



Banc Ceannais na hÉireann
Central Bank of Ireland

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Civil Society Roundtable

Monday, 26 April 2021



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The Diverse Effects of COVID-19 on Employment, Income & Savings

Civil Society Round Table, 26 April, 2021

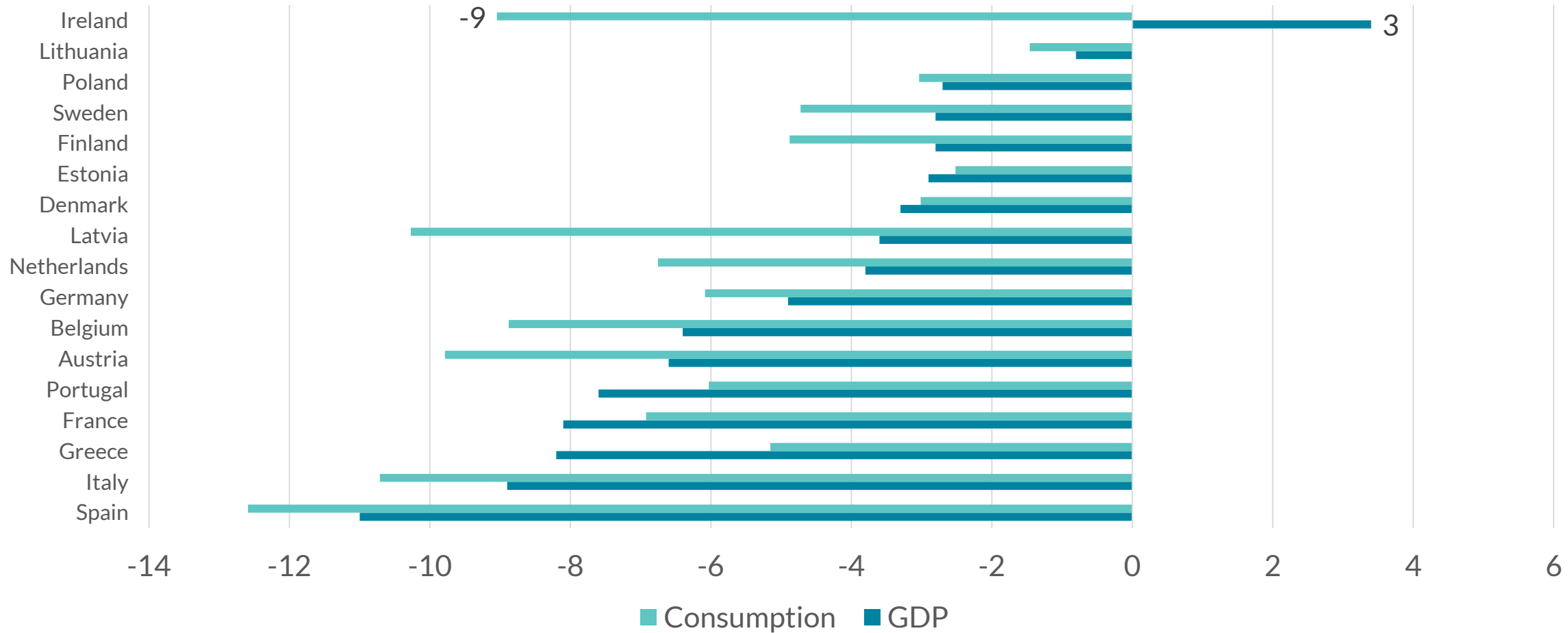
Mark Cassidy, Director of Economics and Statistics

Key messages:

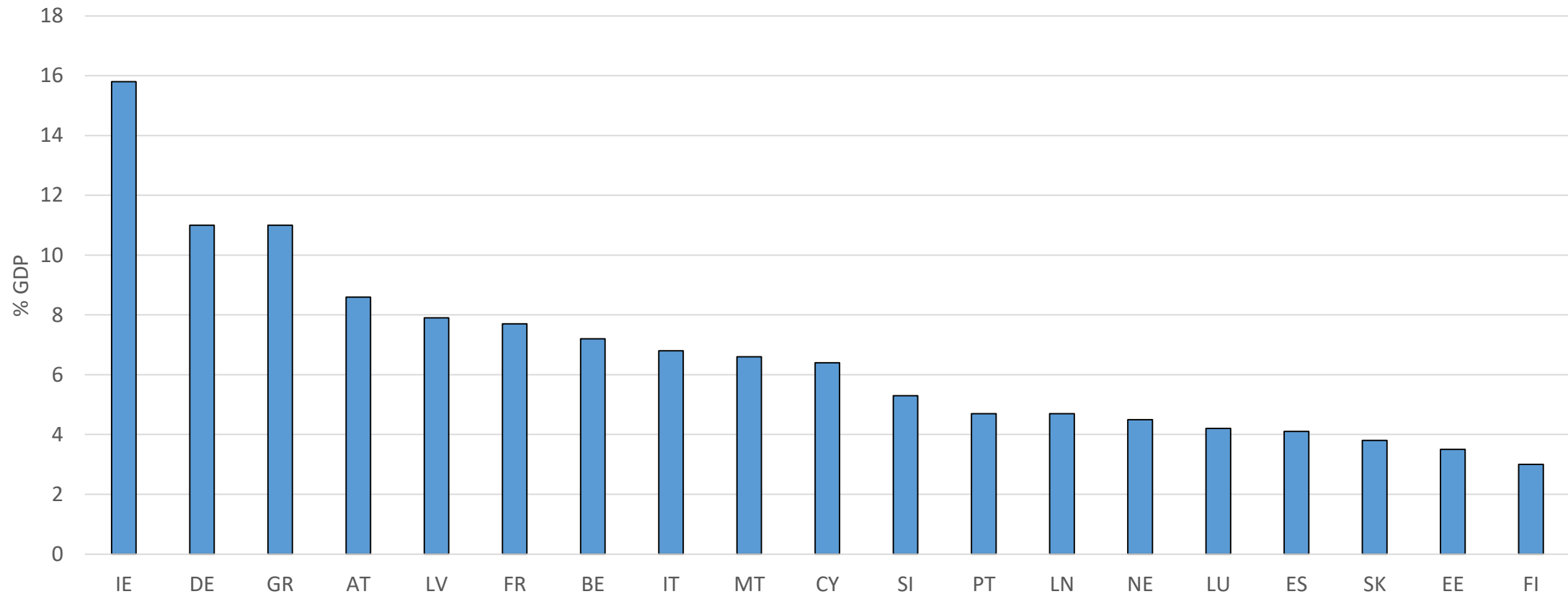
- As we emerge from the current crisis we must consider the long term implications of the pandemic and our policy actions
- We must look beyond the aggregates, to consider the effects of the pandemic across different sectors and groups in our society so together we can work to minimise potential costly and damaging scarring effects



GDP and household consumption growth 2020 versus 2019



Direct Covid-19 Measures – Fiscal Costs over 2020 & 2021

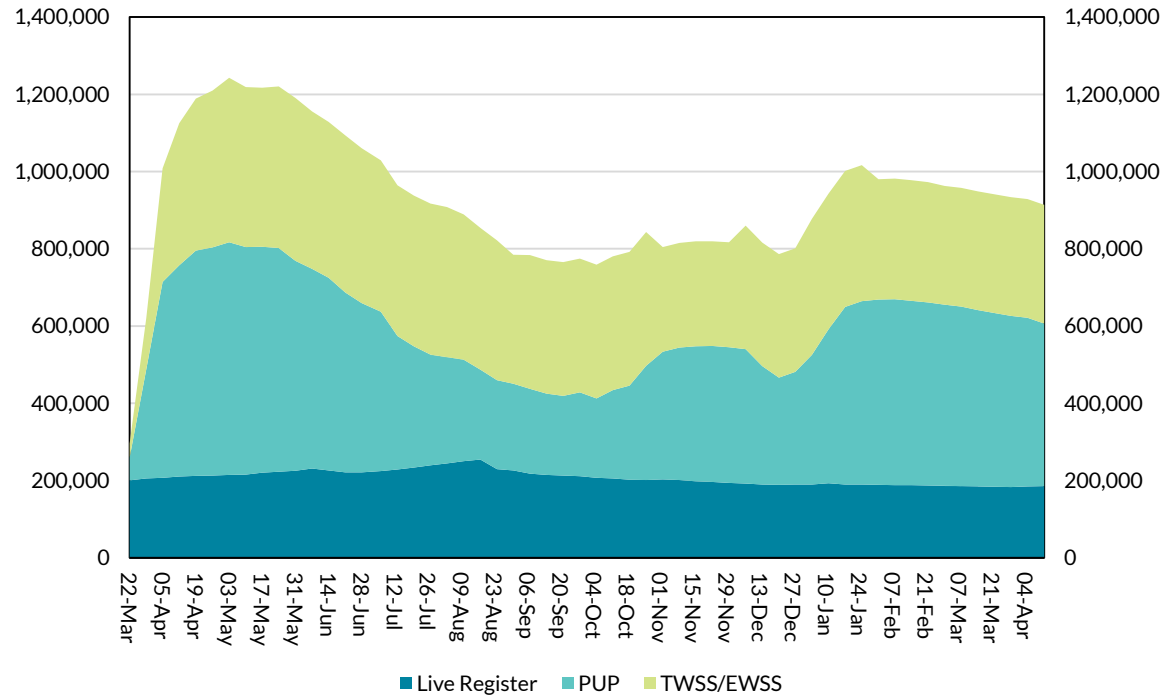


Sources: CBI estimates for Ireland, IMF Database of Fiscal Measures in Response to Covid-19 for all other countries

