

Republic of Ireland: Workforce profile

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REPUBLIC OF IRELAND

Workforce Profile

Jean McCarthy



About this Workforce Profile

Organizations striving to be employers-of-choice in different countries around the world need access to current information about the economic, social, political, and demographic characteristics of the countries where their employees live and work.

The Country Profile Series focuses on statistics that can guide decision-making at the workplace: workforce highlights, economic highlights, and population highlights. This Country Profile is part of a set of resources about Ireland available on the website of the Global Perspectives Institute: www.bc.edu/agingandwork.

INTRODUCTION TO THE REPUBLIC OF IRELAND

Located in the northwest of the continent of Europe, the Republic of Ireland comprises 70,282 square kilometers,¹ approximately five-sixths of the island of Ireland. It is bordered in the northeast by Northern Ireland, a constituent part of the United Kingdom that makes up the remaining part of the island. Surrounded by the waters of the Atlantic Ocean to the northern, western, and southern shores, its history has been shaped by its proximity to the United Kingdom, across the narrow passage of the Irish Sea to the east. After more than seven centuries of British rule, marked by unrest and rebellion, the Republic of Ireland declared its independence from the United Kingdom on December 6th, 1921.

In complete contrast to the relative underdevelopment of the economy since independence, with most industrial activity only occurring since the 1960s, the emergence of the 'Celtic Tiger' in the 1990s witnessed Ireland as one of the fastest growing open economies in the world. From the late 1980s until the end of the twentieth century, economic growth (GDP) averaged over 5%, while in some years growth was more than 10%.² This unprecedented growth rate reversed the trends of high unemployment and mass migration, and attracted an influx of migrant workers. The boom was attributed to progressive industrial policy that boosted large scale foreign direct investment (FDI), low corporation tax, greater access to third level education, and social partnership between the government and trade unions. The drivers of 21st century expansion were primarily construction and consumer spending. From 2003 to early 2007, the Irish economy continued to expand at a steady 3-6% per annum.²

The roar of the 'Celtic Tiger' weakened when the country fell into recession in the wake of the global financial crisis of 2008. In 2009, the Irish economy experienced high unemployment, deflation, and a widening government budget deficit. A slow and gradual recovery is expected to begin in 2011 after contracting for the third consecutive year in 2010.²

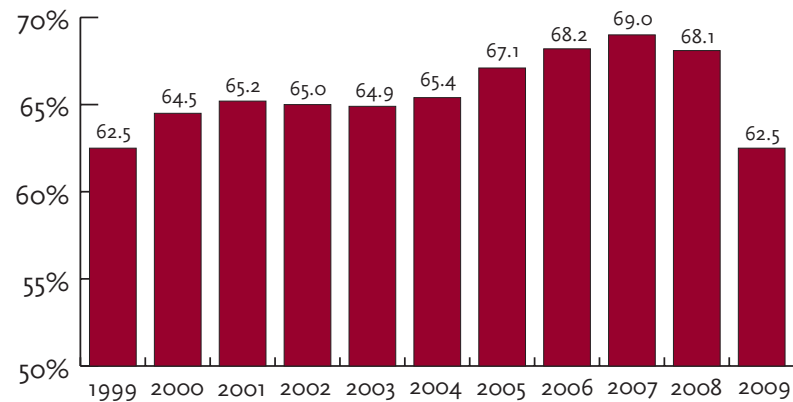
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LABOR FORCE HIGHLIGHTS

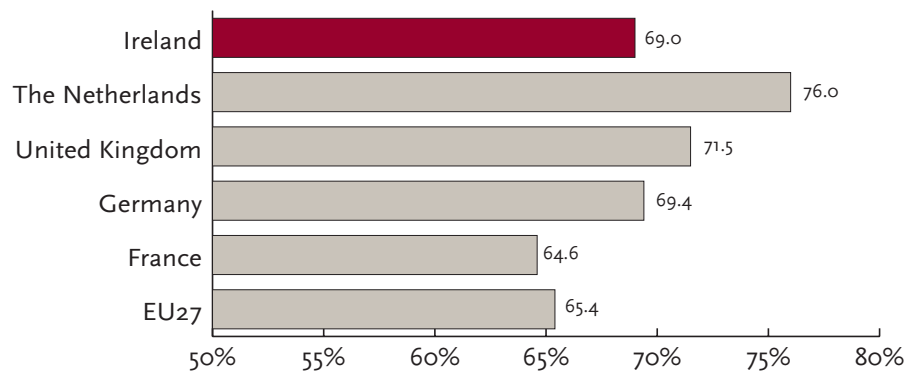
- 62.5% of the population is in the Irish labor force.³ The total number of persons in the labor force in December 2009 was 2,202,300, representing a decrease of 64,300 compared with December 2008.³
- The economically active population in Ireland is projected to increase from 2,280,000 in 2009 to 2,574,000 in 2020.⁴ The 'economically active population' comprises all persons of either sex who furnish the supply of labor for the production of goods and services during a specified time reference period.
- The unemployment rate was 12.7% in December 2009. The male unemployment rate was 15.6%, while the female unemployment rate was 9.1%. Long-term unemployment currently stands at 3.2%.³
- 20.3% of the population is employed on a part-time basis, which is high compared with other countries. EU27 part-time working averages at 18.2% of the population, while the OECD country average is 15.4%.⁵
- 16.8% of the population reported being self-employed.⁵

