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### 3.3 Work

#### **CORE POLICY OBJECTIVE: WORK**

**To ensure that all people have access to meaningful work**

The past two years have seen Ireland return to the phenomenon of widespread unemployment. The transition from near full-unemployment to high-unemployment has been the real characteristic of this recession. The implications for people, families, social cohesion and the exchequer's finances have been serious. Economic forecasts for the remainder of 2010 indicate that unemployment will increase further. The ESRI's Winter 2009 *Quarterly Economic Commentary* forecast that unemployment would increase to an annual average rate of 13.75 per cent of the labour force for 2010 having been 4.6 per cent in 2007. There can be little doubt that we are entering a very challenging period where high levels of long-term unemployment once again become a characteristic of Irish society.

Having first reviewed the evolution of this situation, this section of the *Socio-Economic Review* considers the implications and challenges which arise for Government and society. We also review the impact on various sectors of the working-age population before examining the narrowness of how we consider and measure the concept of 'work'.

#### **The labour force**

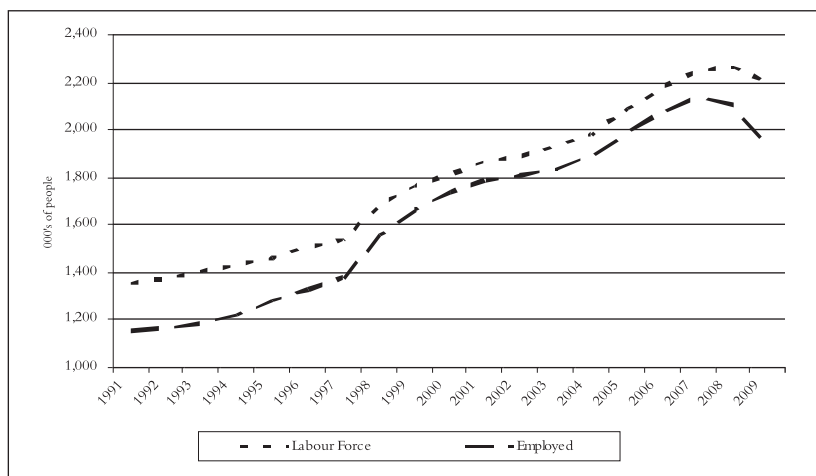
The recent dramatic turnaround in the labour market contrasts with the fact that one of the major achievements of recent years had been the increase in employment and the reduction in unemployment, especially long-term unemployment. In 1991 there were 1,155,900 people employed in Ireland. That figure increased by almost one million to peak at 2,146,000 in mid-2007; during early 2006 the employment figure exceeded two million for the first time in the history of the state. Overall, the size of the Irish labour force has expanded significantly and today equals over 2.2 million people, almost nine hundred thousand more than in 1991 (see chart 3.3.1).

However, during the past two years emigration has returned resulting in a decline in the labour force (first recently arrived migrants returned home, then native Irish began to leave) employment has fallen and unemployment has dramatically

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increased. CSO figures indicate that during the first quarter of 2009 the numbers employed fell below two million.

**Chart 3.3.1: The Numbers of People in the Labour Force and Employed in Ireland, 1991-2009.**



**Source:** CSO, QNHS various editions

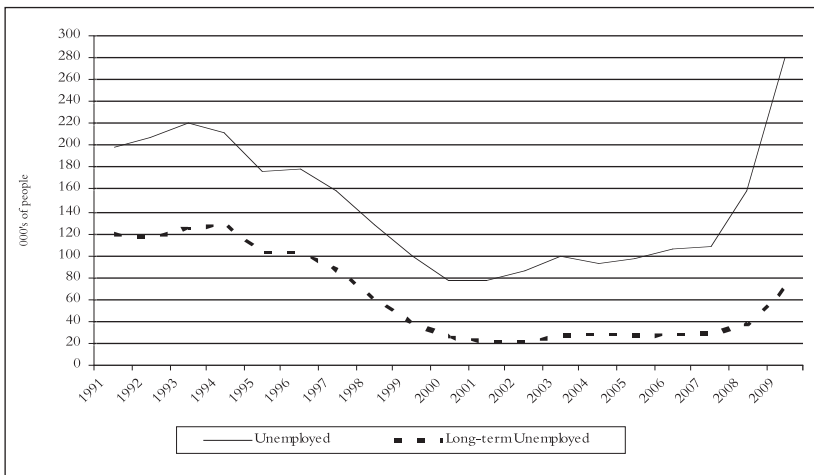
### **The numbers unemployed**

At the outset it is important to outline what the term ‘unemployment’ means. There are two measurement sources often quoted, the *Quarterly National Household Survey* (QNHS) and the *Live Register*. The former is considered the official and most accurate measure of unemployment although it appears only four times a year unlike the monthly live register data.

