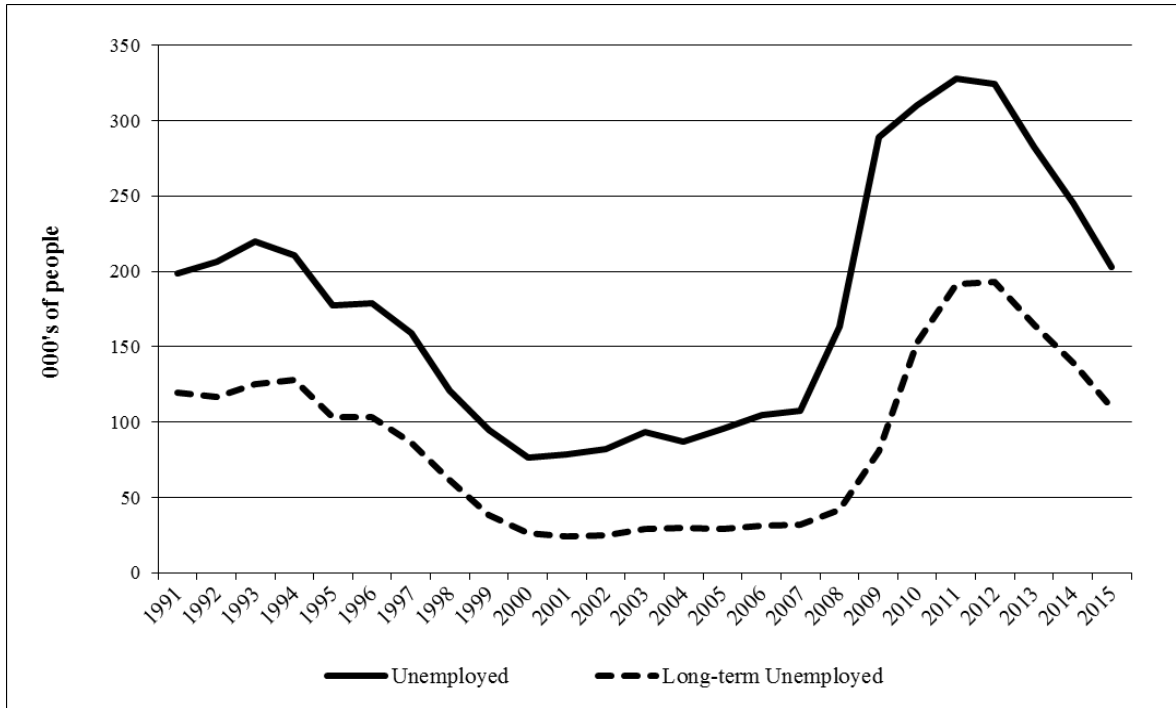


National Social Monitor 2016

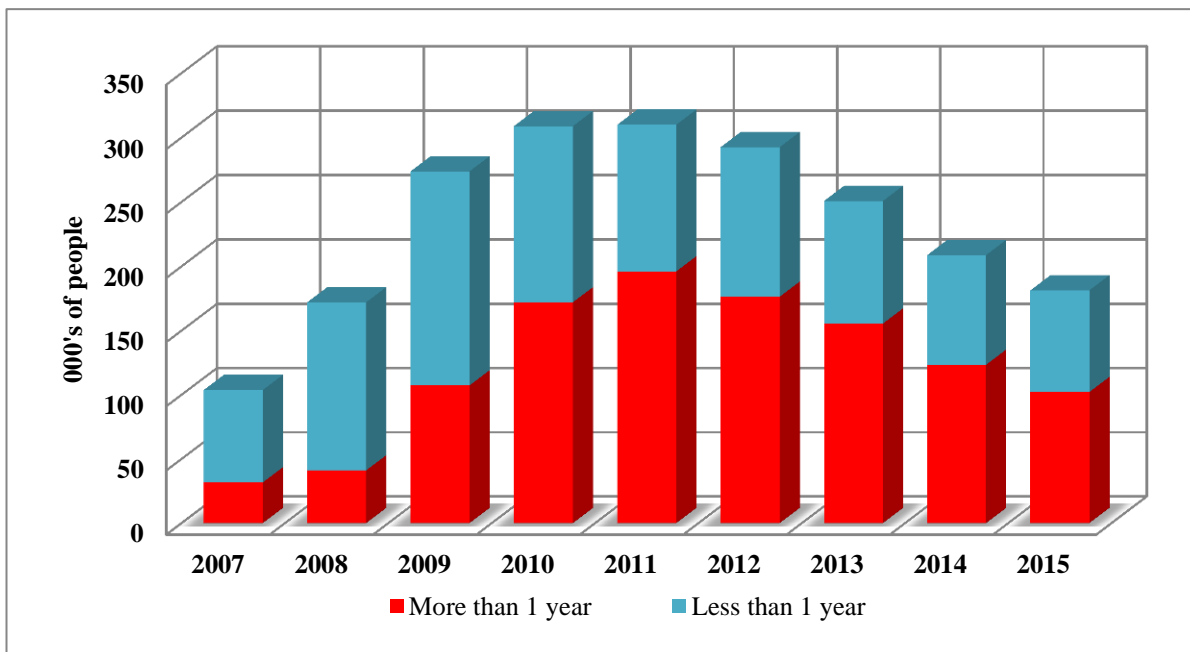
WORK AND JOB CREATION

Chart 1: The Numbers of Unemployed and Long-Term Unemployed in Ireland, 1991-2015



Source: CSO, Labour Force Survey and QNHS various editions

Chart 2: The Increased Presence of Long-Term Unemployed in Ireland, 2007-2015



Source: CSO, QNHS on-line database. Note: Data is for Q4 of each year

Trends in unemployment

As chart 1 shows, the period from 1993 was one of decline in unemployment. By mid-2001 Irish unemployment reached its lowest level at 3.6 per cent of the labour force. Subsequently the international recession and domestic economic crisis brought about increases in the rate.

During 2006 unemployment exceeded 100,000 for the first time since 1999 with a total of 105,100 people recorded as unemployed in mid-2006. It exceeded 200,000 in early-2009, 300,000 in 2010 and peaked at 328,000 in 2011 (chart 1). Unemployment has since declined, with a welcome increase in the number of jobs being created in the economy.

However the chart also highlights the rapid growth in the number of long-term unemployed (those unemployed for more than 12 months). This figure has increased more than three-fold since 2007 (chart 2). Quite simply, given the nature and duration of the recent economic crisis, many of those who entered unemployment in 2007-2010 have remained unemployed for more than 12 months and therefore became long-term unemployed

The dramatic turnaround in the labour market after 2007 contrasts with the fact that one of the major achievements of the preceding 20 years had been the increase in employment and the reduction in unemployment, especially long-term unemployment.

Addressing a crisis such as this is a major challenge. 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. Using the latest data, for the final quarter of 2015, 56 per cent of the unemployed had no more than second level education with 26 per cent not having completed more than lower secondary (equivalent to the Junior Certificate).

Previous experiences, in Ireland and elsewhere, have 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 the large increases in long-term unemployment and suggests a major commitment to retraining and re-skilling will be required. This further reiterates the need to sufficiently resource the National Skills Strategy as discussed on p.6.

According to the CSO, the group most affected by the increase in long-term unemployment has been older workers. Where people aged 45 or older lost their job, they were much more likely to find themselves unemployed one year later than the younger age cohorts measured.

A significant trend has been in the percentage of older unemployed workers that are without a job for more than a year. This has grown from 29 per cent in Q2 2009 to 69 per cent today. This highlights the added difficulty for older people in finding new employment if they lose their job, a further key policy issue which requires urgent attention.

Policy priorities

- 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.
- Recognise the scale of the evolving long-term unemployment problem and adopt targeted policies to begin to address this.
- Launch a major investment programme focused on creating employment and prioritise initiatives that strengthen social infrastructure.