Figure 1a. Employed as Percent of Total Population – Ireland, 1999-2009



Source: CSO, 2009⁶

Figure 1b. Employed as Percent of Total Population - Selected Countries, 2007



Source: CSO, 2009⁶

Ireland enjoyed growth in employment rates during the 'Celtic Tiger' era. Since the economic downturn, the employment rate has dropped back to the 1999 level.

In 2007, Ireland's overall employment rate of 69% was higher than the average EU27 rate of 65.4%.

While employment has dropped since 2008 given the current economic environment, comparable figures were only available for 2007.

IRELAND WORKFORCE PROFILE NO.20 MARCH 2010

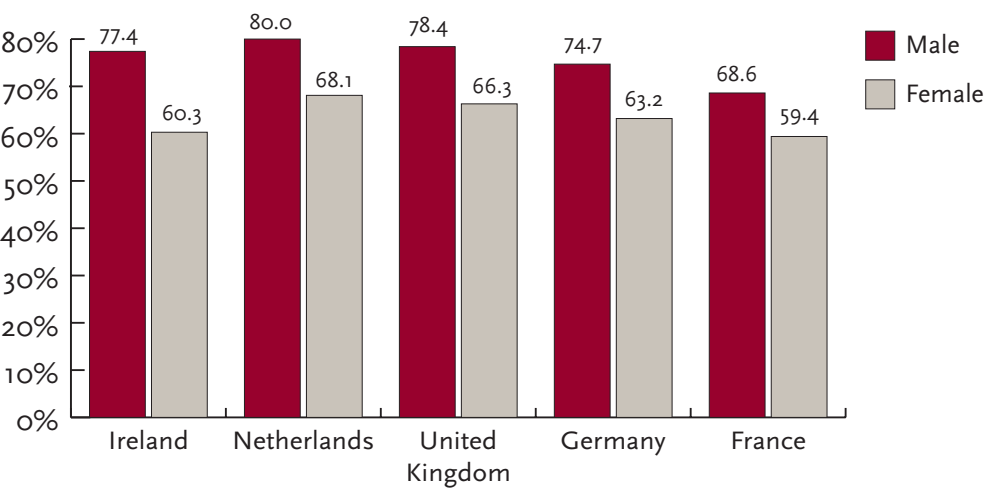
All EU states had higher male than female employment rates in 2007. Ireland's female employment rate was 60.3%, while male employment was 77.4%.

2007 employment rates for persons aged 55-64 were higher in Ireland, at 54.1%, and the UK, at 57.4%, compared with other European countries. For example, France's employment rate for older workers was 38.3%

The average age of exit from the labor force in 2007 was 64.1 years in Ireland, the joint second highest age among EU 27 countries (along with Bulgaria). The average exit age in Ireland for women was 64.7 years compared with 63.5 years for men.

