

Labour Market Advisory Council - Minutes

Wednesday, June 29th, 2022 – 11:00 (Áras Mhic Dhiarmada)

In Attendance:

Secretary General for the Department of Social Protection, John McKeon.

Council Members - John Martin (Chair), Terry Corcoran, Bríd O'Brien, Marie-Claire McAleer, Ade Stack.

Ex-Officio Members – Niall Egan, Roshin Sen, David Hegarty, Mary McGarry (alternate for William Beausang), Andrew Brownlee, Eric Doyle (alternate for John Shaw), Alan Power (alternate for David Hegarty), Jenny Connors (alternate for Jasmina Behan)

D/SP Officials - Jeff Dwan O'Reilly (LMAC Interim-Secretary), Niall Hickey, Oisín Murphy, Stephen McGreal.

Apologies:

Kara McGann, Angela Smyth, William Beausang, Ger Gibbons, Anne Heraty, Frank Gleeson and Phillip O'Connell

1. Adoption of the Agenda.

Members adopted the agenda of the meeting.

2. Minutes of the previous meeting.

Members approved the minutes of the previous meeting.

3. Opening remarks from DSP Secretary General.

The SG opened his address by highlighting the vital role that employment plays for people's economic, social and personal well-being. He highlighted that not all individuals have the strong social networks around them which can be very helpful in finding employment. He noted that the Public Employment Service can play a crucial role in supporting people to find and sustain employment who may not have this strong social network.

He outlined that a well-functioning labour market should match capital with labour efficiently and support production in the economy. He pointed out that the core work of the Department is to help people into employment and to promote labour market efficiency. He also noted that the labour market is one of the main policy areas which is primarily left to the responsibility of National Governments in the European Union.

He concluded by stating that the Council plays a vital advisory role in the development of labour market policy, and that the different perspectives of its members are crucial in fulfilling this role.

4. Update on the latest labour market developments

Niall Hickey (DSP) provided an update on the latest labour market developments which were set out in a paper circulated to Council members. The key points were as follows:

- According to the latest CSO data (Q1 2022), the Irish labour market continues to perform strongly, post-COVID. Employment is above 2,530,000 - the highest level in the history of the State - while the unemployment rate of 4.7 percent (end-May 2022) is now below its pre-pandemic level. Similarly, participation rates in the economy are above where they stood pre-pandemic, driven in particular by increased female participation.
- The emergency COVID-19 income and employment supports introduced by Government in March 2020 to support individuals and businesses impacted by the pandemic, have come to an end. The final PUP was issued on March 29th, 2022, while the EWSS closed for all remaining businesses on May 31st.
- Following the closure of the PUP, its remaining recipients started the process of transitioning to standard jobseeker terms, and if eligible, moved onto a jobseeker payment effective from April 5th, 2022. As part of this final tranche, approximately 20,840 former recipients moved to jobseeker payments. Since then, the Live Register declined gradually to stand at 172,406 as of June 5th.
- Demand for workers among businesses continues to outstrip available supply and is challenging employer's ability to recruit. This imbalance, seen across sectors is resulting in higher numbers of unfilled vacancies and skill shortages. The latest Job Vacancy Rate figure from the CSO is 1.6 percent - the highest since data collection began. However, this is not a uniquely Irish experience, with similar experiences occurring across both Europe and the OECD.
- **The points raised by Members in response, included:**
- The low rate of youth unemployment:
 - Several Council members commented on the fact that the current rate of youth unemployment of 4.9 percent was very low by historical standards. Furthermore, it was noticeable that the youth NEET rate had fallen considerably in the last two years and was now below the EU27 average. One member pointed out that the fall in the NEET rates was primarily due to the increase in youth employment, and not down to increases in education and training.
- Growth in specific sectors and vacancies:
 - One member highlighted that sectors such as IT are very buoyant. This could be supporting the recovery in service sectors which might be contributing to lower youth unemployment.

- Another member suggested that the job profile of the unemployed may not be suitable to where there are currently vacancies. Furthermore, young people may be more favoured in hiring as compared to unemployed older workers.
- Some members noted that raising the status of workers in sectors such as tourism and the residential care sector is an important issue as these are two sectors facing labour shortages.
- Enrolment in Further and Higher Education:
 - An ex-officio member noted that there has been no increase in demand for higher education while participation by people over 50 has fallen by 10-15 percentage points. In addition, there are currently 4,400 Ukrainians in Further and Higher Education.

5. Discussion on the Pathways to Work Annual Report.

Roshin Sen (DSP) introduced this item. Council members were asked for their views on overall structure of the report, the progress achieved, and the proposal for remedial actions.

- One member asked whether there were procedures in place to monitor the implementation of *Pathways to Work* within the DSP and externally with other involved Departments.
 - Niall Egan (DSP) responded that there is a Pathways to Work Programme Board which monitors the implementation of the strategy within the DSP. Additionally, there is a High-Level Group which monitors the implementation of commitments where other Government Departments have the lead in implementation.
- Overall Progress
 - The Chair stated that the traffic-light system might be leading to an over-optimistic assessment of the progress that is being made in relation to *Pathways*. He suggested that it could be appropriate to include quality of employment targets given that many of the outcome-orientated KPI's are being over-achieved.
 - One member advised that some commitments that are started but have not yet been achieved are marked as green in the traffic light monitoring system, mentioning that this is one of the downsides of using a traffic light system.
 - Another member commented that overall progress has been good and that a lack of demand has been the main barrier to the achievement of some commitments.
- Active Labour Market Programmes (ALMP's)
 - The Chair noted that there were difficulties in meeting target places on many of the ALMP's.
 - One member commented that many commitments were made with the expectation that unemployment would be considerably higher than it is today. Therefore, the commitments might not be relevant today given the current labour market context.

