

Ireland

INCLUSIVE LABOUR MARKETS: ENSURING NO ONE IS LEFT BEHIND



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About this report

Caritas organisations are essential actors in the fight against poverty and social exclusion, and the striving for social justice. They do so by assisting and providing services to people in need, as well as by presenting alternatives to address unfair structures, policies and measures.

The Caritas CARES poverty reports are an important instrument in this endeavour. Caritas informs local, regional, national, and European authorities and formulates recommendations based on its daily work with people experiencing poverty. Caritas CARES poverty reports support the advocacy efforts of Caritas at national and at European levels, and endeavours to ensure that the voices of the most vulnerable members of society are heard.

The focus of this edition of Caritas CARES poverty reports is on inclusive labour markets and social economy as part of national social models. The poverty report focuses particularly on the challenges that should be urgently tackled to make labour markets more inclusive and to promote the social economy, based on Caritas Europa's vision for sustainable social models, as well as on existing EU and Council of Europe processes, programmes and legal instruments.

This report has been realised on the basis of a questionnaire, designed in consultation with the participating member organisation.

Social Monitor, two Budget briefings, an annual Social Policy Book and also engages in bilateral meetings with the following Government Departments: the Department of Social Protection, Department of Health, Department of Housing, Department of Education, Department of Further and Higher Education, Department of Public Expenditure and Reform, Department of Finance and the Department of Enterprise, Trade and Employment.

Social Justice Ireland publishes 'Poverty Focus' annually which monitors trends in poverty and social exclusion. This policy briefing aims to provide an update on the latest data and trends on poverty in Ireland, updated values of the annual poverty line and to examine the nature and experience of poverty in Ireland. Each year Poverty Focus highlights one area of concern while also commenting on the general policy landscape.

We also set out a series of solutions that could be adopted by Government. 'Social Justice Matters', our annual socio-economic review, outlines all of the key social justice issues in Ireland today as well as spelling out potential policy solutions. Poverty, income distribution and the impact of living in poverty are some of the key areas of Social Justice Matters.

Social Justice Ireland's beneficiaries are the members of the organisation (325 individual members and 86 affiliated member organisations) and the 760,000 people in Ireland who are living in poverty who we advocate on behalf of.

About Social Justice Ireland

Social Justice Ireland (SJI) is an independent social justice think-tank. The organisation works to build a just society by tackling the causes of inequality, providing independent evidence and offering credible solutions. It works to improve the quality of public policy by providing independent social analysis, influencing the public debate to ensure it focuses on the needs of people with experience of poverty as well as

vulnerable groups. Its work focuses on national and international issues related to poverty, inequality, social exclusion, sustainability and the environment. It represents the interests of vulnerable groups in its dialogue with Government, the National Parliament and policy makers. To this end it prepares regular policy briefings on specific issues, an annual Socio Economic Review, a quarterly National

The impact of the COVID-19 pandemic on Caritas advocacy and support

The main challenge for SJI, as a consequence of the pandemic, has been to ensure that those who were already struggling were not left further behind and that the Irish social protection system adapted accordingly. As an independent social justice think-tank and advocacy organisation, we worked to assist and support civil society organisations representing vulnerable groups in their advocacy work. The aim of our support, which has been provided through advocacy and research, was to ensure that those people who were already struggling prior to COVID-19 were not left further behind.

We supported the Community Call Initiative,¹ a major initiative established by Government that linked local and national Government with the community and voluntary sectors. The purpose of the Community Call was to coordinate community activity, direct community assistance to where it is needed, and marshal the volunteering energy of the country. It was unprecedented mobilisation of both state and voluntary resources to combat the effects of COVID-19.

The advocacy and research work of Social Justice Ireland throughout 2020 was focused on supporting the most vulnerable both in terms of income support and access to services. We developed policy papers on social welfare, housing, healthcare, taxation, employment and regional development which we shared with other civil society organisations and presented to Government Ministers, political parties, and members of the Oireachtas.²

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¹ www.gov.ie/en/press-release/ba4e3d-covid-19-ireland-launches-the-community-call-in-major-nationwide-vol (2nd April 2020, Government of Ireland Press Release April launching the Community Call Initiative)

² Members of the Oireachtas are the representatives (TD's and Senators) elected by the people of Ireland. The Oireachtas is the national parliament. See more www.oireachtas.ie/en/members/

Frameworks for an inclusive labour market

Within Catholic Social Teaching, there is a recognition that economic activities must operate within a broader moral framework of honesty and accountability, respect for human dignity, fairness, and a vision of integral and authentic development that goes beyond mere material profits. For Caritas Europa, the economy must serve people, not the other way around. Work is more than a way to make a living; it is a form of participation in society. If the dignity of work is to be protected, then the basic rights of workers must be respected – the right to productive work, to decent and fair wages, to the organisation and joining of unions, to private property, and to economic initiative. In the final statement of Pope Francis' *Economy of Francesco* it is stated that 'the right to decent work for all, family rights and all human rights [must] be respected in the life of each company, for every worker, and guaranteed by the social policies of each country.'³

These rights are also enshrined in the Sustainable Development Goals (SDG 8), the International Labour Organisation Conventions, the European Charter of Fundamental Rights, the European Social Charter (r), and more recently, the European Pillar of Social Rights (EPSR) (2017). The 20 principles of the EPSR are what guides the Member States towards a strong social Europe that is fair and inclusive.

For Caritas, respecting the rights and dignity of every worker necessitates a human-centred economy, founded on the 2030 Agenda and the SDGs, which put people and the climate at the centre of the economic system and is based on an understanding of how the economy, climate and social rights are interlinked and interdependent. It is a sustainable and inclusive social model, which does not consider economic growth as an end in itself but rather as a means for social and environmental

progress in combination with climate protection. Human-centred economic policies are therefore based on an assessment of social and environmental needs and boundaries and are developed with the common good in mind to deliver benefits for people and for the planet.