The CSO’s QNHS unemployment data use the definition of ‘unemployment’ supplied by the International Labour Office (ILO). It lists as unemployed only those people who, in the week before the survey, were unemployed *and* available to take up a job *and* had taken specific steps in the preceding four weeks to find employment. Any person who was employed for at least *one hour* is classed as employed. By contrast, the live register counts everybody ‘signing-on’ and includes part-time employees (those who work up to three days a week), those working but on short weeks, seasonal and casual employees entitled to Unemployment Assistance or Benefit.

As chart 3.3.2 shows, the period from 1993 was one of decline in unemployment. During mid-2001 Irish unemployment reached its lowest level at 3.6 per cent of the labour force. Since then the slowdown in the international and domestic economy has brought about increases in the rates. During 2006 unemployment exceeded 100,000 for the first time since mid-1999 with a total of 104,800 people recorded as unemployed in mid 2006.

**Chart 3.3.2: The Numbers of Unemployed and Long-Term Unemployed in Ireland, 1991-2009.**



**Source:** CSO, QNHS various editions

While QNHS figures for early 2010 will not be available until mid-2010, table 3.3.1 gives some indication of the transformation that occurred between late 2007 and early 2010. In that period both the number in the labour force and the numbers employed fell. Unemployment increased by almost 180,000 people bringing the unemployment rate up from 4.5 per cent to over 13 per cent.

**Table 3.3.1: Labour Force Data, 2007, 2008 and Projections for 2010**

	<b>Quarter 4 2007</b>	<b>Quarter 4 2008</b>	<b>Projected 2010*</b>
Labour Force	2,239,900	2,222,700	<i>not available</i>
In Employment	2,138,900	2,052,000	> 2,000,000
Unemployed	101,000	170,600	aprox 280,000
of whom LT Unemployed	27,700	40,500	<i>not available</i>
Unemployment Rate	4.5 %	7.7 %	13.75 %
LT Unemployment Rate	1.2 %	1.8 %	<i>not available</i>

**Source:** CSO, QNHS December 2009:17 and ESRI QEC December 2009:1

**Notes:** LT = Long Term (12 months or more)

\*These are the ESRI Projected figures for all of 2010. As of December 2009 the CSO reported the unemployment level at 12.7%.

**Table 3.3.2: Numbers on the Live Register (unadjusted),  
Jan 2008 - Jan 2010**

<b>Year</b>	<b>Month</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
<b>2008</b>	January	116,200	65,300	181,400
	May	130,700	71,100	201,800
	September	156,100	84,200	240,200
	December	194,600	95,400	290,000
<b>2009</b>	January	220,400	105,900	326,300
	February	238,200	114,300	352,500
	March	250,500	118,700	369,200
	April	257,800	124,000	381,900
	May	265,500	128,700	394,100
	June	275,400	140,000	415,500
	July	281,300	151,100	432,400
	August	284,200	152,600	436,700
	September	278,000	141,900	419,900
	October	273,600	138,800	412,400
	November	276,100	137,400	413,500
	December	282,900	140,700	423,600
<b>2010</b>	January	291,600	145,300	436,900

**Source:** CSO *Live Register Report*, February 2010

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### **The Live Register**

While the live register is not an accurate measure of unemployment it is a useful barometer of the nature and pace of change in employment and unemployment. Increases suggest a combination of more people unemployed, more people on reduced working weeks and consequently reductions in the availability of work hours to the labour force. Table 3.3.2 shows the number of people signing on the live register increased rapidly across 2008 and 2009. By January 2010 the numbers signing-on the live register had increased 240 per cent from two years earlier.

### **Increasing unemployment: implications and challenges**

The scale of these increases are enormous. However, it is crucial that Government, commentators and society in general remember that each of these numbers represents people who are experiencing dramatic and, in many cases, unexpected turmoil in their and their families' lives. As Irish society comes to terms with the enormity of this issue, this perspective should remain central.

In responding to this situation *Social Justice Ireland* believes that the Government should:

- Resource the upskilling of those who are unemployed and at risk of becoming unemployed.
- Maintain a sufficient number of active labour market programme places available to those who are unemployed.
- Adopt policies to address the worrying trend of youth unemployment. In particular, these should include education initiatives and retraining schemes.
- Recognise that many of the unemployed are skilled professionals who require appropriate support other than training.
- Prioritise initiatives in the National Development Plan (NDP) that strengthen social infrastructure e.g. school building programme, social housing programme.
- Introduce a targeted re-training scheme for those made unemployed from the construction industry in recognition of the fact that this industry is never likely to recover to the level of employment it had in recent years.
- Monitor groups at very high risk of unemployment.
- Recognise the scale of the evolving long-term unemployment problem and adopt targeted policies to begin to address this.
- Ensure that the social welfare system is administered such that there is minimal delays in paying the newly unemployed the social welfare benefits to which they are entitled.

