



# Unemployment Blackspots

Submission to the Joint Committee on  
Enterprise, Trade and Employment



## Introduction

Ireland's employment landscape has seen remarkable improvement in recent years, with the unemployment rate standing at 4.6 per cent in Q2 2024. This indicates a strong recovery in the job market, which has seen the number of people employed rise to 2.75 million, the highest in the history of the State. Employment is up 2.7 per cent, or 71,500, in the 12 months to Q2 2024. Despite these positive overall employment trends, pockets of unemployment, underemployment and poverty persist, that demand targeted interventions. *Social Justice Ireland* welcomes this opportunity to address the Joint Committee on Enterprise, Trade and Employment on these issues and provide recommendations for tackling this issue, particularly in rural areas and regions disproportionately affected by economic transition and infrastructural inadequacies.

## Context

The nature and scale of the recent transformation in Ireland's labour market is highlighted by the data in Table 1. It, and subsequent Tables, examine the situation thirteen years ago in the midst of the banking and property crash, in 2019 just before the COVID-19 pandemic hit, and in 2023 using the most recent Central Statistics Office (CSO) data. Unsurprisingly, the labour market has transformed since 2011 with almost 600,000 additional people in the labour force, an extra 820,000 at work, higher participation rates, and 222,000 less people in unemployment. Compared to the pre-pandemic labour market, the situation in Q4 2023 illustrates how strongly the labour market has recovered from the period of closures and lockdowns throughout much of 2020. Although the numbers unemployed slightly increased in Q2 2024 with unemployment rate of 4.6 per cent compared to Q4 2023, all other indicators too show continued improvement. The employment rate has risen to 74.4 per cent, while the overall participation rate has increased to 66 per cent.

**Table 1: Ireland's Labour Force Data, 2011 – 2023**

	2011	2019	2023	Change 11-23
Labour Force	2,226,500	2,489,400	2,824,100	597,600
LFPR %	61.8	62.5	65.4	+3.6pp
Employment %	60.1	70.0	74.0	+13.9pp
Employment	1,886,400	2,377,800	2,706,400	820,000
<i>Full-time</i>	1,438,400	1,881,600	2,114,000	675,600
<i>Part-time</i>	447,900	496,200	592,400	144,500
<i>Underemployed</i>	147,200	109,600	139,800	-7,400
Unemployed %	15.3	4.5	4.2	-11.1pp
Unemployed	340,100	111,600	117,700	-222,400
LT Unemployed %	9.3	1.6	1.0	-8.2pp
LT Unemployed	206,500	38,800	29,500	-177,000
Potential Additional LF	n/a	100,700	105,700	n/a

**Source:** CSO, LFS on-line database.

**Notes:** All data is for Quarter 4 of the reference year.

LFPR = ILO labour force participation rate and measures the percentage of the adult population who are in the labour market.

Employment % is for those aged 15-64 years.

Underemployment measures part-time workers who indicate that they wish to work additional hours which are not currently available.

n/a = comparable data is not available. pp = percentage points

LT = Long Term (12 months or more). LF = Labour Force.

This transformation in the labour market has significantly altered the nature of employment in Ireland when compared to the depth of the recession in 2011. Overall, employment grew by over 40 per cent (820,000 jobs), the number of employees grew by 48 per cent, while the number of self-employed

increased by 14 per cent. Within the CSO's broadly defined employment sectors, all increased in size over the period. The services sector, one acutely impacted by the 2009-2013 economic crash, recorded the largest growth accounting for almost 660,000 of the additional jobs created since 2011. This sector now accounts for 78 per cent of all employees. Compared to the late 2019 labour market, employment in agriculture grew by 4 per cent, with stronger recoveries in the construction sector (+9%) and in industry (+11%).