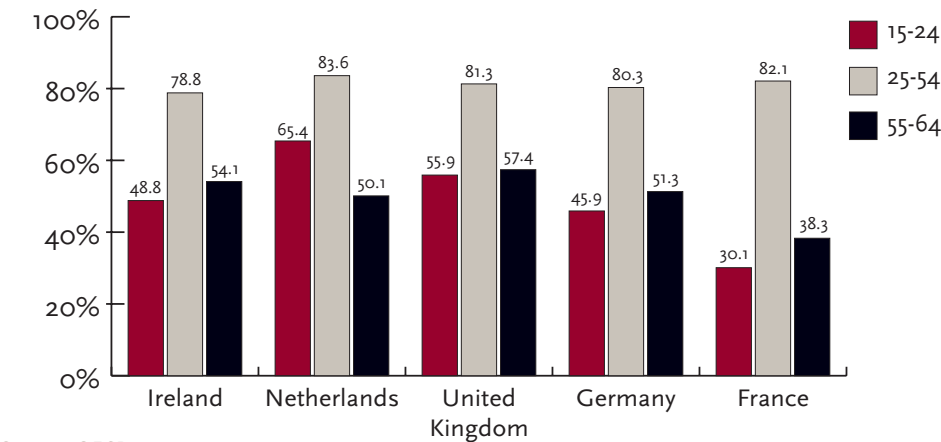
In 2007, the average exit age from the labour force in the EU 27 was 61.2 years.

Figure 2. Employment Rate by Gender, Ireland and Comparable Regional Nations, 2007



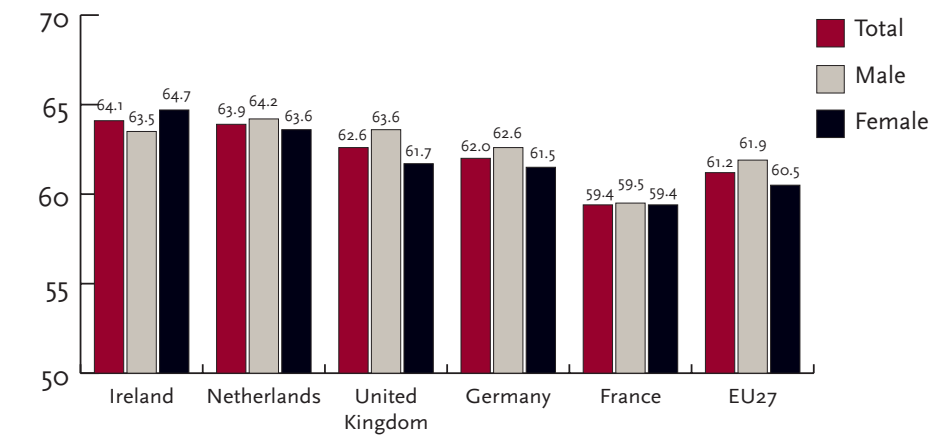
Source: OECD, 2009⁵

Figure 3. Employment Rates within Age Group, Selected Regional Comparisons, 2007



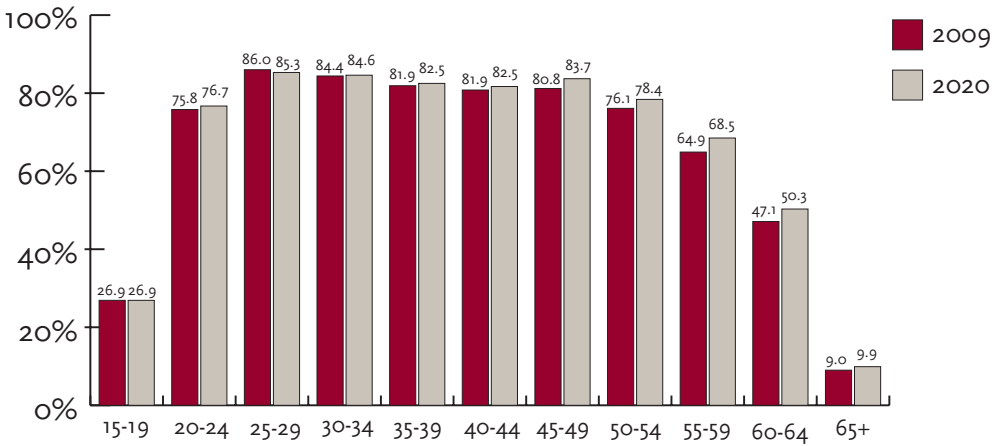
Source: OECD, 2009⁵

Figure 4. Average Age of Exit from the Labor Force by Gender, Ireland and Comparable Regional Nations, 2007



