in the labour market, with the remainder from EU-15 countries. Overall, the number of non-nationals in employment decreased by 61,600 in Q3 2009 compared to Q3 2008, while the number of Irish nationals in employment decreased by 123,200. Overall, non-Irish nationals accounted for 33 percent of the total decline of 184,700

<sup>4</sup> Defined as the 10 accession countries that joined the EU on 1 May 2004 i.e., Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia), and includes the 2 new accession states that joined the EU on 1 January 2007 (i.e., Bulgaria and Romania).

in employment in the past year even though they only represented 15.8 percent of the labour force in Q3 2008.

More broadly, CSO Population and Migration Estimates for the year to April 2009 estimate that of the 65,100 people who emigrated in the year to April 2009, EU 15-27 nationals were by far the largest group accounting for 30,100, with Irish nationals being the second largest at 18,400.

On a sectoral basis, the largest employment declines for non-Irish nationals were in Industry (-14,300), construction (-19,100) and accommodation and food service activities (-6,900) where, notably, non-Irish nationals represented 79.8 percent of total employment declines. Also, it is notable that, despite the sharp reduction in employment of non-nationals in accommodation and food services, the total number of males in employment increased by 500 in the sector on an annual basis. This suggests that some Irish males that have lost their jobs in other sectors are transferring to accommodation and food services and that many non-Irish nationals are also leaving the sector at the same time.



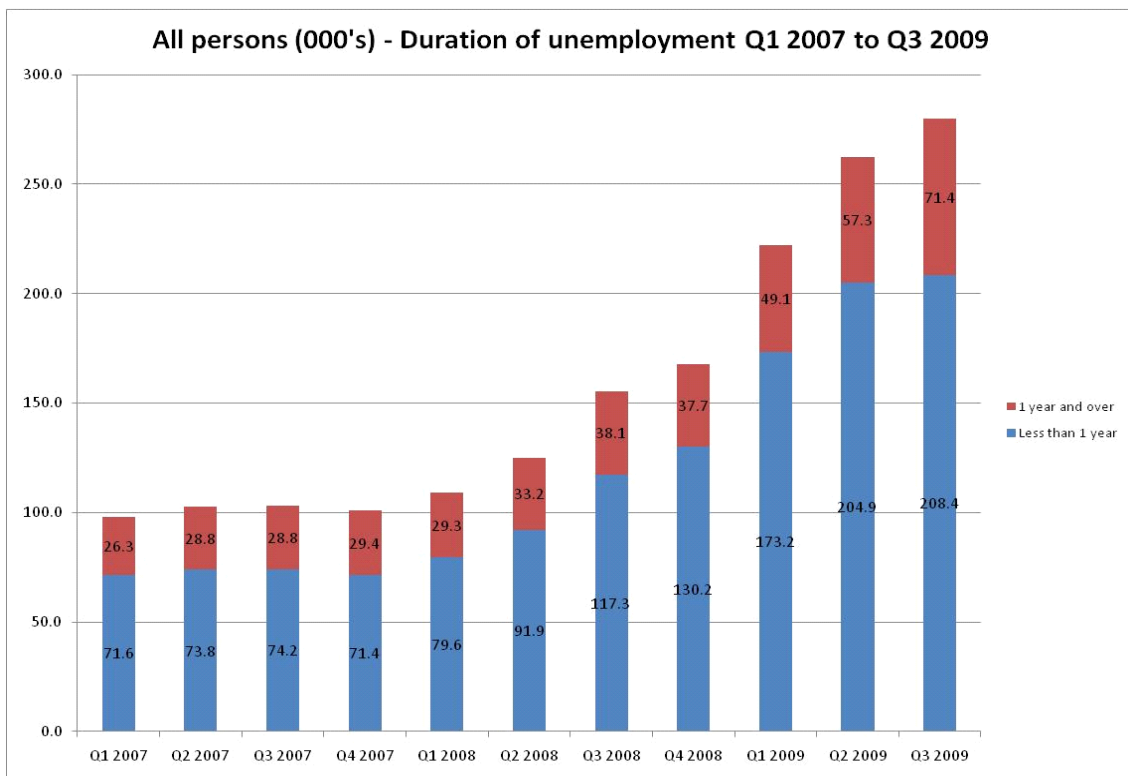
Source: CSO Quarterly National Household Survey

## 4. Profile of Unemployment

Unemployment has been rising consistently in Ireland since Q4 2007 when the number unemployed was 101,000 (4.5 percent). However, it was not until Q2 2008 that the number unemployed began to accelerate noticeably to 126,700 (5.7 percent) and has since risen to 279,800 in Q3 2009 (12.7 percent). The upshot of this trend is that unemployment in Ireland has more than doubled within a short timeframe. For many people, this will be their first experience of unemployment and the difficulties for many people in finding other employment may be due to different reasons such as a decline in demand for labour in certain sectors, lack of experience or suitable qualifications.

### 4.1 Long term unemployment

One of the key concerns with rising unemployment is the need to avoid long-term unemployment (more than 1 year). The risks associated with people who fall in to long term unemployment include disengagement from the labour force, lack of confidence in re-engaging with the labour market, loss of workplace skills, loss of social skills and loss of experience relative to others. From a national perspective, a rise in long term unemployment places a greater burden on social welfare expenditure and services, diminishes spending levels in the economy, impacts on overall savings.



Source: CSO Quarterly National Household Survey

Of the total number unemployed, approximately 74 percent have been unemployed for less than one year (134,400 males and 71,400 females). However, long-term unemployment has been increasingly rapidly for both males and females. In Q1 2008, the number of persons long term unemployed was 29,300 which has now more than doubled to 71,400. Males account for

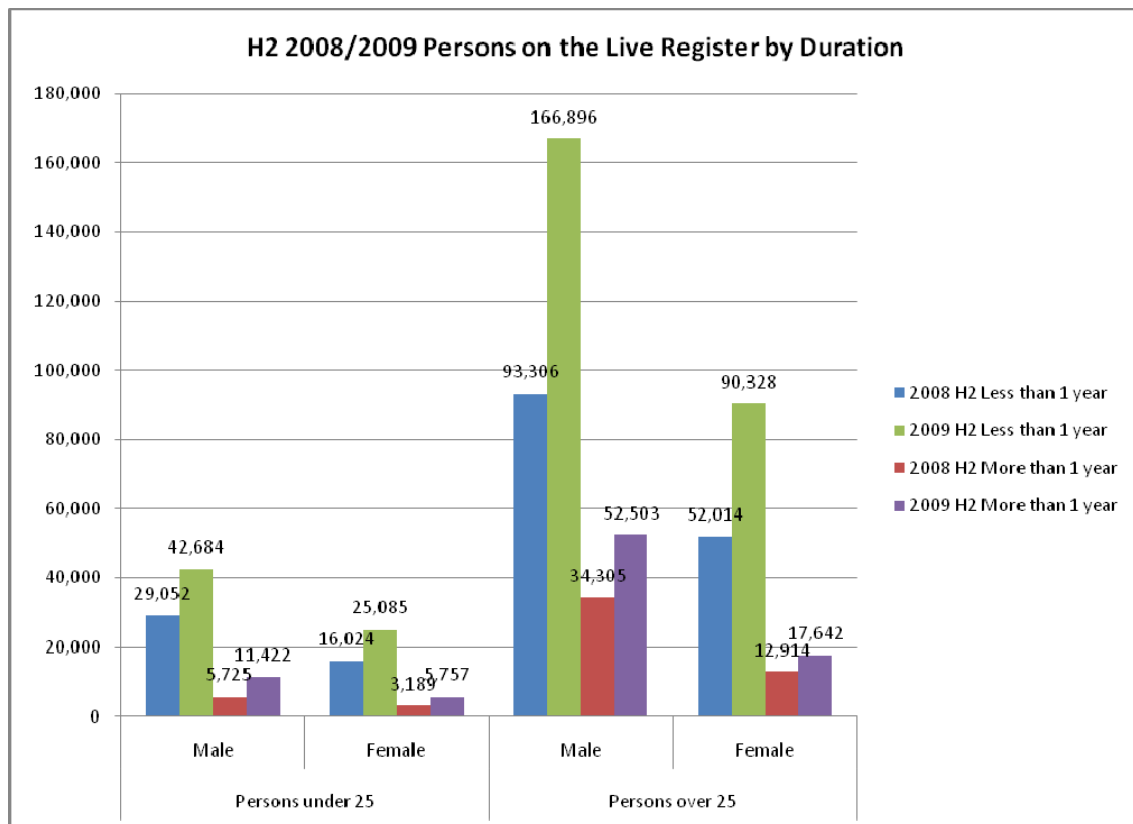


55,600 of those that are long-term unemployed which, as in Q3 2009, accounts for approximately 78 percent of the total number.

The predominance of males is probably most associated with the decline in the construction sector for which employment for males began to decline in Q2 2007.

Evidence of the rise in long-term unemployment can be supplemented by data from the live register. The graph below shows that the majority of those that are on the live register in the second half of 2009 have been on it for less than one year. The data relates to the count of the Live Register in October 2009 (seasonally unadjusted) of 412,407.

- There has been a doubling in the number of males under 25 on the live register for more than 1 year, from 5,725 in H2 2008 to 11,422 in H2 2009, although the numbers are a relatively small proportion of the total. For males over 25, the corresponding figure is a 53 percent rise.
- For females over 25, there has been a 36.6 percent increase from 12,914 to 17,642 in the number of females on the live register for more than 1 year, while for females under 25, there has been an 81 percent increase from 3,189 to 5,757.
- In summary, on a relative basis, there has been a faster rate of increase in long-term unemployment for those under 25, however, these account for a relatively small proportion (4.2 percent) of the total that were on the live register in October 2009.



Source: CSO Live Register Age by Duration (October 2009)

Of the 71,400 on the Live Register for more than 1 year, 18,300 (25.6 percent) are 45 years and older.

**Unemployment by age cohort (000's) and duration Q3 2009**

	15-24	25-44	45 or over	Total
Less than 1 year	59.2	108.3	38.3	205.8
1 year and over	14.3	38.8	18.3	71.4
Not stated	1.1	1.5	*	2.7
<b>Total persons</b>	<b>74.4</b>	<b>148.5</b>	<b>56.9</b>	<b>279.8</b>

Source: CSO QNHS

Notwithstanding the relatively small proportion that long term unemployment represents of overall current unemployment, it is more than likely to increase as a proportion of overall unemployment in the coming year given that it is only in the past four quarters that unemployment began to rise at such an accelerated level and there are no indications of a return to employment growth in the short term. This represents a significant challenge from a labour market activation point of view as those that slip in to long-term unemployment may be more difficult to activate or re-engage when the labour market recovers.