However, having a job is not, in itself, a guarantee that one lives in a poverty-free household. Despite the welcome increases in employment, and significant reduction in unemployment, poverty rates for the working poor have shown little improvement, reflecting a persistent problem with low earnings. According to the most recent Survey on Income and Living Conditions (SILC) results, almost 6 per cent of those who are at work are living at risk of poverty. Over time, the proportion of employed people at risk of poverty has remained largely static, fluctuating between 4 and 6 per cent. In 2023, 145,561 employed individuals were still at risk of poverty, while 304,268 workers experienced enforced deprivation. This is a remarkable statistic, and it is important that policy better recognises and addresses this problem.

### **Unemployment, Long-term Unemployment and Underemployment Challenge in Ireland**

While the overall employment data paints a picture of significant progress, the challenges of unemployment, particularly long-term unemployment and underemployment, remain substantial. The aftermath of the 2009-2013 crisis led to a sharp increase in unemployment and emigration, both of which took some time to dissipate. Although the unemployment rate has dropped significantly since then, the reduction has not been evenly distributed across demographic groups or regions.

As Table 2 shows, unemployment decreased by 65 per cent between 2011 and 2023. During this time, male unemployment fell by almost 156,000 and female unemployment by 67,000; changes that illustrate the depth of that economic crisis. By 2023, most unemployed individuals were seeking to return to full-time (FT) employment, with just over 30 per cent indicating that they were seeking part-time (PT) employment.

The reduction in long-term (LT) unemployment is equally notable, as highlighted in Table 2 and in Chart 1. In 2011, over 200,000 people had been unemployed for more than a year, but by 2019 this number had dropped to below 40,000, with the 2023 figure standing at 29,500 – the lowest LT unemployment count since the pandemic and implies that just one-quarter of all those currently unemployed are in that situation for more than one year. While the improvements over the last decade are very welcome, the experience of the 1980s showed the dangers and long-lasting implications of large numbers of people trapped in long-term unemployment. While this remains a policy challenge, *Social Justice Ireland* regrets that it is a policy area which receives limited attention.

**Table 2: Unemployment in Ireland, 2011 – 2023**

	<b>2011</b>	<b>2019</b>	<b>2023</b>	<b>Change 11-23</b>
Unemployment	340,100	111,600	117,700	-222,400
<b>Gender</b>				
Male	215,800	62,900	60,100	-155,700
Female	124,300	48,800	57,600	-66,700
<b>Employment sought</b>				
Seeking FT work	289,100	80,000	76,200	-212,900
Seeking PT work	37,800	28,700	36,800	-1,000
<b>Age group</b>				
15-24 years	86,300	28,200	33,800	-52,500