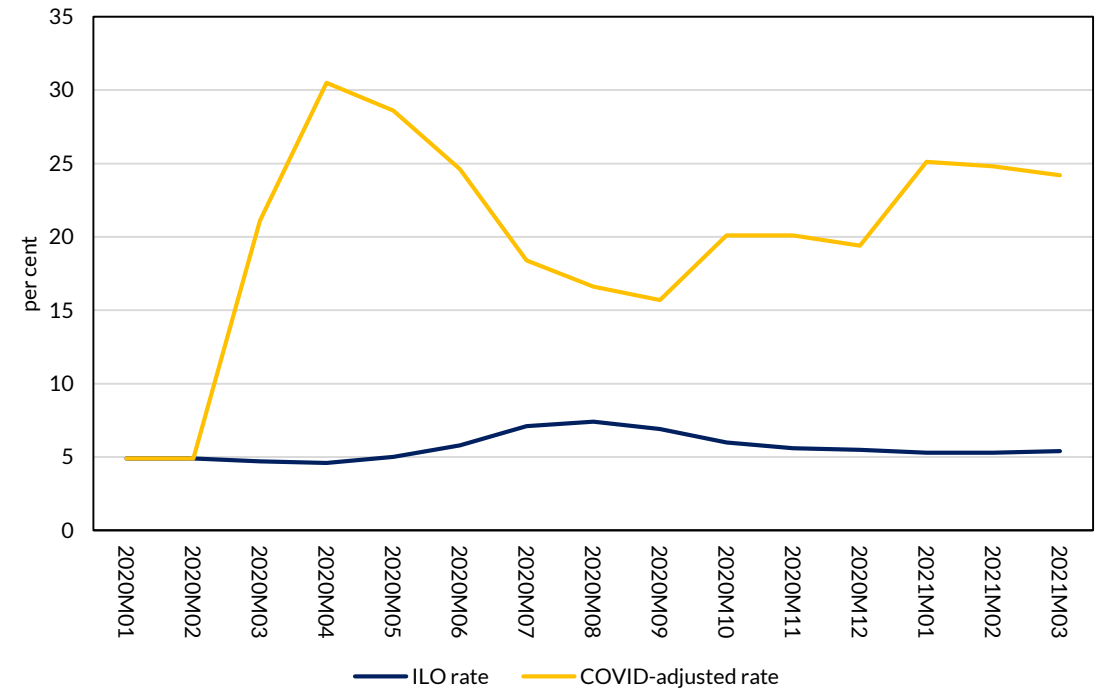
Note: Irish figure is shown as a percentage of GNI* and chart includes all measures announced by end-2020

Labour Market Developments

Income Support Schemes



Unemployment Rates



Over 110k people in receipt of PUP support for over 12 months and 198k for over 6 months

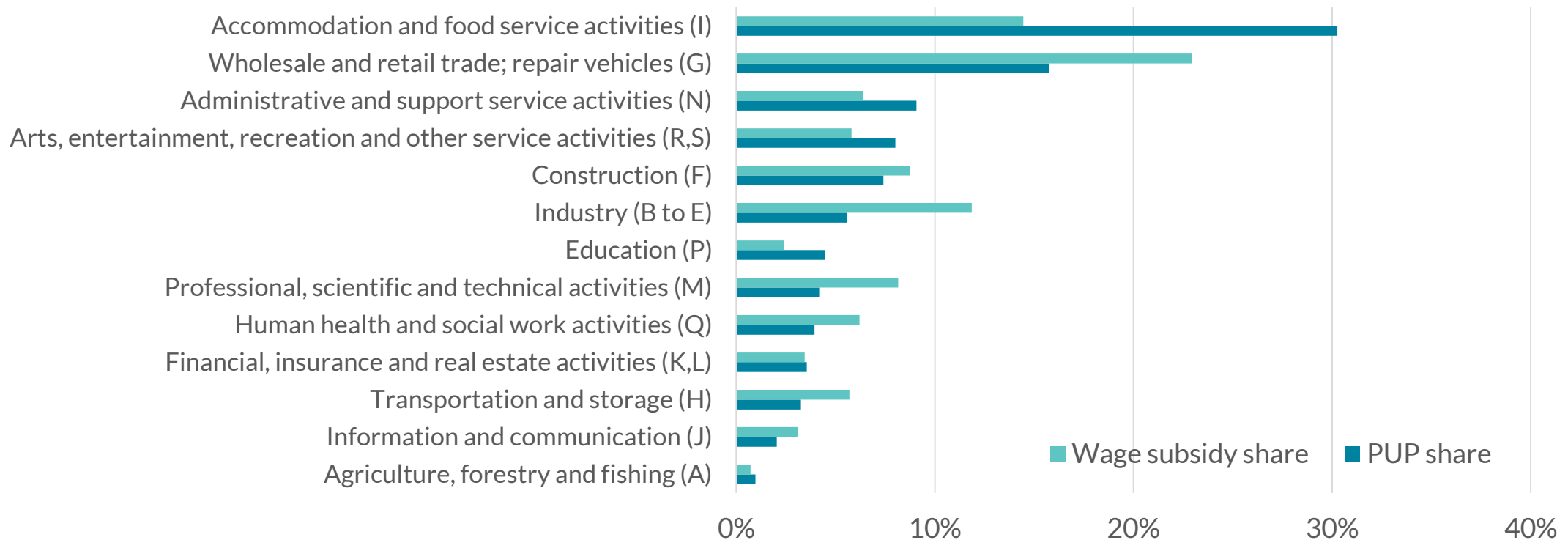


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Take-up of COVID supports concentrated in certain sectors