An essential element of a human-centred economy is an inclusive labour market, one of the three pillars of Caritas' social model.⁴ Active inclusion, adequate income, sustainable employment, and quality services remain mandatory objectives for every economic system oriented towards justice and the common good. Inclusive labour markets, therefore, recognise the value of work and people's contributions to society.

Social Justice Ireland supports the vision that every person in society should have the right to contribute to society. Part of this means that worthwhile employment should be a genuine option for everyone who seeks it. Jobs should provide decent working conditions and pay a wage that allows employees to achieve a decent standard of living.

Recent decades have seen a gradual erosion in the quality and security of employment, not just in Ireland but across the developed world. But the definition of work should not be confined to paid employment. More than 4% of the population provides some care for sick or disabled family members or friends on an unpaid basis. Many other people engage in voluntary work in their communities as well as in unpaid work in their homes. We must recognise the value of all such work and acknowledge the key role it plays in delivering progress, sustainability and social cohesion. Every human being has the right to meaningful work. Our system needs to recognise this and acknowledge the many kinds of work in which people engage.

³ Pope Francis (2020), *The Economy of Francesco*, November 21, 2020, www.francescoeconomy.org/final-statement-and-common-commitment/

⁴ Caritas' social model is made up of three pillars: 1) Family, 2) Inclusive Labour Markets, 3) Social Protection Systems – Caritas Europa (2016). Social justice and equality in Europe is possible! – www.caritas.eu

SECTION 1:

Current challenges in the Irish labour market

1.1. The labour market: pre- and post-pandemic

1.1.1. The evolution of the socio-economic context

According to Eurostat statistics,⁵ between 2010 and 2020 the **employment rate**⁶ in Ireland grew from 65.5% to 73.4% (compared to the EU-27 average of 72.4% for 2020). In the same period, the female employment rate⁷ increased from 61.1% to 67.4% (compared to the EU-27 average of 66.8%). However, the figures relative to the third quarter of 2020, which reflect the preliminary effect of the COVID-19 pandemic, show a reduction in the

employment rate of -1.7 percentage points (pp) from the third quarter of 2019. The female employment rate decreased by the same percentage (-1.7 pp) during this period.

Between 2010 and 2020, the **unemployment rate**⁸ fell from 14% to 5.3% (compared to 6.9%, the 2020 EU-27 average). However, the figures for the third quarter in 2020 show a

considerable increase in the unemployment rate from 4.4% to 6% (+1.6 pp). For women, the increase was significantly higher (+2.5 pp).

Concerning **youth unemployment**,⁹ it was higher than the EU average in 2010 and it dropped in 2020, below it. While in 2010, youth unemployment was at 28.1% (compared to 21.5%, the EU average), it decreased to 15.3% (compared to 16.8%, the EU average). Similarly, female youth unemployment fell from 20.9% (compared to 20.9% at EU level) to 15.3% in 2020 (slightly below the EU average of 16.7%).

At the same time, the **employment rate of the population aged 15-24**¹⁰ over the last decade showed an opposite trend in comparison to the overall working population. Eurostat data indicate, in fact, that youth employment rates decreased between 2010 and 2020 by 1.7 pp, from 38.7% to 37%, a significant decrease compared to the EU average, which decreased by 0.2 pp. during the decade (from 31.7% to 31.5%). The parallel phenomenon of the decrease in the employment rate and the unemployment rate can be explained by the concomitant reduction in the youth activity rate,¹¹ particularly relevant in Ireland in the decade under focus (-9.2 pp, compared to -2.5 pp in the EU 27).

As emerges from the 2020 country report,¹² Ireland has performed relatively well on a number of indicators of the Social Scoreboard supporting the European Pillar of Social Rights, while relevant challenges still remain. These are in particular:

- some population groups have yet to reap the benefits of the economic upturn;
- households' real disposable income per head remains slightly below pre-crisis levels;
- a still relatively low percentage of the population has basic digital skills, which might hinder their active participation in a society increasingly reliant on digital tools;
- a high share of jobless households, especially with children, still face challenges;
- the rising number of homeless people as a result of rent increases and insufficient social and affordable housing is still a concern.

5 www.ec.europa.eu/eurostat/web/main/data/database

6 % of population aged 20-64

7 % of females aged 20-64

8 % of active population aged 20-64

9 % of active population aged 15-24

10 % of population aged 15-24

11 Activity rates by sex, age and citizenship (%)

12 European Commission (2020) COMMISSION STAFF WORKING DOCUMENT Country Report Ireland 2020 Accompanying the document SWD/2020/506 final. Brussels: European Commission

The scale and severity of the economic collapse one decade ago saw Ireland revert 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 was the most telling characteristic of that recession. It carried serious implications for individuals, families, social cohesion and the exchequer's finances. At the beginning of 2012, the unemployment rate peaked at 16% of the labour force.

1.1.2. Challenges in the labour market for vulnerable target groups

There was a very rapid increase in the number of unemployed under 25 years-of-age as the 2008-2011 economic crisis unfolded. The numbers in this group more than doubled between 2007 and 2009, peaking at almost 105,000 in Quarter 2 2009. Since then decreases have occurred, falling to 39,000 in 2019 before climbing again to 60,000 in late 2020.

