

Work, Jobs and Unemployment

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The economic crisis of 2008 and following years saw the re-emergence of widespread unemployment in Ireland. The implications for individuals, families, social cohesion and the exchequer's finances have been serious and the effects are likely to be felt for many years to come.

Unemployment is forecast to fall below 10% in 2015. This is a major improvement on the situation at the height of the crisis when it exceeded 14%. However, it is a lot worse than the situation before the recession when it stood at 4.7% in 2007.

In this *Policy Briefing* we analyse the issues of work, jobs and unemployment in Ireland. We identify the developments of recent years and highlight the challenges to be faced. We draw special attention to two particular challenges that have major implications for Ireland's long-term development and wellbeing. These are

1. The rise of precarious employment and
2. The long-term unemployment crisis.

Rise of precarious employment

First of all the data:

- There are 272,000 fewer **full-time jobs** in Ireland today compared to 2007 (-15%).
- The number of people in **part-time jobs** is 55,700 higher than in 2007 (+14%).
- Of the 446,000 people with part-time jobs more than a quarter (115,500) are **underemployed** (wishing to be employed for more hours).

While some of this can be explained by

the recession it is clear that we are seeing the emergence of a greater number of people in precarious employment situations. The growth in underemployment, the limited hours and the uncertainty of work times have huge negative impacts on the well-being of individuals and families and add to the working poor challenges. The rise of precarious employment requires an immediate response.

Long-term unemployment crisis

Again, we start with the data:

- The number of **long-term unemployed** people rose from 32,000 in 2007 to 172,100 at the end of 2010.
- The number has fallen to 123,400 at the end of 2014 - a reduction of 48,700.
- This reduction, however, must be interpreted in light of the fact that the net loss of Irish people to **emigration** since 2009/2010 has been 123,800.
- Despite this level of emigration, 58% of those unemployed are **long-term unemployed**.

Ireland is facing a long-term unemployment crisis. 2010 was the first time on record that more than 50% of those unemployed were long-term unemployed. The situation is particularly difficult for those under 25 and over 55 who find it difficult to return to employment. Those seeking jobs far outnumber the jobs available.

The experience of the 1980s showed the dangers and long-lasting implications of such a situation. Reskilling of unemployed people must be at the core of policy.

Our proposals to address both these and related issues are set out on page 7.

An Overview of the Labour Market

The scale and severity of the 2008-2010 economic collapse saw Ireland revert to the phenomenon of widespread unemployment. Since then, despite the attention given to the banking and fiscal collapse, the transition from near full-employment to high unemployment was the most telling characteristic of that recession.

The implications for individuals, families, social cohesion and the exchequer's finances have been serious and the effects are likely to be felt for many years to come. CSO data and economic forecasts for the remainder of 2015 indicate that unemployment will reach an annual rate of between 10.2 and 9.6 per cent of the labour force in 2015, having been 4.7 per cent before the recession in 2007.

Significant improvements have been achieved over the past three years, but there can be little doubt but that we are in a very challenging period in which a high level of long-term unemployment has once again become a characteristic of Irish society.

In this *Policy Briefing* we first overview the current and recent trends in the Irish Labour Market. In doing so we compare the situation which existed just before the onset of the economic crisis in 2007, in the middle of the crisis in 2010 and using the most recent data from the final quarter of 2014 (published in February 2015).

The nature and scale of the recent transformation in Ireland's labour market is highlighted by the data in table 1. Over the eight years from 2007-2014 the labour force decreased by just over 4.5 per cent representing almost 110,000 workers. Reflecting this, labour force participation rates dropped to below 60 per cent of the adult population. Over the period full-time employment fell by almost 15 per cent, representing some 272,700 jobs, while part-time employment increased by almost 14 per cent.