The ESRI recently published a report on the characteristics of short and long-term unemployed people on the Live Register in 2007. A number of individual characteristics / attributes were found to be strongly associated with long-term unemployment risk. Specifically, the results for males indicate that the probability of remaining on the Live Register is associated with a recent history of long-term unemployment, previous participation on the Community Employment (CE) scheme, advanced age, relatively high number of children, relatively low education, literacy/numeracy problems, located in urban areas, lack of personal transport, low rates of recent labour market engagement, and spousal earnings.

The results for females are broadly similar to those of males with employment tendency rising with third-level education, recent employment, a willingness to move for a job and good health, while the probability of remaining on the Live Register increases with number of children, literacy/numeracy difficulties, a history of unemployment and casual employment status. However, some gender differences are apparent. In particular, females who are married or separated are less likely to leave the Live Register, as are those whose spouse is a high earner. The magnitude of the impact of children on labour market entry is also higher for females. Regarding location, unlike males, females appear to derive no disadvantage from living in an urban location.<sup>5</sup>

The ESRI recommended that a profiling system of those on the Live Register, if implemented, would allow the rank ordering of those claiming Jobseekers Benefits and Allowance in terms

<sup>5</sup> ESRI (June 2009) National Profiling of the Unemployed in Ireland

of their relative risk of entry to long-term unemployment. This would then provide policymakers with a fair and rigorous basis on which to ration interventions and target them on those most at risk of long-term unemployment.

## 4.2 Unemployment by Age Cohort

In absolute terms, the greatest rise in unemployment in Q3 2009 compared to Q3 2008 is in the 25-34 year old cohort, which rose by 47,000. The total number of people in this age cohort unemployed is now 93,600.

Taking the age cohorts of 15-19 and 20-24 together, the under 25s account for 74,400 (27 percent) of the total unemployed.

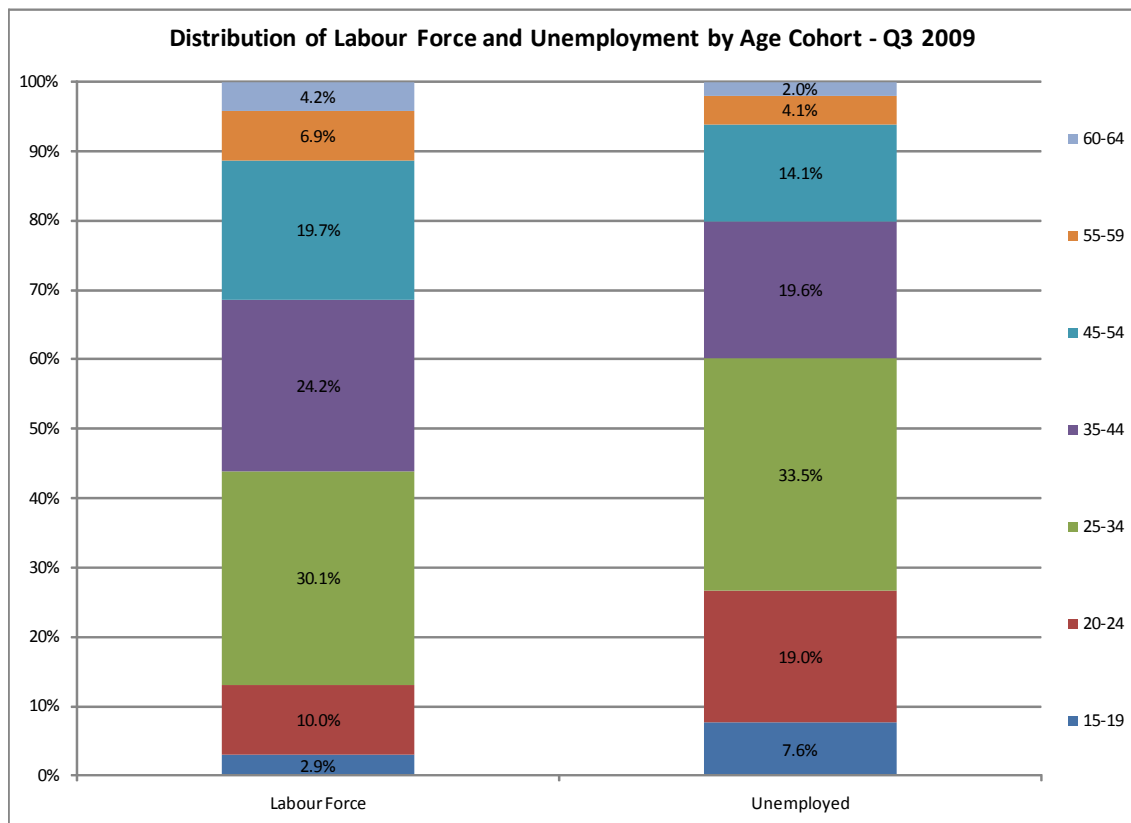
Age	15-19	20-24	25-34	35-44	45-54	55-59	60-64	65+	Total
Q3 2008 (000's)	16.4	36.2	46.6	30.6	20.5	6.1	2.7	*	159.4
Q3 2009 (000's)	21.3	53.1	93.6	54.9	39.4	11.4	5.6	*	279.3
y-o-y Increase (000's)	4.9	16.9	47.0	24.3	18.9	5.3	2.9	*	119.9
Unemployment rate (%)	33.6	24.2	14.1	10.3	9.1	7.5	6.1	*	12.7

Source: CSO Quarterly National Household Survey

While examining the absolute numbers of those that are unemployed by age cohort is obviously important, it is also important to examine unemployment by age cohort in relation to their overall proportion of the labour market. This provides an indication as to whether certain age cohorts are over-represented in terms of unemployment in relation to their proportion of the labour market. The graph below shows that:

- The under 25's account for 27 percent of total unemployment, even though they only represent 13 percent of the labour force.
- The 25-34 age cohort is over-represented, accounting for 30 percent of the labour force and 34 percent of total unemployment.
- Older age cohorts are under-represented in terms of unemployment in relation to their proportion of the labour market.

The conclusion from these statistics is that younger age cohorts are much more likely to be unemployed than older age cohorts. This implies that experience in the labour market is an important indicator of likelihood of employment or unemployment.



Source: CSO Quarterly National Household Survey

### 4.3 Labour force by Age and Educational Attainment

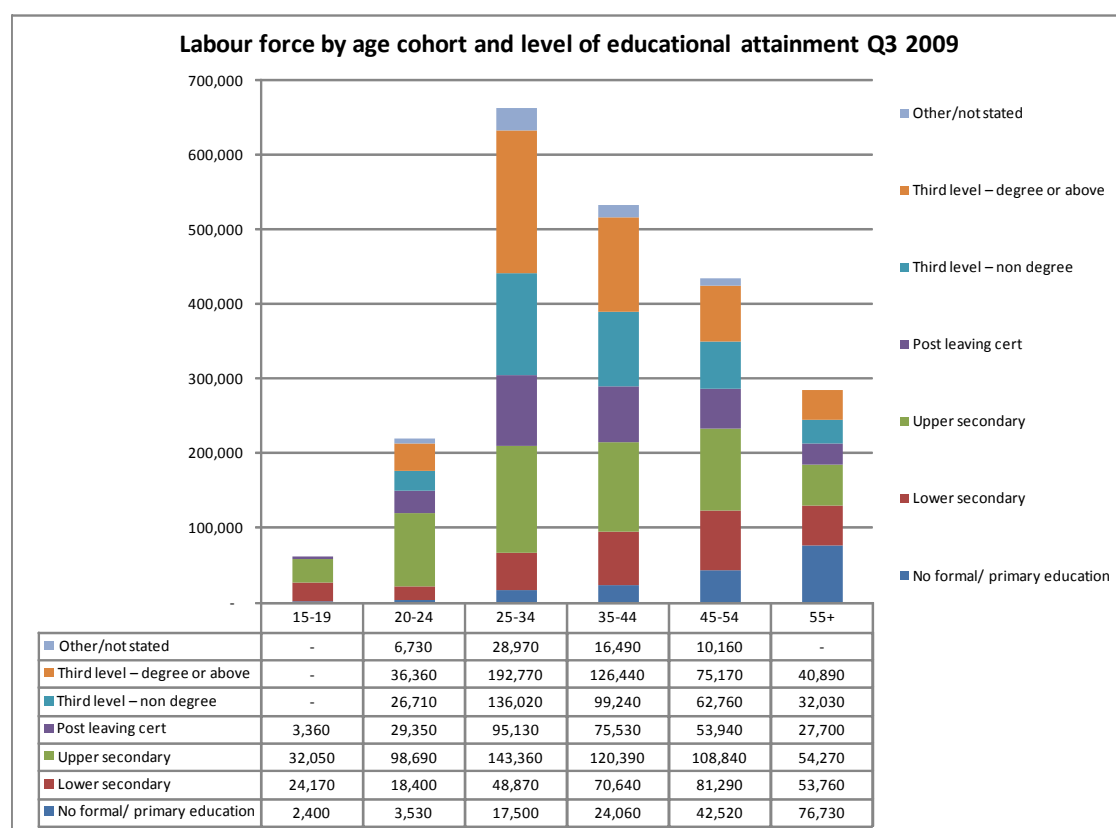
Another important question regarding the current profile of those that are unemployed is whether or not age cohorts are affected to different degrees according to their levels of educational attainment. The following section examines different age cohorts and their educational attainment levels in relation to the labour force.

#### Under 25's in the Labour Force by educational attainment

- 29 percent of 20-24 year olds have third level educational attainment and above, below the national average of 38 percent. 71 percent have PLC/Upper secondary and below. Many in this age cohort are likely to be still in higher education. The Q3 2009 QNHS shows that 'Student' is the principal status of 352,800 persons in Ireland over 15 years of age. HEA statistics for 2007 showed that 80 percent of undergraduate and postgraduate students were under 25 years of age in that year.
- It is of significant concern that 21,900 persons (10 percent of total) aged 20-24 have a highest level of educational attainment of lower secondary or below. This cohort is likely to be out of the secondary education system for a number of years.
- There are 63,300 persons in the labour force aged 15-19. It is not possible to tell whether most of these are working part-time while studying or not. The educational attainment levels of this cohort are unsurprisingly low. Of significant concern is the 26,600 with highest educational attainment of lower secondary or below.