A recent report by the NERI institute,¹³ which analyses trends in the Irish labour market in relation to **young people**, found that, prior to Covid-19, employment and participation rates had recovered for older groups from 2008 but remained much worse for younger ones, even when compared to the late nineties. In addition, the unemployment rate for those under 35 had not recovered by 2019. Almost every indicator of precarious work available showed elevated levels of precariousness for younger workers

Although recent years saw dramatic improvements in employment and unemployment rates, the outlook for 2021 and 2022 is, once again, very uncertain. The phenomenon of **widespread unemployment** looks set to return once the temporary COVID-19 employment supports are phased out. Its emergence and impact will frame many of the policy choices and responses in this area in the years to come.

relative to labour market conditions before the financial crisis. This includes part-time work, underemployment, temporary contracts and more. Experiences of unemployment, and in particular long-term unemployment, alongside an inability to access any work, training or education, tends to leave a 'scarring effect' on young people. It increases the challenges associated with getting them active in the labour market at any stage in the future.

Long-term unemployment is also a major labour market challenge. For the first time on record, in late 2010, the Labour Force Survey (LFS) data indicated that those experiencing **long-term unemployment** accounted for more than 50% of the unemployed. It took from then until late 2017 for this number to consistently drop below that threshold, reaching 26.5% of the unemployed in the fourth quarter of 2020.

The transition to these high levels of long-term unemployment following the 2008 financial crash was rapid and it is of concern that we might once again experience high numbers of long-term unemployed due to COVID-19. The pandemic has made it difficult for those who are experiencing long-term unemployment to access appropriate education and training, and labour market opportunities have been limited. It remains a policy challenge that Ireland's level of long-term unemployment remains high, and should the levels increase significantly as we emerge from the various public health measures, there is the potential for the emergence of a large structural unemployment problem in the years immediately ahead, if the appropriate policies are not put in place.

Another key challenge for the Irish labour market concerns **work-related discrimination**, reported by almost one in ten people (9.4%) in the workplace and/or while looking for work.¹⁴ Bullying or harassment (32.8%) was the most common issue identified as regards discrimination in the workplace, followed by promotion and work conditions (both at 18.9%). Persons who experienced workplace discrimination¹⁵ were predominantly from the following groups: unemployed (24.6%); non-white ethnic backgrounds (19.8%), persons who identify as LGBTI+ (17.5%), non-Irish (14.4%), persons with a disability (12.3%), persons aged 25 to 44 years (11.0%), women (10.6%, compared to 8.2% of men).

Similar numbers of men (4.8%) and women (4.9%) experienced discrimination while looking for work: one in five unemployed persons (20.1%) experienced discrimination when job hunting, as did 10.6% of persons from non-white ethnic backgrounds. Moreover, one in twelve persons (8.1%) who identify as LGBTI+ experienced discrimination while job seeking.

In-work poverty, although not a major issue, has been a challenge for policymakers for almost a decade. The latest data relates to 2019 and shows that 4.4% of the population in work (approximately 97,000 workers) were experiencing poverty in Ireland compared to 91,407 in 2009. However, the phenomenon of in-work poverty has not increased as a consequence of the pandemic, which indicates that it was the very lowest paid who suffered most in terms of job losses and were therefore no longer in work.

¹³ Nevin Economic Research Institute (2020) Trends in the Irish Labour market Special Focus: Young People NERI Report Series, No.2. Dublin: NERI www.neriinstitute.net/sites/default/files/research/2020/NERI-Report-Series-no-2-special-focus-young-people-June-20.pdf

¹⁴ Central Statistics Office (2019) Equality and Discrimination Survey, Q1 2019. Dublin: CSO www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019/

¹⁵ Workplace discrimination refers to discrimination experienced in the workplace and/or while looking for work in the two years prior to an interview – see Central Statistics Office (2019) Equality and Discrimination Survey, Q1 2019. Dublin: CSO www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019/

1.1.3. The impact of the pandemic on the Irish economy and the labour market

The COVID-19 pandemic has brought enormous uncertainty to the Irish labour market and consequently to many families throughout the country. The pandemic's labour market impact has been uneven, in particular when analysed across age groups, genders, and sectors of employment with young people particularly impacted. This is in addition to the existing challenges of unemployment (almost 140,000 people), underemployment (over 100,000 workers), and a declining participation rate.

One-fifth of those in receipt of COVID-19 income support payments, either the Pandemic Unemployment Payment (PUP) or the Employment Wage Subsidy Scheme (EWSS), do not expect to return to their previous employment. At the end of 2020, there were approximately 335,000 individuals receiving the PUP and approximately 300,000 employees receiving the EWSS. In the absence of other employment opportunities, this suggests the potential for a transfer of these individuals from these emergency COVID-19 income support schemes to unemployment benefits.

Those that have been most affected by the employment crisis during the pandemic are workers in non-standard employment,¹⁶ young people and women. Young people and women are disproportionately represented in the sectors most affected by COVID-19-induced job losses – culture and recreation, hospitality,

and retail. These sectors are also characterised by low pay. For many working in these sectors, the pandemic has led to unemployment.

For **young people** (aged 15-24), two estimates of unemployment from March 2020 to January 2021 show the difficulties they are currently facing. A low estimate reflects the normal measure of individuals without work and seeking work. A higher estimate reflects, in addition, those young people receiving the Pandemic Unemployment Payment (PUP). If all claimants of the PUP were classified as unemployed, the Central Statistics Office's COVID-19 adjusted unemployment measure would indicate an overall rate of 25% in January 2021 (25.9% for men and 24.1% for women). Breaking these results down by broad age group, the estimate would be 56.4% for those aged 15 to 24 years and 21.4% for those aged over 25 years. The data suggest the existence, and expected future growth, of a severe youth unemployment problem. Youth unemployment is already a major labour market policy challenge and is likely to increase significantly in the period ahead. Addressing this challenge will frame a core part of the policy response to the crisis in the period ahead.