By the end of 2014 the number of underemployed people, defined as those employed part-time but wishing to work additional hours, stood at 115,500 people – almost 5.5 per cent of the labour force. Over this period unemployment increased by almost 110,000 people, bringing the unemployment rate up from 4.6 per cent to 9.9 per cent; although the 2014 figure represents a dramatic improvement on the levels experienced during the height of the economic crisis in 2010.

Recent Trends in Employment and Unemployment

This transformation in the labour market has significantly altered the nature of employment in Ireland when compared to the pre-recession picture in 2007. Overall, employment fell by 10 per cent (217,000 jobs) between 2007 and 2014. Table 2 (page 3) traces the impact of this fall across various sectors, groups and regions.

Within the CSO's broadly defined employment sectors, industrial employment has seen the biggest fall of over 35 per cent representing 190,000 jobs while there has been a smaller fall in both services and agricultural employment. However, compared to 2010, overall employment has been growing, representing a welcome recovery. According to the latest CSO data, there are 81,600 more people at work than in late 2010.

Significant improvements have been achieved over the past three years, but there can be little doubt but that we are in a very challenging period in which a high level of long-term unemployment has once again become a characteristic of Irish society.

Table 1: Labour Force Trends in Ireland, 2007-2014

	2007	2010	2014	Change 07-14
Labour Force	2,260,600	2,168,200	2,152,500	-108,100
LFPR %	63.8	60.2	59.8	-4.0%
Employment %	68.8	59.0	62.6	-6.2%
Employment	2,156,000	1,857,300	1,938,900	-217,100
Full-time	1,765,300	1,422,800	1,492,600	-272,700
Part-time	390,700	434,400	446,400	+55,700
Underemployed	n/a	116,800	115,500	-
Unemployed %	4.6	14.3	9.9	+5.3%
Unemployed	104,600	310,900	213,600	+109,000
LT Unemployed %	1.4%	7.9%	5.7%	+4.3%
LT Unemployed	31,700	172,100	123,400	+91,700

Notes: All data are for Quarter 4 of the reference year; LFPR = Labour force participation rate and measures the percentage of the adult population who are in the labour market; Underemployment measures part-time workers who indicate that they wish to work additional hours which are not currently available; Comparable underemployment data is not available for 2007; LT = Long Term (12 months or

Measuring the Labour Market

When considering terms such as “employment” and “unemployment” it is important to be as clear as possible about what we actually mean. Two measurement sources are often quoted as the basis for labour market data, the *Quarterly National Household Survey* (QNHS) and the *Live Register*. The former is considered the official and most accurate measure of employment and unemployment although, unlike the monthly live register unemployment data, it appears only four times a year.

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 are employed up to three days a week), those employed on short weeks, seasonal and casual employees entitled to Jobseekers Assistance or Benefit.

Overall, job losses have had a greater impact on males than females with male employment down 14 per cent since 2007 while female employment decreased by 5 per cent. The proportional impact of the crisis has hit employment levels for employees and self-employed in much the same way; although there are many more of the former and the actual job losses among employees is significantly higher.

While there have been noticeable job gains in Dublin and the South-East, there has been limited signs of any employment recovery in the rest of the country

Table 2's data on the regional trends in employment point towards a noticeable divide in the employment recovery since 2010. While there have been noticeable job gains in Dublin and the South-East, there has been limited signs of any employment recovery in the rest of the country.

The consequence of all these job losses has been the sharp increase in unemployment and emigration. Dealing with unemployment, table 3 shows how it has changed between 2007 and 2014, a period when the numbers unemployed increased by over 100 per cent.