Sector share of PUP and Wage subsidy supports



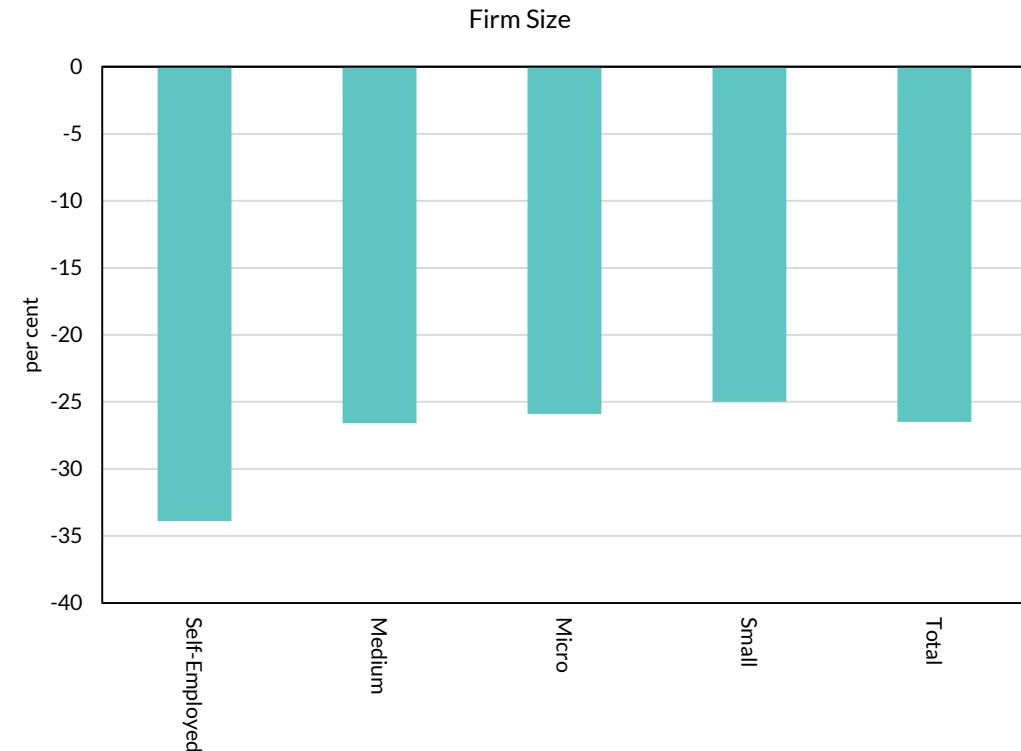
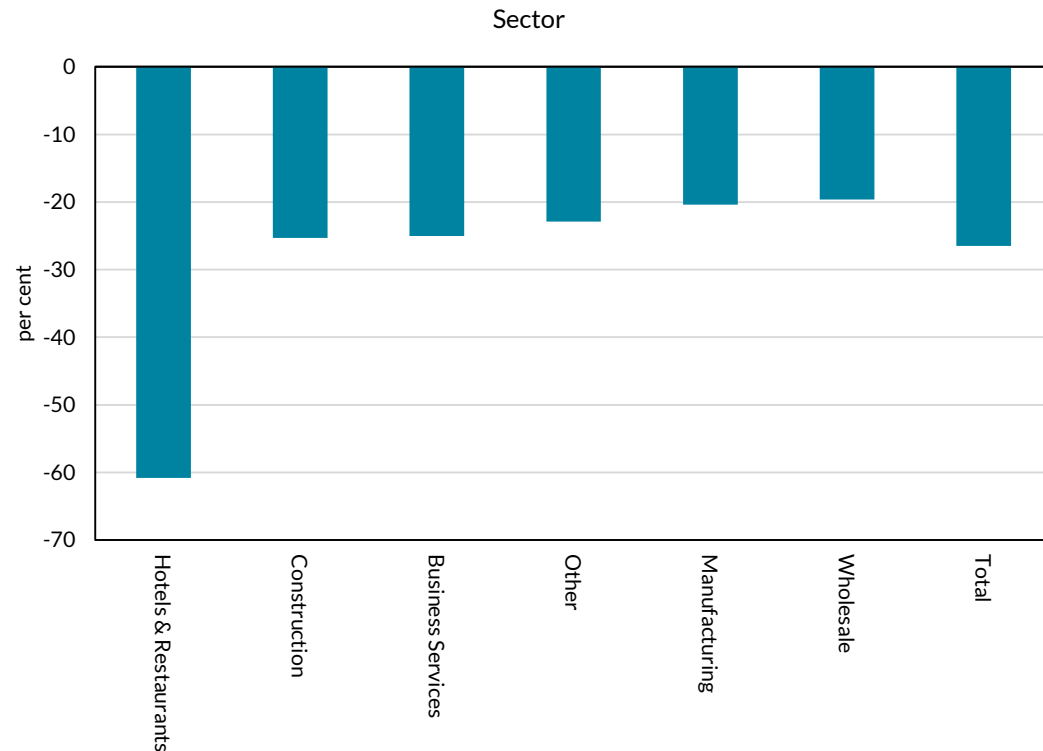
Source: CSO, Table LRW05. PUP and wage subsidy sector data from the CSO Live Register tables, weeks 18-48 and 18-34 respectively



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SMEs average change in turnover by sector and firm size



Source: Kren et al (2021) New Survey Evidence on COVID-19 and Irish SMEs: Measuring the Impact and Policy Response. Data are annual change between March-October 2019 and March-October 2020.