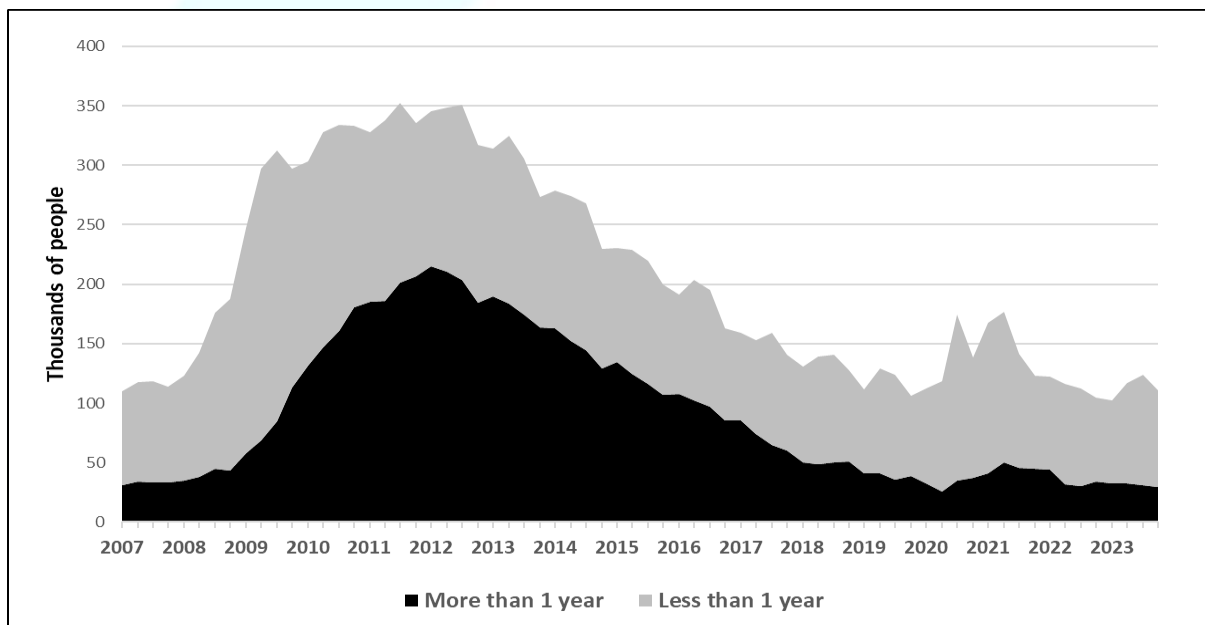
25-44 years	174,500	50,100	53,200	-121,300
45-65 years	78,700	32,300	30,200	-48,500
<b>Region</b>				
Border	n/a	7,100	7,500	n/a
West	n/a	9,600	10,400	n/a
Mid-West	n/a	11,100	11,100	n/a
South-East	n/a	14,500	10,400	n/a
South-West	n/a	13,300	14,600	n/a
Dublin	n/a	33,700	39,700	n/a
Mid-East	n/a	15,800	14,900	n/a
Midland	n/a	6,600	9,100	n/a
<b>Duration</b>				
Unemp. less than 1 yr	129,200	67,400	81,500	-47,700
Unemp. more than 1 yr	206,500	38,800	29,500	-177,000
LT Unemp. as % Unemp	60.7%	34.8%	25.1%	

**Source:** CSO, LFS on-line database.

**Note:** See notes to Table 1.

Given the current strength of the labour market, *Social Justice Ireland* believes that major emphasis should be placed on those who are trapped in long term unemployment – particularly those with the lower levels of education. Previous experiences, in Ireland and elsewhere, have shown that many of those under 25 and many of those over 55 often find it challenging to return to employment after a period of unemployment. This highlights the danger of long-term unemployment and the potential for the emergence of a structural unemployment problem. Given this, *Social Justice Ireland* believes that a major commitment to retraining and re-skilling will be required in the years ahead.

**Chart 1: Long-Term Unemployment in Ireland, 2007-2023**



**Source:** CSO, LFS on-line database.

**Note:** Long term unemployment is defined as those unemployed for more than one year.

In addition to long-term unemployment, youth unemployment remains a major labour market policy challenge, as young people are particularly vulnerable to long-term detachment from the workforce. By the end of 2023, almost 34,000 people under the age of 25 were unemployed – 16,000 males and 17,000 females – meaning that youth unemployment accounted for almost three in every ten

unemployed people in Ireland. Experiences of unemployment, and in particular long-term unemployment, alongside an inability to access any work, training, or education, tends to leave a 'scarring effect' on young people. This increases the challenges associated with getting them active in the labour market at any stage in the future. In the short-term, it is crucial for the Government to invest in the 'youth unemployed,' and *Social Justice Ireland* considers this to be a central and strategic priority.

Another key group disproportionately impacted by long-term unemployment includes persons with disabilities or long-lasting conditions, as highlighted by the Census 2022 data. The data revealed that among the 1,010,758 people aged 15 years and over who experienced at least one long-lasting condition or difficulty to any extent, 400,639 were in the labour force. This gives a labour force participation rate of 40 per cent and compares to a rate of 61 per cent recorded for the full population aged 15 years and over. Among those found to have a long-lasting condition or difficulty to a great extent, the participation rate was 22 per cent. Additionally, six out of ten persons with a disability who were unemployed were out of work on a long-term basis. For people experiencing a long-lasting condition or difficulty to a great extent, this proportion increased to 72 per cent.

