

Election 2024 Briefing

EMPLOYMENT and WORK



The present situation

Positive headline trends

➤ Ireland's employment landscape shows remarkable improvement, with the unemployment rate standing at 4.3% in August 2024. This indicates a strong recovery in the job market, which has seen the number of people employed rise to 2.75 million, the highest in the history of the State. Employment is up by 2.7% or 71,500 in the 12 months to Q2 2024.

Unemployment

➤ Despite the positive overall employment trends, there are still pockets of unemployment that require attention. The Youth Unemployment Rate (aged 15-24 years), stood at 12% in Q2 2024. While 20.5% of unemployed persons were in long-term unemployment of one year and over.

➤ Six out of ten persons with a disability who were unemployed were out of work on a long-term basis. For people experiencing a long-lasting condition or difficulty to a great extent, this proportion increased to 72%.

Precarious Work and The Working Poor

➤ Despite these positive trends, a troubling reality persists for a substantial segment of the workforce. In 2023, 145,500 people live below the poverty line despite having a job, while 304,268 workers are experiencing enforced deprivation, indicating that employment alone does not guarantee financial security.

➤ In Q2 2024, more than one in every four part-time employees, some 141,800 people, were underemployed, meaning that they have part-time work but would like more hours. This represents a significant amount of labour capacity that is not being availed of.

➤ The digital transition has also contributed to the rise in precarious work, particularly in the gig economy. Data from European Trade Union Institute Survey on Internet and Platform Work shows that

lower skilled tasks were more common in Ireland, with these workers engaged in this form of work on at least a monthly basis.

Labour Force Participation

➤ Ireland's current labour force participation rate (LFPR) is 66%. (This is calculated as the labour force divided by the total working-age population). LFPRs for women (61.4%), at all stages of the lifecycle, still lag behind that of men (70.9%).

➤ Census 2022 revealed that there were more than 400,639 persons with a disability in the labour force, a participation rate of 40% compared to 61% for the full population. For people experiencing a long-lasting condition or difficulty to a great extent, this figure was much lower, 22%.

➤ Ireland is undergoing significant demographic shifts, which add complexity to the labour force participation. As the population ages, the dependency ratio increases, putting pressure on social welfare systems. In addition, the rise in inward migration has diversified Ireland's workforce. Migrants contribute significantly to the economy, filling gaps in the labour market and bringing valuable skills. However, integration into the labour force can be uneven, with some migrants facing barriers to employment that need to be addressed. The digital transition also presents both challenges and opportunities. While new technologies create job opportunities, they also require new skills, which may leave some groups at risk of being left behind.

Recognising all types of work

➤ Census 2022 found that 6% of the population provided some care for sick or disabled family members or friends on an unpaid basis. This equates to 299,128 people. The dominant caring role played by women was highlighted by the fact that 61% of these care providers were female. At a conservative estimate, this time spent caring is worth €4.8bn (NMW) to €5.6bn (living wage) to the economy.

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.



Things a new Government can do

On Low Paid or Precarious Work

- We welcome the decision to introduce living wage in 2022 and call for a time-limited subsidy to allow small businesses to accelerate its introduction by 2025, easing the cost-of-living pressures.
- Policy should ensure new jobs offer fair pay, with an adequately resourced labour inspectorate to enforce standards. As part of addressing the working poor, Income Tax Credits should be made refundable, making the tax system fairer.
- Policies should address the growing disparity between rising corporate profits and stagnant wages, with measures to redistribute wealth fairly. 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.
- Government should adopt policies to address the worrying issue of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
- 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.
- Reducing 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.

Recognising all types of work

- Government should redefine “work” beyond “paid employment”, acknowledging that everyone 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.
- The profits of our productive economy should be shared more equitably. A system of Basic Income would help achieve this by redistributing wealth from economic growth ensuring that everyone benefits from these developments, not just corporations. It would reward all forms of 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.