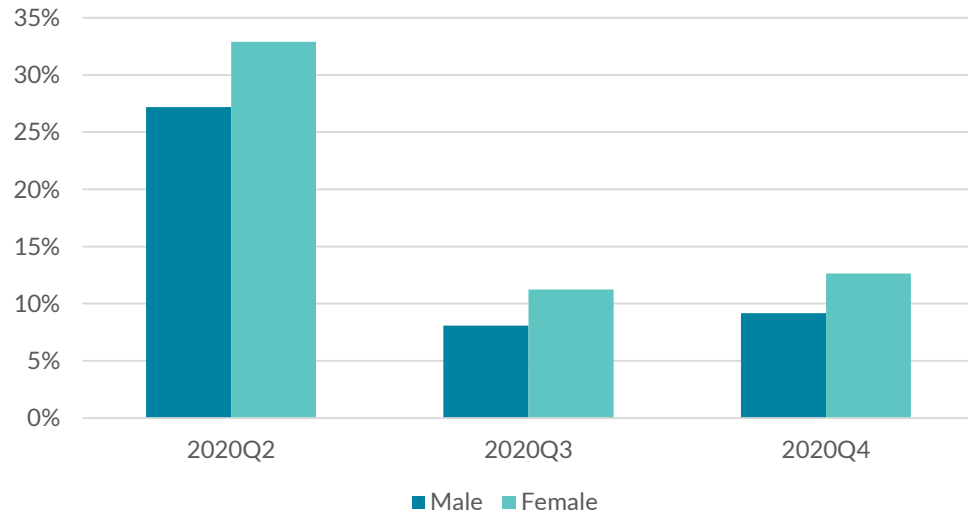


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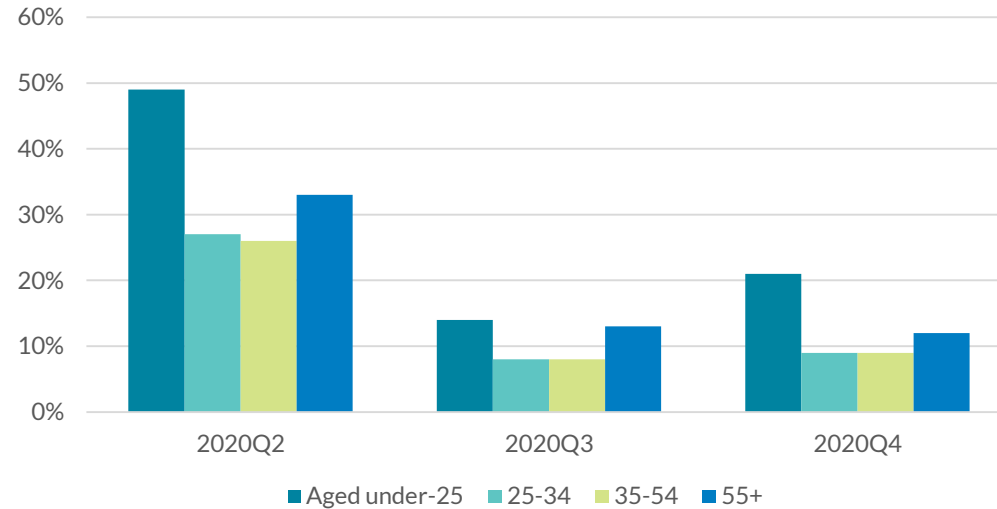
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Some groups more likely to be away from work because of COVID (as percentage of 2019 employment)

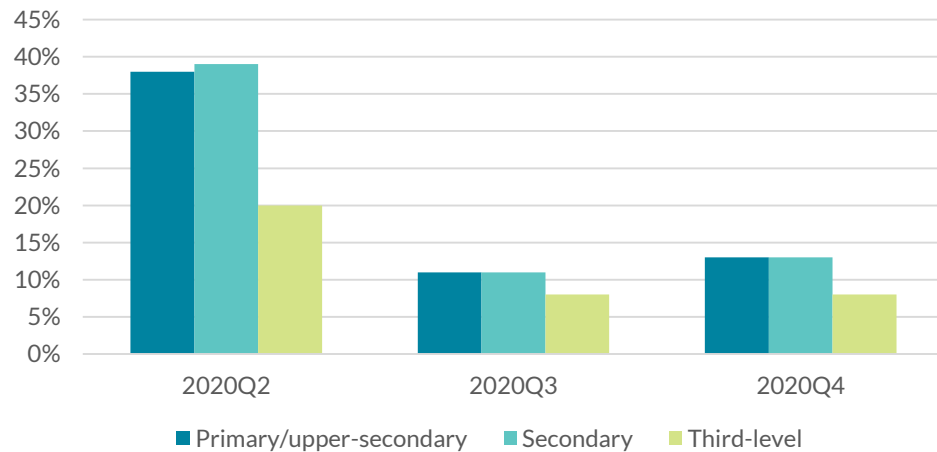
By gender...