SECTION 2:

Assessing national and EU level policy responses

2.1. Irish labour market policies and responses and opportunities offered by EU policy making

Ireland performs relatively well on several labour market indicators but challenges still remain as regards the inclusion of young people, who have left formal education, and migrant workers.

Whilst the Irish government has put in place some policies regarding minimum wages and policies addressing young people and other vulnerable groups in the labour market, there are still problems, as described in the following paragraphs. In addition, policies

and initiatives which would greatly improve the inclusiveness of the Irish labour market are not being sufficiently implemented.

Adequate minimum wages are essential to help guarantee decent working and living conditions, prevent in-work poverty, and reduce precarious employment. Ireland has the second highest minimum wage, as shown in the Eurostat survey on Disparities in minimum wages across the EU (2021). However, the value of one's income is in its purchasing power. A minimum wage income should be sufficient to purchase necessities. The purchasing power

¹⁶ International Labour Organization definition of Non-standard forms of employment (Non-standard forms of employment) (ilo.org) www.ilo.org/global/topics/non-standard-employment/lang-en/index.htm (Accessed 15/09/2021)

of a minimum wage income is also impacted by the level and cost of services provided by the State. For this reason, Social Justice Ireland has been advocating and continues to advocate¹⁷ for the National Minimum Wage to be replaced by a Living Wage. The call for the introduction of a Living Wage for Ireland reflects a belief that individuals working full-time should be able to earn enough income to enjoy a decent standard of living. Its calculation is evidence-based and built on budget standards' research which is grounded in social consensus. In principle, the Living Wage is intended to establish an hourly wage rate that should provide employees with enough income to achieve an agreed, acceptable, minimum standard of living. Earnings below the Living Wage suggest employees are forced to do without certain essentials so they can make ends meet.

The **informal economy is not significant** in Ireland, however, informal work is not defined in Irish Law nor is it measured by the national statistics agency. To this end, it is difficult to get a comprehensive picture of the informal economy, which is dominated by migrant workers, and women in roles such as child-minding, caring and cleaning.¹⁸ Government should consider requesting that

the National Economic and Social Council¹⁹ explore the topic of the informal economy in Ireland, with a view to developing appropriate policy recommendations and action.

For **young people**, there are specific policies in place to help them enter the labour market, and in response to the pandemic, the number of these policies has increased, including a new and expanded *Apprenticeship Programme*. More will need to be done to support young people who are leaving education and training to connect with the labour market, and in particular there should be additional support for those who are Not in Employment, Education or Training (NEETs) or those at risk of becoming disconnected from the labour market. In the short-term, it makes sense for the government to invest in unemployed youth and to increase their opportunities, and Social Justice Ireland considers this to be a central priority.

The new government should build on the European Commission's *Youth Employment Support package* (€22 billion) to 'bridge jobs for the next generation'.²⁰ The package is designed to mitigate the effects of the pandemic on young people in the labour market and the impact of a digital and green transition. The government should use the strands of the

Youth Employment Support Package as a guide to designing a strategy to deal with this crisis at a national level, taking into account the lessons learnt from the Irish experience of implementing the Youth Guarantee after the financial crash of 2008 and the findings review of the revised Apprenticeship Scheme.²¹ The government should also use the *reinforced Youth Guarantee*²² to ensure that young people are not left behind and are not burdened with the scarring effect of exclusion from the labour market. In addition, the government must take steps to mitigate the impact of the loss of learning on lifetime earnings for young people which, according to OCED estimates, is approximately 3% lower earnings throughout their lifetime as a result of the interruption to their education.

Reskilling and upskilling policies are crucial in the current Irish context. The emerging unemployment crisis necessitates that the Irish government develops a suite of policy interventions to upskill those who are already unemployed, and to retrain those likely to join the unemployed in the months ahead. These policy interventions should provide people with skills for the green and digital economy, and show clear progression paths to employment. Lifelong learning is one of the key policy tools available for dealing with the economic and social fallout of COVID-19

and offering the opportunity to mitigate some of the worst impacts of what will be an uneven recovery. Using data for the third quarter of 2019, 48% of the unemployed had no more than secondary-level education with 20% not having completed more than lower secondary. For the 2021 budget, the government announced €120 million to reskill and upskill people affected by the pandemic and an extension of the *Apprenticeship Incentivisation Scheme*. In April 2021, the government announced a plan to expand the number of apprenticeships and traineeships by 10,000 per year, every year, by 2025. The range of apprenticeships will be expanded with new roles in healthcare, the green economy and farming. Support will be offered for apprentices who experience socio-economic disadvantage, single parents, people with a disability and those living in direct provision.²³

Social Justice Ireland believes continuous investment in skills development, adult learning and lifelong learning are the best policy tools available and should be prioritised by the government. Post-pandemic, as employment recovers and as unemployment declines, major emphasis should be placed on those who are trapped in long-term unemployment, particularly those with the

17 Social Justice Ireland (2021) National Minimum Wage Consultation: Submission to the Low Pay Commission. Dublin: Social Justice Ireland www.socialjustice.ie/sites/default/files/attach/policy-issue-article/6457/2021-03-03submissiontolowpaycommission.pdf

18 European Commission (2016) European Platform tackling undeclared work, Member State Factsheets and Synthesis Report. Brussels: European Commission www.ec.europa.eu/social/BlobServlet?docId=18860

19 The National Economic and Social Council advises the Taoiseach & Government on strategic policy issues relating to sustainable economic, social and environmental development in Ireland. www.nesc.ie

20 European Commission press release July 2020 'Commission launches Youth Employment Support: a bridge to jobs for the next generation' www.ec.europa.eu/commission/presscorner/detail/en/ip_20_1193

21 Irish Government Economic Evaluation Service (2019) Spending Review 2019 Review of Participation and Costs of Apprenticeships www.gees.gov.ie/wp-content/uploads/2019/10/Review-of-Participation-and-Costs-of-Apprenticeships.pdf

22 European Council (2020), *Council Recommendation of 30 October 2020 on A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee 2020*/C 372/01

23 Direct provision is a means of directly meeting the basic needs of food and shelter for asylum seekers while their claims for refugee status are being processed rather than through full cash payments www.ria.gov.ie/en/RIA/Pages/Direct_Provision_FAQs

lowest education levels. Government must focus on including education and literacy initiatives as well as retraining schemes.