### Over 25's in the Labour Force by educational attainment

- Those with third level and above qualifications are concentrated in two age cohorts, those aged 25-34, and 35-44. The total number of people within these two cohorts with third level education and above is approximately 554,500 or 67 percent of the total in the labour force with third level and above education.
- 50 percent of 25-34 year olds in the labour force have third level and above educational attainment which higher than the National Skills Strategy target of 48 percent by 2020, while 43 percent of 35-44 year olds have third level and above educational attainment.
- This is a clear link between educational attainment levels and age. For example, 123,800 (29 percent of) of 45-54 year olds have highest educational attainment of lower secondary education or below, compared to 94,700 (18 percent of) 35-44 year olds, even though there are almost 100,000 more 35-44 year olds in the labour force than 45-54 year olds.



Source: CSO Quarterly National Household Survey

## 4.4 Unemployment by age and educational attainment

### Under 25's and unemployment

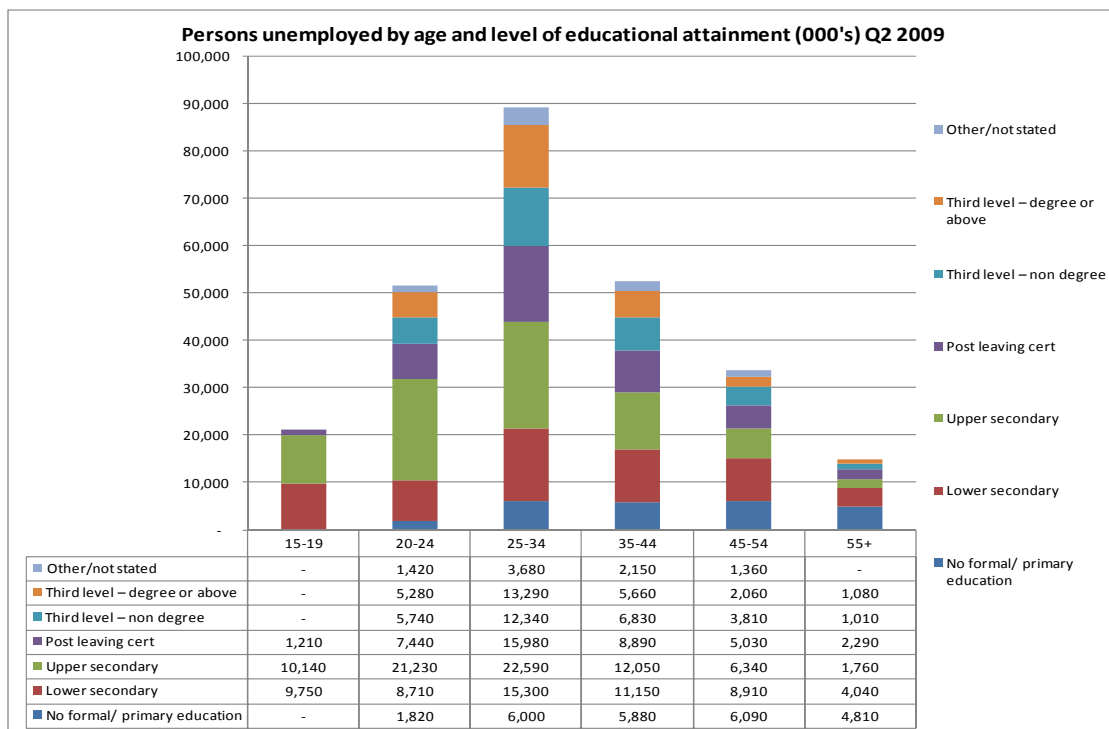
Looking at the under 25's that are unemployed by highest level of educational attainment:

- There are approximately 12,300 aged 20-24 years with third level educational attainment and above that are unemployed. This represents approximately 23 percent of the total aged 20-24 that are unemployed. However, within the labour force, approximately 29



percent of 20-24 year olds have third level education or above. In this context, those 20-24 year olds with third level education are less likely to be unemployed than those without in the same age cohort.

- The corollary of this is that those that are unemployed and under 25 are likely to be relatively lower educated in comparison to the under 25's in the overall labour force. There are approximately 38,300 people aged 20-24 that are unemployed with highest educational attainment of PLC/Higher secondary or below. Of particular concern is the 10,000 that are unemployed aged 20-24 years that have highest educational attainment of lower secondary or below.



Source: CSO Quarterly National Household Survey

### Over 25's and unemployment

- The largest age cohort of persons unemployed is 25-34 year olds. Those with non-third level education within this age cohort are much more likely to be unemployed than those with third level education. 50 percent of this cohort have third level education in the labour force and only account for 31 percent of total unemployed within this age cohort. Notwithstanding the fact that third level and above graduates are under-represented in terms of unemployment in this age cohort, there are 29,200 people with third level and above education that are unemployed aged 25-34 which is a significant number, accounting for almost 10.5 percent of total unemployment.
- Also within the 25-34 year old age cohort, there are 19,960 unemployed with low levels of educational attainment (lower secondary or below). The unemployment rate for this cohort is approximately 30 percent, even though they only account for 10 percent of the total labour force within this age cohort. There will be a significant challenge in mobilising/activating this cohort and indeed older cohorts as many people at this level of educational attainment have been out of education/training for many years.

- Throughout the older cohorts (35+), those with third level and above educational attainment represent a relatively low proportion of those that are unemployed.

The following table shows unemployment rates by both age and level of educational attainment and the percentage each cohort accounts for total unemployment. A table showing the relevant numbers behind the ‘% of total unemployment’ figures is presented in Appendix III.

**Unemployment rates by age cohort and level of educational attainment Q3 2009**

		15-19	20-24	25-34	35-44	45-54	55+	Grand Total
Other/not stated	Unemployment rate	*	15.3%	13.9%	14.1%	18.1%	*	14.6%
	% of total unemployment	*	0.4%	1.4%	0.8%	0.7%	*	3.5%
No formal/ primary education	Unemployment rate	53.8%	40.5%	35.0%	23.6%	17.5%	6.7%	16.3%
	% of total unemployment	0.5%	0.5%	2.2%	2.0%	2.7%	1.8%	9.7%
Lower secondary	Unemployment rate	36.2%	46.5%	28.3%	15.4%	12.1%	7.8%	18.9%
	% of total unemployment	3.1%	3.1%	4.9%	3.9%	3.5%	1.5%	20.0%
Upper secondary	Unemployment rate	28.4%	21.5%	16.3%	7%	6.0%	2.9%	13.4%
	% of total unemployment	3.2%	7.6%	8.4%	4.6%	2.3%	0.6%	26.6%
Post leaving cert	Unemployment rate	47.6%	29.2%	17.9%	12.3%	12.4%	11.9%	16.3%
	% of total unemployment	0.6%	3.1%	6.1%	3.3%	2.4%	1.2%	16.6%
Third level - non honours degree	Unemployment rate	*	19.0%	9.3%	7.2%	6.4%	3.9%	8.5%
	% of total unemployment	*	1.8%	4.5%	2.6%	1.4%	0.4%	10.9%
Third level - honours degree or above	Unemployment rate	*	20.0%	8.6%	5.3%	4.2%	4.1%	7.5%
	% of total unemployment	*	2.6%	5.9%	2.4%	1.1%	0.6%	12.7%
Grand Total	Unemployment rate	33.6%	24.2%	14.1%	10.3%	9.1%	6.1%	12.7%
	% of total unemployment	7.6%	19.0%	33.5%	19.6%	14.1%	6.2%	100.0%

Source: CSO Quarterly National Household Survey, Forfás calculations

The table above identifies potential target cohorts in two ways:

- First, the squares in orange colour are those age/educational attainment cohorts that have higher unemployment rates than the national average of 12.7 percent.
- The second is a subset of the first of 4 distinct cohorts (A,B,C,D) that are likely to have different labour market activation, education or training requirements. Job Search supports are considered a basic intervention across all cohorts, except perhaps for 15-19 year olds where the primary objective should be to retain in/return to education.

Those with characteristics most associated with long-term unemployment (older and low skilled, and younger, low skilled) are covered by the highlighted sections in the table.

### 4.5 Broad patterns

Reading the above table across from left to right from the perspective of qualification level, the unemployment rate for those that are young with relatively low levels of qualifications are more likely to be unemployed than older cohorts with the same level of educational attainment. For example, the unemployment rate for 20-24 year olds with lower secondary level education is 46.5 percent compared to 15.4 percent for 35-44 year olds with the same level of educational attainment.

For higher skilled people this is also true. The unemployment rate for 20-24 year olds with third level degree and above is 20 percent, while it is only 5.3 percent for those aged 35-44 with third level degree and above. The national average for those with third level degree and above educational attainment is 7.5 percent.

These statistics indicate that, in the labour force, experience and qualifications together matter highly for employment prospects. Older cohorts have much lower unemployment rates than younger cohorts at similar levels of educational attainment.

Reading the table from top to bottom on the basis of age, within age cohorts those with higher levels of educational attainment are likely to have lower unemployment rates.

The likely pattern to emerge in a climate of continuing rise in unemployment is two-fold:

- Those with higher levels of educational attainment are likely to further displace those with lower levels of educational attainment (on the basis that higher educated people tend to have much higher employment rates).
- Older cohorts are likely to displace younger cohorts at similar levels of educational attainment (on the basis that more experienced people are more employable than inexperienced people with similar qualifications).

This means that younger people (primarily the under 35's) with low levels of educational attainment are most at risk in the current labour market as evidenced by extremely high unemployment rates relative to older cohorts with similar levels of educational attainment *and* relative to those of a similar age with higher levels of educational attainment. For highly qualified young people, older people with similar qualifications are likely to compete more for the same jobs. Younger people with high qualifications are likely to be at a disadvantage in this regard due to lack of workplace experience. Note, these are very broad estimated trends and do not take account of specific qualifications or areas of skills shortage.

There are also significant gender differences within these statistics (see appendix IV). Females in the labour force have much lower unemployment rates by levels of educational

attainment *and* by age cohort compared to males. For example, the unemployment rate for males aged 20-24 with PLC level education is 42.6 percent while for females in the same category, the unemployment rate is 17.7 percent.

### 4.6 Potential Target Cohorts

Some potential target cohorts (A, B, C, D) have been circled within the above table. They are likely to have different needs in terms of policy interventions. Of course, activation, education and training requirements differ on an individual basis. In this context, these groupings are intended to provide guidance for targeting resources at those cohorts that are most at vulnerable in today's labour market.

#### Group A - 20-54 year olds with no formal/primary level of educational attainment

This cohort accounts for 21,940 (7.8 percent) of total unemployment. The unemployment rate ranges from 17.5 percent for 45-54 year olds to 53.8 percent for 15-19 year olds.

The types of interventions primarily required by this cohort are likely to be in areas such as Job Search, numeracy/literacy support, bridging, VEC training, Community Employment (with educational content).

