

LABOUR MARKET NOTES

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Employment

Unemployment Stops Falling?

After a lengthy trend of falling unemployment the drop in the jobless rate seems to have flattened out in recent months. Between January and August last year - according to the CSO - the rate of unemployment fell by 0.9%. In the same period

this year it fell by 0.3%. When translated into figures it means that there were 146,000 people unemployed in August, of whom 92,800 were men and 53,200 were women. [The gap between male and female unemployment rates hovers around three percentage points.](#)



In August 2016 the male unemployment rate was 8.5% and the female unemployment rate was 5.9%. The rate of fall in unemployment is conditioned by a

number of factors of which the most important is the general state of the economy. Another factor is that while the economy improves those that are closest to the labour market in terms of skill levels will be hired first.

Turning to the Live Register we take a look at the number of casual and part time workers on the register. Between January and August 2015, the number of casual and part time workers fell by 6.4% from 72,085 to 67,448. In the same period this year the fall was 6% from 65,270 to 61,393. Casual and part time workers are split roughly equally between males and females.

Labour Costs

A German View on Labour Costs

In 2015, an hour's work cost German employers in the private sector (industry and private services) an average of €32.70. Seven countries have higher labour costs than Germany. These are: Denmark, Belgium, Sweden, Luxembourg, France, Finland and the Netherlands.

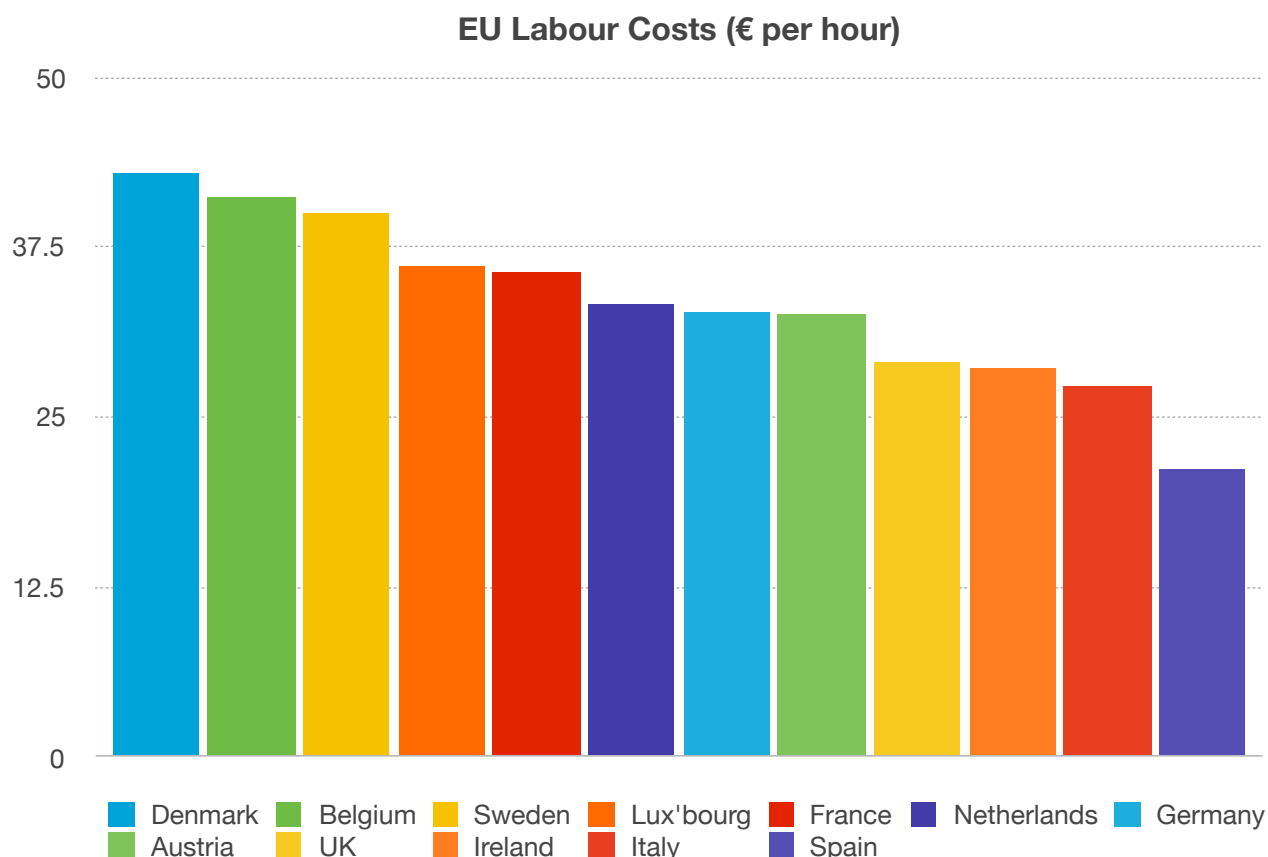
The cost of an hour's work in these countries ranges from €43 to €33.30. Labour costs in Austria are virtually the same as in Germany (€32.60), while the Eurozone average is €29.50.

