

Labour Market Advisory Council

Thursday, 22nd October 2020

14.00 (Online)

In Attendance:

Minister Heather Humphreys, Pauric McPhillips, Niall O'Connor (Advisers to MSP).

Council Members: John Martin (Chair), Angela Smith, Frank Gleeson, Terry Corcoran, Ade Stack, Bríd O'Brien, Kara McGann, Ger Gibbons, Philip O'Connell.

Apologies: Susan Hynes and Sinead McSweeney.

Ex-Officio Members: Geraldine Hurley, Dermot Coates, Jenny Connors, Andrew Brownlee, David Hegarty, John Shaw, Phil O'Flaherty.

D/SP Officials: John McKeon (Secretary General), Louise Kavanagh (LMAC Secretary), Hugh Cronin, Ailbhe Brioscu, Jeff Dwan O'Reilly.

i. Opening Address by Minister Humphreys

The meeting opened with introductory remarks from Minister Humphreys who thanked the Council for their dedicated support and efforts to date. In particular, the Minister cited the publication of the Policy Paper¹ during the summer, whose recommendations contributed to the policy discussion at Government level and, in particular, when considering the July Stimulus Package of measures.

The Minister stressed the need to expand the capacity of Intreo and its contracted employment services to provide continuity of service given the huge unemployment challenge ahead. D/SP is currently developing a successor Pathways to Work strategy for the period 2021-2025, to ensure that our labour market is well positioned to react to current and future economic threats and that economic opportunities are achievable for all groups in our society. The Minister noted the urgent timeline for publication of the strategy and requested the Council to provide her with their observations on it as soon as possible.

¹ LMAC Policy Paper: Preparing for Economic Recovery, June 2020 [available [here](#)]

Minister Humphreys concluded by noting the Council's role as an important advisory body in providing expert advice to her and to the Government on the policy responses and programmes required to support economic recovery. With this in mind, she asked Council members to focus on the following priority tasks in the coming period:

- Review its earlier Policy Paper and its recommendations with a view to identifying any changes required.
- Identify the sectors where employment is likely to be most affected by the pandemic, and those which have the potential to create economic growth and employment opportunities as the economy recovers.
- Assess the recommendations of the Institute for Employment Studies report on the Public Employment Services for discussion at the next meeting.
- Review D/SP proposals for a new Work Placement and Experience Programme for discussion at the next meeting.
- Provide feedback on the employment measures announced under the July Stimulus Package, in particular, advice on how D/SP might improve its engagement with employers to promote the supports available when they hire people from the Live Register, and to create the opportunities for people who have lost their jobs.
- Consider the labour market challenges which existed pre-Covid: these include Brexit; climate change; population ageing; ensuring decent work for all; and the implications of the changing world of work.

ii. Adoption of the Agenda and Minutes of the Last Meeting (22nd May)

Council members adopted the agenda and approved the minutes of the meeting of 22nd May, subject to an amendment from Ger Gibbons. Revised minutes will be circulated in due course.

iii. Discussion on the Draft Pathways to Work, 2021-2025 Strategy document

The Chair noted that a working draft of the Pathways to Work 2021-2025 Strategy document was sent to all members prior to the meeting. This draft needs to be further revised by the Department to take account of the enhanced public health restrictions that are in operation from this week and the resultant impact on economic activity and the labour market. The Chair reiterated that the role of the Advisory Council is to provide expert advice to Government on the contents of the strategy. The strategy document itself does not require Council sign-off.

A roundtable discussion on strategy content ensued. Members were asked to focus on key content issues under three broad headings: (i) what they liked in the strategy; (ii) what important topics were missing; and (iii) what elements in the strategy need to be expanded. Members were asked to refrain from making more detailed redrafting suggestions on the draft.

It was agreed that, following this discussion and any written comments submitted by Members subsequently, a draft paper would be prepared by the Chair and the Secretariat setting out the views of the Council on the draft strategy. This would form the basis of the Council's response to the Minister's request for observations on the draft Strategy. This will be circulated to the Council for their review in advance of finalisation.

The five main themes that emerged from the discussions on the draft Pathways to Work strategy are set out below:

Theme 1: PES Capacity Building and Resourcing

The commitments to increase capacity building within the PES network, including the contracted employment services providers, were generally welcomed by Council members.

The need for the PES to be dynamic and flexible to adapt to the current challenging and fast-moving circumstances was noted. Moreover, while increased capacity is needed at present, it was highlighted that the PES needs to have the ability to scale down its capacity and service provision, as the labour market recovers. Access to schemes and associated budgets should be open-ended until a specified target rate of unemployment is met, or where certain regions/sectors remain impacted. It is imperative that potential anomalies in ALMP's

and income supports are kept under review (i.e. eligibility for PUP and FET). Additionally, the terms of recruitment subsidies such as JobPlus should be kept under review.

