The Rural Economy and Recession

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Overview of Presentation

- Unemployment
  - National Context
  - Regional and Local Patterns

- The Rural Economy
  - Structure of the Rural Economy
  - Exposure to the Economic Downturn

- Impact of the recession on farm based households
Unemployment in Ireland 2004 - 2009

ILO Unemployment Rates 2004 - 2009 (Seasonally Adjusted) (%)
Male and Female Unemployment 2004 - 2009

Male and Female ILO Unemployment Rates 2004 - 2009 (Seasonally Adjusted) (%)
Changing Distribution of Regional Unemployment

Regional ILO Unemployment Rates 2007Q4 (Seasonally Adjusted) (%)
Changing Distribution of Regional Unemployment

Regional ILO Unemployment Rates 2009Q2
(Seasonally Adjusted) (%)
Regional Changes in Unemployment Rates

Regional Unemployment 2007 Q4

Regional Unemployment 2009 Q2
Live Register June 2008

Map of Ireland showing the distribution of persons by population size categories (414-499, 500-999, 1000-1499, 1500-1999, 2000-2999, 3000-3999, 4000-4999, 5000+). The map includes a legend indicating the population size ranges and a scale for distance in kilometers.

Data:
OSI - Spatial Data
Live Register Data: CSO, 2009
Map Drawn By: David Meredith
Live Register June 2009

Persons
- 414 - 499
- 500 - 999
- 1000 - 1499
- 1500 - 1999
- 2000 - 2499
- 3000 - 3499
- 4000 - 4499
- 5000 +

Data:
OSi - Spatial Data
Live Register Data: CSO, 2009
Map Drawn By: David Meredith
• Jan – Jun 07 Increases concentrated in larger towns around Dublin

• Jun 07 – Jan 08 Increased in smaller towns, particularly those around the larger cities

• Jan 08 – Jun 08 Increases evident in the Western Region

• Jun 08 – Jan 09 Rapid increases everywhere

• Jan 09 – Jun 09 Escalating growth in the live registering particularly in rural areas
## Structure of Ireland’s Rural Economy

### Summary Statistics for Rural Areas

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<table>
<thead>
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<tbody>
<tr>
<td>Population 1991</td>
<td>1,638,125</td>
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<tr>
<td>Population 2006</td>
<td>1,779,221</td>
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<td>Population Change (%)</td>
<td>9%</td>
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<td>Percentage of national population</td>
<td>42%</td>
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<td>Population growth rate 02 – 06</td>
<td>2.29%</td>
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Rural / Urban Distribution of Employment Opportunities
Demographic Structure of Urban / Rural Workforces
Gender Structure of Urban / Rural Workforce
**Educational Level**

- Urban:
  - Primary / Secondary: 50%
  - 3rd Level: 40%

- Rural:
  - Primary / Secondary: 20%
  - 3rd Level: 10%
Socio-economic Profile of Employment Opportunities (2006)
Industrial Composition of Rural Employment

The bar chart illustrates the percentage of rural employment across various sectors for both males and females. Key sectors include:

- Agriculture, forestry, and fishing
- Manufacturing industries
- Construction
- Commerce
- Transport, storage, and communications
- Public administration and defence
- Education, health, and social work
- Other

The chart indicates a significant concentration in sectors like agriculture, manufacturing, and construction, with notable differences in male and female employment percentages.
Overview of Rural Employment Opportunities (2006)

- Employment opportunities concentrated in urban areas

- **Rural workforce:**
  - Predominantly male
  - Older than their urban counterparts
  - Less likely to have a 3rd level qualification

- **Rural Employment opportunities concentrated in Agriculture, Manufacturing and Construction Sectors**

- At the height of the economic growth agriculture remained the most significant employer of males

- The rural workforce is characterised by a skilled and semi-skilled socio-economic profile
Impact of the Economic Downturn on Farm Families

- 2008 NFS established that
  - 56% of farm households depended to some extent on an off-farm job
  - 40% of farmers held an off-farm job

- QNHS indicates that off-farm employment declined by 30.5% between Q2 2008 and Q2 2009.

- Declines in construction related employment account for 52% of the overall reduction in off-farm employment
Evaluation of Off-farm Employment Changes

% Change in Numbers Employed

-60 -50 -40 -30 -20 -10 0

Agriculture / Forestry / Fishing  Industry  Construction  Wholesale and Retail  Transportation / Storage / Accommodation and Food Services  Information / Communications / Financial / Insurance / Real Estate / Professional / Scientific and Technical Activities / Administration and Support Activities  Public Administration / Health and Education
Assessing the decline in Agricultural Employment (2008 Q2 - 2009 Q2)
Distribution of Agricultural Job Losses 2008 - 2009

- Self Employed (with and without paid employees)
- Employee (incl schemes)
- Assisting relatives
Findings

- Structure of rural economy exposed it to significant risk
- Changes unmask the significant restructuring of the rural economy that occurred during the past 10–15 years
- The rural economy that developed was not sustainable
Need for diversification

Hoover (1948: 288), *Diversification affords some insurance against total collapse of the economic life of an area* … *The greater the variety of industries in the area the more remote is the possibility that all or a major part of the area's industries will hit the skids at the same time.*
Conclusions

- It is evident that the boom did not pass the rural economy by.
- Measures need to be put in place to ensure that when the recovery comes, that it is not just the national picture that is taken into account but that the rural economy is also positioned through completion of infrastructure, education and training and perhaps more importantly a new vision for rural areas that goes beyond the laudable goal of the WPRD of vibrant rural communities and engages with the difficult choices that have to be taken.
- Rural strategies need to focus on supporting the development of indigenous enterprises capable of displacing imports (energy), exporting globally and attracting foreign and domestic earnings.
Thank You
Declining Sectoral Employment

Persons Employed (ILO) in Agriculture, forestry and fishing (QNHS Q2-2009)
Declining share of national employment

Agriculture: Share of total employment
Spatial Structure of Ireland’s Economy

- Urban - Urban: 800,000
- Urban - Rural: 100,000
- Rural - Urban: 200,000
- Rural - Rural: 300,000

Residence - Work Location