Alongside the challenges of unemployment, the figures in Table 1 also point towards the growth of various forms of part-time work and a high number of underemployed workers over recent years. While the number of people employed is higher now than at any time, just over one in five workers are part-time workers, and there are almost 140,000 of these who are underemployed, that is, working part-time but at less hours than they are willing to work. Judged over time, the CSO labour force data suggest the emergence of a greater number of workers in precarious employment situations. The high number of individuals with less work hours than ideal, as well as those with persistent uncertainties concerning the number and times of hours required for work, is a major labour market challenge and one which may grow in the period ahead. Aside from the impact this has on the well-being of individuals and their families, it also impacts on their financial situation and adds to the working-poor challenges. There are also impacts on the state, given that the Working Family Payment (formerly known as Family Income Supplement (FIS)) and the structure of jobseeker payments tend to lead to Government subsidising these families' incomes, and indirectly subsidising some employers who create persistent precarious employment patterns for their workers.

*Social Justice Ireland* addressed the Oireachtas Committee on Enterprise, Trade and Employment in February 2024 on one recent aspect of this issue, the emergence and growth of 'platform work'; that is work where individuals work freelance and are matched to jobs via online platforms and algorithms. We believe that now is the time to adopt substantial measures to address and eliminate the problem of precarious work. Our commitment to the development and adoption of a Living Wage reflects this. However, aside from pay rates, policy also needs to address issues of work quality and security more aggressively.

## **Rural and Regional Development**

While underemployment and precarious work present challenges across Ireland, these issues are particularly pronounced in certain regions, further highlighting the uneven distribution of economic opportunities. Despite Ireland's overall increase in employment rates, significant regional disparities persist, as shown in Table 3. LFS data from the CSO in Q2 2024 highlight these regional divides in labour market participation rates, with lower participation (62-64 per cent) in the Border, Mid-West, Midlands and South-East.

It is interesting to see how the rates compare across regions, and what the trends have been since 2012. Unsurprisingly, Dublin remains the best performer. It is also interesting to note that the Mid-East - essentially the region that surrounds Dublin - is the only other region where the LFPR is above the national average. This trend is concerning as the national average is artificially dragged up by the Dublin region, while much of the rest of the country underperforms by comparison.

Urban regions, such as Dublin and the Mid-East, consistently show the highest employment rates, with Dublin rising from 62 per cent in 2012 to 69.6 per cent in Q2 2024. In contrast, rural and less developed areas like the Border, Midlands, and South-East regions lag behind, with fluctuating employment rates over the same period. For instance, the Border region, which peaked at 63 per cent in 2016, saw a steep decline to 50.4 per cent during the COVID-19 pandemic and only recovered to 62.3 per cent by Q2 2024. Similarly, the Midlands, which started at 58 per cent in 2012, saw slower growth, reaching 63.2 per cent by 2024. The COVID-19 pandemic had a heightened impact on these regions, causing sharp declines in employment rates, particularly in rural areas, while urban centres demonstrated faster recovery. These disparities reflect the concentration of economic opportunities in urban regions and highlight the challenges faced by rural and less developed areas in securing stable, well-paid employment, further exacerbating the divide between urban and rural labour markets.