#### Group B - 15-19 year olds with lower secondary/upper secondary/ PLC educational attainment

This cohort accounts for 19,500 (7 percent) of total unemployment. As mentioned previously, labour force participation within this cohort is declining. This trend is to be encouraged as it most likely means that more individuals within this cohort are remaining within the education system.

The primary intervention for this cohort is an enhanced focus on preventing early school leaving. An alternative that addresses the drop off in demand for apprenticeships which previously acted as a good intervention for early school leavers is required. VEC/PLC offerings should be considered in this regard.

#### Group C - 20-24 year olds with PLC, Third Level Non-Degree and Third Level Degree and above Educational Attainment

This cohort represents 20,910 (7.5 percent) of total unemployment. This cohort has already completed specific qualifications. Their most pressing requirement is most likely in the area of gaining workplace experience and skills that will enhance employability. Structured work placements (non graduate for PLC cohort) and graduate placements for those with third level and above education are likely to be the most useful interventions for this cohort. Job Search supports should also be considered.

#### Group D - 20-24 year olds with Lower and Upper Secondary, 25-34 year olds with Lower Secondary, Upper Secondary and PLC, 35-44 year olds with Lower Secondary and Upper Secondary

Together, these age/educational attainment cohorts represent 95,000 (34 percent) of total unemployment. This group is where unemployment seems to be most concentrated. The challenge with this group is that they are mostly older and have been out of the education system for a long time. Given that this is where unemployment is highly concentrated, it is likely that a high proportion of this cohort are affected by structural unemployment (i.e.

their skill sets are specifically related to sectors that show no sign of returning in the short to medium term, construction and manufacturing).

A range of interventions are required for this cohort, primarily around retraining for other sectors. Retraining interventions should be certified with high progression outcomes. Traineeships (especially for males), Job Search, Specific Skills (in areas of identified shortage) and Further Education are likely to be more commonly required for this cohort.

Together, the identified cohorts (A,B,C,D) make up 157,700 (56 percent) of all persons that are unemployed (279,800). Recent analysis of existing labour market interventions funded by the Department of Enterprise, Trade and Employment could be used to check alignment of current labour market activation programmes and a similar exercise is required for those programmes funded by the Department of Education and Science.

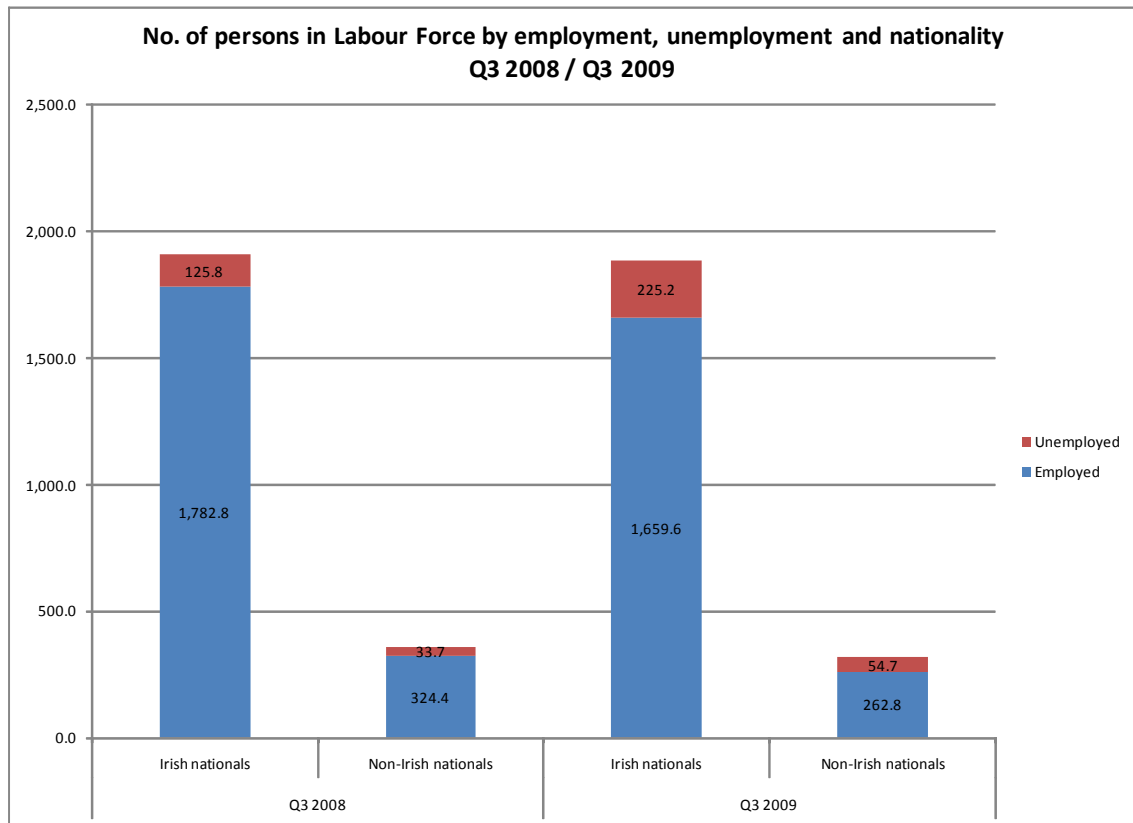
It is important that activation measures are aligned with current and future skills and workforce requirements of enterprise and the economy (e.g. healthcare). The potential for developing Recognition of Prior Learning (RPL) should also be given significant consideration. Many of those that have lost their jobs recently, particularly in areas such as manufacturing, construction and retail, will have acquired significant skills through their work that are not necessarily formally recognised but highly valuable to the work environment. Benefits of widespread use of RPL would include recognising workers' skills in a way that has educational and ideally labour market value, and getting people onto the National Framework of Qualifications ladder, with scope to broaden their skills and move up the ladder through further study.

Ultimately, it is important to ensure that overarching economic development policy should facilitate enterprise growth and development, which will be the primary stimulus of job creation and reducing unemployment.

### 4.7 Unemployment by Nationality

Looking at employment and unemployment over the past year on the basis of nationality, the numbers of Irish nationals unemployed increased by 99,400 to 225,200, while the number of non-nationals increased by 21,100 to 54,700. Non-Irish nationals thus represent 20 percent of people that are unemployed even though they account for approximately 14.4 percent of the labour force in Q3 2009. From Q3 2008 to Q3 2009, the number of Irish nationals in the labour force decreased by 23,700, while the number of non-Irish nationals decreased by 40,500.

This reflects the reference made earlier to a significant increase in emigration of people in Ireland from EU 15-27 Accession States. As mentioned previously, non-Irish nationals accounted for 33 percent of the total decline of 184,700 in employment in the past year even though they only represented 15.8 percent of the labour force in Q3 2008 and now only represent 14.4 percent in Q3 2009.



Source: CSO Quarterly National Household Survey

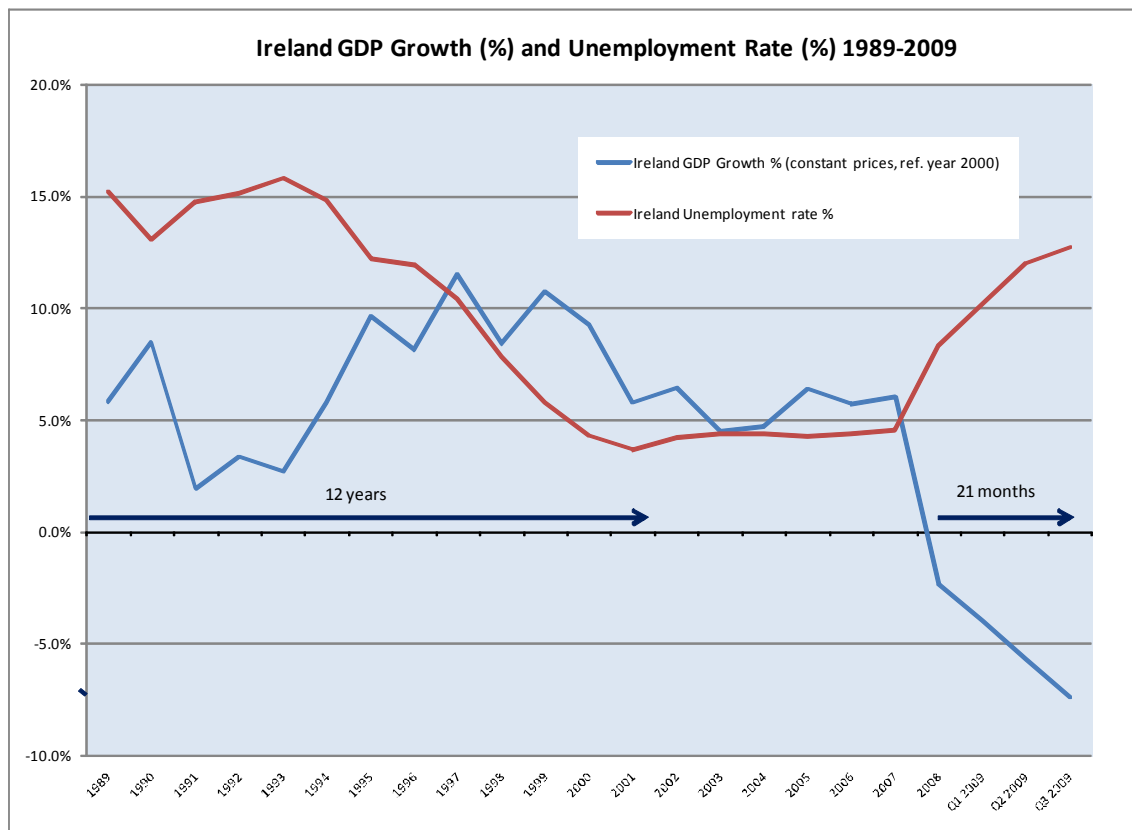
## 5. Economic and Labour Market Outlook

### Range of economic and labour market estimates/forecasts 2010

	2009 Estimates			2010 Forecasts		2010-2015
	Central Bank	ESRI	D/Finance	Central Bank	ESRI	ESRI (Recovery scenarios for Ireland) April 2009
GDP growth (%)	-7.0	-7.3	-7.7	-1.0	-0.3	4.8 to 5.6
GNP growth (%)	-11.3	-10.0	-8.0	-2.0	-1.5	4.7 to 5.4
Employment (000's)	1,933	1,930	*	1,860	1,854	*
Unemployment (000's)	261	258	*	290	298	*
Unemployment Rate (%)	11.9	11.8	*	13.5	13.8	6.4 to 6.8

The short term economic outlook suggests that the most severe aspects of the recession will begin to bottom out in the first half of 2010. On a quarterly basis, the ESRI expect economic growth to return in the second half of 2010, driven by a forecast export growth of 1.5 percent in 2010 due to recovery in the external environment. Nonetheless, even though the economy may return to growth towards the second half of 2010, past experiences of recession both in Ireland and in other small open economies such as Sweden and Finland show that while economic growth may recover relatively quickly, unemployment rates take a lot longer to recover (see figure below).