Members questioned whether increasing case officer capacity in Intreo by 100 new recruits, as proposed in the July Jobs Stimulus package, was sufficient given the scale of the current crisis. Furthermore, members stressed that the strategy in its current format would require a large decree of extra resourcing to deliver on its commitments and should therefore include a clear statement outlining how resources will be allocated and how this compares with the response to the Great Recession.

A member requested the inclusion of a statement of continuity in terms of Intreo service delivery from previous iterations of Pathways to Work (i.e. how far the Intreo model has evolved since its introduction).

Theme 2: Collective Bargaining and Social Dialogue

One member noted that the draft strategy contains no reference to the benefits of social dialogue and collective bargaining in supporting both labour market recovery and in supporting the promotion of decent work (UN SDG 8). He argued that the document should stress these factors which have been highlighted in recent reports by the EU Commission, ILO and the OECD.

However, another member responded that, given the current cost pressures faced by Irish enterprises, it would not be sensible to stipulate any additional requirements for collective bargaining in the current economic climate.

Theme 3: Operational Practices and Scheme-Specific Comments

It was noted that increased operational data sharing and system synchronization would enhance the partnership between DSP and the FET sector, allowing for a more targeted and efficient delivery of employment and training supports. Moreover, further alignment of welfare supports with training allowances and student grants would lead to a reduced administrative burden.

The numerous changes to the temporary Covid-19 income supports (PUP and EWSS) were referenced by several members. One suggested that the document should include material

setting out the rationale behind the structuring and design of these income supports, and lessons learned.

Proposals in the draft strategy for the increased digitalization of employment services were welcomed by many. However, several members highlighted that this may pose difficulties for some groups and individuals in society, and in turn worsen the 'digital divide' among citizens. Thus, barriers such as access to reliable broadband must be considered in order to ensure that we are not leaving people behind in the recovery process. If a digital service delivery model was to be adopted in place of face-to-face contact with clients, a number of challenges will emerge and action here should be informed by best practices in other OECD and EU countries.

The references in the draft strategy and commitments made relating to the challenges faced by marginalised groups were welcomed. However, it was also noted that the economic situation for these groups is much more serious than is currently alluded to in the strategy. It was argued that providing a work placement programme will not be sufficient in these cases, given the additional barriers facing these groups. It was suggested that employment measures explicitly targeting these groups should be included in the strategy, providing these groups with access to jobs that offer economic independence. Marginalised individuals who are considered to be distanced from the labour market are often also isolated from their community, which creates additional barriers to accessing work.

A member drew attention to the inadequacy of working-age payments and that income disregards are often too low. It was also added that income inadequacy is a real issue and makes the transition from welfare to work increasingly difficult.

It was suggested that the PES, its network and referral system could do with clearer signposting, particularly for those who are newly unemployed and do not have a prior history of engagement with Intreo or the contracted employment services providers.

A member highlighted the decrease recorded recently in Community Employment participant numbers (to below 20,000) despite the proposed additional places announced in the July Jobs Stimulus package.

The increased provision through schemes such as BTWEA was welcomed, but the importance of ensuring that these measures are not solely targeted at PUP recipients was also stressed, so that equal treatment is given to those unemployed prior to the pandemic or who are at risk of becoming or already long-term unemployed. It was also noted that for some, self-employment will not be a suitable route to employment.

Members called for clarity on how the PES will engage with PUP recipients (i.e. active approaches to engagement, defining long-term unemployment, the use of PEX, etc.) An observation was also made on the interaction of the FET system and the Pandemic Unemployment Payment with further clarity sought by members in relation to PUP recipients and their eligibility for education and training opportunities.

A member indicated that, based on their experience on the ground in recruiting from the Live Register, there is a risk that some income supports, particularly the PUP, may present a disincentive to work for some jobseekers (especially for applying for entry or low-paid positions).

Theme 4: Employer Engagement

In response to the Minister's concern about getting greater employer buy-in to the strategy, it was argued that D/SP's use of Employer Roadshows was very successful to date. However, several members stressed that Intreo is not yet viewed by employers as a 'one-stop shop' for their recruitment needs. The need to further develop the connections between Intreo, its contracted employment services providers and employers was emphasised.

The role of employer engagement was also raised in the context of capitalizing on sectoral growth opportunities. The need for the strategy to also consider the challenges faced by employers during this crisis was raised.

A need to further develop the JobsIreland offering was expressed, in order to both simplify and increase its use by employers. In response, the D/SP Secretary-General noted that JobsIreland has more criteria to be filled by prospective employers in order to ensure their legitimacy compared to other recruitment platforms.

Theme 5: The Future of the Economy and the World of Work

Some members felt that the tone of the document was overly positive compared to the reality of the current economic and labour market circumstances. Others indicated that it is too early to know what jobs are 'on hold' and which ones will be lost permanently. It was recognised that the draft correctly highlights a number of key challenges on the horizon for Ireland's economy and the world of work. The role and importance of life-long learning and continuous upskilling in this space was stressed and it was suggested that the strategy should reflect this challenge to a greater extent than at present.

