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Ireland: Forecast highlights

Between now and 2025:

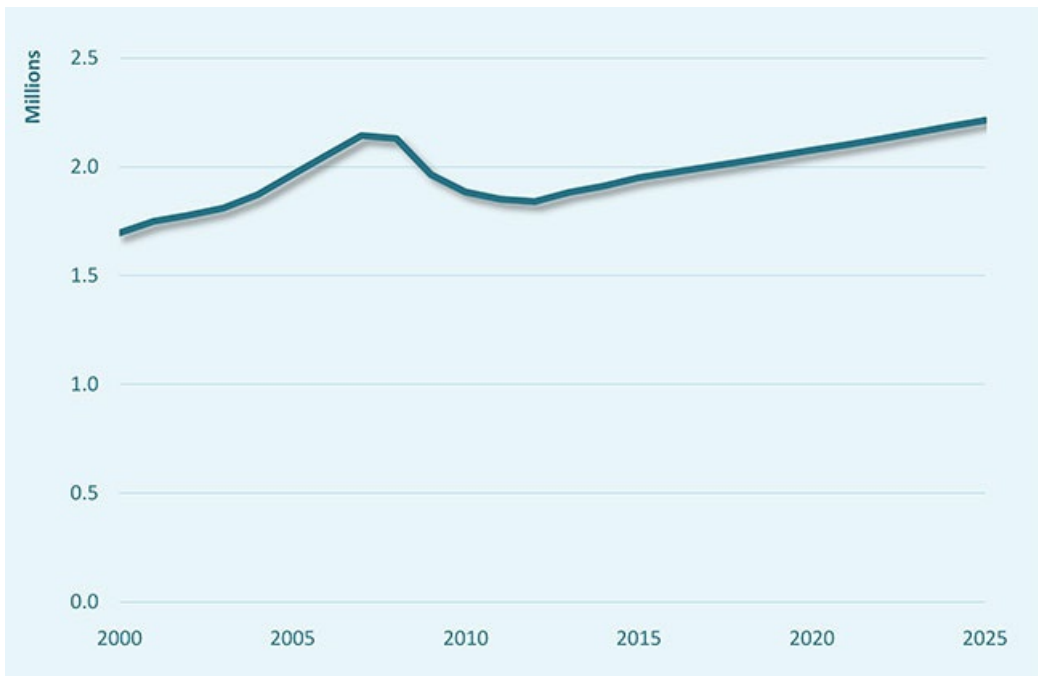
- Employment is forecast to rise, passing its 2008 pre-crisis level by 2023 and continue to increase.
- Most employment growth will be in construction.
- Most job opportunities, around 19% will be for professionals.
- Around half of the labour force will have high-level qualifications, compared to about 42% in 2013.

Following the economic crisis in 2008, Ireland’s GDP started to recover in 2013. In 2013, Ireland’s unemployment rate was 13.1%, above the European Union (EU) average of around 11%. The European Commission forecasts GDP growth for Ireland of 3.6 in 2015 as well as in 2016.

Employment outlook

According to Cedefop’s skills supply and demand forecasts ([see scenario assumptions](#)), economic growth is expected to have positive effects on job growth in Ireland and employment is expected to reach its 2008 pre-crisis level in 2023 (Figure 1). This is slower than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

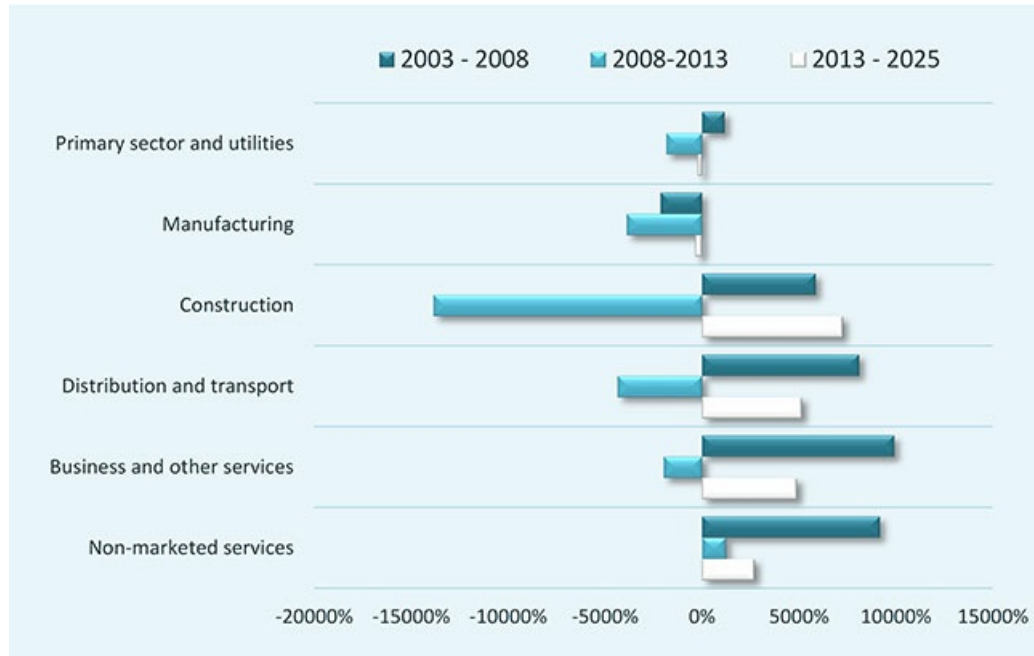
Figure 1 **Past and forecast employment, Ireland (millions)**