**Table 3: Labour force participation rate (LFPR) and change over time**

Region	Rate as of Q2 2024 (%)	Change over last 2 years	Change since 2020	Change since 2012
Dublin	69.6	0.7	9.1	4.2
Mid-East	67.1	0.8	11.9	5.8
<b>State</b>	<b>66</b>	<b>0.4</b>	<b>7.3</b>	<b>1.8</b>
South-West	65.6	-0.6	9.2	0.4
West	64.1	1.9	9.8	4.0
Mid-West	63.6	0.4	9.1	2.6
South-East	63.4	1.2	9.1	7.5
Midland	63.2	1.5	9.7	1.9
Border	62.3	-1.6	6.4	5.5

These disparities are further reflected in the [Pobal HP Deprivation Index 2022](#), which highlights that “more isolated rural areas situated in the Northwest of Ireland - Donegal and Mayo, as well as parts of Sligo, Cavan, Leitrim, Longford and Roscommon - continue to have higher levels of deprivation than the Southeast”.<sup>1</sup> The Index reveals that persistently high levels of disadvantage exist in certain areas, with many disadvantaged regions reporting lower levels of educational attainment and significantly higher levels of unemployment than the national average. The overall improvements seen in the Deprivation Index measures nationally have not been experienced in these areas, thereby widening the deprivation gap. In fact, those regions classified as disadvantaged in 2016 are now further from the average in 2022. As stated in the report, this gap highlights the strong relationship between relative inequality and adverse outcomes.

These rising disparities were also mirrored in the European Commission’s decision to downgrade the West and North West, which includes counties Galway, Roscommon, Leitrim, Sligo, Donegal, Monaghan and Mayo, to ‘lagging region’ status. This marks the second downgrade from being considered as ‘developed’ to ‘region in transition’ status, reflecting ongoing challenges such as lower

<sup>1</sup> <https://www.pobal.ie/app/uploads/2023/11/Pobal-HP-Deprivation-Index-Briefing.pdf>

disposable incomes, fewer viable farms, less commercial activity, and generates less high valued jobs than the other regions. Even removing the distorting effect of Multinational Company activities on the GDP of the Southern and Eastern Regions, shows that despite faring better than the Northern and Western Region, they still face challenges.

Rural areas continue to face challenges around seasonal employment, higher rates of part-time employment, and lower median incomes. Generally, the employment rate is correlated with settlement size, with those living in villages of less than 1,500 inhabitants experiencing the highest rates of unemployment and the lowest participation in the labour market. In addition, the labour force participation rate is lower in rural areas. In open countryside, the participation rate is the lowest, but the employment rate is higher reflecting farming, fishing, and forestry. The prevalence of low-paid, part-time and seasonal work is a continual feature of rural employment. Whilst there has been a welcome increase in employment nationally in recent years, this has taken longer to spread into the regions and more rural areas. The increase in remote working is a positive move and can revitalise rural economies. However, the ongoing challenges outlined (including the development and implementation of an effective rural proofing model) still have to be addressed. Despite these challenges, there are opportunities for rural areas, as changes in consumption and production patterns and remote working habits may present new opportunities for sustainable growth in rural regions. To this end, it is vital that 'Our Rural Future' and 'Making Remote Work' are fully implemented and resourced.

### **Key Issues and Contributing Factors**

Across Ireland, several key issues contribute to pockets of persistent unemployment and underemployment. While many of these factors are common across both urban and rural areas, rural regions face distinct challenges that compound existing disparities between rural and urban economic opportunities. These unique issues require targeted interventions to address the specific needs of rural communities.

#### *1. Infrastructural Deficits*

One of the most prominent barriers to economic growth in Ireland is the country's infrastructural deficit, whether it is a lack of housing, inadequate transportation or other public services. Recently, this was also flagged by tech giant Apple<sup>2</sup>, which highlighted that "the current roads network is not sufficient to enable 6,000 Apple employees on their daily commute and is also a struggle for the residents, with traffic and transport situation being so bad." While this infrastructure challenge is evident in urban areas, it is even more acute in rural regions, particularly regarding broadband access, transportation, and access to other public services.

Reliable broadband is essential for modern businesses, remote working, and access to education, yet many rural areas remain underserved. This lack of connectivity stifles the potential for economic development and isolates rural communities from broader economic opportunities. Similarly, inadequate transportation networks isolate rural residents from employment hubs, further limiting access to job opportunities.