While the increase in unemployment has been spread across people of all ages and sectors, table 3.3.3 highlights the very rapid increase on the live register of those aged less than 25 years. Previous experiences, in Ireland and elsewhere, have found that many of those under 25 and over 55 find it challenging to return to employment after a period of unemployment. This highlights the danger of major increases in long-term unemployment in the coming years and suggests a major commitment to retraining and re-skilling will be required. In the long-run Irish society can ill afford a return to the long-term unemployment problems of the 1980s. In the short-run the new-unemployed will add to the numbers living on low-income in Ireland and will impact on future poverty figures.

<b>Month and Year</b>	<b>Numbers</b>	<b>Month and Year</b>	<b>Numbers</b>
January 2008	36,900	May 2009	83,900
March 2008	40,800	June 2009	91,100
May 2008	42,700	July 2009	94,600
September 2008	53,700	August 2009	95,000
December 2008	62,000	September 2009	89,800
January 2009	70,300	October 2009	84,900
February 2009	75,600	November 2009	83,400
March 2009	79,300	December 2009	84,400
April 2009	80,300	January 2010	85,900

**Source:** CSO *Live Register Report*, January 2010

### **Work and people with disabilities**

The results of the 2004 QNHS special module on disability revealed that of all persons aged between 15 and 64, 10.9 per cent indicated that they had a longstanding health problem or disability (CSO, 2004). This equates to 298,300 people in Ireland, of whom 155,800 were male and 142,500 were female. Of those individuals only 37 per cent (110,800) were in employment. This is a figure considerably below the participation rate of the overall population in 2004 which stood at 61 per cent. Furthermore, of those employed approximately one-quarter worked part-time while the remaining three-quarters were in full-time employment.<sup>56</sup>

<sup>56</sup> Census 2006 found comparable results, reporting that 9.3 per cent of the population had a disability – 393,785 people (CSO, 2007:13).

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This low rate of employment among people with a disability is of concern. Apart from restricting their participation in society it also ties them into state dependent low-income situations. Therefore it is not surprising that Ireland's poverty figures reveal that people who are ill or have a disability are the group with the second highest risk of poverty (see table 3.1.4). *Social Justice Ireland* believes that further effort should be made to reduce the impediments faced by people with a disability in achieving employment. In particular consideration should be given to reforming the current situation where many such people face losing their benefits, in particular their medical card, when they take up employment. This situation ignores the additional costs faced by people with a disability in pursuing their day-to-day lives. For many people with disabilities the opportunity to work is denied to them and they are trapped in unemployment, poverty or both.

Some progress was made in Budget 2005 to increase supports intended to help people with disabilities access employment. However, sufficient progress has not been made. New policies, including that outlined above, need to be adopted if this issue is to be addressed successfully and is all the more relevant given the growing employment challenges of the past two years.

### **Asylum seekers and work**

*Social Justice Ireland* remains very disappointed that the government continues to reject the proposal to recognise the right to work of asylum seekers. We along with others advocated that where government fails to meet its own stated objective of processing asylum applications in six months, the right to work should be automatically granted to asylum seekers. Detaining people for an unnecessarily prolonged period in such an excluded state is completely unacceptable. Recognising asylum seekers right to work would assist in alleviating poverty and social exclusion among one of Ireland's most vulnerable groups.

### **The need to recognise all work**

A major question raised by the current labour-market situation concerns assumptions underpinning culture and policy making in this area. One such assumption concerns the priority given to paid employment over other forms of work. Most people recognise that a person can work very hard even though they do not have a conventional job. Much of the work carried out in the community and in the voluntary sector fits under this heading. So too does much of the work done in the home. *Social Justice Ireland's* support for the introduction of a basic income system comes, in part, from a belief that all work should be recognised and supported.

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The need to recognise voluntary work has been acknowledged in the Government White Paper, *Supporting Voluntary Activity* (Department of Social, Community and Family Affairs, 2000). The report was prepared to mark the UN International Year of the Volunteer 2001 by Government and representatives of numerous voluntary organisations in Ireland. The report made a series of recommendations to assist in the future development and recognition of voluntary activity throughout Ireland. The national social partnership agreement *Towards 2016* also contains commitments in this area. In that agreement the Government undertakes to:

... continue to develop policies on volunteering arising from the package of measures initiated in February 2005. A key principle underlying the Government's approach is that volunteering finds meaning and expression at a local level and that supports and funding should seek, as far as possible, to recognise this reality. The Government remains committed to further developing policy to support volunteering, drawing on the experience in delivering these measures and informed by the recommendations of the Task Force on Active Citizenship (*Towards 2016*:71).