Concerning **care workers**, they receive minimal recognition despite the essential role their work plays in society. Census 2016 found that 4.1% of the population provided some care for sick or disabled family members, or friends, on an unpaid basis. This figure equates to 195,263 people giving care. The dominant caring role played by women was highlighted by the fact that 118,151 (60.5%) of these care providers were female. When assessed by length of time, the census found that a total of 6,608,515 hours of care were provided by carers each week, representing an average of 38.3 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 (if unrealistically low) benchmark to establish the benefit which carers provide each year, suggests that Ireland's carers provide care valued at more than €3.4bn per annum (calculation based on the 2016 minimum wage of €9.15 per hour). Social Justice Ireland believes that further policy reforms should be introduced in order 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, along with increasing the provision of respite care for care

givers and receivers. In this context, the 24-hour responsibilities of carers contrast with the improvements over recent years in employment legislation that set limits on working-hours of people in paid employment.

As far as traditional vulnerable groups are concerned, such as **migrants**, Ireland already has specific policies in place to help them access the labour market, such as the current migrant integration strategy²⁴ which comprises a framework for government action, to enable all migrants to actively participate in Irish communities, workplaces and politics. As regards **refugees**, the Irish government has put in place some policies to assist them in accessing the labour market, such as a one per cent target for the employment of EEA migrants and people from minority ethnic communities in the civil service, and initiatives to ensure that migrant needs in relation to skills acquisition and labour market activation are addressed. However, there is still a need for a full implementation of the recommendations of the 'Report of the Advisory Group on the Provision of Support, including Accommodation, to Persons in the International Protection Process', in particular those recommendations relating to access to the labour market and employment supports.²⁵ During the period covered by this report, the government did not implement any new policies to support either group.

The implementation of the new *EU Action Plan on Integration and Inclusion*²⁶ could contribute towards the better integration and inclusion of migrants in Ireland, if its main actions and expanded scope (namely, the integration of EU citizens with a migrant background in addition to third-country nationals (TCNs)) are fully integrated into the Irish Government's own policies on inclusion and integration.

There are also specific **policies to help Roma communities** access the labour market, but the government has not put in place any further policies in response to the pandemic. Some of these policies are aimed at improving the participation rates of Roma in education (particularly higher education) and in the labour market, but success rates are limited. A recent report²⁷ shows that 80% of the Roma community are not in work. Additionally, only 1% of Roma have completed higher education. The most important aspect for the government would be to fully resource existing policies (such as the *Action Plan to Increase Traveller*

participation in Higher Education), so as to ensure current targets for vulnerable groups are achieved. In addition, new policies will have to be implemented to ensure that Government meets the commitments of the EU Roma Strategic Framework for equality, inclusion and participation 2020–2030²⁸.

Ireland has a very low rate of employment among **persons with a disability**. Persons with a disability in the labour force have a participation rate of 30.2%, less than half that for the population in general. Apart from restricting their participation in society, the lack of an employment contract also ties them into State-dependent, low-income situations. Labour force participation is also a key component of the *EU Strategy for the rights of persons with disabilities 2021–2030*²⁹. To date Ireland has struggled to improve the outcomes for persons with a disability in the labour market.³⁰

24 www.justice.ie/en/JELR/Pages/Migrant_Integration_Strategy_-_A_Blueprint_for_the_Future (Accessed 15/09/2010)

25 www.gov.ie/en/publication/ee7d5-report-of-the-advisory-group-on-the-provision-of-support-including-accommodation-to-persons-in-the-international-protection-process/ (Accessed 15/09/2021)

26 European Commission (2020), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions, *Action plan on Integration and Inclusion 2021–2027* Brussels, 24.11.2020 COM(2020) 758 final

27 www.ssgtie/wp-content/uploads/2021/04/SSGT_Travellers_in_the_Mainstream_Labour_Market-FINAL-to-print.pdf

28 European Commission (2020), Communication from the Commission to the European Parliament and the Council, A Union of Equality: *EU Roma Strategic Framework for equality, inclusion and participation 2020–2030*, Brussels, 7.10.2020 COM(2020) 620 final

29 European Commission (2021), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions, Union of Equality: *Strategy for the rights of persons with disabilities 2021–2030*, Brussels, 3.3.2021 COM(2021) 101 final

30 For more details see Irish Human Rights and Equality Commission (2013) *Disability in the Irish Labour Market: Evidence from the QNHS Equality Module 2010*. Dublin: IHREC www.ihrec.ie/download/pdf/disabilityintheirishlabourmarketevidencefromtheqnhsequalitymodule2010.pdf
ESRI (2017) *Employment Transitions among People with a Disability in Ireland* www.esri.ie/system/files/publications/RS58.pdf

The *Employment Equality Acts 1998–2015* outlaw **discrimination** in a wide range of employment and employment-related areas.³¹ However, it is not clear if sufficient progress is being made, as the most recent results of the CSO survey on equality and discrimination in 2019 show higher levels than reported in the previous survey of 2014 (although these two surveys are not directly compatible³²). Clearly, significant work remains to be done in this area.³³ The implementation of the new *EU Anti-racism Action Plan 2020–2025*³⁴ could contribute towards building a more inclusive labour market if the measures are fully integrated into the government's proposed *Action Plan against Racism*.³⁵