Sector developments

The economic crisis reduced employment in almost all sectors, with most job losses being in construction between 2008 and 2013 (Figure 2). However, employment in non-marketed (mainly in public sector) services increased over the same period. Most future job growth in Ireland up to 2025 will be construction, the distribution and transport sector and business and other services. Employment should be broadly stable in the primary and manufacturing sectors and in non-marketed services and the distribution and transport sector.

Figure 2 Employment trends by sector, average annual growth rate, 2003-25, Ireland (%)



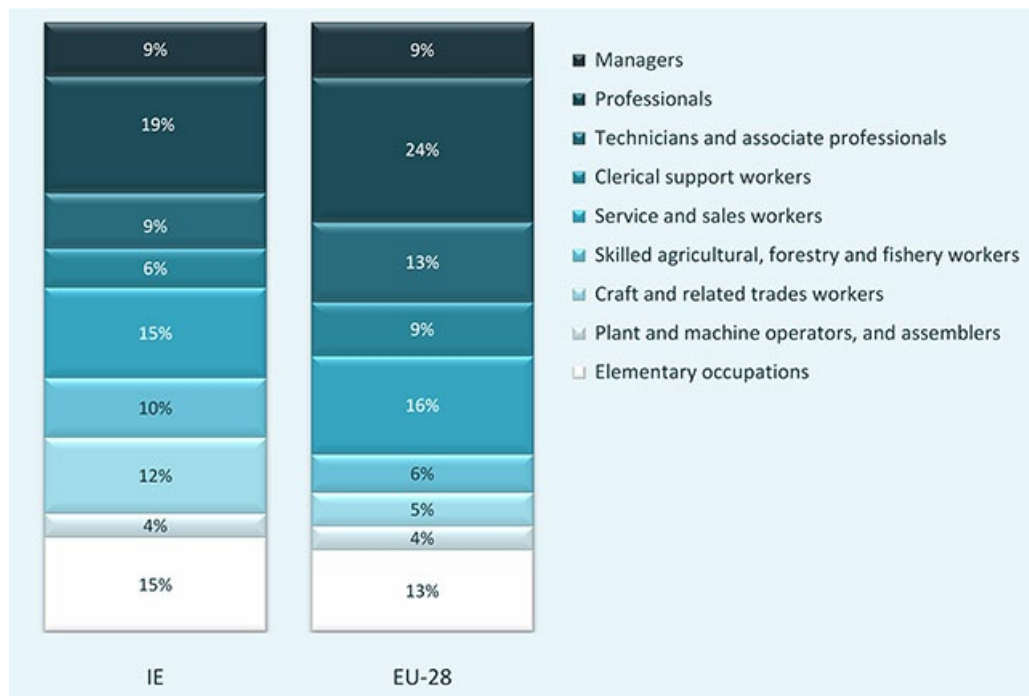
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop’s forecasts give insights on job opportunities between now and 2025. Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Given its ageing labour force and scope for reducing unemployment between now and 2025, replacement demand in Ireland is forecast to provide three times more job opportunities than expansion demand.

In Ireland, most job opportunities, around 19%, will be for professionals (high level occupations in science, engineering healthcare, business and teaching), followed by around 15% for both service and sales workers and elementary occupations (Figure 3). The share of employment opportunities for craft and related workers in Ireland, around 12% is well above the EU averages of 5% for this occupational group (Figure 3).