As shown previously, there are distinct links between educational attainment, age and prospects for employment and unemployment. As the labour market has deteriorated, unemployment rates tended to increase earlier for those with low levels of educational attainment, while unemployment rates for those with third level degrees and above have only increased more recently (see appendix V). In the event of a return to economic growth, it is quite likely that the reverse would occur, that is, those with high levels of qualifications would have an advantage over those lower levels of qualifications, especially younger age cohorts, in capitalising on employment opportunities that arise.



Source: CSO, Quarterly National Household Survey; OECD Online Statistics Warehouse

Note: GDP extrapolation for 2009 based on CSO estimate for Q3 2009.

Over the next 5 years, the future labour market is likely to be characterised by the following features:

- The anticipated recovery in world markets (from mid 2010) will help to generate growth in Irish exports. However employment growth in related sectors is likely to be high skilled and relatively small in numbers - given the high added-value nature of the goods and services produced. Therefore, even after a recovery, the level of unemployment will remain substantial for some time.
- As high levels of unemployment are likely to persist, this is likely to result in a growth in the rate of long term unemployment. Those most affected by long-term unemployment will be people with lower skills and educational attainment or those with qualifications related to sectors such as construction/traditional manufacturing.
- Another feature is likely to be a further reduction in labour force participation rates which had risen to their highest level in 2007. There will be significantly fewer job opportunities for school leavers and new graduates compared to recent years and it will be much more difficult to gain that all important first period of work experience.
- There may be potential problems of displacement where - given the number of job openings available - those with lower education / skill levels may be replaced by better educated / skilled persons.



- The movement towards emigration - for the first time since the early 1990s - will continue. The scale will depend on how early economic activity here will pick up compared to other countries.
- The world-wide economic crisis which started in late 2008 was a synchronised recession which happened at very fast speed - a sign that the world economy is more integrated than ever before. The economic downturn is affecting many countries with significant job losses and rising unemployment. OECD average unemployment reached 8.3% in June 2009 and this is projected to increase to 9.8% in 2010 - possibly the highest level forecast for recession<sup>6</sup>.

### 5.1 Short-term Labour and Skills Demand

#### Labour Demand

Even during a slow-down, there is always a demand for recruits in occupations employing large numbers of people where labour turnover is an on-going feature. Job opportunities arise for various reasons; to fill new jobs in new or expanding companies and to replace labour turnover due to retirement, sickness, maternity leave, emigration, promotion or moving to another job either in the same occupation or to another occupation. In current circumstances labour turnover is likely to be the main generator of job opportunities. Six main areas in Ireland identified by FÁS are<sup>7</sup>:

- Sales Assistants (i.e. shops)
- Clerical (office work, accounts)
- Caring (health care, child care, elder care)
- Catering (Chefs, waiters, fast food)
- Hairdressing
- Security (shops, office, factories)

#### Current Skills Shortages

At present, there are few areas of skills or labour shortages. *Any shortages are now confined to areas for persons with third-level qualifications and specific expertise and work experience.* Thus, there is not a shortage of recent graduates, but rather persons with suitable experience. This complements the statistics presented earlier which show a correlation between qualifications, age and likelihood of unemployment. The main occupations identified as requiring specific qualifications, expertise and experience in short supply are<sup>8</sup>:

- Health (e.g. Doctors and Nurses)
- Software Engineers (with experience in networks and specific software applications (e.g. Java).

---

<sup>6</sup> 'OECD Economic Outlook No 85', June 2009

<sup>7</sup> FÁS (June 2009) Job Opportunities in a Downturn

<sup>8</sup> FÁS (June 2009) Job Opportunities in a Downturn

- Accountants (with expertise in regulation, compliance and risk)
- Actuaries
- Marketing Managers (with considerable experience)
- Technical Sales Representatives with knowledge of particular products/services
- Scientists (highly qualified and experienced professionals and technicians)
- IT specialists, including those with fluent foreign language skills
- Engineers (experienced design and process engineers for manufacturing subsectors)

## 5.2 Long-term Skills Requirements

The drivers of change that result in higher levels of skill requirements for enterprise identified in the National Skills Strategy have not dissipated in the current recession. The National Skills Strategy highlighted how virtually all occupations are becoming more knowledge-based, requiring an increasing breadth of knowledge, rising technical, qualification, and regulatory requirements and continual learning. Globalisation is continuing apace, human capital has become highly mobile and world competition for skills in areas such as ICT and Life Sciences remains fierce despite the downturn. The proliferation of new and emerging technologies requires continuous responsiveness to capitalise on their potential. The ability to respond and manage these drivers of change becomes important in order for Ireland to compete at the highest levels when global economic growth resumes. Indeed, in the *Recovery Scenarios for Ireland (2009)*, the ESRI recommended that recovery would benefit from increased policy attention to enhancing productivity and innovation in the tradable sector of the economy.<sup>9</sup>

Future foreign direct investment and resulting job creation in Ireland depends increasingly on the quality of our workforce. This is evidenced by IDA announcements in 2008/2009 which show a distinct shift in the nature of FDI towards Research, Development and Innovation activities, Global Business Services, and expanding investments by existing multinationals in higher value added activities, for example:

- IBM announced the establishment of a Global Centre of Excellence for Water Management through the development of green data-centre technologies;
- AON, a provider of risk management services, insurance and reinsurance brokerage chose Dublin as its location for a global Innovation Centre with the creation of 100 jobs;
- Facebook, the world's leading social network site, established its international headquarters in Dublin;
- Alcon, a leading eye care company announced a €21.14 million expansion at its Cork operation increasing employment by 186 jobs;
- Microsoft expanded its Irish operations with a €360 million investment in a strategic data centre;
- PayPal announced €15m investment in a new European Centre for Operational Excellence to create business processes and regional intelligence positions such as business analytics,

---

<sup>9</sup> ESRI (May 2009) *Recovery Scenarios for Ireland*

product design, risk management, information technology, operations and merchant services;

- Hewlett Packard announced €18m expansion of Global Service Desk Operation (500-1000 jobs);
- Big Fish Games Inc established its European Headquarters in Cork (100 jobs).

The Expert Group on Future Skills needs has identified a range of current and likely future skills shortages. Some of these are sector/occupation specific while others are more generic and required across sectors. Skills shortages span the Arts, Humanities and Social Sciences as well as the Science, Engineering and Technology disciplines.

### Sector/Occupation specific skills shortages (See Appendix VI for further detail)

A number of Expert Group on Future Skills Needs (EGFSN) reports have pointed to the importance of the Science, Engineering and Technology sectors to future economic prospects, and to the need to address relevant future skills requirements. Research undertaken for the by the EGFSN on the Medical Devices sector indicates that there are skills and researcher shortages for those with an understanding of design engineering, good management practices, quality assurance, and understanding of regulatory affairs.<sup>10</sup> In the Bio-pharmaceutical sector, there is a shortage of organic chemists and those that can combine business, clinical and engineering skills. In a number of manufacturing sectors (e.g. food or medical devices), there is a shortage of process diagnostic and control engineers and technicians who can implement lean manufacturing/Six Sigma principles to production processes. The field of bio-convergence is growing, which is likely to result in a demand for hybrid technologists with backgrounds in science, IT and nanotechnology.

The EGFSN report on future skills requirements for high level ICT Skills shows that the ICT sector in Ireland has moved to higher value activities, and that there is a shortage of software engineers and computer analysts and programmers.<sup>11</sup> The EGFSN report Future Skills and Research Needs of the International Financial Services Industry shows a long term need to develop people with very high level mathematical skills for areas such as actuarial science and quantitative finance, which will need years to achieve and so requires active interventions now, in addition to other specialist and technical skills in areas such as regulation, compliance and risk management.

Both science graduates and engineers will be increasingly in demand in the energy sector, particularly renewable energy which is set to become one of the key growth sectors of the economy. Demand is likely to increase at both technician and professional level, combining new technologies, interdisciplinary backgrounds (e.g. science/engineering/business). Advances in areas such as renewable energy, water treatment and waste may require wholly new skills and expertise from research through to operation/production functions. In addition, with the commitment to the development of the Green Economy, there may also be opportunities for workers that relied on the traditional Construction sector for many years towards areas of the Green Economy such as, for example, in energy efficient systems design, installation, repair and maintenance.

---

<sup>10</sup> Expert Group on Future Skills Needs (2007) Future Skills Needs of the Medical Devices Sector

<sup>11</sup> Expert Group on Future Skills Needs (2007) The Future Requirement for High Level ICT Skills

In the Healthcare sector, there are a wide range of skills shortages including general practitioners and consultants, registered general nurses and some specialised nurses (e.g. oncology, theatre, intensive care), dentists and veterinaries.

Recruiters continue to report difficulties in sourcing experienced sales representatives with specific product or technical knowledge (e.g. medical sales or technical sales) and/or foreign languages. Experienced marketing managers are also difficult to source and demand is likely to remain strong in the future as marketing experts are expected to be important in increasing Ireland's market share of demand for global products and services. Online sales, marketing and advertising are expected to be strong growth areas in the coming years for individuals who can combine strong sales skills with competencies in other areas (e.g. foreign languages, online media, global markets and international business).

### Enterprise Development Skills Needs

The Expert Group has also identified skills deficits that apply across sectors and occupations.

#### *Mathematics*

The current level of mathematical achievement is of serious concern to employers. Mathematical concepts, models and techniques are central to working in all sectors of employment and are equally important to service jobs as to manufacturing jobs. The proficiency level of students in mathematics is a key factor influencing the domestic supply of graduates for sectors with growth potential such as ICT, Life Sciences and Business, Financial and Professional Services. Boosting the level of our mathematical capability would help ensure opportunities for employment growth could be fully realised.

#### *Language Skills*

The Enterprise Strategy Group's report stressed the importance of greater understanding of international markets. In this context the ability of Irish-based enterprises to communicate effectively with other nationalities and cultures can enhance their success. International business relationships will be crucial to indigenous enterprise in the future. Success in marketing and selling Irish goods and services will be contingent on the ability of the indigenous sector to establish and maintain close relationships with customers in global markets. In addition, partnerships and collaborations with foreign enterprises will be key drivers of innovation and growth.