As far as gender equality is concerned, Ireland has specific policies or strategies in place with regard to the labour market. *The Employment Equality Acts 1998–2015* outlaw discrimination in a wide range of employment and employment-

related areas, including gender.³⁶ Ireland was the eighth highest of the EU member states in the Gender Equality Index with a score of 69.5 in 2015. The EU average score was 66.2.³⁷ It scored above the EU average on all of the domains, i.e., in work, money, knowledge, time, power and health. Just over one in four (26%) of all senior roles in large enterprises was held by a woman in 2019. However, women occupied only 11.5% of Chief Executive Officer (CEO) positions and 28.3% of Senior Executive roles, and women held just one in five positions on Boards of Directors (19.6%) and only 7.4% of Chairperson roles.³⁸ In addition, just over a fifth (22.2%) of the TD's (elected representatives) in the Dail (Irish Parliament) were women in 2018, the tenth lowest representation in the EU and below the EU average of 31.2%.

Ireland's equality policies are improving the situation, but an additional effort should be made, including the full implementation

of the *Work-Life Balance Directive*³⁹ in the European Pillar of Social Rights Action Plan.⁴⁰ The implementation of the new *EU Gender Equality Strategy 2020–2025*⁴¹ also has the potential to improve labour market outcomes for women, but it must address the issues outlined earlier, and in particular how Irish society addresses the caring responsibilities of women, and the pension and gender pay gap. If implemented fully and integrated into the European Semester Process and into the annual Country Specific Recommendations, there is potential for these policies to be successful.

In Ireland, resources from the *European Social Fund (ESF)*⁴² funded the *Programme for Employability, Inclusion and Learning 2014–2020*, administered by the Department of Education and Skills. It focused on activation of the unemployed, social and labour market inclusion, education, and youth employment. A Mid-Term Review⁴³ noted that the

programme had changed in its scope and coverage, with extensive change and reform in its implementing bodies, delays in establishing necessary data and reporting systems, and only very recent commencement of some strands of activity. The review concludes, however, that the programme is meeting its activation targets, which can be seen in Ireland's increasing employment figures. It is important that the new reporting system accurately captures the data on education and training, adult literacy, and engagement in lifelong learning, in order to inform policy in this area. The impact of the pandemic and dealing with the uneven labour market impacts, and the groups disproportionately affected (young people, for example), may require an update to the stated programme goals of the ESF in Ireland.

31 www.citizensinformation.ie/en/employment/equality_in_work/equality_in_the_workplace.html

32 <https://www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019> and www.cso.ie/en/releasesandpublications/er/q-eq/qnhsequalitymodulequarter32014

33 www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019

34 European Commission (2020), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions, A Union of Equality: *EU Anti-racism Action Plan 2020–2025*, Brussels, 18.9.2020 COM(2020) 565 final

35 www.gov.ie/en/press-release/6bedb-action-plan-against-racism-for-ireland-to-be-drawn-up-by-new-independent-anti-racism-committee

36 www.citizensinformation.ie/en/employment/equality_in_work/equality_in_the_workplace.html

37 www.cso.ie/en/releasesandpublications/ep/p-wamii/womenandmeninireland2019/genderequality/

38 www.cso.ie/en/releasesandpublications/ep/p-wamii/womenandmeninireland2019/genderequality/

39 Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU [EUR-Lex - 32019L1158 - EN - EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexUri.do?uri=CELEX:32019L1158:EN:EUR-Lex)

40 COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS The European Pillar of Social Rights Action Plan. COM/2021/102 final [EUR-Lex - 52021DC0102 - EN - EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexUri.do?uri=CELEX:52021DC0102:EN:EUR-Lex)

41 European Commission (2020), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions, A Union of Equality: *Gender Equality Strategy 2020–2025* Brussels, 5.3.2020 COM(2020) 152 final

42 Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 [EUR-Lex - 32013R1304 - EN - EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexUri.do?uri=CELEX:32013R1304:EN:EUR-Lex)

43 www.eufunds.ie/wp-content/uploads/2020/12/peil-mte-and-yei-evaluation.pdf (Accessed 15/09/2021)

2.2. The EU framework

Introduced in 2010, the **European Semester** enables Member States to coordinate their economic and social policies throughout the year. Within this framework, each year in May, country-specific recommendations (CSRs) are issued to EU Member States to provide guidance for national reforms over the following 12-18 months.

As far as the labour market is concerned, Ireland has been recommended to take action in 2020 and 2021 as follows:

1. In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. (...) Improve accessibility of the health system and strengthen its resilience, including by responding to **health workforce's needs** and ensuring universal coverage to primary care.
2. **Support employment through developing skills.** Address the risk of digital divide, including in the education sector.
3. Continue to provide support to companies, notably small and medium-sized enterprises, especially through measures ensuring their liquidity. Front-load mature public investment projects and **promote private investment** to foster the economic recovery. (...)

The National Reform Programme 2020 dealing with policies addressing inclusive employment reflect fairly correctly the reforms needed to tackle the current weaknesses of the country's labour market. However, progress towards meeting Ireland's social targets on employment, education and poverty must be detailed in order to ascertain whether or not the current policies are contributing to progress in meeting these targets or not. This is essential for informing government policy.