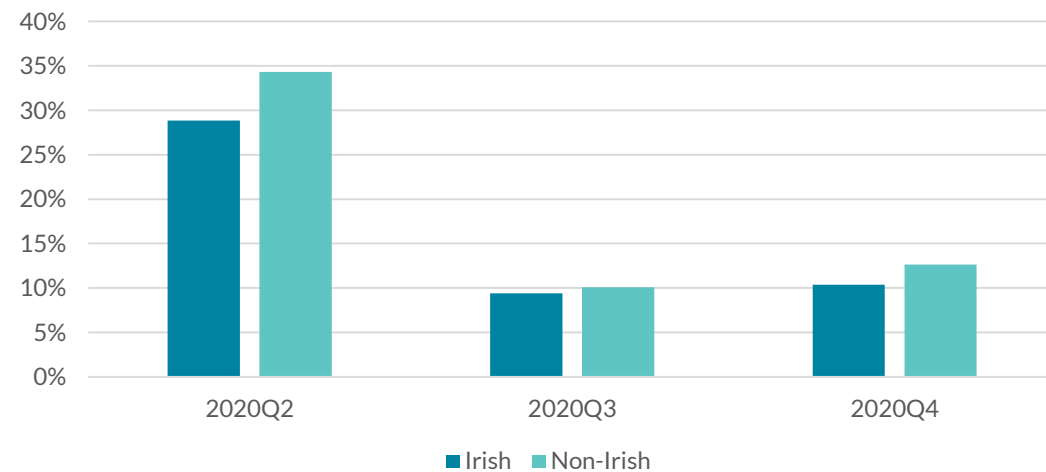
By age...



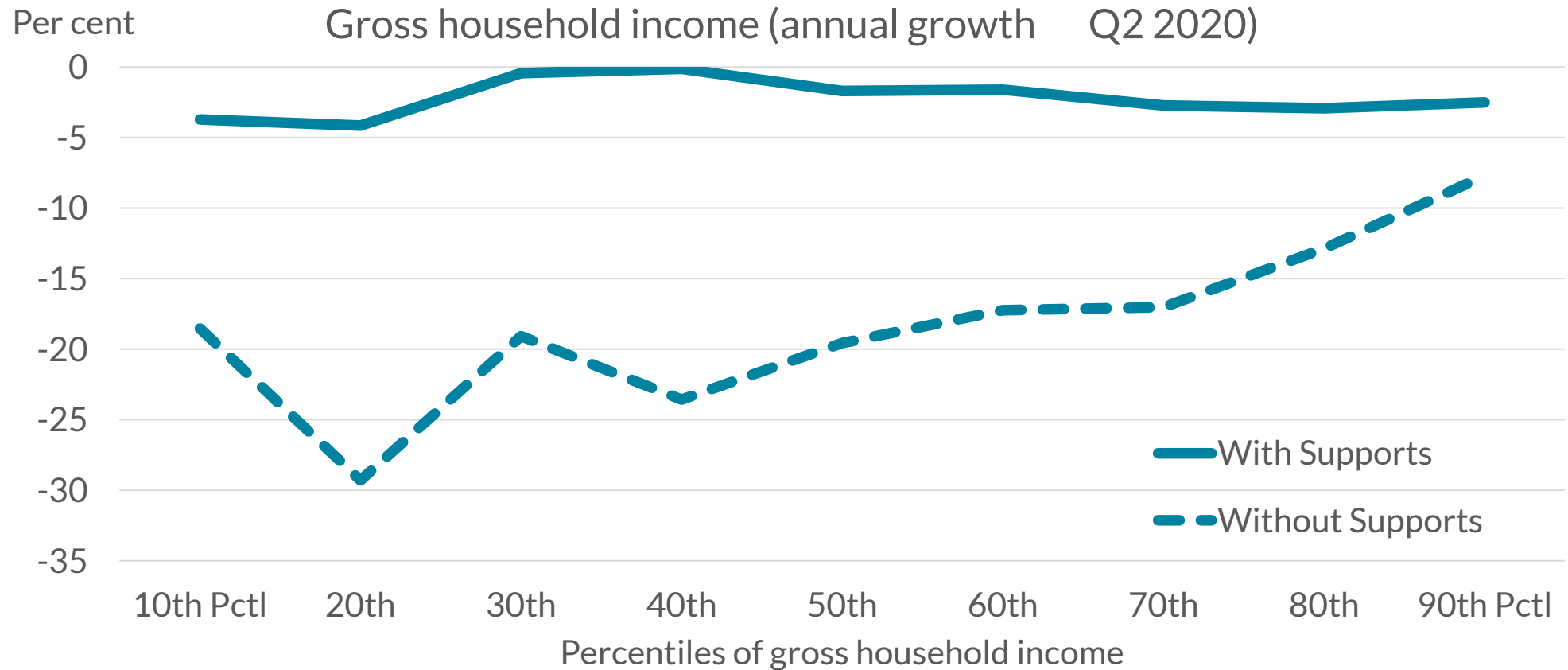
By education...