Language skills are complementary to other skills such as business, science, engineering and technology and are not in competition with them, nor are these skills mutually exclusive. Owing mainly to historical factors, throughout the education system the provision of languages education is concentrated in a limited number of foreign languages. The Expert Group on Future Skills Needs has recommended that further consideration is required in how current provision of foreign languages and cultures education relates to enterprise needs and how they could be enhanced in order that enterprises can maximise opportunities in foreign-language markets<sup>12</sup>.

---

12 The Expert Group on Future Skills Needs report on foreign languages made some specific recommendations in this regard. See full report at the following link:  
<http://www.skillsireland.ie/publication/egfsnSearch.jsp?ft=/publications/2005/title,2576,en.php>

### *Skills for Creativity, Design and Innovation*<sup>13</sup>

Skills required for creativity, design and innovation, are needed in all industries and in all occupations. While there is some variation between occupations and across industries, some universal points emerge.

- Depth of skill and knowledge is important to creativity and innovation;
- Creativity relies heavily on finding new ways to combine existing ideas. In skills terms, this means that the capability to work well with people whose deep skills lie in other areas is critical;
- All other capabilities have to be underpinned by strong generic skills in areas including communication skills, team-working and problem solving; and
- Creativity and innovation are influenced heavily by the culture of the organisation, and how innovation is managed and led.

### *Management Skills*

In 2006, the EGFSN report SME Management Development in Ireland highlighted deficits across a range of management capabilities including general management such as HR, marketing and finance skills, strategic management skills such as inability to plan ahead, product management skills, and functional management skills (sales, training, marketing, supply chain management, IT and R&D). In response to this report and subsequent endorsement by the Small Business Forum report, the Management Development Council (MDC) was established. The MDC has found that most participation in management development education/training is in short compliance type courses, and that more emphasis needs to be placed on transformational change, competencies, and leadership.

## 6. Addressing current/future labour market needs

Implications of the current economic crisis are that:

- Government's budgetary positions have deteriorated leading to fiscal / budgetary cuts. Governments have less available for investment than before;
- Investment in skills and education remain vital for long term recovery;
- Enterprises and Individuals will have to invest more in their education and training needs - (government funding alone is unlikely to be enough);
- Active labour market programmes must avoid skills mismatch - where there is an oversupply of skills for some jobs- while at the same time an undersupply of skills for other jobs - representing an opportunity cost to government;
- It is expected that there will be an increased participation in education institutions and enrolment in vocational education and training;
- It is likely to take a long time after the recovery to deal with the 'long tail' of unemployment - particularly long term unemployment;

---

<sup>13</sup> The Expert Group on Future Skills Needs is currently producing a report on skills for creativity, design and innovation, which is expected to be published in mid-2009.

- Young people leaving education in the early stages of the recession will be worse off because employers are likely to recruit from the 'fresh' intake of students / graduates ; when the upturn comes:

The principles that should underpin policy measures to address rising unemployment should include the following:

- Raise the skills levels of the labour force (both employed and unemployed) to improve employability and maintain / secure employment - in line with the objectives of the National Skills Strategy and the 'Smart Economy'.
- Ensure that unemployed persons receive training in skills relevant to the skills needs of enterprises to fill jobs that will arise through replacements / start ups / expansions etc. Such job opportunities will require higher skills and competencies.
- Ensure that programmes provision recognises that the educational profile of some newly unemployed will be higher than in the past.
- Provide work experience placements / learning opportunities with certification for young people leaving school and college who become unemployed as new recruitment by employers will be much reduced.
- Reduce the scale of early school leaving as these young people are a main group affected by unemployment. School leavers with Junior Certificate qualifications will be particularly impacted on by the reduction in Apprenticeship opportunities.
- Prevent growth in long term unemployment through active measures providing progression onto training and education opportunities (In the late 1990s nearly two thirds of unemployed became LTU, and it took a long time for this to be reduced).
- Facilitate improved access to training, education and employment service provision for groups most affected by unemployment (young low qualified persons, older workers, and people with disabilities, people with literacy and numeracy difficulties) and those in communities experiencing higher unemployment.
- Ensure that any disincentives in the interaction between the social welfare payment system and moving into employment are minimised.

### Activation

Given the scale of the unemployment problem, activation measures for unemployed people to take up job search, training, education and employment opportunities need to be intensified.

- There needs to be a range of training, education and employment service opportunities available for unemployed persons, to improve their employability, taking into account differing levels of skills, education and experience. These are more effective if demand-led and will require even greater collaboration between education and training providers and employers to provide relevant 'progression pathways' for different groups.
- A key priority should be on interventions aimed at preventing the drift of unemployed people into long term unemployment as well as the prevention of early school leaving.
- Efficient job placement services will be a key way of avoiding skills-mismatch both in terms of the placement of individuals into job search, education, training and employment opportunities as well as the filling of available job vacancies.

- The scale and quality of job search and face-to-face contact referrals between those unemployed and employment counsellors could be enhanced - linked to use of profiling of unemployed to identify individuals with a high probability of becoming long term unemployed and to refer them onto the appropriate labour market programmes<sup>14</sup>.

### Upskilling the Workforce

Notwithstanding current economic difficulties, other countries are also upskilling and we must continue to do so in order to compete and take advantage of the economic upswing when it comes. A skilled workforce is becoming increasingly important as a competitive tool. In keeping with the objectives of the Smart Economy and the National Skills Strategy, Ireland must continue to build upon its strength of a skilled labour force, in order to compete with other countries, attract inward investment and ensure sustainable employment.

- Even with reduced overall employment, job opportunities are arising in individual firms created by replacement needs (as people retire) and through demand arising from expansion and new start ups. These include areas of potential employment such as ICT, Pharma, business and professional service and 'green' technologies. The skills profile within firms is also increasing in order for them to remain competitive. New skills and competencies are required to fully exploit the potential for recovery.
- It is important that courses lead to qualifications that are recognised and valued by employers.<sup>15</sup> Programmes should be aligned to anticipated new and emerging enterprise skills requirements to prevent any possible skills mismatch. Outcomes from courses offered should be monitored and adjustments made if required to the courses.
- Along with professional expertise, demand for generic skills such as problem solving, analytical skills, maths, computing, self- management, linguistic skills, team working and communications skills is increasing and should be catered for.
- There is a need for those at work to continually upskill and/ or reskill and keep their skills up to date. Participation in life-long learning is essential for individuals in terms of maintaining their employability. Training programmes for the employed should continue to focus on upskilling the workforce particularly the lower skilled.

### Participation

There is a need to ensure that the training and education needs for different target groups are provided for on the most relevant programmes and that the objectives and practice of programmes reflect this.

- There is a growing problem of youth unemployment - particularly affecting those who have recently/or will soon leave second level and third- level education. It is important for them to maintain contact with the labour market. In this regard, an expanded range of training education and work experience opportunities could be provided.

---

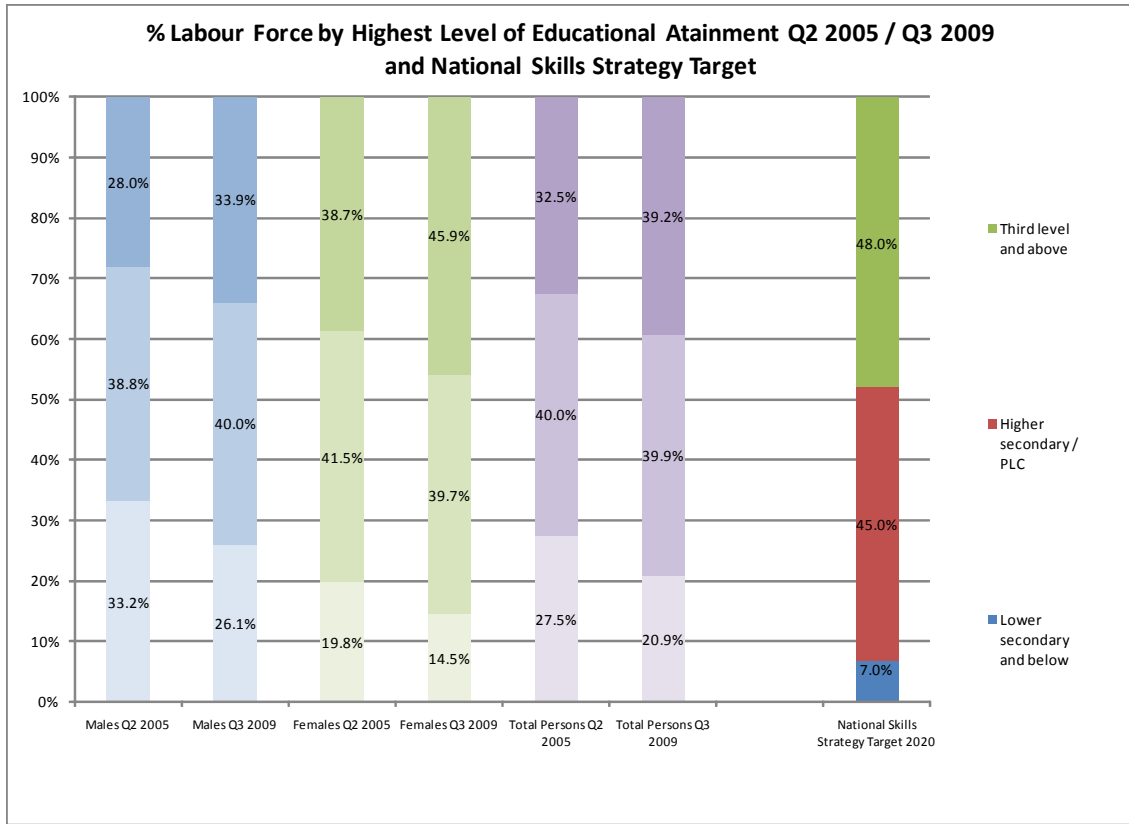
<sup>14</sup> National Profiling of the Unemployed in Ireland, (July 2009) Philip O'Connell, Seamus Mc Guinness, Eilish Kelly, John Walsh, ESRI: Dublin.

<sup>15</sup> OECD, (2001) John P. Martin, David Grubb, *What works and for whom ; a review of OECD countries experiences with active labour market policies*, OECD: Paris .