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<sup>2</sup> [Apple warned Government of 'real threat to Ireland' from countries trying to lure multinationals away – The Irish Times](#)

Infrastructure deficits also impact on the competitiveness of Ireland's NUTS2 regions. Both the Northern and Western and the Southern Regions score below the EU-27 average on infrastructure, with the Northern and Western Region also scoring below the EU-27 average on competitiveness. The policy solutions to address these deficits are those which will improve infrastructure and support regional growth centres, invest in human capital, enhance regional infrastructure, and support SMEs in rural communities.

Social and physical infrastructure must be in place to enable rural economies to diversify. Public policy can play a key role by ensuring flexible education, training, and labour market policies for rural areas; it can also ensure that transport policy is focussed on those areas not already well served by links and on incentivising the use of rail transport, particularly for freight transport. This would decrease traffic congestion on the road network and reduce transport emissions.

Planning for future growth and adaptability is essential. Instead of reacting to population growth with infrastructure development, we should proactively plan for settlements, guiding population growth in a balanced and sustainable way, and designing infrastructure with the capacity to adapt to future changes in population, technology, and environmental conditions will ensure long-term sustainability. Moreover, facilitating more balanced regional development over the medium to long term is crucial. IDA and Enterprise Ireland planning should be integrated into infrastructure and housing planning to nurture employment in various regions, promoting equitable growth.

## 2. *Limited Employment Sectors and Just Transition*

Rural economies are often reliant on a narrow range of employment sectors, such as agriculture, tourism, and low-wage service jobs. These sectors are vulnerable to seasonal fluctuations, international competition, and economic downturns, all of which can lead to job insecurity and limited career advancement. Thus, we need to maximise our resources and strengths in the Green Economy to support employment opportunities for rural communities in areas such as renewable energy, sustainable tourism, energy retrofitting, the Bioeconomy, and the Circular Economy. *Social Justice Ireland* has consistently advocated for policy to focus on building sustainable and viable rural communities, including farming and other activities. In order to achieve this, significant investment in sustainable forms of agriculture is required, as well as rural anti-poverty and social inclusion programmes, in order to protect vulnerable farm households in the transition to a rural development agenda.

Rural areas are also among those that will be most impacted by the transition to a carbon-neutral society. An ongoing place-based dialogue with a diversity of stakeholders could ensure that rural areas and regions are well placed to meet the challenges of adapting to green and digital challenges including the changing world of work, which we will later address. The refocusing of the Common Agricultural Policy (CAP) budget to climate action presents an opportunity for farmers to invest in sustainable forms of agriculture and the Farm-to-Fork Strategy has the potential to deliver on short supply chains for farmers, and address some of the issues of product pricing for Irish farmers. Develop and introduce a farm sustainability passport for farmers to assist and support them in making the necessary changes during the green transition, and to recognise and acknowledge the work they are already doing to enhance biodiversity and reduce emissions.



### 3. *Skills Gaps and the Digital Transition*

In order to access employment, workers require the right skills. 'Our Rural Future' recognises the importance of ongoing skills development and lifelong learning to rural development. Investing in up-skilling lower skilled workers in rural regions has a greater impact on regional economic development than investing in increasing the number of highly skilled workers there. Focussed investment on education and training for people in low skilled jobs or those unemployed in rural areas as part of an overall regional employment strategy aimed at generating sustainable jobs should be an integral part of rural development policy.

Digital transformation will have a significant impact on the employment landscape. A report on [Wellbeing in the Digital Age](#) found that 14 per cent of all jobs are at high risk of being lost due to automation, with another 32 per cent at risk of significant change over the next 10 to 20 years. This means that nearly half of the labour force will be impacted by changes to their jobs as a result of automation by 2040. Our training and skills development policy must be adapted to meet this challenge to ensure that our regions and communities have the necessary supports in place to ensure that they can adapt to meet this challenge.