For Social Justice Ireland, the **reforms suggested in the Country Specific Recommendations (2020)** are fairly adequate and implementable. The focus on the active inclusion approach, personalised integration and access to services, and support for people's needs to upskill all reflect Social Justice Ireland's vision. It is fundamental that government policies meet the needs of those who are most distant from the labour market and that they are supported in terms of training, have access to quality employment opportunities and appropriate income support. Support must be flexible in order to meet the needs of all vulnerable groups, such as persons with disabilities, ethnic minorities and people living in low-work-intensity households. Access to care will be a key component in this regard. Increased access to quality and affordable childcare remains an issue in Ireland. The government must invest in this area and consider public provision, as the current private providers are at their limit in terms of both provision and providing sufficient places to meet demand.

To mitigate the socio-economic impact of the pandemic and to help European economies and societies become more sustainable, the recovery plan and the *Recovery and Resilience Facility*⁴⁴ developed by the EU, presents an important opportunity for Ireland to address its social needs. In the submission of its recommendations for the Irish National Recovery and Resilience Plan (NRRP), Social Justice Ireland highlighted the importance of addressing issues such as resourcing the upskilling of those who are unemployed or at risk of unemployment, developing flexible working initiatives to support remote working and increased participation for persons with disabilities, and investing in ancillary community

services to remove barriers to employment, particularly for the long-term unemployed and low-work-intensity households. This would deliver a recovery and resilience plan for everyone and meet the ambitions and commitments in the Programme for the government to deliver a New Social Contract.

Social Justice Ireland believes that the seven flagship areas identified by the European Commission and the six pillars outlined in the consultation document offer the government significant scope and opportunity to address those challenges that existed prior to Covid-19, in particular those outlined above in relation to the labour market.

2.3. The Social Economy

The social economy aims at putting people before profits. Social enterprises, by their nature, are aligned to the ethos of the Community and Voluntary sector, thus going beyond a non-profit entity and instead encompassing a set of shared core values. Social enterprises are intended to meet an identified need within a community, and so should serve the social economy. For Social Justice Ireland, the principles and values of the Community and Voluntary sector, in which social enterprises

for the most part are situated, should form the basis of social enterprise policy if their mission and ethos are to be preserved.

The role of the social economy in Ireland is very relevant in promoting access to services for the most vulnerable, social cohesion, social sustainability in the economy (with specific attention to good working conditions, gender and racial equality, etc.) and environmental sustainability. However, social

⁴⁴ European Commission (2021), Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility

enterprises that are responding to 'deficit demand', particularly in under-represented and disadvantaged areas, face significant challenges in terms of funding and future viability. One example of a social enterprise responding to 'deficit demand' is the Meals on Wheels Network which aims to provide a local, community led, professional facility to assist people who require services (including nutritious, hot meals delivered daily) in order to maintain optimum health, independence, and strong life extending possibilities.⁴⁵

Ireland has specific policies promoting the social economy. The new *National Social Enterprise Policy 2019–2022*⁴⁶ contains, for the first time, a definition of Social Enterprise for Ireland, which states that a Social Enterprise is an enterprise whose objective is to achieve a social, societal or environmental impact, rather than maximising profit for its owners or shareholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives. It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission. The policy also contains three objectives, under which 26 actions will be

delivered during its lifetime. These objectives are: Building Awareness of Social Enterprise; Growing and Strengthening Social Enterprise; and Achieving Better Policy Alignment. However, as the new National Social Enterprise Policy was only published in 2019, there is still not enough data to assess its effectiveness.

The EU Action Plan for Social Economy could further improve the social economy ecosystem in Ireland and build a more inclusive labour market generally. In particular, Social Justice Ireland would like to see specific support for 'deficit demand' social enterprises. These are social enterprises which supply vital services to disadvantaged communities, but which are unlikely to ever generate a profit.

⁴⁵ www.irishruralallink.ie/meals-on-wheels-network/

⁴⁶ [www.gov.ie/pdf?file=https://assets.gov.ie/19204/ae91eaf794f140d1bc3261738e15769a.pdf#page=1](https://assets.gov.ie/19204/ae91eaf794f140d1bc3261738e15769a.pdf#page=1)

SECTION 3:

Social Justice Ireland's promising practices

'Living Wage Technical Group'⁴⁷

Addressing low pay remains a challenge for Irish society. The annual poverty figures⁴⁸ show that approximately 97,000 people in employment are living in poverty. Improvements to the low pay rates received by many employees offer an important method by which these levels of poverty and exclusion can be reduced. Ireland has a statutory national minimum wage⁴⁹ but, despite this, in-work poverty remains an issue. A Living Wage would be an appropriate policy tool to address this issue. In principle, a Living Wage is intended to establish an hourly wage rate that should provide employees with enough income to achieve an agreed, acceptable, minimum standard of living. It is an income floor, representing a figure which allows employees to afford the essentials of

life. Paying low-paid employees a Living Wage offers the prospect of significantly improving the living standards of these employees.

Social Justice Ireland is a member of the Living Wage Technical Group⁵⁰ which researched and developed a Living Wage standard for Ireland. Social Justice Ireland has supported the emergence of this concept over the past few years. The calculation of a Living Wage is evidence-based and built on budget standards' research which is grounded in social consensus.

The recent Programme for Government contains a commitment to move towards a Living Wage during the term office. Also, the government has recently announced that the Low Pay Commission has been given terms of reference to investigate how Ireland can move towards a living wage.

⁴⁷ The Living Wage Technical Group was established in March 2014 and worked to establish a methodology for calculating the Republic of Ireland Living Wage www.livingwage.ie/about/the-living-wage-technical.html

⁴⁸ These figures are prepared annually by the Central Statistics Office via the Survey on Income and Living Conditions. The most recent survey was published in 2020 www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2019

⁴⁹ www.citizensinformation.ie/en/employment/employment_rights_and_conditions/pay_and_employment/pay_inc_min_wage.html

⁵⁰ www.livingwage.ie

SECTION 4:

Conclusions and recommendations

Over the last few years, the Irish economy has been characterised by a consistent growth, with an increase in employment rates, and a reduction of the unemployment rates.

