



3/5/2017

INOUE Submission to the National Risk Assessment 2017

Bríd O'Brien

IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED

policy@inou.ie

INTRODUCTION

The Irish National Organisation of the Unemployed (INOU) welcomes this opportunity to make a submission to the *National Risk Assessment 2017*.

“The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all. We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society.” (INOU Mission Statement)

The organisation has over 210 affiliated organisations and 2,100 individual members. We work at the local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

CURRENT CONTEXT

On 21st February, 2017 the Central Statistics Office published the Quarterly National Household Survey (QNHS) for Quarter 4 2016. According to these figures by the end of 2016 there were 40,000 fewer people unemployed than in the same quarter 2015. Of the 147,400 people who were unemployed at the end of 2016 79,700 people were long-term unemployed i.e. unemployed for more than a year. This figure is very similar to figures last seen in the autumn of 2009. However, at that stage the long-term unemployed only represented 27.9% of those unemployed; while at the end of 2016 they represented 54.5% of those unemployed.

During 2016 the unemployment rate dropped, by 1.9% to 6.7%. While the long-term unemployment rate decreased by 1.1% to 3.6%, bringing this figure back to Q3 2009 levels. However, even with this improvement the long-term unemployment rate is still 2-3 times higher than the rate seen from Q1 2000 to Q4 2008, when it varied from 1.2% to 1.8%.

In the Programme for Government there is a commitment to *“Prioritise balanced regional development, which will allow us to aim for an unemployment rate in each county that is within one percent of the State average by 2020.”* (p36) Looking at the overall unemployment rate from a regional perspective there is clearly a long way to go to meet this commitment: as unemployment rate varied from a low of 5.3% in the Mid-East to a high of 9.4% in the South-East.

The unemployment rate decreased across the eight regions, varying from 0.7% in the Border region to a 3% drop in the Midlands. Employment also increased across the eight regions

with the largest increase taking place in Dublin, 19,500 people out of the national increase of 65,100. The Midlands saw the smallest increase: 800 people.

Looking at the unemployment rate from a gender and age perspective, women aged 15-19 had the highest unemployment rate of 20.7%. While women aged 65+ had the lowest unemployment rate of 0.6%. At present most people in the 65+ age category are retired, however, as the state pension age continues to increase employment / unemployment will become a bigger issue for this age cohort. The unemployment rate of young people aged 15-24 is more than twice that of the overall rate: 15.2% vis-à-vis 6.7%. The only other age group with an unemployment rate higher than the national average is the 25-34 year olds, whose unemployment rate was 7% in Q4 2017.

However, the employment rate for this age group, 25-34 year olds is also higher than the national average: 76.5% vis-à-vis 65.6%. The age group with a higher employment rate were people aged 35-44 who had an employment rate of 77.9%. Looking at the employment rate from a gender perspective, men aged 35-44 have the highest rate at 85.2%, while men aged 15-19 have the lowest at 13.5%. At present employment rates are only produced for people aged 15-64 years, as the pension age increases this would need to change.

Amongst the statistics published in the Quarterly National Household Survey is the Potential Labour Supply Indicator (PLS), which captures people who are working part-time and who view themselves as underemployed; people who are unemployed but not included in the unemployment statistics because they are not actively seeking work or may not be available, for example, because of childcare issues. The broadest of these indicators, PLS4, stood at 13.4% at the end of 2016: though down from 16.3% at the end of 2015 and a crisis high of 25.9% in Quarter 2 2012, it remains a figure that gives a better sense of the employment challenge that still faces Ireland.

DRAFT LIST OF STRATEGIC RISKS FOR IRELAND IN 2017

The draft list of strategic risks for Ireland published by the Department of An Taoiseach included two issues of particular concern to the INOU:

- Impact of Brexit on vulnerable sectors of economy
- Human capital and skills gaps

The INOU would add another issue to this list, one that has an economic and social dimension to it, and that is the potential impact of Brexit on people who are unemployed and those who become unemployed because of its impact on vulnerable economic sectors.

Impact of Brexit on vulnerable sectors of economy

In their document, the Economic and Social Research Institute '*Scoping the Possible Economic Implications of Brexit on Ireland*', ESRI Research Series No 48, noted on page vii of the Executive Summary "A UK exit from the EU opens up the possibility of restrictions on the free movement of people between Ireland and the UK for the purposes of work. As the UK

remains an important destination for Irish emigrants especially at times of high unemployment, such restrictions could have implications for the Irish labour market.”