By nationality...



Pandemic income supports underpin incomes in 2020



Income supports taken up by lower-earners – but households benefit right across the income distribution (Q2 2020)

Share of supports in
personal earnings or
income decile

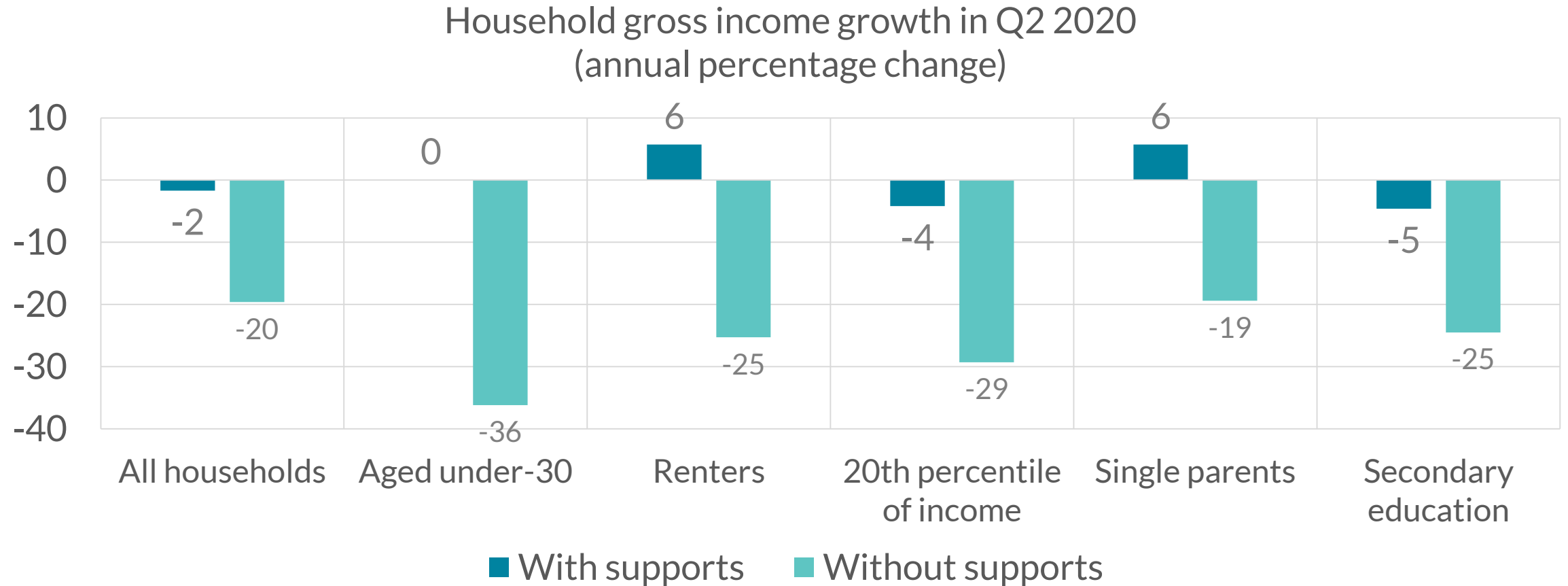


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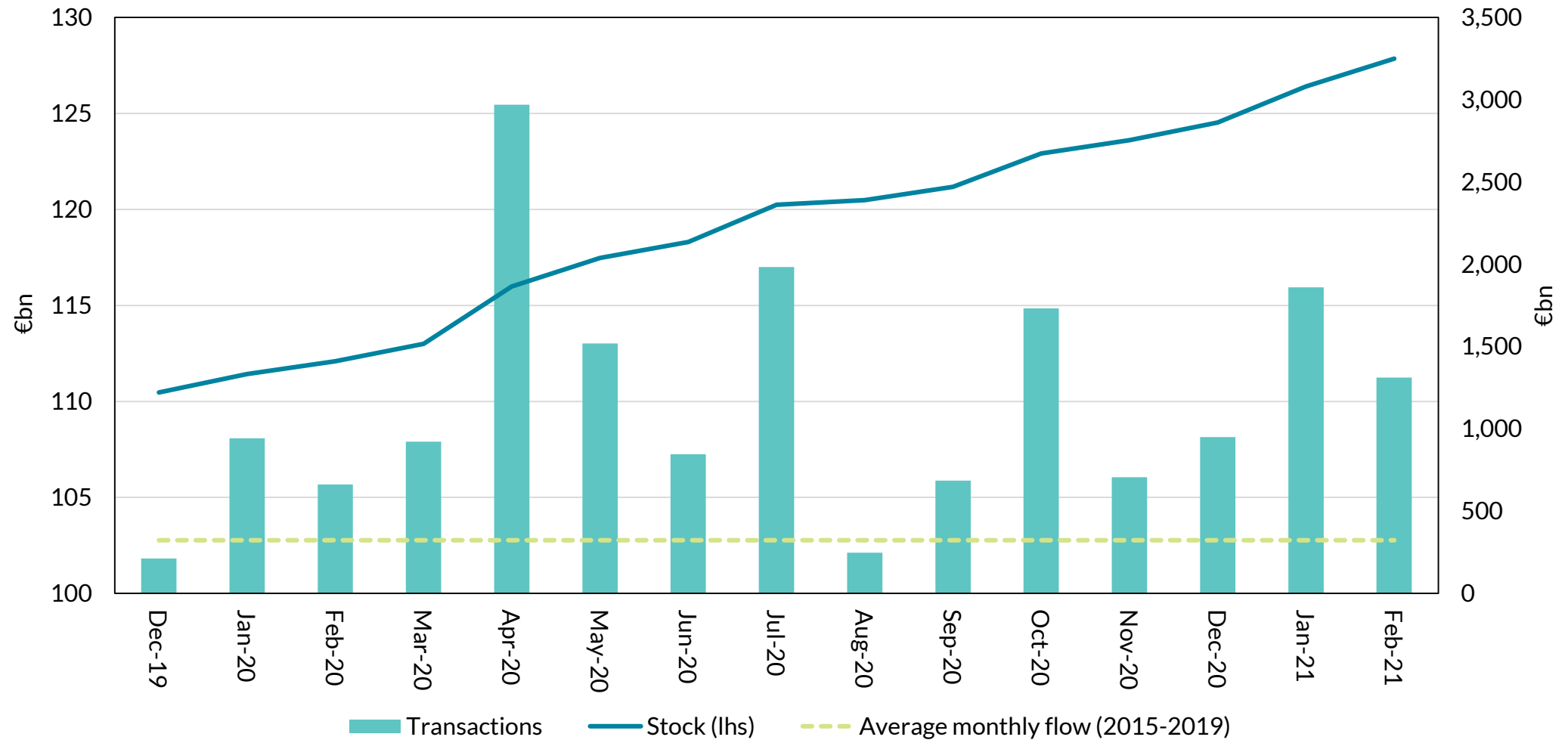
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Source: [Cahill & Lydon \(2021\)](#)

Income supports more important for some groups



Household Deposits



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Labour market implications

- Unfortunately there will likely be job losses and firm closures from the pandemic
- A broad range of labour market policies, that help provide a pathway to viable and rewarding employment will be important considerations as the economy recovers
- Also need to be alert to:
 - The degree of *inactivity* as a result of the pandemic and long term distributional consequences
 - Possibility / capacity of workers switching across sectors
 - Effects of COVID-19 on gender gaps in employment and wages



Some issues for discussion:

- What do you think will be the main economic and financial implications arising from Covid-19 and the restriction measures that have been in place to reduce the risks to public health?
- In particular, do you see lasting distributional effects, and what do you think these will be?
- What should be the policy priorities in the near and medium term?





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Enhancing Stakeholder Engagement Consultation Paper

1. Civil Society Build on existing engagements with Civil Society Roundtable and Consumer Advisory Group to enhance our mutual understanding of cross-sector issues across the financial system.	2. Industry Formalise the current industry roundtables by hosting a senior level, cross sectoral stakeholder forum to bring together key financial sector stakeholders to engage with senior people from the Central Bank