### 4. *The Future of Work*

A report by the Spatial and Regional Economics Research Centre at University College Cork, [Automation and Irish Towns: Who's Most at Risk](#), found that two out of every five jobs in Ireland are at high risk of automation. The report also found that the level of exposure to automation across Ireland is wide-ranging, spanning towns across all four provinces. Towns where employment is dominated by agriculture and manufacturing are most at risk to the impact of automation on current employment. Further research found that agricultural, rural, and less densely populated regions contain more jobs at risk of automation. Farmers, forestry workers, agriculture and machinery drivers, and fishing are considered to be high risk occupations in terms of automation. This is particularly problematic for rural areas as there are few alternative employment opportunities for displaced workers. Research ([SOLAS, 2020](#)) found that 373,500 people in Ireland are employed in occupations which were considered at high risk of automation. The six groups with the largest number of persons employed whose jobs were at high risk of automation were operatives & elementary, sales & customer service, administrative & secretarial, hospitality, agriculture & animal care, and transport & logistics. Monaghan had the highest share employed in these occupations, followed by Cavan, Longford, Tipperary, and Wexford. Overall, the report found that Dublin and it's bordering counties had the lowest exposure to automation risk in these groups, while counties facing higher levels of exposure were located throughout each province.

There have been a number of international studies on the impact of automation and robotics globally. Generally, these studies find that tens of millions of existing jobs will be lost, and that new jobs will be created, many in yet-to-exist industries. The challenge we face is that the jobs that will be created will not necessarily be in the same regions where job losses will be felt. This is an issue that has not received as much attention as it deserves. Low skilled workers and struggling local economies will bear the brunt of automation and will feel the impact of unemployment and income inequality the most.

In order to address the current and future challenges, the Government must invest in the regions, particularly infrastructure and social and human capital, to ensure that we can meet the upheaval and adapt to the changes that are coming our way.

## **Policy Recommendations**

*Social Justice Ireland* believes that if the challenges and needed reforms we have highlighted throughout this submission are to be effectively addressed, Government and policymakers should:

- Resource the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes.
- Launch a major investment programme focused on prioritising initiatives that strengthen social infrastructure, including a comprehensive school building programme and a much larger social housing programme.
- Adopt policies to address the worrying issue of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
- Establish a new programme targeting those who are very long-term unemployed (i.e. 5+ years).
- Ensure that at all times policy seeks to ensure that new jobs have reasonable pay rates, and adequate resource are provided for the labour inspectorate.
- Adopt policies to address the obstacles facing women when they return to the labour force. These should focus on care initiatives, employment flexibility and the provision of information and training.
- Reduce the impediments faced by people with a disability in achieving employment. In particular, address the current situation in which many face losing their benefits when they take up employment.

In addition, the following policy positions should be adopted to promote balanced rural and regional development:

- Ensure that investment is balanced between the regions, with due regard to sub-regional areas.
- Ensure rural development policy is underpinned by social, economic, and environmental wellbeing.
- Prioritise the continued roll out of high-speed broadband to rural areas.
- Invest in an integrated, accessible, and flexible rural transport network.
- Ensure that sustainable agriculture policy, sustainable land management, and short supply chains for farmers and consumers form the basis of future agricultural policy.
- Ensure that development initiatives resource areas which are further from the major urban areas to ensure they do not fall further behind.
- Invest in human capital through targeted, place-based education and training programmes, especially for older workers and those in vulnerable employment.
- Establish a Just Transition and Adaptation Dialogue to ensure rural areas are not disproportionately impacted by green and digital transitions.
- Prepare for the potential impact of technology on the future of work by investing in the regions and ensuring the necessary social, infrastructural, and human capital supports are in place to manage any upheaval.
- Provide integrated supports for rural entrepreneurs, micro-enterprises, and SMEs.
- Ensure public service delivery in rural areas according to the equivalence principle.