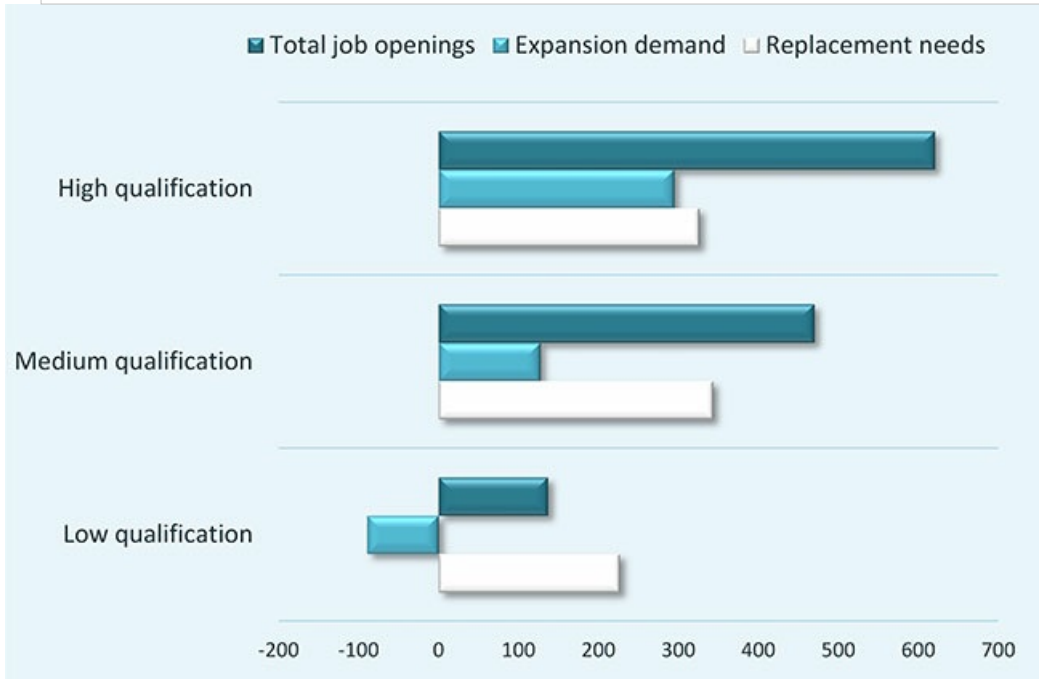
Figure 3 Distribution of total job opportunities by occupation, 2013-2025, Ireland and the EU (%)



Source: Cedefop skills forecasts (2015)

Most job opportunities in Ireland will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, due to replacement demand there will also be significant numbers of job opportunities requiring medium-level qualifications (ISCED 97 levels 3 and 4).

Figure 4 Total job opportunities by qualification, 2013-25, Ireland (thousands)



Source: Cedefop skills forecasts (2015)

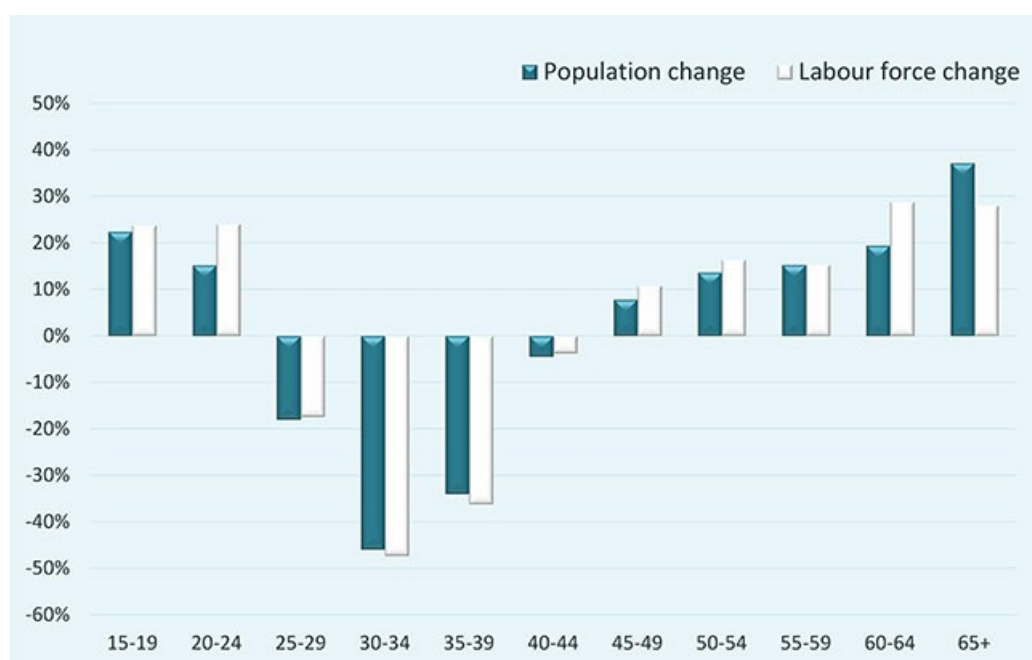
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people over 15 years old), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat's latest population projection (Europop 2013) for Ireland reflects the current trends in fertility rates and net migration flows. Ireland's working-age population is forecast to grow by about 2% between now and 2025. Labour market participation in Ireland is forecast to fall from 60% in 2013 to around 55% in 2025, close to the EU forecast average of 55.5%.