Later on in the document, on page fifty-two they note *“Net flows from Ireland to the UK increase when the Irish unemployment rate rises relative to the UK rate. This suggests that the closure of the UK labour market for emigrants from Ireland would tend to put upward pressure on unemployment rates and possibly downward pressure on wage rates if the unemployed competed for jobs in Ireland.”*

Clearly, the nature of the Brexit that comes to pass will have a major impact on how the employment / unemployment dynamic plays out and so it will be absolutely imperative that, at the very least, the targets contained the *Programme for Government* are realised and these are:

- *“Target 200,000 extra jobs by 2020, including 135,000 outside of Dublin*
- *Reduce the unemployment rate to 6%*
- *Facilitate the return of at least 70,000 emigrants*
- *Prioritise balanced regional development, which will allow us to aim for an unemployment rate in each county that is within one percent of the State average by 2020” (p35-36)*

To ensure that social and economic exclusion are not exacerbated, it will also be critical to set specific targets to address structural unemployment, household joblessness and inequalities in the labour market.

It will also be important to factor in the impact and implications of Brexit in the development of an integrated, inter-departmental and inter-agency approach that ensures that the maximum possible number of unemployed people gain access to employment. This will require a mapping exercise that identifies the emerging and possible job losses, the potential alternative enterprises and jobs, and the education and training supports that are required to ensure unemployed people of all durations can gain access to these jobs, which must be decent and sustainable.

Human capital and skills gaps

To ensure that unemployed people and others of working age who are more distant from the labour market are properly supported to gain access to employment, and in particular to decent employment, it will be imperative that a systematic approach is developed.

Such an approach should include:

- early engagement with companies that make job announcements with a view to gathering information on the nature of the positions to be filled;
- clarification on the skills, experience and competencies required to successfully do the jobs;
- the recruitment process to be used for filling these positions; and,

- this in turn should inform the work of the local employment services and education and training provision to unemployed people and others of working age.

The *Action Plan for Education 2016-2019* (APE) notes that “*Education and training services support people throughout their lives. They play a huge part in developing their mental resilience and personal wellbeing. They equip people with the ability to adapt, to work with others, to think critically and to be creative. They give people the skills and knowledge to fulfil their personal goals.*” (p2)

At the INOU’s Annual Delegate Conference in 2016, delegates called “*for the provision of a full range of education and training supports for unemployed people which recognises diversity and specific needs when accessing training and education.*” The Programme for Government states “*We will support an increase in the number of flexible courses and opportunities available; giving people the opportunity to attend courses part time, during evenings, in the summer and at weekends.*” (p93).

Not only does the on-set of Brexit demand well-resourced action on this front, integral to it must be the provision of person centred services which focus on supporting unemployed people to assess their learning needs and the necessary opportunities to improve their employment prospects. This requires:

- the provision of good quality guidance and information;
- improved integration and transition between the employment services and education and training supports;
- pro-active work to get the referrals / matching piece correct;
- ensuring all programmes are open to unemployed people; and,
- the provision of the appropriate resources to ensure that people who have yet to see the benefits of an improving economy start to experience this positively in their own lives.

It also presents challenges for the key policy instrument for labour market activation *Pathways to Work* and how best to ensure that its six strands are complimenting and supporting each other and striving to ensure the best outcomes for people of working age seeking employment. These six strands are:

- Enhanced engagement with unemployed people of working age;
- Increase the employment focus of activation programmes and opportunities;
- Making work pay – incentive the take-up of opportunities;
- Incentivising employers to offer jobs and opportunities to unemployed people;
- Build organisational capability to deliver enhanced services to people who are unemployed;
- Building Workforce Skills.

Long-term Exclusion from Employment

Pathways to Work is cited in a range of other policy documents, for example, the Rural Development where under Action 121 that focuses on Skills and Innovation it states “*Through the Regional Skills Fora, facilitate close co-operation between education and training providers and enterprise in addressing identified skills needs in the regions and a local link with the implementation of other strategies including the Regional Action Plans for Jobs and Pathways to Work.*” No-one policy can resolve all aspects of any issue, so to resolve long-term exclusion from employment, it is absolutely critical that different national policies complement each other and identify how they will address this exclusion and the inequalities underpinning it.

Aengus Collins in his presentation to Open Dialogue on the National Risk Assessment 2017 noted that “*inequality has overtaken climate change as the key driver*”. Ireland has introduced the concept of ‘Positive Duty’, through the Irish Human Rights and Equality Commission Act 2014. Such a concept and its practical application will have an important role to play in addressing discrimination and exclusion from the labour market. The issue of ‘*social cohesion*’ was identified in the Department of An Taoiseach’s draft list of strategic risks for Ireland in 2017, alongside ‘*political stability*’. In the *Programme for Government*, they state that:

- *“We want a fair society based on a strong economy*
- *We want thriving communities in urban and rural Ireland*
- *We want an Ireland that looks after its people from the time they come into the world to the time they leave*
- *We want an Ireland where everybody is given the opportunity to succeed, where nobody is left behind*
- *We want people to have the peace of mind that comes from feeling safe and secure in their lives”* (p10)

To achieve such a vision social cohesion must be pursued for its own sake, otherwise there is a real risk that those who are excluded from the labour market, those whose skills are not a match for existing and emerging employment opportunities, will find themselves even more marginalised, and in particular if a hard Brexit emerges.