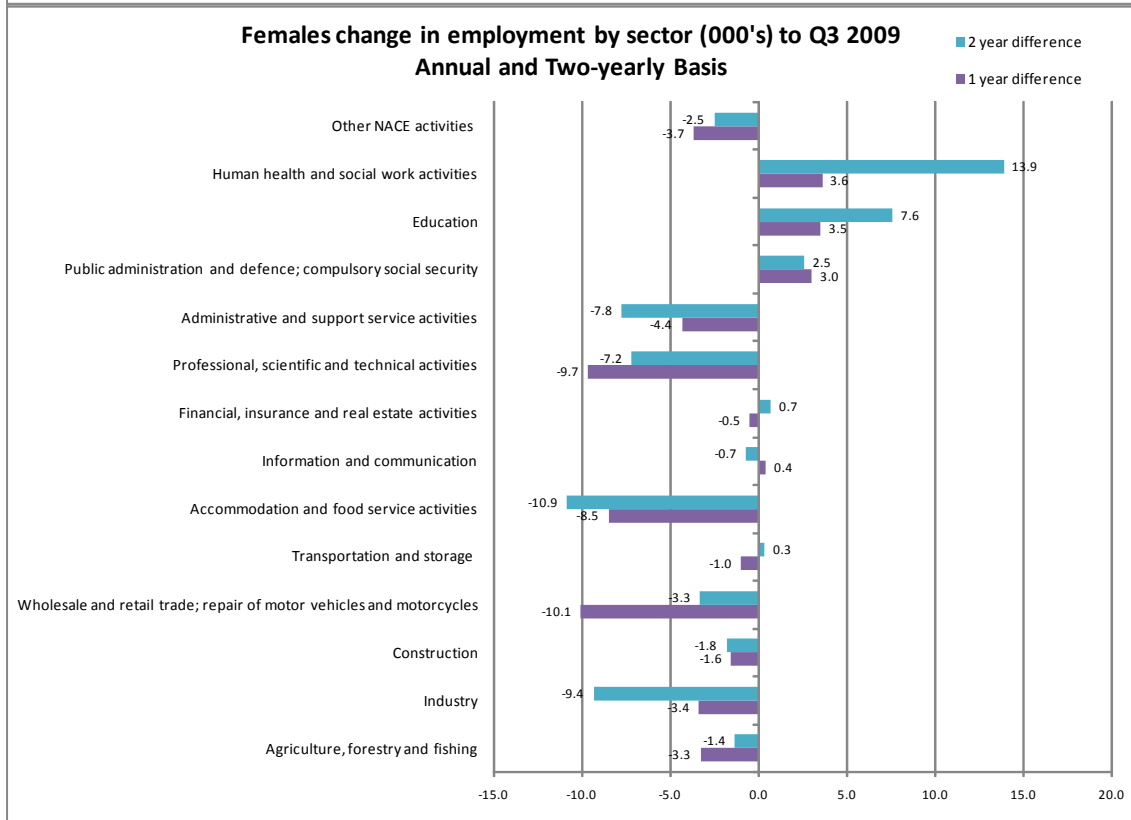
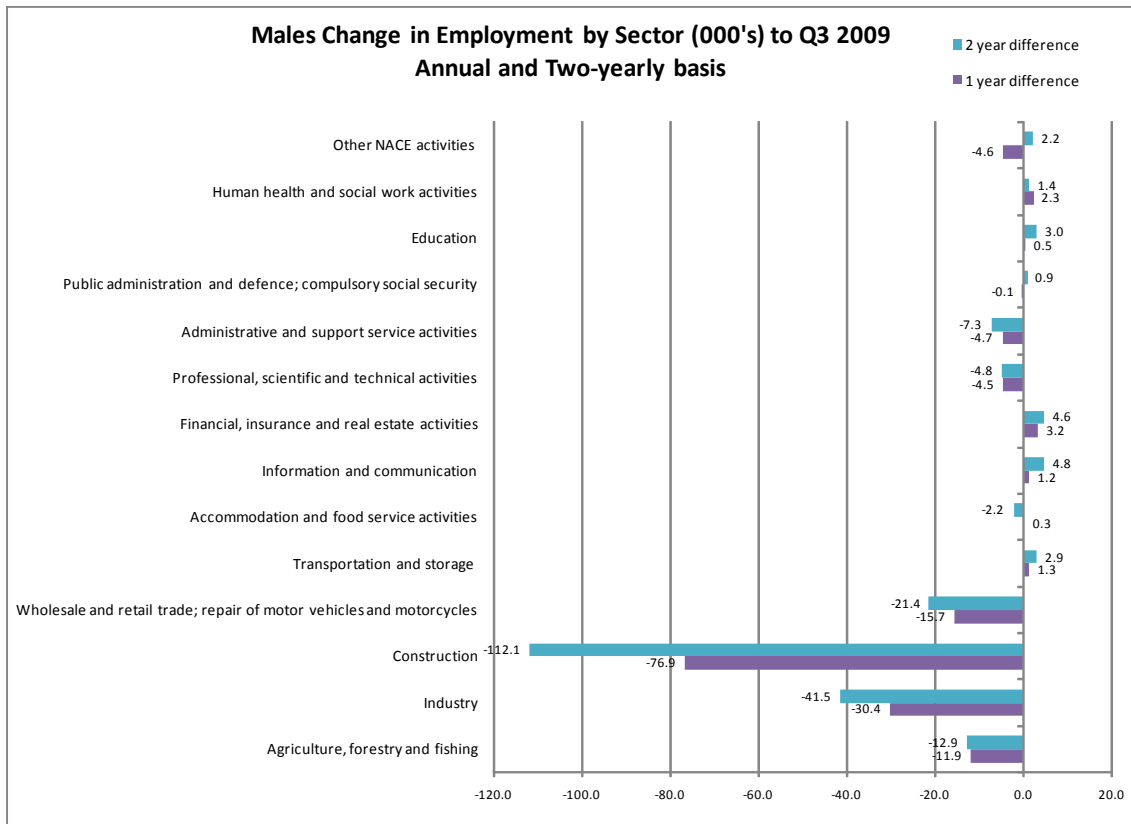
- Training and education programmes for short term unemployed people could take account of recognised prior learning and of the higher qualification levels of newly unemployed persons.
- Older workers, younger workers and those with lower educational attainment levels are particularly vulnerable to unemployment. Bridging training programmes will be required to help persons with basic skills and competency needs to undertake mainline training and education.



## Appendix I



## Appendix II



Source: Quarterly National Household Survey

## Appendix III

		15-19	20-24	25-34	35-44	45-54	55+	Grand Total
Other/not stated	Unemployment rate	*	15.3%	13.9%	14.1%	18.1%	*	14.6%
	No. unemployed	*	1,030	4,030	2,330	1,840	*	9,750
No formal / primary education	Unemployment rate	53.8%	40.5%	35.0%	23.6%	17.5%	6.7%	16.3%
	No. unemployed	1,290	1,430	6,120	5,670	7,430	5,160	27,100
Lower secondary	Unemployment rate	36.2%	46.5%	28.3%	15.4%	12.1%	7.8%	18.9%
	No. unemployed	8,750	8,550	13,840	10,860	9,800	4,210	56,010
Upper secondary	Unemployment rate	28.4%	21.5%	16.3%	10.7%	6.0%	2.9%	13.4%
	No. unemployed	9,090	21,170	23,400	12,830	6,520	1,580	74,590
Post leaving cert	Unemployment rate	47.6%	29.2%	17.9%	12.3%	12.4%	11.9%	16.3%
	No. unemployed	1,600	8,570	17,050	9,280	6,710	3,300	46,510
Third level - non honours degree	Unemployment rate	*	19.0%	9.3%	7.2%	6.4%	3.9%	8.5%
	No. unemployed	*	5,080	12,640	7,190	4,000	1,240	30,460
Third level - honours degree or above	Unemployment rate	*	20.0%	8.6%	5.3%	4.2%	4.1%	7.5%
	No. unemployed	*	7,260	16,570	6,740	3,140	1,680	35,480
Grand Total	Unemployment rate	33.6%	24.2%	14.1%	10.3%	9.1%	6.1%	12.7%
	No. unemployed	21,300	53,100	93,660	54,900	39,440	17,490	279,890

## Appendix IV

### Unemployment rates by gender, age and educational attainment

#### Male unemployment rates (%) by age cohort and level of educational attainment Q3 2009

Males	15-19	20-24	25-34	35-44	45-54	55+	Grand Total
No formal/ primary education	*	50.6%	39.4%	27.2%	22.7%	7.6%	18.8%
Lower secondary	38.1%	54.8%	33.8%	17.8%	14.0%	9.7%	22.0%
Upper secondary	33.5%	26.5%	21.8%	12.0%	7.1%	*	16.7%
Post leaving cert	*	42.6%	20.4%	14.5%	15.1%	15.1%	19.5%
Third level - non degree	*	23.5%	10.9%	7.6%	8.5%	*	9.7%
Third level - degree or above	*	23.2%	10.9%	6.1%	3.5%	4.1%	8.2%
Other/not stated	*	*	16.4%	14.7%	25.3%	*	17.1%
<b>Grand Total</b>	<b>37.0%</b>	<b>31.7%</b>	<b>18.7%</b>	<b>12.2%</b>	<b>11.4%</b>	<b>7.1%</b>	<b>15.6%</b>