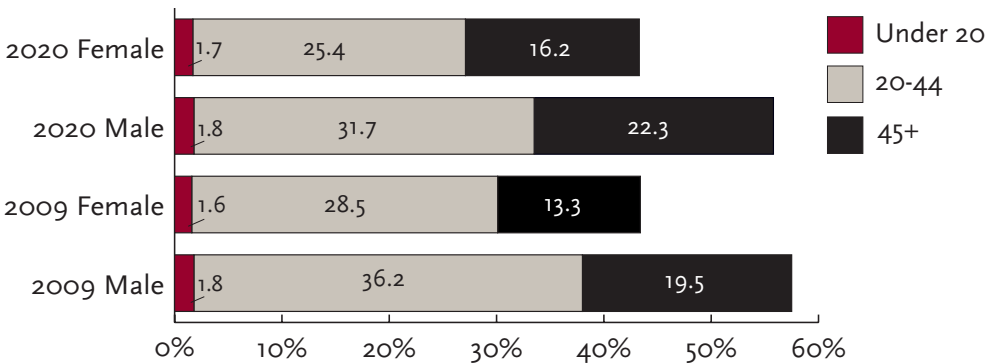
Source: CSO, 2009⁶

Figure 5a. Current & Projected Economically Active Population Estimates and Projections in Ireland, within age groups, 2009 & 2020



Source: ILO, 2010⁴

Figure 5b. Current & Projected Economically Active Population as % of Total Population in Ireland by Gender, 2009 & 2020



Source: ILO, 2010⁴

The economically active population aged 45 and over is projected to increase between 2009 and 2020 in Ireland.

IRELAND
WORKFORCE
PROFILE NO.20
MARCH 2010

From the 1990s until early 2007, Ireland was the fastest growing economy in the world, with unprecedented growth rates averaging 5% each year, and even reaching double-digits

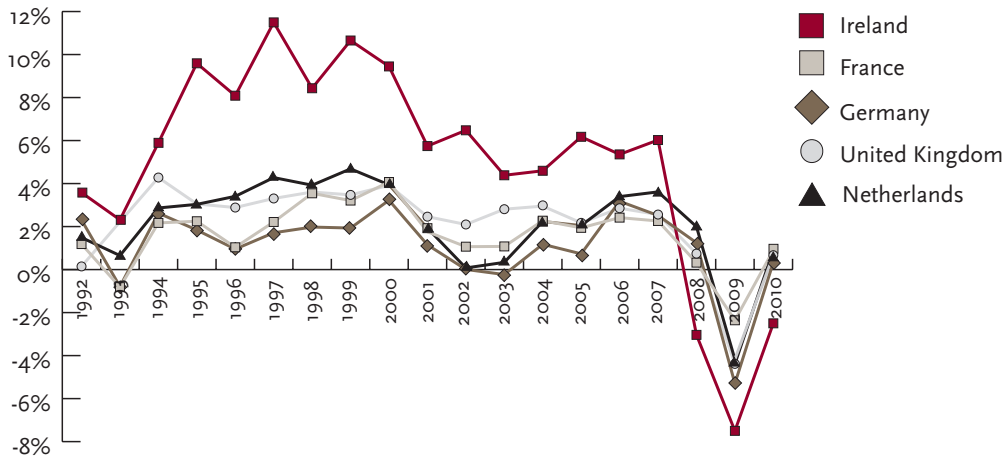
This economic boom earned Ireland the nickname of 'Celtic Tiger.'

General government consolidated debt in Ireland increased greatly from 35% of GDP in 2007 to 43.2% of GDP in 2008.

ECONOMIC HIGHLIGHTS

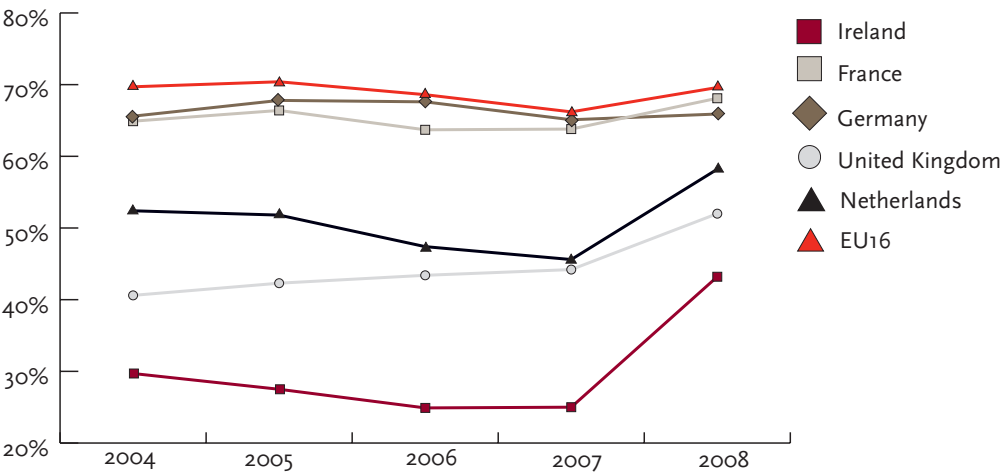
- Gross Domestic Product per capita in the Republic of Ireland is \$45,027.⁵
- From the 1990s until early 2007, Ireland was the fastest growing economy in the world, with unprecedented growth rates averaging 5% per annum.⁷ As a result of the current recession, economic growth is expected to contract for the third consecutive year in 2010, before a gradual recovery begins in 2011.²