A member noted that the draft deliverables do not reflect the current economic context and are not proportionate to the scale of the short-term challenge, which will make implementation of the strategy extremely difficult in the first few years. In particular, deliverables relating to those on the Jobseekers Transitional Payment need to be expanded further. This cohort is over-represented given its numbers and the scale of existing unemployment.

A member noted that the rise of platform working in the 'gig economy' raised concerns around the effectiveness of our social protection systems to provide cover for those non-standard workers who are often mistakenly classified as self-employed, and do not have the resources to manage when there is little work available, increasing their vulnerability.

Several members noted that, although economic conditions remain very uncertain, it would be useful to make greater use in the document of the latest forecasts to make a clearer statement about how the labour market is projected to evolve in the short-term. It was also suggested that these forecasts could be used to highlight those sectors that will likely recover quickly and those that are likely to face more permanent scarring, in order to inform and underpin the kinds of activation and intervention measures used and their associated timings and duration.

However, several members advised caution with respect to placing too much emphasis on these economic forecasts and in using them to draw conclusions about the likely future size and shape of the economy, particularly given the high degree of uncertainty facing the Irish economy at present. Many of these forecasts are predicated on an assumption that levels of the virus would continue to be suppressed and controlled, and don't necessarily take account of the fact that public health restrictions may need to be imposed for lengthy

periods. Moreover, these forecasts usually take a whole-of-economy rather than a sector-by-sector approach, which makes the disaggregation of the national projections into sector-level projections extremely difficult.

It was also suggested that, given the rapidly changing circumstances that we find ourselves in, it is important to ensure that long-term decisions are not made too early. To this end, the Strategy's commitment to a mid-term review was welcomed by members.

Conclusions by the Chair

The Chair concluded by framing a number of questions for consideration:

- Are we devoting sufficient resources to be able to deliver the many objectives underpinning this ambitious strategy? In particular the commitment to build up the case officer capacity, to include Intreo and contracted employment services.
- How does this increased resource allocation compare with our response to the Financial Crisis?
- How can the Irish PES learn from the policy approaches adopted in other EU and OECD Member States?

iv. Work Placement and Experience Programme

Geraldine Hurley (D/SP) provided a high-level summary of the new Work Placement and Experience Programme which is proposed under the July Jobs Stimulus package. The Programme will provide work experience for jobseekers that have been unemployed for more than six months (including a period of time spent in receipt of a PUP payment), with training and mentoring a core element.

This initiative builds on advice from the Council that such placements have the capacity to keep unemployed people close to the labour market and provide them with quality work experience to increase their employability. The timing of the launch and availability of the scheme will be dependent on the position with regard to public health restrictions. There is little benefit in launching the scheme at a time when restrictions impact a large number of business sectors and occupations.

Once the details of the new programme have been firmed up, a paper will be submitted to the Council for their consideration and further discussion.

Several members asked for clarification as to how the new programme would relate to the existing Youth Employment Support Scheme.

v. Next Steps

The Chair outlined proposals to establish two sub-groups of the Council:

- An evaluation sub-group to review active labour market programmes and policies, ensuring that they align with sectoral needs and the future world of work. It is proposed that the work of this group would begin by discussing the Jobpath and JobsPlus evaluations conducted by DSP officials in conjunction with the EU Commission. It would also need to liaise closely with the evaluations of FET programmes being undertaken by SOLAS/DES.
- An employer engagement sub-group to identify how the Public Employment Services can enhance their engagement with employers and provide more employment and training opportunities to those on the Live Register and those displaced by the pandemic.

Ger Gibbons advised that ICTU have strong views on work placements for young people and would raise concerns about the proposed membership of the employer engagement subgroup. The Chair acknowledged this comment and agreed to discuss membership with DSP and relevant members of the Council.

vi. AOB and Date of Next Meeting

Philip O'Connell suggested that the Council would benefit from the inclusion of a voice for young people. This suggestion was welcomed by the Chair. Potential youth representatives will be considered.

Philip O'Connell also suggested that the Expert Group for Future Skills Needs could assist the Council with its review of impacted sectors and growth opportunities in terms of emerging skill demands. This option will be explored following consultation with D/FHERIS.

A date for the next meeting will be circulated in due course.

Action Points

LMAC Secretariat:

- Council observations on the draft Pathways to Work strategy document to be prepared and agreed by the Council for submission to the Minister.
- Revised draft of Pathways to Work, 2021-2025 to be circulated to the Council for information once it is finalised.
- Institute for Employment Studies Review of the Public Employment Services to be circulated for discussion at the next Council meeting.
- Minister Humphrey's opening address to be circulated.
- Detailed proposal for the Work Placement and Experience Programme, including the status of the Youth Employment Support Scheme to be circulated.

The Chair:

- To discuss the establishment and composition of the employer engagement and evaluation sub-groups with D/SP and relevant members.