	2007	2010	2014	Change 07-14
Employment	2,156,000	1,857,300	1,938,900	-217,100
Sector				
Agriculture	114,300	85,400	105,900	-8,400
Industry	551,600	355,300	361,300	-190,300
Services	1,482,900	1,409,900	1,468,200	-14,700
Gender				
Male	1,221,800	994,100	1,053,100	-168,700
Female	934,200	863,200	885,900	-48,300
Employment Status				
Employees	1,775,900	1,548,900	1,605,500	-170,400
Self Employed	364,300	298,000	320,300	-44,000
Assisting relative	15,800	10,300	13,200	-2,600
Region				
Border	221,100	187,400	185,800	-35,300
Midland	126,100	103,400	113,700	-12,400
West	206,400	181,500	181,100	-25,300
Dublin	640,000	552,600	587,500	-52,500
Mid-West	173,200	151,000	152,800	-20,400
South-East	226,600	185,800	204,500	-22,100
South-West	310,600	269,300	275,600	-35,000
Mid-East	251,900	226,300	237,900	-14,000

As the table shows, male unemployment increased by 69,000 and female unemployment by 40,000. Most of the unemployed, who had been employed in 2007 and before it, are seeking to return to a full-time job with approximately 10 per cent of those unemployed in 2014 indicating that they were seeking part-time employment.

The impact of the unemployment crisis was felt right across the age groups and it is only over the past two years that there has been a decrease in the numbers aged above 34 years that are unemployed. Younger age groups have seen their numbers unemployed consistently fall since 2011 – a phenomenon not unrelated to the return of high emigration figures over recent years.

...since 2009/10 the net loss of natives to emigration has been 123,800

According to the CSO's population and migration estimates, between 2009/2010 and 2014 a total of 407,800 people emigrated from Ireland while a further 264,300 immigrants arrived. Of the emigrants, 209,000 were Irish and when account is taken of the flows in and out of the country of Irish emigrants, the net loss of natives has been 123,800.

	2007	2010	2014	Change 07-14
Unemployment	104,600	310,900	213,600	+109,000
Gender				
Male	66,700	211,100	135,500	+68,800
Female	37,900	99,800	78,100	+40,200
Employment sought				
Seeking FT work	85,900	272,600	185,000	+99,100
Seeking PT work	16,200	23,700	21,400	+5,200
Age group				
15-19 years	9,400	18,300	12,100	+2,700
20-24 years	21,700	54,200	26,700	+5,000
25-34 years	33,000	96,800	60,100	+27,100
35-64 years	40,400	140,700	113,800	+73,400
Region				
Border	14,000	29,200	20,600	+6,600
Midland	6,500	20,300	17,200	+10,700
West	8,400	33,000	20,600	+12,200
Dublin	30,200	82,400	55,500	+25,300
Mid-West	9,500	31,100	17,300	+7,800
South-East	12,100	41,700	27,700	+15,600
South-West	14,400	40,200	32,700	+18,300
Mid-East	9,400	33,100	22,000	+12,600
Duration				
Unemp. less than 1 yr	72,000	136,700	85,300	+13,300
Unemp. 1 yr +	31,700	172,100	123,400	+91,700

Worrying Rise of Precarious Work Patterns

The figures in table 1 (page 2) also point towards the growth of various forms of precarious work over recent years. Since 2007 employment has fallen by 10 per cent; but this figure masks a bigger decline in full-time employment (15 per cent) and a growth in part-time employment (+14 per cent). Within those part-time employed there has also been an increase in the numbers of people who are underemployed, that is working part-time but at less hours than individuals are willing to work. By the end of 2014 the numbers underemployed stood at 115,500 people, about 5.5 per cent of the total labour force and almost one-quarter of all part-time workers.

While an element of these figures can be explained by the recession, and the suppressed levels of activity in some sectors, they also suggest the emergence of a greater number of workers in precarious employment situations. The growth in the number of individuals with less work hours than ideal, as well as those with persistent uncertainties on the number and times of hours required for work, is a major labour market challenge.

Aside from the impact this has on the well-being of individuals and their families, it also impacts on their financial situation and adds to the working-poor challenges (see page 7). There are also impacts on the state given that Family Income Supplement (FIS) and the structure of jobseeker payments tends to lead to Government subsidising these families incomes; and indirectly subsidising some employers who create persistent precarious work patterns for their workers. As table 4 shows, the increase in both recipients and spending on FIS over the past decade is telling - and a clear insight into the growing nature of this problem.