Figure 6. GDP Growth, regional comparisons, 1992-2010



Source: IMF, 2009⁷

Figure 7. General Government Consolidated Debt as Percentage of GDP, selected regional countries, 2008

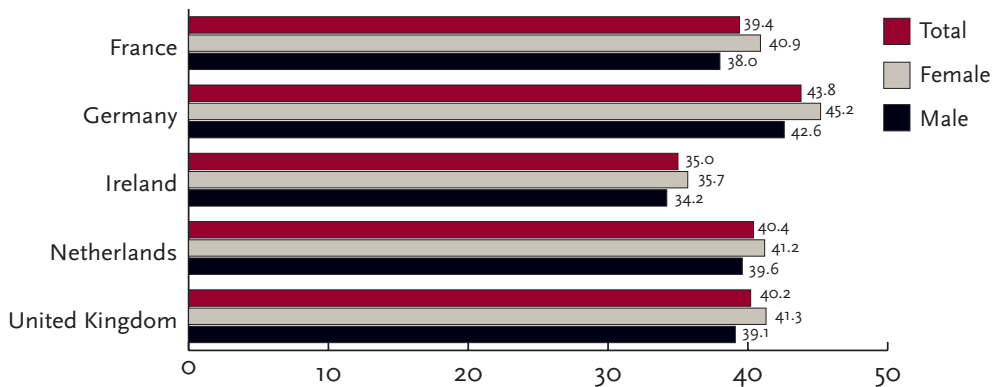


Source: CSO, 2009⁶

DEMOGRAPHIC HIGHLIGHTS

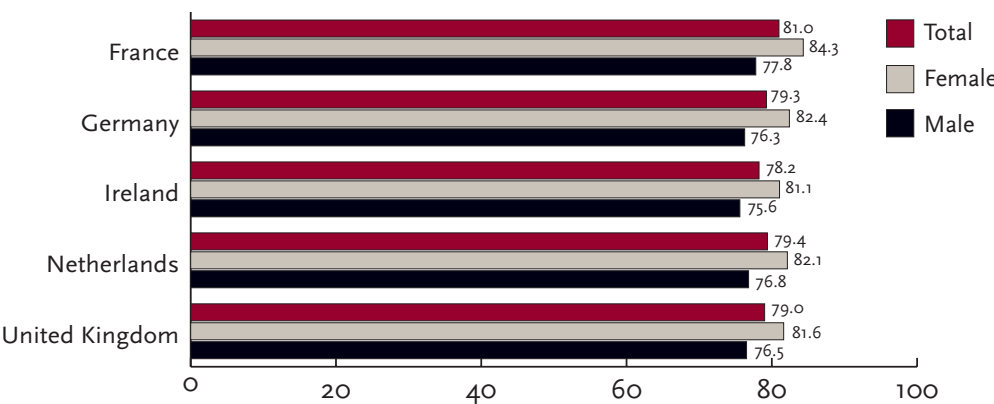
- 🌐 The population of Ireland currently stands at 4,459,300.³
- 🌐 87% of the Irish population is white Irish, while 6.9% is of other white heritage, 0.97% African, and 0.4% Chinese.⁸
- 🌐 Total Fertility Rate (TFR), which indicates the average number of children per woman, is currently at 1.9 in Ireland. It is projected to remain at this level up to 2041.⁹
- 🌐 Approximately 11% of the Irish population is aged 65 and over. Projections forecast that 20-25% of the population will be aged over 65 in 2041. The number of oldest persons (aged 80 and over) is projected to quadruple from 110,000 to 440,000 by 2041.⁹

