

3.3 Work

CORE POLICY OBJECTIVE: WORK
To ensure that all people have access to meaningful work

The past three years have seen Ireland return to the phenomenon of widespread unemployment. Despite the attention given to the banking and fiscal collapse, the transition from near full employment 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. CSO data and economic forecasts for the remainder of 2011 indicate that unemployment will stabilise at an annual rate of just over 14 per cent of the labour force for 2011 having been 4.6 per cent in 2007. There can be little doubt that we have entered 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 outlining a series of proposals for responding to this unemployment crisis. Finally, we conclude the chapter by considering the narrowness of how we consider and measure the concept of 'work'.

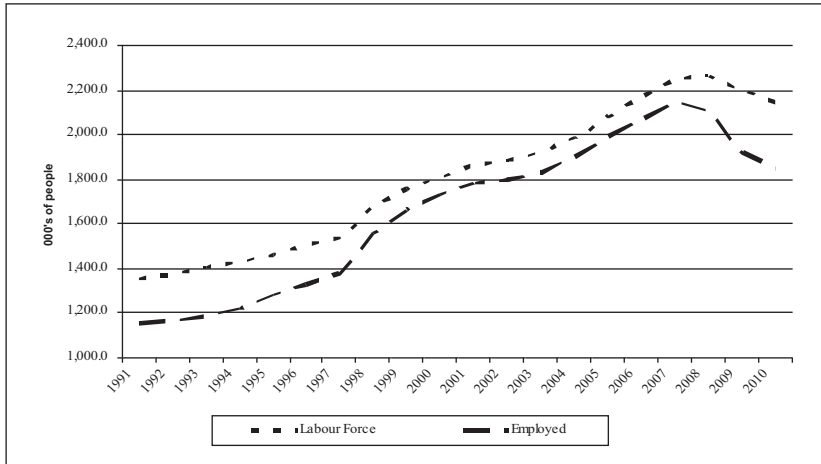
The labour force

The recent dramatic turnaround in the labour market contrasts with the fact that one of the major achievements of the last twenty 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 2.12 million people, almost one million 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

increased. CSO figures indicate that during the first quarter of 2009 the numbers employed fell below two million and by late 2010 they had fallen further to reach 1.82m workers (CSO, 2011:9).

Chart 3.3.1: The Numbers of People in the Labour Force and Employed in Ireland, 1991-2010.



Source: CSO, QNHS various editions

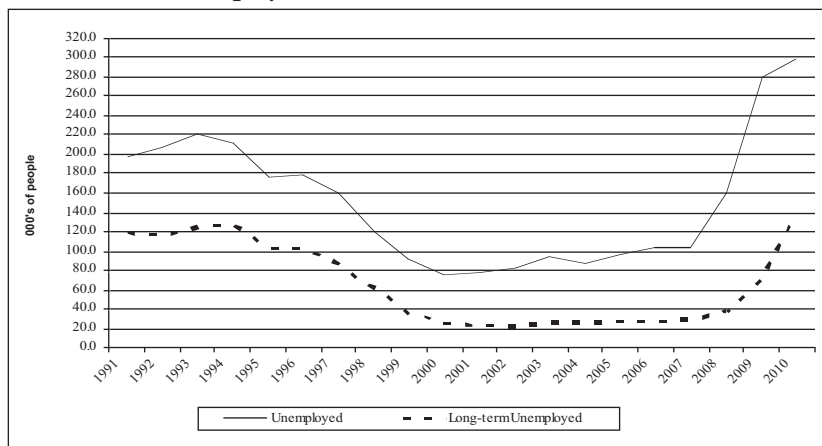
The numbers unemployed

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 international recession and domestic economic crisis have 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, 1991-2010.



Source: CSO, QNHS various editions

While QNHS figures for early 2011 will not be available until mid-2011, table 3.3.1 gives some indication of the transformation that occurred between 2007 and late 2010. In that period both the numbers in the labour force and the numbers employed fell. Unemployment increased by almost 195,000 people bringing the unemployment rate up from 4.6 per cent to just over 14 per cent. By late 2010 almost 300,000 people were unemployed. The table also reports the rapid growth in the number of long-term unemployed (unemployed for more than 12 months). The CSO data report that there are now over 150,000 people in long-term unemployment and that this figure has doubled in one year; simply given the current crisis many of those who entered unemployment in 2007 and 2008 have remained unemployed for more than 12 months and have therefore become long-term unemployed. For the first time on record, the late 2010 figures indicated that long-term unemployment accounted for more than 50 per cent of the unemployed. It is expected that this figure will rise further, towards 200,000, during 2011.

Table 3.3.1: Labour Force Data, 2007 - 2010

	Q3 2007	Q3 2008	Q3 2009	Q4 2010
Labour Force	2,253,100	2,266,600	2,202,300	2,122,200
In Employment	2,149,800	2,107,100	1,922,400	1,823,200
Unemployed	103,300	159,400	279,800	299,000
of whom LT Unemp	28,800	38,100	71,400	153,900
Unemployment Rate	4.6	7.0	12.7	14.1
LT Unemployment Rate	1.3	1.7	3.2	7.3

Source: CSO, QNHS March 2011

Note: LT = Long Term (12 months or more)

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 2008-2010. By January 2011 the numbers signing-on the live register had increased more than 240 per cent from three years earlier.