Countries where the rate is fractionally below the average include the UK, where the figure for 2015 stood at €29.10, along with Ireland (€28.70) and Italy (€27.30).

In the other southern European countries, average labour costs ranged from €21.10 in Spain to €12.50 in Malta. Greece and Portugal, two of the 'older' EU members, now have lower labour costs than EU newcomers Slovenia, where the average is €15.80 an hour. In Estonia, Slovakia, the Czech Republic, Croatia, Poland, Hungary and Latvia, the hourly rates range from €10.80 to €7.50.

Labour costs in Germany's services sector rose by 2.7% in 2015, which was above the EU average of 2.2% and the Eurozone average of 1.5%. In contrast to most of the previous years the increase in Germany's services sector was not lower than the increase in manufacturing industry can be attributed to the introduction of the statutory minimum wage.

Although it is not possible to identify a clear cut impact of the minimum wage for the economy as a whole, distinct wage effects can be detected in various service industries, where large numbers of people were working for less than €8.50 an hour, prior to its introduction.



Source: Hans-Böckler-Stiftung (the German equivalent of NERI)

ILO Global Wages Report 2014/ 15

How wages responded over the crisis period: 2007 to 2013

As the year 2007 represents 100 the German figure quoted below shows wage growth of 2.7%. These figures have to be treated with some caution as they are averages. Therefore if there are widespread redundancies on a 'last in first out' basis, junior and lower paid workers will leave companies and average earnings will increase. Similarly if junior and lower paid workers are hired during an upturn average wages will decrease. This is known as the composition effect i.e. the composition of the labour force.

Year 2013

Germany	102.7
France	102.3
Ireland	98.1
Spain	96.8
Italy	94.3
UK	92.9
Greece	75.8

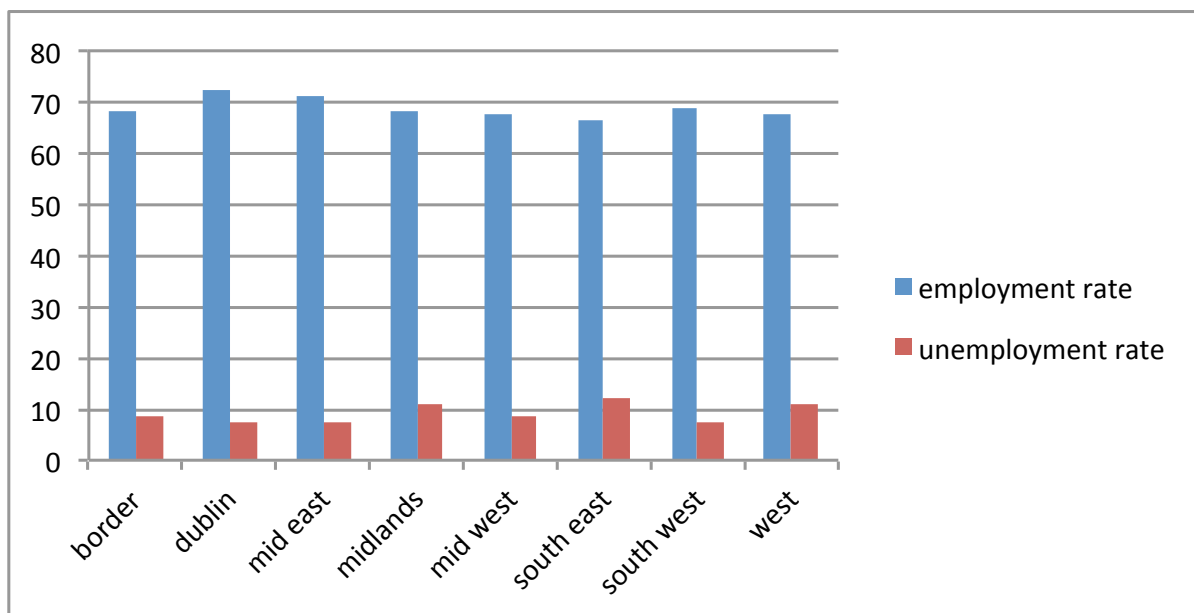
Expert Group Report

Regional Labour Markets

These are taken from the regional labour market bulletin published by the Expert Group on Future Skill Needs.

There are 223,000 people employed in manufacturing. The division of the sector between high and low tech enterprises is as follows. The national figure is given together with the regions with the highest and lowest concentration of high tech firms.

	Ireland	South West	Border
Hi Tech	28%	40%	13%
Medium	18%	13%	30%
Medium low	16%	16%	22%
Low	38%	32%	52%



Live register

In the year to May 2016 the numbers on the live register declined by 11%. The most pronounced decline was in the South West and Mid East regions at 13.3% and 12.5% respectively.

Youth Unemployment

The highest rates were in the West Midlands and South East with 30%, 28%, and 27% respectively. The rate in Dublin was 13%.

An alternative measure is the youth employment ratio which was 10% in the South East, Border and West regions – which is approximately twice the rate in all the other regions.

The rate for NEETS (young people not in employment education or training) was at its highest in the midlands (19%) followed by the border and South East – both 17%.

The lowest rates were in Dublin (10%) and the Mid West (9%).