As the labour market improves, *Social Justice Ireland* believes that now is the time to adopt measures to address and eliminate these problems. Our commitment to the development of a Living Wage (see page 8) reflects this. Also in that context, the recent establishment of the Low Pay Commission is a welcome development. It is important that that group provides credible solutions to these labour market challenges and that those proposals are implemented.

Inflation erodes the value of Basic Jobseekers Payment

Since 2010 the minimum social welfare payment has remained at €188. However, as chart 1 illustrates, since then consumer prices have not stood still and inflation increases have eroded the value of the basic jobseekers payment.

Between 2010 and 2015 inflation was 3.46 per cent - implying that a buying power of €188 in 2010 was equivalent to €194.50 by January 2015. This suggests that a jobseekers payment at this level is required in 2015 to protect the basic living standards of welfare

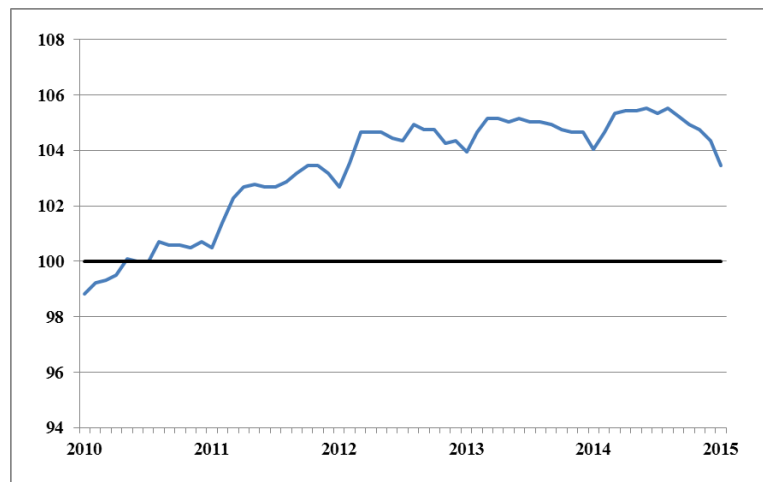
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Table 4: Family Income Supplement, 2003-2013

Year	No of families	No of children	Cost €m
2003	12,317	26,409	45.4
2004	14,727	29,991	55.8
2005	17,448	33,956	72.2
2006	21,800	43,861	107.1
2007	22,823	47,529	140.0
2008	27,798	58,019	170.3
2009	25,963	55,716	167.1
2010	28,223	62,240	186.0
2011	28,876	65,281	204.5
2012	32,307	73,238	223.6
2013	44,159	98,350	261.8

Source: Various Department of Social Protection Annual Statistical Reports

Chart 1: CPI Price Changes, January 2010 - January 2015



Source: CSO CPI online database. Note: Average price levels in 2010 = 100

recipients.

Social Justice Ireland believes that later this year, in Budget 2016, Government should address this unacceptable decrease in the living standards of those on the lowest incomes in society. An increase of €6.50 per week to the basic payment would address the gap and it should be a priority for Government in the year ahead

Long-Term Unemployment Crisis

Ireland has a long-term unemployment crisis. The number of long-term unemployed was less than 32,000 in 2007 and has increased since, reaching 172,100 in 2010 before falling again to 123,400 at the end of 2014. Of these, most are males (86,300) with females accounting for 37,200 of the total.