3. Financial System Conference Provide an opportunity for the Central Bank to engage with industry, civil society, consumer and business representatives at the same time, through the development of a public Financial System Conference in 2022.	4. Real Economy Enhance our engagement with business and 'real economy' representatives

Background to Consultation Paper

The Central Bank is has Engaging and Influencing as one of its five key Strategic Themes.

In 2020, the Governor indicated the Central Bank's intention to carry out a review of our stakeholder engagement.

This consultation paper forms a key part of that review.

It is an opportunity for the Central Bank's domestic stakeholders to influence the direction of our efforts in this area.

Consultation paper currently open for submissions until 11 May 2021 to CP136@centralbank.ie



Proposals to Enhance the Civil Society Roundtable

- Develop an additional annual meeting to concentrate specifically on the experience that people have in interacting with the financial system.
- Efforts will also be undertaken to invite additional representatives to ensure that the voices of people interacting with the financial system are heard.
- Issues discussed at both the Civil Society Roundtable in respect of the financial system will inform the agenda of the Financial System Conference as it relates to consumers.

Civil Society Roundtable role

- *Civil Society Roundtable meets 1-2 times per year.*
- *Agenda is set by priorities of the attendees*
- *Objective is to provide an opportunity for Central Bank senior leaders to listen to organisations who represent consumers and members of the public who are impacted by the Central Bank's work.*



Questions on the enhancement of Stakeholder Engagement



- Do you have any general feedback in relation to the proposals outlined in the consultation paper?
- Do you agree with the proposals outlined above to enhance the role of the Civil Society Roundtable?
- What other formal or informal mechanisms could the Central Bank consider to engage with civil society and consumer groups to ensure their perspectives and insights into the financial system are considered in decision-making?



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