However, several challenges remain in terms of increased inequalities. Access to the labour market is still difficult for vulnerable groups, such as migrants, refugees and Roma people. In some cases, discrimination makes it difficult for people to enter the labour market, especially for those who are unemployed, of non-white ethnic backgrounds, persons who identify as LGBTI+, non-Irish and persons with a disability. Young people are another group facing difficulties in accessing the labour market.

Furthermore, the pandemic is having a considerable impact on the economy and the labour market, affecting in particular workers in non-standard employment, young people and women.

Since the pandemic, Social Justice Ireland has observed an evolution of the target groups accessing state services, with increasing numbers of women and young people of working age accessing the services of the Department of Social Protection, in particular the Pandemic Unemployment Payment (PUP) and the Emergency Wage Subsidy Scheme (EWSS).

The role of the social economy in Ireland is also very relevant in promoting access to services for the most vulnerable, social cohesion, and social sustainability in the economy. The new *National Social Enterprise Policy 2019-2022*⁵¹ contains, for the first time, a definition of Social Enterprise and gives three objectives, under which 26 actions will be delivered during its lifetime. However, there must be continued support for 'deficit demand' social enterprises as these are key to delivering vital services to disadvantaged communities.⁵²

Social Justice Ireland envisions that every person in society should have the right to contribute to society. Part of this means that worthwhile employment should be a genuine option for everyone who seeks it. Jobs should provide decent working conditions and pay a wage that allows employees to achieve a decent standard of living.

Recent decades have seen a gradual erosion in the quality and security of employment, not just in Ireland but across the developed world. But the definition of work should not be confined to paid employment. Every human being has the right to meaningful work. Our system needs to recognise this and acknowledge the many kinds of work in which people engage.

Active inclusion, adequate income, sustainable employment, and quality services remain mandatory objectives for every economic system oriented towards justice and the common good. Inclusive labour markets, therefore, recognise the value of work and people's contributions to society. Our recommendations below aim to reflect the aim of recognising and valuing all work.

In terms of inclusive labour markets, Social Justice Ireland proposes a series of recommendations aimed at the government, and also at the European Commission as part of the European Semester Process. Recovery at national and European level is interconnected, and the success of policies at both levels will drive a fair recovery.

4.1. National level recommendations

RECOMMENDATION 1: Implement the European Pillar of Social Rights.

Social Justice Ireland recommends the establishment of processes involving social partners and civil society partners in order to implement the European Pillar of Social Rights in legally binding ways, aiming for equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. This includes reaching the poverty reduction targets set out in the Roadmap for Social Inclusion by 2025.⁵³

⁵¹ [www.gov.ie/pdf/?file=https://assets.gov.ie/19204/ae91eaf794f140d1bc3261738e15769a.pdf#page=1](https://assets.gov.ie/19204/ae91eaf794f140d1bc3261738e15769a.pdf#page=1)

⁵² The Meals on Wheels service is an example of a 'deficit demand' social enterprise that provides a vital service for the community, www.irishrurallink.ie/meals-on-wheels-network

⁵³ [www.assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf](https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf)

RECOMMENDATION 2: Adopt effective labour market measures, particularly services for NEETs, those experiencing long term unemployment and workers with low(er) skills.

As the recovery is likely to be uneven, and Ireland is looking at a potential unemployment rate of 10-12% when the pandemic is over, policies that protect the most vulnerable must be prioritised. Major investment is required in training and services for NEETs, skills development for young jobseekers, training for those affected by long-term unemployment, with a focus on jobs in the green, circular and digital economies.

Social Justice Ireland recommends that the activation measures need to focus on supporting unemployed people, aiming to maintain and develop appropriate skills and to not be accompanied by the threatened loss of welfare benefits or assistance. Employment measures must not be implemented in a way that removes income security and increases in-work poverty.

RECOMMENDATION 3: Invest in support for young people who are unemployed.

Social Justice Ireland recommends increasing investment in supports and measures to retain young people, particularly disadvantaged youths, on training courses with a focus on young job seekers between 16 and 25 years of age and young people experiencing long-term unemployment.

RECOMMENDATION 4: Address youth unemployment.

Social Justice Ireland recommends that the government establish a Youth Employment Taskforce with responsibility for youth unemployment. Young people should not be subject to lower social welfare payments, and the government should restore the social welfare rate for under-25's to the rate of €203 per week. Training and skills provision should be reviewed, providing young people with skills for the green and digital economy, and show clear progression paths to employment.

4.2. EU level recommendations

RECOMMENDATION 5: Ensure Social Objectives are embedded in the European Semester.

Social Justice Ireland recommends the integration of the social objectives of the European Pillar of Social Rights in the economic processes of the European Semester. For example, the priorities of the Annual Growth Survey should focus on long-term social objectives, and on building adequate, effective social systems that include both investment and protection dimensions, and which are better aligned to the EU Social Investment Package.

RECOMMENDATION 6: Support further social initiatives.

Social Justice Ireland recommends the enhancement of leadership and support from the EU for social initiatives which would benefit both people in need of support (through health and social care programmes) and society generally. This would be consistent with the Social Investment Package and could provide valuable employment opportunities for people who are affected by long-term unemployment.

RECOMMENDATION 7: Adopt an EU Job Guarantee.

The adoption of a Job Guarantee is another recommendation for building a more inclusive labour market and assisting in mitigating the impact of an uneven recovery across Europe, the impact of digitalisation and automation on employment, and the progress towards a just transition, by supporting those communities and areas that will be most affected by job losses.



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