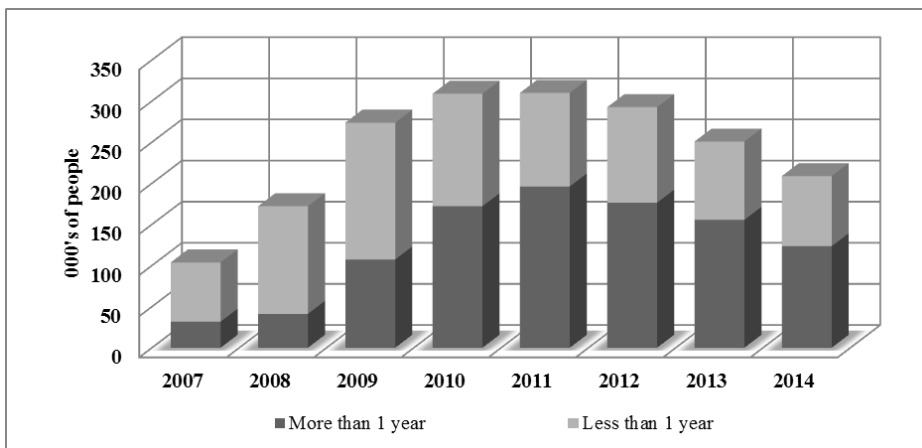
For the first time on record, the QNHS data for late 2010 indicated that long-term unemployment accounted for more than 50 per cent of the unemployed and by the end of 2014 the long-term unemployed represented 58 per cent of the unemployed. The rapid growth in the number and rates of long-term unemployment are summarised in chart 2 (see also tables 1 and 3).

The experience of the 1980s showed the dangers and long-lasting implications of an unemployment crisis characterised by high long-term unemployment rates. Previous experiences, in Ireland and elsewhere, have also shown that many of those under 25 and many of those over 55 find it challenging to return to employment after a period of unemployment. This highlights the danger of these large increases in long-term unemployment and suggests a major commitment to retraining and re-skilling will be required. It remains a major policy failure that Ireland’s level of long-term unemployment has been allowed to increase so rapidly in recent years. Furthermore, it is of serious concern that to date Government policy has given limited attention to the issue.

Addressing a crisis such as this is a major challenge and we outline our suggestions for immediate policy action later (see page 7). However, it is clear that reskilling many of the unemployed, in particular those with low education levels, will be a key component of the response.

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Chart 2: The Growing Scale of Long-Term Unemployment



While there is welcome job creation and unemployment reductions occurring in the economy, Government should not continue to ignore this issue. Consequently, they should commit to funding targeted retraining and activation measures focused exclusively on the long-term unemployed.

Youth Unemployment

While the increase in unemployment has been spread across all ages and sectors (see table 3 page 3), the recession also triggered a very rapid increase in the numbers unemployed under 25 years-of-age. The numbers in this group more than doubled between 2007 and 2009 peaking at 83,100 in quarter 2 2009. Since then decreases have occurred, reaching 38,000 in late 2014. Although we have limited empirical knowledge of the reasons for these decreases, a large part of the decrease is probably due to emigration.

Although youth unemployment represents about 18 per cent of the total population that are unemployed, there is merit in giving it particular attention. Experiences of unemployment, and in particular long-term unemployment, alongside an inability to access any work, training or education, tends to leave a ‘scaring effect’ on young people. It increases the challenges associated with getting them active in the labour market at any stage in the future. The latest data on the number of young people aged 18-24 years in Ireland who are not in education, employment or training (NEETs) is 20.5 per cent for 2012.

In the short-term it makes sense for Government to invest in the ‘youth unemployed’ and *Social Justice Ireland* considers this to be a central priority of any programme to seriously address the unemployment crisis. At a European level, this issue has been receiving welcome attention over the past two years; driven by high levels of youth unemployment in other crisis countries.

Numbers on Training Schemes

The emerging recovery has brought with it a welcome increase in the numbers employed (see tables 1 and 2). However, the increase in the numbers classified as employed also includes those who are on various active labour market training schemes run by Government. At the end of 2014 there were 86,027 on these schemes. Compared to four years earlier (end of 2010) there were 13,500 more people on these schemes and compared to the situation at the end of 2008 there were 30,000 additional people on these schemes.

As we have outlined elsewhere, getting those stuck in unemployment on to relevant training schemes is a central part of recovery in the labour market. Growth in these schemes has been, for the most part, welcome.