Figure 8. Median Age, by Gender, Regional Comparisons, 2009



Source: CIA, 2010¹⁰

Figure 9. Life Expectancy at Birth, Regional Comparisons, 2009



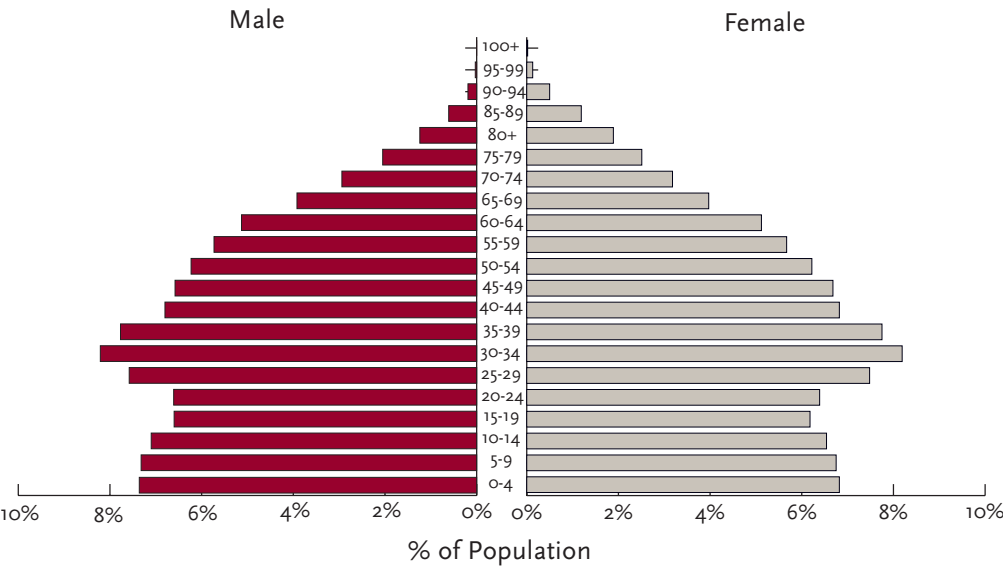
Source: CIA, 2010¹⁰

The median age of the population of Ireland is 35, which is lower than other European countries.

The life expectancy at birth for the Irish population in 2009 was approximately 76 years for men and approximately 82 years for women.

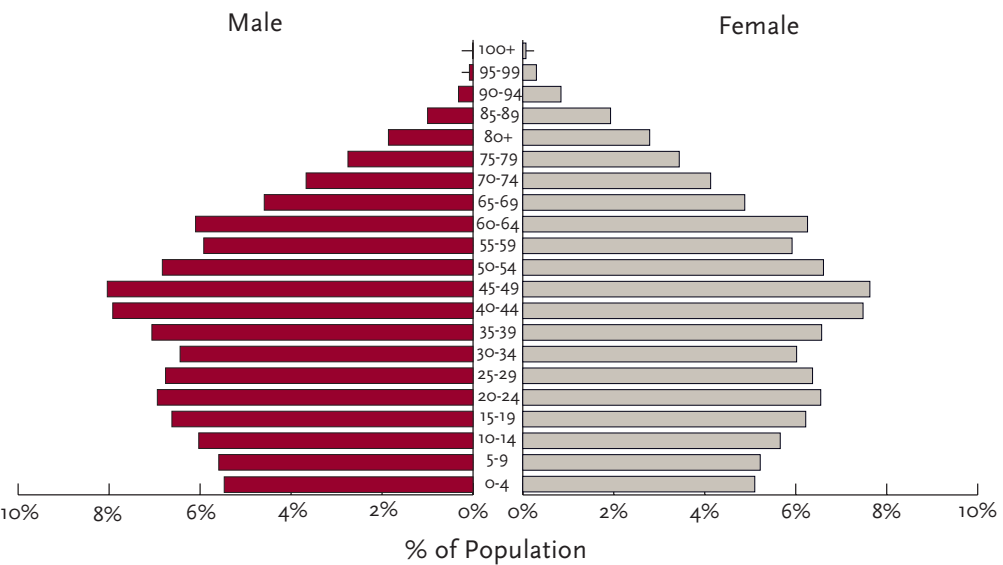
🌐 The age structure of the Irish population is different to most other countries in the EU and the demographic situation is very favourable over the medium term. Ireland's peak population age group is about 10-15 years younger than in the EU 27. However, by 2050, Ireland's population structure will be quite similar to the rest of Europe. (See Figures 10a-10c and Figures 11a-11c.)