Following the EU demographic trend, Ireland's population is getting older (Figure 5). Population growth is projected mainly in the age groups over 45 years, while all other age groups, except those aged between 15 and 24 are forecast to decline.

Figure 5 **Changes in working-age population and labour force by age, 2013-25, Ireland (%)**

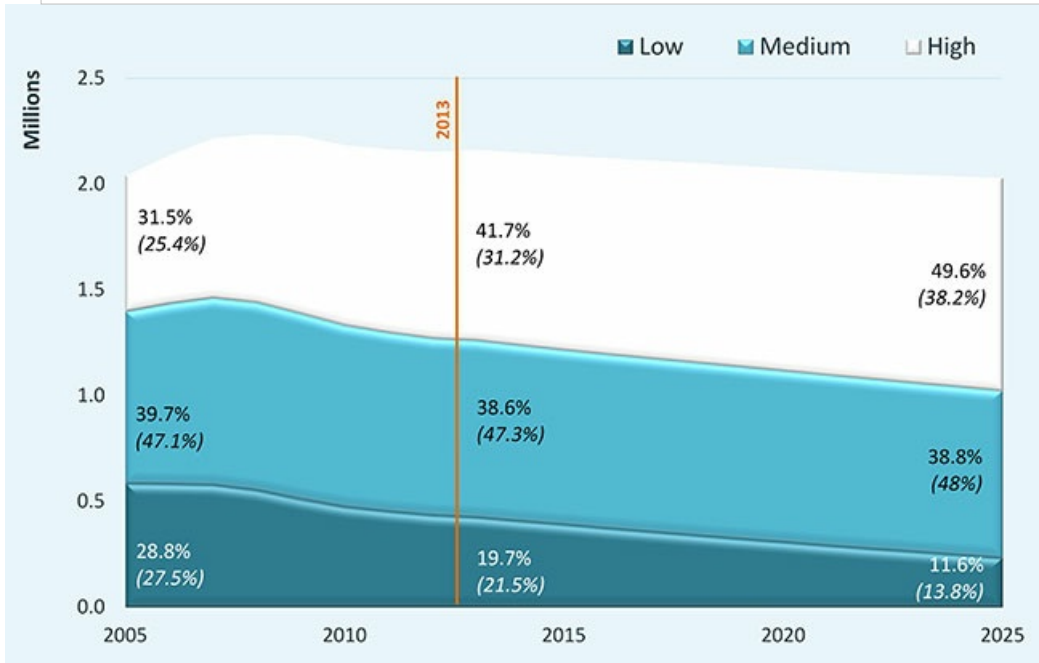


Source: Cedefop skills forecasts (2015)

Although older and smaller, Ireland's labour force is becoming more highly qualified (Figure 6). This can be explained by older less qualified people leaving the labour market and young people staying on longer in education and training to improve their job prospects. By 2025, the share of those with high-level qualifications in labour force is projected to rise to around 40% compared to slightly less than 42% in 2013 and 31.5% in 2005. The share of people with medium-level qualifications in 2025 will be slightly lower than 39%, nearly the same as in 2013. The share with low-level or no qualifications is forecast to fall from 19.7% in 2013 to around 12% in 2025.

According to Cedefop's forecasts, by 2020, in Ireland around 63% of 30 to 34 year olds will have high level qualifications, significantly above the EU's educational attainment benchmark of 40% by 2020. On current trends around 67% of 30 to 34 year olds in Ireland will have high-level qualifications by 2025.

Figure 6 **Labour force trends by qualifications, 2005-25, Ireland (and EU) (%)**



Source: Cedefop skills forecasts (2015)

In Ireland, in 2013, around 8.4% of young people left the education and training system with a low-level qualification, close to the national target of reducing this to 8% by 2020 and reaching the national and EU benchmark of less than 10%. In the EU, the average, in 2013, was 11.9%.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Jasmina Behan, Caroline Shally and John McGrath from the Irish Further Education and Training Authority (SOLAS)** consider the forecasts' underlying assumptions and results plausible.*

They add that national population projections are slightly higher than the EuroPOP 2013 projections. They also stress that national macroeconomic indicators foresee stronger economic and employment growth compared to European Commission's forecast.

National forecasts see stronger growth in construction, the distribution and transport sector and business services. This is offset, to some extent by national forecasts predicting a stronger decline of the agriculture sector.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (EuroPOP 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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