Source: Skills and Labour Market Research Unit, FÁS

#### Female unemployment rates (%) by age cohort and level of educational attainment Q3 2009

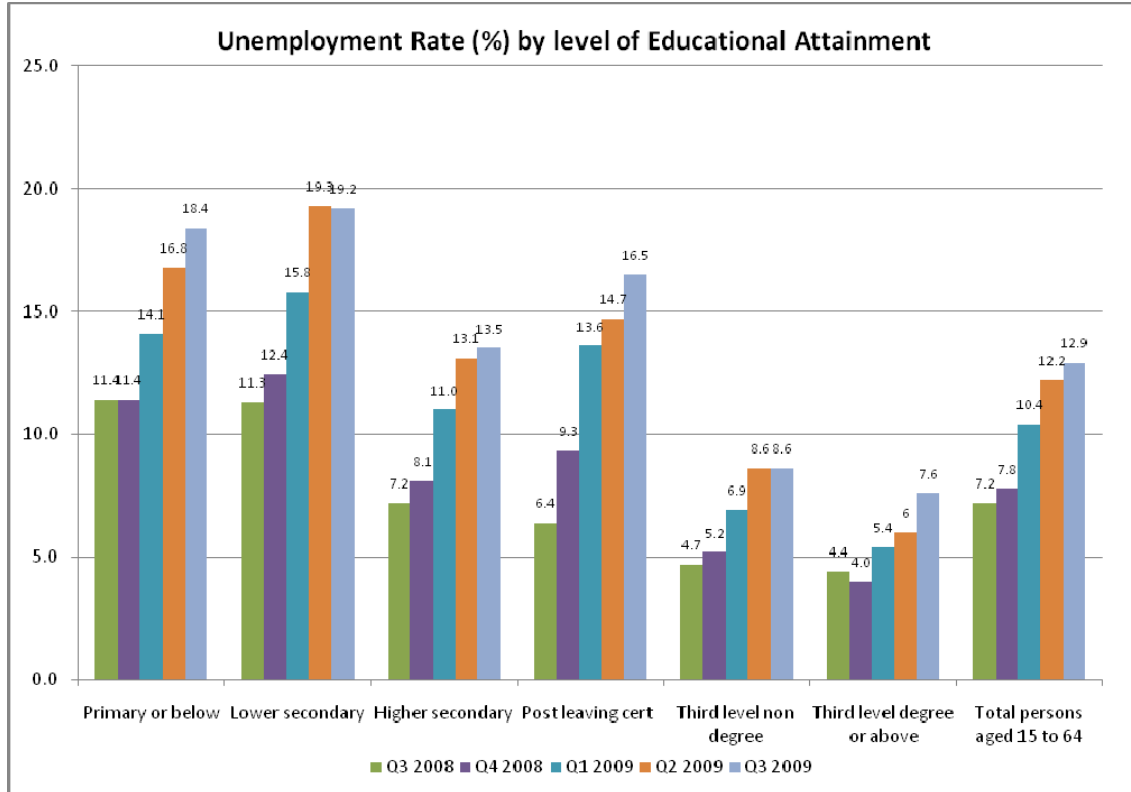
Females	15-19	20-24	25-34	35-44	45-54	55+	Grand Total
No formal/ primary education	*	*	22.6%	16.1%	*	*	10.0%
Lower secondary	33.7%	*	13.4%	9.4%	8.0%	*	11.8%
Upper secondary	22.6%	15.4%	8.5%	8.8%	4.9%	*	9.3%
Post leaving cert	*	17.7%	13.9%	9.4%	9.3%	*	12.2%
Third level - non degree	*	16.7%	8.1%	6.9%	4.5%	*	7.6%
Third level - degree or above	*	17.7%	6.7%	4.4%	5.0%	*	6.8%
Other/not stated	*	*	10.3%	*	*	*	11.2%
<b>Grand Total</b>	<b>29.9%</b>	<b>16.5%</b>	<b>8.9%</b>	<b>7.8%</b>	<b>6.0%</b>	<b>4.2%</b>	<b>9.1%</b>

Source: Skills and Labour Market Research Unit, FÁS

*Note: Squares highlighted in orange indicate higher than national average unemployment rate for males/females*

## Appendix V

### Unemployment Rates and Educational Attainment



Source: Quarterly National Household Survey

## Appendix VI Current and Future Skills Shortages

Sector/ Occupation	Current/Likely future skills shortage
Information Technology	<p>While there has been a decline in the manufacturing side of the IT sector in Ireland recently, skills shortages persist in areas related to other aspects of the IT industry. The demand is still strong for individuals who not only have the advanced IT skills to install systems, but who can also customise and adapt those systems to a business's individual needs. In particular, there is a shortage of: experienced computer systems managers; IT professionals with business knowledge and managerial skills; programmers in specific software applications with substantial experience (e.g. Oracle, Java, web animation); experienced professionals with advanced software architecture skills; networking experts (SharePoint, VMware, etc.); telecommunications experts; IT security experts; research and design professionals, especially in electronics/ICT design and electronics hardware and semiconductor research.</p> <p>Online sales, marketing, entertainment and social networking are also expected to continue to grow strongly in the coming years and drive the demand for creative and highly skilled web developers.</p> <p>An increase in the demand for hybrid technologists is likely in the future as interdisciplinary activities expand in importance; ICT skills feature in most interdisciplinary convergence processes (e.g. business and IT; finance and IT; biotechnology, nanotechnology and IT)</p>
Science	<p>Despite the overall decline in employment, some science related areas (e.g. pharmaceuticals, medical devices and diagnostics, and biotechnology) have been performing comparatively well and shortages still exist for highly qualified and experienced individuals with specific skills, both at professional level (fourth level research and development scientists, clinical trials managers, regulation compliance staff) and technician level (e.g. lab technicians, junior chemists, development/prototyping technicians).</p> <p>A strategy launched by Science Foundation Ireland in March 2009, entitled 'Powering the Smart Economy', highlights the Government's commitment to the establishment of a critical mass of internationally competitive research teams in science and engineering. Such investment, aimed at advancing enterprise in biotechnology, ICT and energy, is expected to build on Ireland's reputation as a location of excellent research, thereby further expanding demand for people with advanced skills in these areas.</p> <p>Energy, particularly renewable energy, is set to become one of the key growth sectors of the economy, and the demand for skills, at both technician and professional level, combining new technologies, interdisciplinary backgrounds (e.g. engineering/science/business) and innovation, is likely to expand in the future.</p> <p>As the importance of ecology and environmental protection increases, along with EU regulation for this sector, new career opportunities will emerge for those with expertise in the natural sciences (e.g. impact assessment on flora and fauna in the context of major infrastructural projects).</p> <p>The field of bio-convergence is growing, which is likely to result in a demand for hybrid technologists with backgrounds in science, IT and nanotechnology.</p>
Engineering	<p>Despite the current economic pressures, design engineers, particularly in research and development in the medical devices sector, are in short supply; the demand pertains to individuals with experience and/or industry specific knowledge (e.g. process automation design).</p> <p>In a number of manufacturing sub-sectors (e.g. food processing, medical devices, etc.), there is a</p>

	<p>shortage of process diagnostic and control engineers and technicians who can implement lean manufacturing/Six Sigma principles to production processes.</p> <p>As is the case for science graduates, engineers, especially electronic, electrical, quality control, and design and development, will be in demand in the renewable energy sector (e.g. wind, wave and tidal), which is expected to be one of the drivers of future growth.</p> <p>Ecology and environmental protection are becoming increasingly important, creating new career opportunities for environmental engineers with expertise in the management of eco-systems.</p>
<p>Business and Financial Services</p>	<p>Despite the global and domestic financial crisis and the associated decline in employment, the demand for highly skilled financial professionals persists (e.g. chartered and certified accountants with expertise in project and system accounting, compliance experts, risk experts).</p> <p>Changes in the regulatory environment are expected to create demand for high level, up-to-date accounting skills (compliance, financial reporting, financial management) and risk management expertise. In addition, strong demand is expected to continue for experts in actuarial science and quantitative finance. These skills are expected to be critical in driving employment growth in the financial services industry in the recovery.</p>
<p>Sales and Marketing</p>	<p>Experienced marketing managers with product and market expertise and/or foreign language proficiency are difficult to source. Demand is likely to remain strong in the future as marketing experts are expected to be important to increasing Ireland's market share of the global demand for products and services.</p> <p>Despite a decline in employment for sales representatives overall, recruiters are continuing to report difficulties in sourcing experienced sales representatives with specific product or technical knowledge (e.g. medical sales, technical sales) and/or languages (e.g. telesales).</p> <p>Online sales, marketing and advertising are expected to be strong growth areas in the coming years creating opportunities for individuals who can combine sales skills with competencies in other areas (e.g. foreign languages, online media, global markets and international business).</p>
<p>Healthcare</p>	<p>There is a shortage of medical practitioners: the current shortage of general practitioners (GPs) is likely to persist in the future, especially if the trend towards an increased share of female and part-time GPs continues. There is a shortage of other specialist doctors required to meet the targets set out in the Report of the National Task Force on Medical Staffing.</p> <p>There is a shortage of registered general nurses, as well as nurses in some specialised areas (theatre, intensive care, cardiac, neonatal/paediatric critical care, and oncology/ cancer care). The shortage of general nurses is partly due to the fact that this segment of nursing is the main supply pool for most advanced nursing practitioners, as well as for most postgraduate courses (e.g. public health, children's nursing, etc.).</p> <p>The education and training output from dentistry has not kept pace with the growing demand for dental/orthodontic services, resulting in a shortage in this area. The shortage is likely to continue given that almost one in three dentists is older than 55, which is likely to create a higher than average replacement demand over the medium term.</p> <p>Although the number of vets in Ireland has been supplemented by a recent inflow of foreign-trained vets, there continues to be a shortage. The expansion demand arising from increasing food safety and traceability standards and the replacement demand arising from expected retirements (one in four vets is over 55) are likely to exceed existing graduate output in the short to medium term.</p>

<p>Education</p>	<p>Although there are no shortages at present, there are a number of factors which may create increased demand in future years:</p> <p>As outlined in the forthcoming EGFSN report increased fertility rates are expected to have an impact on junior infant enrolments from 2011, thus creating a future increased demand for primary teachers and subsequently secondary teachers.</p> <p>A greater demand for vocational trainers is likely to occur due to the training needs of an increasing unemployment stock</p> <p>The demand for education and training providers in the future is also likely to be driven by the fact that an increasing share of the workforce will have several different careers over the course of their working life.</p>
<p>Construction</p>	<p>Given the contraction in all segments of the construction industry in the short-term, shortages are not anticipated for any of the construction professional and associate professional occupations.</p> <p>The construction industry is contracting as well as undergoing a structural shift: the relative size of the new residential sub-sector is declining, resulting in a more even distribution of employment across sub-sectors. As a result, while further job losses are expected in the new residential sub-sector, in the medium term, job opportunities are most likely to arise for those who have expertise in the following areas: residential repair and maintenance; energy efficiency (e.g. retro-fitting, reduction of carbon dioxide emissions, renewable energy technologies); renewable energy infrastructure; management of construction and demolition waste; site assessment and water treatment; supply chain management in off-site construction methods; export of new building materials and processes.</p> <p>The extension of mandatory energy rating to the existing housing stock at the point of sale or rent from January 2009 under the Energy Performance of Buildings Directive (EPBD) and improved energy efficiency standards under Part L of the Building Regulations for new homes has the potential to create employment opportunities for craft-workers with the skills to install renewable energy heating systems, ventilation systems and insulation. While these skills have not been provided through the traditional apprenticeship system, an increasing number of upskilling programmes in these areas are becoming available.</p> <p>Driven by the sustainability agenda, there have been some employment opportunities for electricians in the installation of electrical services in SMART homes, electronic security systems and renewable energy technologies (e.g. wind turbines and solar-photo voltaic panels).</p>

Source: Skills and Labour Market Research Unit, FÁS, (June 2009) National Skills Bulletin



Correspondence in relation to this paper should be addressed to:

Martin Shanahan

Manager

Science, Technology and Human Capital Division

[martin.shanahan@forfas.ie](mailto:martin.shanahan@forfas.ie)

Marie Bourke

Manager

Human Capital and Labour Market Policy Department

[marie.bourke@forfas.ie](mailto:marie.bourke@forfas.ie)

Andrew Colgan

Policy Advisor

Human Capital and Labour Market Policy Department

[andrew.colgan@forfas.ie](mailto:andrew.colgan@forfas.ie)