**Table 3.3.2: Numbers on the Live Register (unadjusted),
Jan 2008 - Jan 2011**

Year	Month	Males	Females	Total
2008	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
2009	January	220,400	105,900	326,300
	May	265,500	128,700	394,100
	September	278,000	141,900	419,900
	December	282,900	140,700	423,600
2010	January	291,600	145,300	436,900
	May	290,400	147,500	437,900
	September	289,800	152,600	442,400
	December	288,800	148,300	437,100
2011	January	292,000	150,700	442,700

Source: CSO *Live Register*, February 2010 and March 2011

Youth unemployment

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 the major increases in long-term unemployment 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.

Month and Year	Numbers	Month and Year	Numbers
January 2008	36,900	December 2009	84,400
May 2008	42,700	January 2010	85,900
September 2008	53,700	May 2010	85,600
December 2008	62,000	September 2010	88,700
January 2009	70,300	December 2010	81,300
May 2009	83,900	January 2011	82,200
September 2009	89,800	February 2011	82,100

Source: CSO *Live Register*, March 2011

Responding to the unemployment crisis

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 through integrating training and labour market programmes.
- Maintain a sufficient number of active labour market programme places available to those who are unemployed.

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- Adopt policies to address the worrying trend of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
 - Recognise that many of the unemployed are skilled professionals who require appropriate support other than training.
 - Prioritise initiatives that strengthen social infrastructure such as the school building programme and the social housing programme.
 - Resource 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.
 - 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.
 - Reverse the Budget 2011 cut of 15 per cent (15,410 places) to the FAS allocation for training the unemployed as indicated in the *Programme for Government*.

Part Time Job Opportunities Programme

In our pre-Budget 2011 *Policy Briefing* (Social Justice Ireland, 2010:10) we outlined a proposal for a *Part Time Job Opportunities Programme*. We proposed that the government introduce a new programme to ensure real employment at the going hourly rate for the job is available to 100,000 people currently long-term unemployed. Participation must be voluntary and the scheme should be modelled on the *Part-Time Job Opportunities Programme* that was piloted in the 1994-1998 period.⁵⁵ Details of that pilot programme are outlined in the box below.

The proposed programme:

- Would create 100,000 part-time jobs for unemployed people;
- Paid at the going rate for the job;
- Participants working the number of hours required to earn the equivalent of their social welfare payment and a small top-up
- Up to a maximum of 19.5 hours a week.
- Access on a voluntary basis only;
- Jobs would be created in the public sector and the community and voluntary sector;

⁵⁵ The current Directors of *Social Justice Ireland* led this pilot programme.

- Participants would be remunerated principally through the reallocation of social welfare payments.
- Working on these jobs participants would be allowed to take up other paid employment in their spare time without incurring loss of benefits and would be liable to tax in the normal way if their income was sufficient to bring them into the tax net.

Social Justice Ireland believes that a Part-Time Job Opportunities programme should be established along the lines of the programme piloted in the 1994–1998 period. Additional funding of €150m would be required and the funding currently being spent on social welfare payments to participants on this programme should be switched to their new employer.

Part Time Job Opportunities (PTJO) Pilot Programme, 1994-98

The early 1990s saw high unemployment levels in Ireland and little prospect of jobs being available for some time even though the economy was beginning to recover. Jobless growth was the reality. A proposal made by the current Directors of Social Justice Ireland was formally adopted by the Irish Government and announced in Budget 1994.

The proposal sought to create real part-time jobs in the community and voluntary sector principally. Long-term unemployed people could access these jobs on a voluntary basis. They were paid the going rate for the job and they worked the number of hours required to earn the equivalent of their social welfare payment with a small top up. The going rate for the job was agreed with the relevant trade unions and employers.

This programme was piloted in Finglas/Blanchardstown, Co. Laois, Waterford City, Four towns in South Tipperary (Clonmel, Carrick-on-Suir, Cashel and Tipperary Town), Co. Kerry and the offshore islands. It created 1,000 part-time jobs in community and voluntary organisations in those pilot areas within six months of its establishment. These jobs were sustained throughout the pilot period. More than 500 of the original participants departed to take up full-time employment or full-time education during those years and all were replaced by new participants.

The market economy is unable to provide anywhere near to the number of jobs required to reduce unemployment anytime soon. This programme contributes to Social Justice Ireland's view that public policy should change so that 1) it recognises that people have a right to work; 2) that unemployed people should not be forced to spend their lives doing nothing when jobs don't exist; and 3) that all meaningful work should be recognised.

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 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.⁵⁶

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 a very high 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.

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

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.

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 also 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 2010 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.

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.⁵⁷ 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 the new 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.

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

In conclusion, we outline key priorities with regard to work.

Key Priorities 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 through integrating training and labour market programmes.
 - 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 and literacy initiatives as well as retraining schemes.
 - Recognise that many of the unemployed are skilled professionals who require appropriate support other than training.
 - Prioritise initiatives that strengthen social infrastructure such as the school building programme and the social housing programme.
 - Resource 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.
 - 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.
 - Reverse the Budget 2011 cut of 15 per cent (15,410 places) to the FAS allocation for training the unemployed as indicated in the *Programme for Government*.
 - Introduce a *Part Time Job Opportunities Programme* to create 100,000 positions for long-term unemployed people.
 - 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).
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- 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 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.
 - Expand the Rural Social Scheme.
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