However, we should not mix up job creation and re-training; it would be better if the data were more regularly presented with this distinction included.

Recognising all Work

A major question raised by the current labour-market situation concerns assumptions underpinning culture and policy making in this area. The priority given to paid employment over other forms of work is one such assumption.

Most people recognise that a person can be working very hard outside a conventionally accepted “job”. Much of the work carried out in the community and in the voluntary sector comes under this heading. So too does much of the work done in the home.

Policy should recognise that work and a job are not always the same thing

Social Justice Ireland's support for the introduction of a basic income system comes, in part, because it believes 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* (2000). Similarly, a 2005 report presented to the Joint Oireachtas Committee on Arts, Sport, Tourism, Community, Rural and Gaeltacht Affairs also provided an insight into this issue. It established that the cost to the state of replacing the 475,000 volunteers working for charitable organisations would be at least €205 million and could be as high as €485 million per year.

Social Justice Ireland believes that government should recognise in a more formal way all forms of work.

We believe that everyone has a right to work, 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 despite the essential role their work plays in society. Results from the 2011 Census offer a new insight into the scale of these commitments, which save the state large costs that it would otherwise have to bear.

Census 2011 found that 4.1 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 187,112 people.

The dominant caring role played by women was highlighted by the fact that 114,113 (61 per cent) of these care providers were female. When assessed by length of time, the census found that a total of 6,287,510 hours of care were provided by carers each week, representing an average of 33.6 hours of unpaid help and assistance each. Two thirds of this volume of care was provided by female carers.

Using the minimum wage as a simple (and unrealistically low)

benchmark to establish the benefit which carers provide each year suggests that Ireland's carers provide care valued at more than €2.8bn per annum.

Social Justice Ireland welcomed the long overdue publication of a *National Carers Strategy* in July 2012. The document included a ‘roadmap for implementation’ involving a suite of actions, and associated timelines and identifies the Government Department responsible for their implementation. However, these actions were confined to those that could be achieved on a cost neutral basis. Two annual progress reports of the strategy have been published by Minister Kathleen Lynch (Department of Health, 2014, 2015). They point towards some progress on the actions set out, but these are, as a group, limited given the unwillingness of Government to allocate sufficient resources to supporting those in this sector.

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Social Justice Ireland believes that further policy reforms should 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 this context, the 24 hour responsibilities of carers contrast with the improvements over recent years in employment legislation setting limits on working-hours of people in paid employment.

Work and People with Disabilities

Census 2011 has provided the latest data on the scale and nature of disability in Ireland. In a report published in November 2012, the CSO reported that a total of 595,335 people had a disability in Ireland; equivalent to 13 per cent of the population. It also found that there was 162,681 persons with a disability in the labour force representing a participation rate of 30 per cent, less than half that for the population in general. 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 part of a group at high risk of poverty.

Social Justice Ireland believes that further efforts should be made to reduce the impediments faced by people with a disability to obtain employment. In particular, consideration should be given to reforming the current situation in which 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 take up employment is denied to them and they are trapped in unemployment, poverty or both.

Key Priorities: Work, Unemployment and Job Creation

Social Justice Ireland believes that in the period ahead Government and policy-makers generally should adopt the following policy positions in responding to the labour market issues and challenges we have outlined throughout this *Policy Briefing*:

- Launch a major investment programme focused on creating employment and prioritise initiatives that strengthen social infrastructure, including a comprehensive school building programme and a much larger social housing programme
- Resource the up-skilling 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.
- Resource a targeted re-training scheme for those previously unemployed in the construction industry, recognising that this industry is never likely to recover to the level of employment it had prior to 2007.
- Recognise the scale of the evolving long-term unemployment problem and adopt targeted policies to begin to address this.
- Publish a rural and regional employment and economic development policy statement which should be incorporated into all national employment and economic strategies.
- Funded programmes supporting the community should be expanded to meet the growing pressures arising as a result of the economic downturn.
- A new programme should be put in place targeting those who are very long-term unemployed (i.e. 5+ years).
- Policy should seek at all times to ensure that new jobs have reasonable pay rates and adequately resource the labour 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 in which 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 that the term “work” is not synonymous with the concept of “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 doing this address the poverty experienced by many carers and their families as well as on increasing the provision of respite opportunities to carers and to those for whom they care.

