

The present situation

Positive headline trends

- Unemployment was at 4.8 per cent in December 2019. 2.32 million people are in employment; the highest number in the history of the State.
- Employment is up 2.4 per cent, or 53,700, in the 12 months to Q3 2019.

The Working Poor

- There is an unacceptably high instance of low paid employment in Ireland. 110,000 people live below the poverty line despite having a job. 200,000 people at work are experiencing enforced deprivation.
- 1 in 10 workers in Ireland earns the National Minimum Wage (NMW) or less, and approximately one quarter earn below the Living Wage – the rate a single person working full-time must earn in order to achieve a minimum socially acceptable standard of living.
- Ireland has one of the highest rates of low-paid employment in the OECD; almost 6 times the rate of Belgium, which is the best performer, and 2nd highest behind only the United States.

On Precarious Work

- The instance of precarious work is rising with nearly 160,000 people – or 8 per cent of the workforce in Ireland – having significant variations in their hours of work from week to week or month to month. Over half of those were in temporary employment because they could not find permanent work – a 179 per cent increase since 2008¹
- There are 112,000 people working part-time who would take full-time hours if they were available. This is almost a quarter of all part-time workers and represents a significant amount of labour capacity that is not being availed of.

Labour Force Participation

- Ireland's low unemployment rates and impressive jobs creation numbers are being recorded in the context of a far lower participation rate than Ireland has had in the recent past. (The labour force participation rate (LFPR) is calculated as the labour force divided by the total working-age population.) Ireland's current LFPR is 62.1 per cent, notably lower than the 67.4 per cent recorded in 2007.
- LFPRs for women, at all stages of the lifecycle, still lag behind that of men. Ireland's female participation rate is also one of the lowest in the European Union.
- People with a disability are less than half as likely as those without one to have a job, while 35 per cent of people with a disability haven't had a job in more than four years, despite more than 80 per cent having been employed at some point.
- Census 2016 revealed that there were more than 175,000 persons with a disability in the labour force; a participation rate of 30 per cent. This is less than half that of the general population. Even after taking account of differences in education, age, gender, marital status, and other personal and family characteristics – as well as how severely the disability affects them in terms of their daily activities – individuals with a disability are only 70 per cent as likely to enter employment.

Recognising all types of work

- Census 2016 found that 4.1 per cent of the population provided some care for sick or disabled family members or friends on an unpaid basis. This is almost 200,000 people. The dominant caring role played by women was highlighted by the fact that 60 per cent of these care providers were female. At a conservative estimate, this time spent caring is worth around €3.5 billion to the economy.

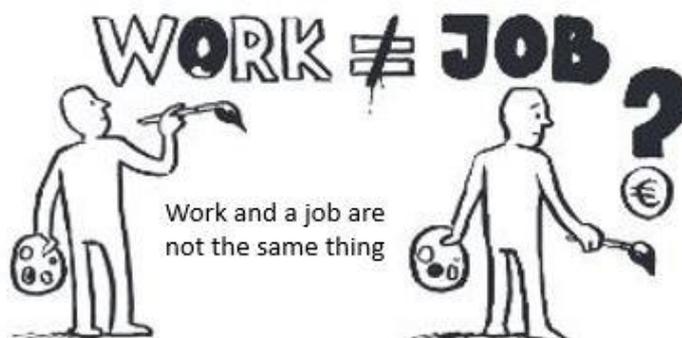
¹https://www.ictu.ie/download/pdf/precarious_work_financial_dec_2017.pdf

What is the purpose of employment policy?

Policy should ensure that all people have access to meaningful work and can contribute to the society in which they live.



The increased numbers of people in employment is very welcome but the working poor issue persists.



Things a new Government can do

On Low Paid or Precarious Work

- We welcome the recent decision to implement the previously postponed increase in the NMW. The rate is now €10.10 per hour. However, this is still well below the rate of the Living Wage, currently €12.30 per hour. Government should set a five-year timeframe to equalise the NMW and the Living Wage.
- Policy should seek at all times to ensure that new jobs have reasonable pay rates, and the labour inspectorate should be adequately resourced.
- Income Tax Credits should be made refundable as part of the process of addressing the working poor and making the tax system fairer.
- Government should seek to remove unemployment and poverty traps by integrating income tax, welfare and employment policies.

Labour Force Participation

- Government must address obstacles faced by women returning to the labour force by increasing the provision of affordable childcare, improving employment and flexibility, and providing information and training.
- The next Government should also increase resources for the up-skilling of the unemployed, particularly those at risk of becoming long-term unemployed or with low education levels, through

integrated training and labour market programmes.

- With the need to move towards a carbon-neutral economy, there is ample opportunity to create employment in low-carbon sectors, if investment is correctly targeted

Recognising all types of work

- Government should 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 wider society. This should not be confined to job creation. **Work and a job are not the same thing.**
- The priority given to paid employment over other forms of work is an assumption that must be challenged. Most people recognise that a person can be working very hard outside a conventionally accepted “job”. Greater recognition should be given to the work carried out by carers in Ireland, and policy reforms should be introduced to reduce the financial and emotional pressures on them.
- A system of Basic Income would represent a social welfare system fit for a 21st century economy. It would reward all contributions to society, while offering flexibility and eliminating unemployment traps. The next Government should set up a Working Group on the subject and develop a *real* Basic Income pilot.