- Another member highlighted that, given the deteriorating economic outlook, it could be worth keeping supports in place as a precautionary measure.
- Proposal for remedial actions
 - One member highlighted that many people are not aware of the supports available to them. It was suggested that these supports should be communicated more effectively to job seekers. Some members mentioned that the Public Employment Service needs to be available to everyone of working age who wants to work.
 - Another member said that the Public Employment Service was available to people who are not directly engaging with the welfare system. However, many people are not aware of this, and the Department needs to communicate this better.
 - Similarly, some members commented that engagement with employers would be important in a tight labour market.
 - One member suggested that serious consideration should be given to revisiting the targets and commitments in *Pathways* given the buoyant labour market.
 - The Chair noted that while there are many references to employer engagement in the draft annual report, there is no reference to engagement with other stakeholders, and that this should be rectified.

6. Updates from the LMAC Sub-Groups.

Employer Engagement Sub-Group

Siobhán Lawlor (DSP) provided an update regarding the work of the Employer Engagement sub-group. It has met twice since the last meeting of the Council in March.

- At the first meeting, of the group, the sub-group was provided with an update on what actions were being taken to reduce delays in issuing PPSNs and Work Permits.
- At the second meeting, it was noted that the processing time for Work Permits was improving and that the national average processing time for PPSN's is 2.6 weeks.
- Updates were provided to the group concerning the ongoing work of the Department in supporting Ukrainians arriving into Ireland. The group noted that it would be hard for Ukrainians to commit to employment until accommodation issues are dealt with.
- It was noted that employers are finding it difficult to hire in the hospitality and retail sector. It was suggested that a white paper be prepared for the retail sector, with case studies on how best to engage with the Department.
- Lastly, the group agreed that there is a need to focus on the recruitment of under-represented groups. It was suggested that better information on supports available for workers with disabilities was needed, and that a communication programme aimed at early retirees would be beneficial.

Evaluation Sub-Group

Bríd O'Brien reported on the ongoing work of the Evaluation Sub-Group. The Evaluation Sub-group met on June 23, 2022. The meeting focused on 2 agenda items:

- (i) Research into Employment Arrangements: Roshin Sen and Oisín Murphy (DSP) presented an overview of the *An Examination of Employment Arrangements* report prepared by the Department of Social Protection and SOLAS. Members commented that the report merited publication. Members also discussed the future direction of commissioned research and the benefits and limitations of focussing on remote work and/or transitions out of non-standard working arrangements such as part-time and temporary employment.
- (ii) Jobseekers Longitudinal Database: Dermot Corcoran (Chief Statistician, DSP) presented an overview of developments with the Department's Jobseeker's Longitudinal Dataset (JLD) and its planned successor, the Work and Welfare Longitudinal Database (WWLD). The Department hopes to hold individual consultations with LMAC members on this topic in the coming months. In response, members highlighted that it will be important to be clear on how and to what end the WWLD would be used. DSP responded that the WWLD will contain anonymised data for research and evaluation purposes.

7. Update on employment arrangements research and next steps.

Members' views were sought about how best to proceed with commissioning independent research on employment arrangements.

One member highlighted that remote work was the form of employment that was experiencing the most change. However, it was noted by another member that data on remote work is scarce and that it might not be possible to commission further research on this topic in the immediate future. Members felt it would be useful to explore the transitions of people in and out of non-standard forms of employment.

The Chair put forward a proposal that the Secretariat would prepare a request for tender examining transitions and see what responses are received. Additionally, remote work would continue to be monitored and the Council should be kept informed of any developments.

8. Presentation from the OECD on their ongoing review of Ireland's national skills strategy.

Bart Staats (OECD) gave an overview of their review of Ireland's skills strategy. The presentation (which was circulated to members in advance) focussed on:

- Securing balance in skills through a diversified supply of skills;
- Fostering greater participation in lifelong learning in and outside the workplace;
- Strengthening governance across a joined-up skills ecosystem;
- Leveraging skills to drive innovation and strengthen the performance of firms.

Issues raised by Members included:

- Focus on firms: One member was concerned that there was too much focus on firms. The focus should be broader and should include the community and voluntary sector in addition to firms. The development of skills is not just an issue for the private for-profit sector.
 - Another member highlighted that there was considerable attention paid to employers yet there was no mention of the role of trade unions in fostering skills.
- Use of data: One member highlighted that much of the data used was out of date and would need to be updated.

Bart Staats thanked the members for their inputs. He said that there would be another round of stakeholder events later in the year.

The Chair thanked the OECD and suggested that the Council would like to discuss the issue further when draft recommendations are ready.

9. AOB

No matters were raised.