Figure 10a. Population Distribution of Ireland, 2010



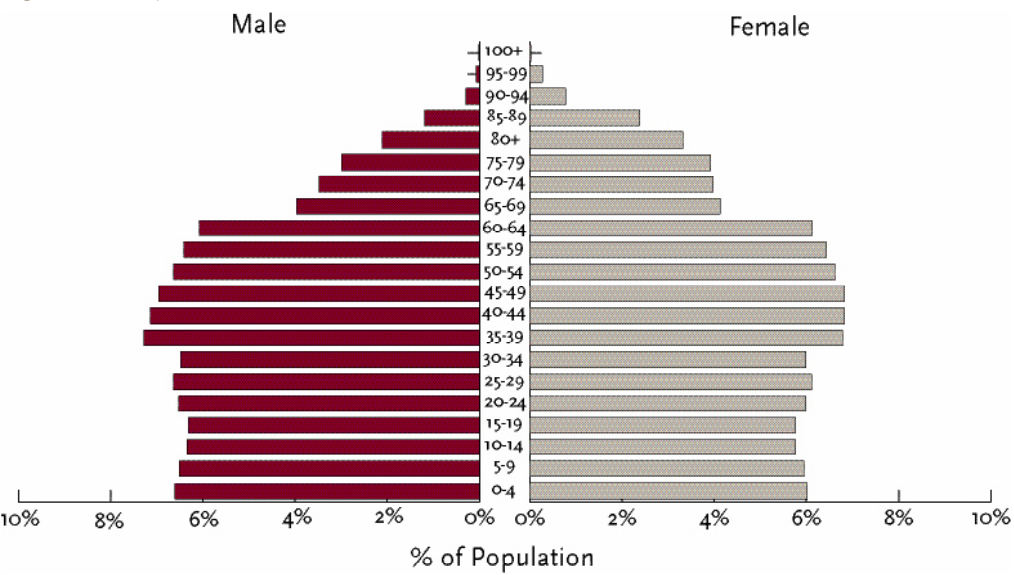
Source: US Census Bureau¹¹

Figure 10b. Population Distribution of United Kingdom, 2010



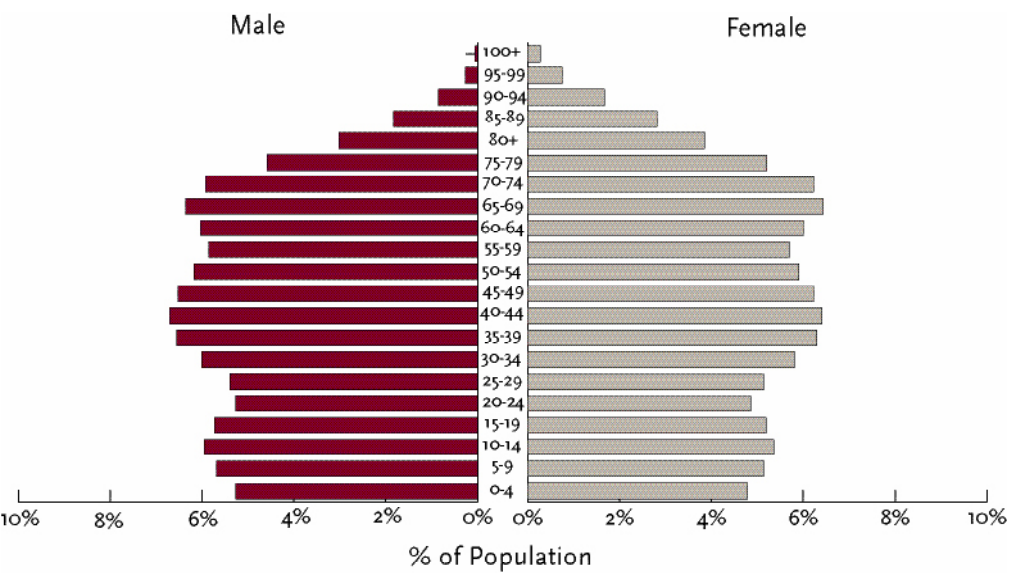
Source: US Census Bureau¹¹

Figure 10c. Population Distribution of France, 2010



Source: US Census Bureau¹¹

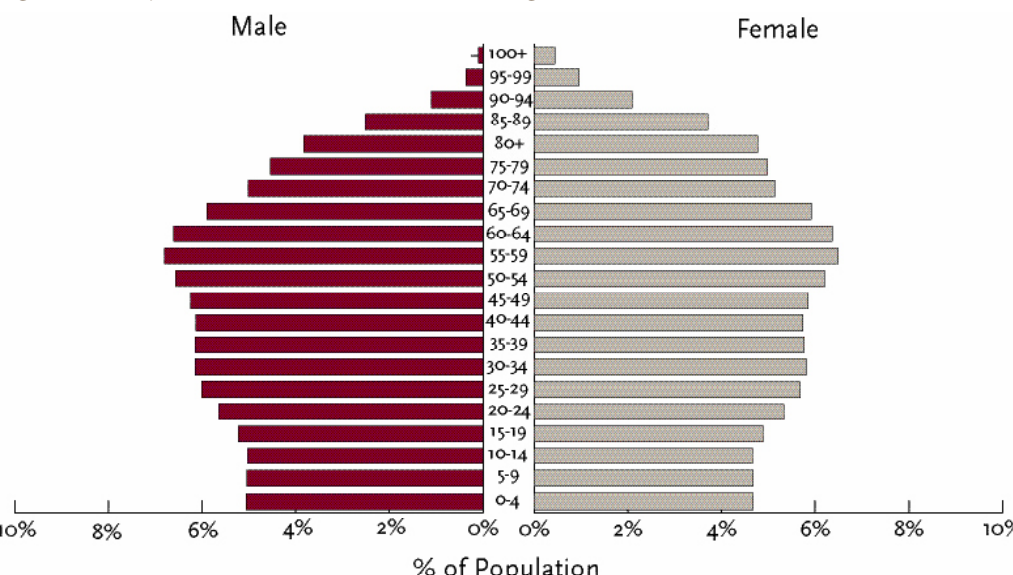
Figure 11a. Population Distribution of Ireland, 2050



Source: US Census Bureau¹¹

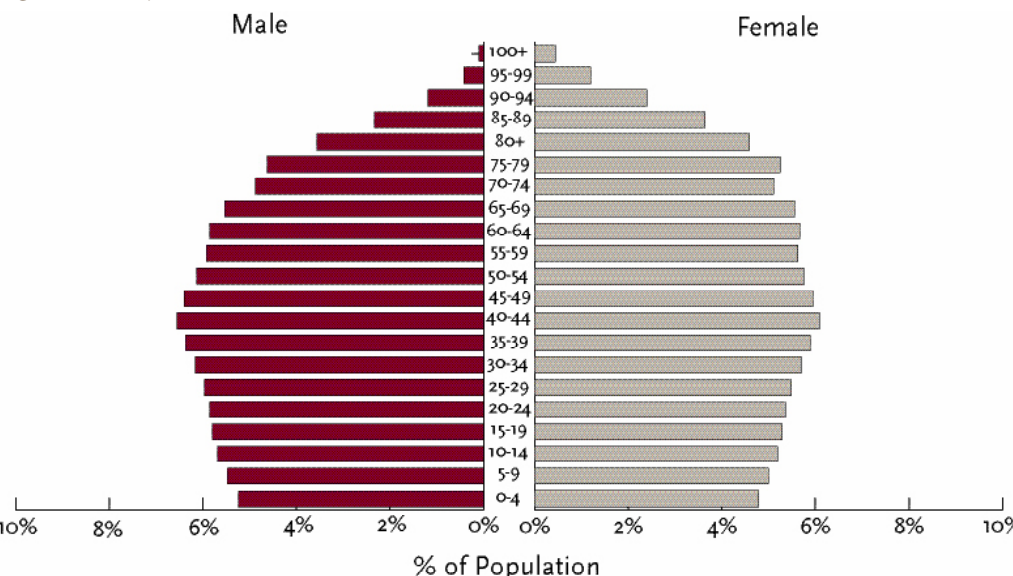
IRELAND
WORKFORCE
PROFILE NO.20
MARCH 2010

Figure 11b. Population Distribution of United Kingdom, 2050



Source: US Census Bureau¹¹

Figure 11c. Population Distribution of France, 2050



Source: US Census Bureau¹¹

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IRELAND
WORKFORCE
PROFILE NO.20
MARCH 2010

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ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work at Boston College, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute’s research, publications, and international forums contribute to:

- a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- informed decision making by employers who want to be employers-of-choice in different countries; and
- innovative thinking about private-public partnerships that promote sustainable, high-quality employment.

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Jean McCarthy is a doctoral student and part-time lecturer in the Department of Personnel and Employment Relations at the University of Limerick, Limerick, Ireland. Her area of research is focused on understanding organisational decision-maker attitudes toward older workers. She also has strong research interests in a role theoretical analysis of ageist attitudes.

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