Addressing Rural Unemployment

Poverty and unemployment are both higher in rural Ireland than they are in urban Ireland. This situation is unacceptable.

The economic recession and restructuring of agriculture and subsequent decline in off-farm employment has led to a narrowing of the economic base in rural areas. Low-paid, part-time and seasonal work and long-term underemployment are significant factors in rural poverty and exclusion.

There is a mismatch between a Government policy aimed at attracting Foreign Direct Investment (FDI) and export-led industry and rural areas which are dominated by micro-businesses and small and medium sized enterprises. This mismatch has been acknowledged by

the IDA in its review of 2014.

A targeted approach is urgently required if these urban/rural disparities are to be addressed effectively.

The areas that are highlighted as possible drivers of rural job creation are social enterprise and social services (e.g. childcare and elder care), tourism, ‘green’ products and services and cultural and creative industries. In order to promote development of these drivers of employment and to support local entrepreneurs and local enterprises in rural and coastal areas the economic policies for these areas must take into account specific local needs such as accessible transport and access to childcare.

The Working Poor

Having a job is not, of itself, a guarantee that one lives in a poverty-free household. The latest CSO poverty data indicates that 5 per cent of those who are employed are living at risk of poverty. This group are known as the working poor.

Despite decreases in poverty among most other groups, poverty figures for the working poor have remained static, reflecting a persistent problem with low earnings. In 2013, almost 82,000 people in employment were still at risk of poverty. This is a remarkable statistic and it is important that policy makers begin to recognise and address this problem.

Many working families on low earnings struggle to achieve a basic standard of living. Policies which protect the value of the minimum wage and attempt to keep those on that wage out of the tax net are relevant policy initiatives in this area. Similarly, attempts to highlight the concept of a 'living wage' (see opposite) and to increase awareness among low income working families of their entitlement to the Family Income Supplement (FIS) are also welcome. However, one of the most effective mechanisms available within the present system to address the problem of the working poor would be to make tax credits refundable. We have developed a number of research outputs on this issue and they are available on our website.

The Living Wage

During the past year *Social Justice Ireland* and a number of other organisations came together to form a technical group which researched and developed a Living Wage for Ireland.

In July 2014 the group launched a new website (www.livingwage.ie), a technical paper outlining how the concept is calculated and a figure for the Living Wage in 2014, which was €11.45 per hour.

In principle, a living wage is intended to establish an hourly wage rate that should provide employees with sufficient income to achieve an agreed acceptable minimum standard of living. In that sense it is an income floor; representing a figure which allows employees to afford the essentials of life. Earnings below the living wage suggest employees are forced to do without certain essentials so they can make ends meet.

Social Justice Ireland believes that concepts such as the Living Wage have an important role to play in address the persistent income inequality and poverty levels we regularly highlight.

Paying low paid employees a Living Wage offers the prospect of significantly benefiting the living standards of these employees and we hope to see this new benchmark adopted across many sectors of society in the years to come.

Recent Publications from *Social Justice Ireland*

Towards A Just Society—Socio-Economic Review 2015 (published April 2015)

Poverty and Inequalities on the Rise—Just Social Models Needed as a Solution! (Research by *Social Justice Ireland* for Caritas Europa; published February 2015)

Ireland and the Europe 2020 Strategy—Shadow Report (published January 2015)

Planning and Delivering a Fairer Future—Values, Democracy and Service Provision. (Published November 2014)

National Social Monitor (published September 2014)

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