

Policy Objective : To ensure that all people have access to meaningful work.

The present situation

The transition from near-full employment to high unemployment was one of the most devastating characteristics of the recession. Despite signs of recovery over the past number of months, Ireland's unemployment rate remains stubbornly high, at 8.8% (December 2015).

More alarming is the fact that, despite the recovery, there are approximately 175,000 fewer jobs in the economy now than in 2007. Total employment has fallen by 8% and these figures mask the large-scale emigration, particularly of young workers, which has helped to artificially drive down the unemployment statistics.

The years since the recession began have also seen a change in our welfare system, with a shift in emphasis on social security as protection for the unemployed and the vulnerable to being used as a punitive tool. This shift represents a removal of social solidarity, and has had a detrimental effect on the lives of very vulnerable people. Unemployment statistics are still persistently high, but it's crucial to remember that each of these numbers represents people who are experiencing tremendous turmoil and distress in their lives and the lives of their families.

Issues to be addressed

Full-time vs Part-time work

While the fall in numbers on the Live Register is certainly welcome, it has been accompanied by an unwelcome increase in the overall percentage of jobs that are part-time in nature. Full-time employment has fallen, while part-time employment has actually increased, including for people who wish to work more hours but cannot do so. These people are "underemployed" and make up about a quarter of all part-time workers.

The current economic situation has also seen a rise in the number of people in "precarious work", such as short-term employment or zero-hours contracts. Family Income Support and the structure of Jobseeker's payments often subsidise family incomes where people are underemployed or working without guaranteed hours, thereby indirectly subsidising employers who create persistent precarious work patterns for their workers.



Long-term unemployment

The recession has also been accompanied by a worrying fall in labour market participation rates, and a dramatic increase in the numbers categorised as long-term unemployed. In 2007, less than 32,000 were unemployed for more than one year. By September of last year, this had increased to 109,800, though down from a high of 172,100 in 2010. The most recent figures available show that the long-term unemployed still account for more than half of all unemployed people. The experience of the 1980s highlighted the danger and long-lasting implications of an unemployment crisis characterised by high long-term unemployment rates.

Youth unemployment

One of the most alarming aspects of the recession, not just in Ireland but across Europe, was the sharp rise in youth unemployment. Experiences of unemployment, particularly if long-term and without access to training or education, increases the challenges associated with getting active in the labour market again at any stage in the future. This is particularly problematic for young people at the beginning of their working lives given the many decades they potentially have as productive members of the labour force, and can often lead to increased experience of poverty over their lifecycle. Youth unemployment has been persistently double that of the rest of the population since the onset of the recession.

The working poor

Ireland's current statutory minimum wage is €9.15 per hour. But the cost of food, housing, transport and other essentials means many on low wages are struggling to make ends meet. One in five workers in Ireland earns below the living wage, while approximately one in six people living in poverty has a job, a group often called "the working poor". An hourly rate of €11.50 would, over a 39 hour week, allow employees to have an acceptable standard of living. Ireland should prioritise the elimination of the working poor people with job who are living in poverty. The most effective way of doing this would be to raise the minimum wage to the level of the living wage and to make tax credits refundable so that low-paid workers would benefit from the full value of these tax credits.

Caring

Finally, Irish society has long failed to recognise the essential economic and social role of full-time and part-time carers. Based on information from the most recent Census, it can reasonably be estimated that such work is

worth in excess of €3bn per annum. But a number of carers and their families find themselves at risk of poverty. Government must ensure that this very vulnerable group are not neglected.

Eight things Government can do

1. *Expand investment programmes* focused on creating employment. Prioritise initiatives that strengthen social infrastructure, such as a comprehensive school building programme, additional social housing units, and a move towards a more sustainable economy.
2. *Increase resources for the up-skilling of the unemployed*, particularly those at risk of becoming long-term unemployed or with low education levels, including integrated training and labour market programmes.
3. *Adopt policies to address youth unemployment*, in recognition of the negative long-term impact of protracted periods of unemployment for the young.
4. Reform the taxation system, *making tax credits refundable*, and *raise the minimum wage to the level of a Living Wage*, in order to address the issue of the working poor.
5. *Seek to remove unemployment and poverty traps* by integrating income tax, welfare and employment policies.
6. *Address obstacles faced by women returning to the labour force* by increasing the provision of affordable childcare, improving employment flexibility, and providing information and training.
7. *Recognise the right to work of asylum seekers* after six months processing of the asylum application. This would help to alleviate poverty and social exclusion among one of Ireland's most vulnerable groups.
8. *Give greater recognition to the work carried out by carers* and introduce policy reforms to reduce the financial and emotional pressures associated with care work. These should focus on addressing the poverty experienced by many carers and their families, as well as on improving respite care provision.