An insight into this issue was provided by a report presented to the Joint Oireachtas Committee on Arts, Sport, Tourism, Community, Rural and Gaeltacht Affairs. It established that the cost to the state of replacing the 475,000 volunteers working for charitable organisations would be a minimum of €205 million and could cost up to €485 million per year.

*Social Justice Ireland* believes that government should more formally recognise and acknowledge all forms of work. We believe that everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. However, we believe that policy making in this area should not be exclusively focused on job creation. Policy should recognise that *work* and a *job* are not always the same thing.

### **The Work of Carers**

The work of Ireland's carers receives minimal recognition in spite of the essential role their work plays in society. According to the Carers Association people caring full-time for the elderly and people with disabilities are saving the state approximately €2.5 billion a year in costs which it would otherwise have to bear. In its Pre-Budget Submission in March 2009 the Carers Association calculated there were 160,917 carers in Ireland providing 3,724,434 hours of care which was valued at more than €2.5bn.

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Recent results from the 2006 Census give similar indications. It found that 4.8 per cent of the population aged over 15 provided some care for sick or disabled family members or friends on an unpaid basis. This figure equates to almost 161,000 people. The dominant caring role played by women was highlighted by the fact that 100,214 (62.25 per cent) of these care providers were female.<sup>57</sup> When assessed by length of time, the Census found that almost 41,000 people provide unpaid help to ill or disabled family members and friends for 43 hours a week or more, a working week considerably in excess of the standard working week for paid workers (CSO, 2007: 119-121).

*Social Justice Ireland* welcomes the ongoing examination of this area by the Oireachtas Joint Committee on Social and Family Affairs. We also welcomed the commitment in *Towards 2016* contained a welcome commitment to develop a National Carers Strategy. However, the March 2009 announcement by Government that they were to abandon the finalisation and publication of this strategy is shortsighted. We strongly urge government to reverse this decision and complete the preparation of the strategy. It is crucial that policy reforms be introduced to reduce the financial and emotional pressures on carers. In particular these should focus on addressing the poverty experienced by many carers and their families alongside increasing the provision of respite care for carers and for those for whom they care. In that context, the twenty-four hour responsibilities of carers contrast with the recent improvements in employment legislation setting limits on working-hours of people in paid employment.

In conclusion, we outline key policy proposals with regard to work.

### **Policy Proposals on Work**

- **Adopt the following policy positions in responding to the recent rapid increase in unemployment:**
  - **Resource the upskilling of those who are unemployed and at risk of becoming unemployed.**
  - **Maintain a sufficient number of active labour market programme places available to those who are unemployed.**
  - **Adopt policies to address the worrying trend of youth unemployment. In particular, these should include education initiatives and retraining schemes.**

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<sup>57</sup> A 2008 ESRI study entitled '*Gender Inequalities in Time Use*' reached similar conclusions (McGinnity and Russell, 2008:36, 70).

- Recognise that many of the unemployed are skilled professionals who require appropriate support other than training.
  - Prioritise initiatives in the National development Plan (NDP) that strengthen social infrastructure e.g. school building programme, social housing programme.
  - Introduce a targeted re-training scheme for those made unemployed from the construction industry in recognition of the fact that this industry is never likely to recover to the level of employment it had in recent years.
  - Monitor groups at very high risk of unemployment.
  - Recognise the scale of the evolving long-term unemployment problem and adopt targeted policies to begin to address this.
  - Ensure that the social welfare system is administered such that there is minimal delays in paying the newly unemployed the social welfare benefits to which they are entitled.
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- Funding for programmes supporting community should be expanded to meet the growing pressures arising from the current economic downturn.
  - A new programme should be put in place targeting those who are very long-term unemployed (i.e. 5+ years).
  - Seek at all times to ensure that new jobs have reasonable pay rates and adequately resource the inspectorate.
  - As part of the process of addressing the working poor issue, reform the taxation system to make tax credits refundable.
  - Develop employment-friendly income-tax policies which ensure that no unemployment traps exist. Policies should ease the transition from unemployment to employment.
  - 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
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where many face losing their benefits when they take up employment.

- Recognise the right to work of all asylum seekers whose application for asylum is at least six months old (and who are not entitled to take up employment).
- Recognise work that is not paid employment. Everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. This, however, should not be confined to job creation. *Work* and a *job* are not the same thing.
- Request the CSO to conduct an annual survey to discover the value of all unpaid work in the country (including community and voluntary work and work in the home). Publish the results of this survey as soon as they become available.
- Give greater recognition to the work carried out by Carers in Ireland and introduce policy reforms to reduce the financial and emotional pressures on carers. In particular these should focus on addressing the poverty experienced by many carers and their families alongside increasing the provision of respite care for carers and for those for whom they care.
- *Social Justice Ireland* regrets Government's March 2009 decision to abandon the finalisation and publication of the National Carers Strategy. This decision is short-sighted and should be reversed.
- Expand the Rural Social Scheme.