

Tánaiste & Minister Donohoe note significant impact of COVID-19 pandemic on the labour market in the first quarter of the year

From [Department of Finance](#)

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- The official seasonally adjusted unemployment rate stood at 7.3 per cent in the first quarter of this year, up from 4.7 per cent for the same period in 2020.
- The official level of employment fell by 5 per cent (c.-117,000) year-on-year to 2.23 million persons.
- The COVID-adjusted unemployment rate – which counts all PUP recipients as unemployed – was 25.7 per cent at the end of the first quarter, and 21.9 per cent for the end of May 2021.
- The COVID-adjusted measure of total employment is estimated at 1.8 million at the end of first quarter, down 24 per cent year-on-year.
- The number of ‘Actual Hours’ worked per week fell by 7.6 million hours, a decline of nearly 10 per cent in the year.

The Central Statistics Office today (Wednesday, 23 June 2021) published the Labour Force Survey (LFS) for the first quarter of this year. The data show a 5 per cent (117,000 jobs) annual fall in the level of employment and, as a result, a rise in the unemployment rate to 7.3 per cent in the first quarter.

The data do not include many who lost their employment as a result of the pandemic because of the International Labour Organisation definitions of employment and unemployed. For instance, if those in receipt of the Pandemic Unemployment Payment are included, the annual fall in employment would have been of the order 24 per cent (561,000 jobs), and the unemployment rate 25.7 per cent in the first quarter. On this basis, the unemployment rate has subsequently fallen, to just under 22 per cent in May.

Speaking today, the Tánaiste, Leo Varadkar TD said:

“These numbers show the devastating impact that the virus has had on our economy and people’s livelihoods. These figures are for the first quarter of this year, when restrictions were at their most severe and May, when we were only beginning to open up. Even though the changes in May were limited, they still had an impact and you can see the unemployment rate beginning to go down, going to 7.8% in May from 7.9% in April.

We expect next quarter's results to be a lot more positive. Today, the number of people on PUP is 244,000, the lowest level since October 2020. Our vaccination programme is being implemented, with over 3.6m doses administered. We are aiming to have 2.5million people in work by 2024 with our Economic Recovery Plan, more than we had pre-pandemic. Things are looking up but today's numbers are a stark reminder of the cruelty of the virus and how many people have been impacted."

Commenting on the figures, the Minister for Finance, Paschal Donohoe T.D., said:

"The labour market continued to bear the brunt of the impact of the pandemic in the first quarter of this year. The rise in the unemployment rate to over 7 per cent – or to around a quarter of the workforce if those in receipt of the PUP are included – illustrates the impact of the pandemic on our labour market."

Minister Donohoe added:

"The Level 5 public health restrictions that were in place during the first quarter had a very significant impact at that time, so today's data are not surprising. However, the phased re-opening of our economy and society from the beginning of April means that recovery is now gaining traction. This is evident from the decline in the numbers in receipt of PUP payments, although it is also the case that there is a long way still to go."

"The Government continues to play its part in supporting businesses, jobs, and incomes as we safely emerge from the pandemic. The extension of the PUP, EWSS income supports, along with the enhanced illness benefit and CRSS support schemes until the next year, demonstrates that this Government is committed to bringing Ireland out of the worst of this economic downturn and getting people back to work."