

Labour Market Advisory Council
Wednesday, 27th September 2023
Fitzwilliam Hotel, Dublin 2

- **In Attendance -**
 - Minister of State with special responsibility for Employment Affairs and Retail Business, Neale Richmond T.D, Fiona Campbell (Adviser to MoS).
 - **Council Members** - John Martin (Chair), Philip O’Connell, Frank Gleeson, Ger Gibbons, Bríd O’Brien, Terry Corcoran, Paul Gordon.
 - **Ex-Officio Members** – Niall Egan, Fiona Ward, Roshin Sen, David Hegarty, Alan McGrath (alternate for Andrew Brownlee), Nigel Clarke (alternate for John Shaw), Cathal McDermott (alternate for Jasmina Behan), Sarah Rochford (alternate for William Beausang).
 - **D/SP Officials** – James Carr, Maria Wrobel, Cameron Hart, Niall Hickey, Fintan Roche (Interim Secretary).
- **Apologies -**
 - Anne Heraty, Ade Stack, Kara McGann, Louise Kavanagh (Secretary).

Draft Minutes

Adoption of the agenda and matters arising and approval of the Minutes of the previous meeting (10th May 2023)

- Members adopted the agenda of the meeting, subject to amendments from Ger Gibbons and Brid O’Brien. Revised minutes were subsequently circulated.

Opening remarks from Minister Richmond

Minister Richmond passed on apologies from Minister Humphreys, who was unable to attend due to matters of Government. In his opening remarks, the Minister:

- referenced the upcoming presentation to be delivered by the Organisation for Economic Co-operation and Development (OECD). He noted that work on the Skills Strategy on policy development and advancement is a considerable resource and highlighted the usefulness of being able to benchmark Irish experience against relevant international comparisons and learn from them.
- recognised the strong labour market performance, noting that such a situation doesn’t happen by accident. He particularly welcomed the strong increase in female participation.
- emphasised the constant issue of recruitment and retention of staff faced by employers. He stressed the need to raise the participation rates of certain underrepresented groups. In the EU comparison, Ireland is an employment laggard with certain groups e.g., people with disabilities, Travellers, and those who have arrived in the State from Ukraine. He acknowledged the numerous challenges faced by beneficiaries of temporary protection in the labour market, including accommodation, language, and the impact of trauma.
- Regarding Pathways to Work, the Minister praised the draft report and advised of the need to do more to address barriers for marginalised groups to access the labour market. He noted the necessity to stress skills - not just for those leaving school but continuous

upskilling and ingraining this as something that happens in all workplaces, not just in highly specialised fields. He noted that there is greater demand for skills which was also touched upon in the White Paper on Enterprise.

- The Intreo Skills and Work Campaign will run nationwide from 6th October.
- The Minister outlined the main findings from the published review of the Reasonable Accommodation Fund and Disability Awareness Support Scheme. He highlighted the 9 recommendations, and that Minister Humphreys had asked to expedite implementation of these recommendations.
- In relation to the Public Consultation on the Disability Payment Reform Green Paper, the Minister encouraged responses from a wide range of stakeholders.
- On the Pay-Related Benefit, he stated that Minister Humphreys will update further at the next meeting.

In response, the Chair commented:

- The employment rate of people with disabilities in Ireland lags behind the European average, but this is nothing new. Ireland has always had this problem, even in periods of extremely strong labour demand. The problem has become exacerbated in recent times – people with disabilities are facing mental health issues along with physical disability.
- Increasing the employment rate for people with disabilities will pose difficult challenges for the Public Employment Service (PES). There is a need to work with people with disabilities and with employers. Poor mental health is a particular challenge. The Green Paper on Disability Reform and the desire to reform disability benefits with the aim to increase employment opportunities will hopefully be discussed by the Council at its next meeting– it’s difficult to overcome the silo attitude people have in these areas.
- Those who have arrived in the State from Ukraine need to be viewed as having significant health and trauma issues as well as needing upskilling and language provision.

Further comment was provided by Council members on the issue of disability employment:

- The emphasis on workers with disabilities was welcomed.
- A member emphasised the need for Government to support employment for neurodiverse people, and part of the response may entail part-time employment.
- It was noted that those experiencing mental health issues are not necessarily on disability benefits and that COVID-19 has exacerbated isolation and mental health issues.
- Members were interested in the reasons why people with disabilities do or do not take up employment.
- An update was provided on schemes with uptake among workers with disabilities. Early engagement by the PES with people with disabilities has commenced and around 12,000 have engaged. 10% of the places on the Work Placement Experience Programme (WPEP) scheme have been taken by people coming from Disability Allowance. The Tús employment programme has also been extended to include people in receipt of disability allowance, as has the JobsPlus financial incentive for employers.
- The Department of Social Protection noted that it is very conscious of the issues facing disabled people. The Department already has a rate of hiring people with disabilities at 6.5%.

Council members discussed the upcoming minimum wage increase and the Adequate Minimum Wages Directive:

- One member expressed concern about the size of the proposed increase and how it will affect the labour market. There may be an inflationary cost – some employers may have to raise prices or automate.
- Other members welcomed the minimum wage increase and the move towards a national living wage.
- It was noted that minimum wage increases only take place after significant research. The Economic and Social Research Institute (ERSI) is researching minimum wage issues. An analysis has been commissioned on the likely effects of minimum wage increases.

An update was requested on the Short-term Work Scheme (STWS):

- A detailed analysis was undertaken on what happened during the pandemic. Views on a revamped STWS were sought as part of the Pay-Related Benefit (PRB) consultation. On the other side of the PRB is the Working Age Payment (WAP), and the STWS. Target timelines to the end of this year for policy development have been revised.

Update from the LMAC Sub-Groups

The Chair of the Employer Engagement Sub-Group provided the following update:

- The next meeting of the Employer Sub-Group will take place in October. The agenda will focus on the new employer youth charter and an update on work permits. Council members discussed the situation with regard to Commitment 32 of Pathways to Work – to develop an employer relations strategy by Q2, 2022.

The Chair of the Evaluation Sub-Group provided the following updates:

- Work of the evaluation group has been incorporated in the MTR and a 20-page technical review paper will be published shortly.
- Revisions to existing KPIs and new KPIs are being recommended.
- The sub-group has been involved in discussions on the CE and TUS counterfactual evaluation with the research teams, with initial results expected in October.
- There will be a new evaluation of the Back to Work Family Dividend.

Presentation on the main findings/recommendations of the OECD Skills Strategy for Ireland.

Andrew Bell, Head of Skills Strategy projects at the OECD, and Laura Reznikova, policy analyst with the OECD, presented the key findings and recommendations of the OECD Skills Strategy for Ireland. The strategy assessed the existing strengths and weaknesses of Ireland's skill system against relevant international experiences, reviewed the existing national skills strategy and identified policy priorities in Ireland.

In response to the OECD presentation, Council members made the following comments:

- There is a high level of migration in Ireland, both inward and outward, raising issues of both brain drain and brain-gain. What can be done to reduce brain drain? What can be done to realise potential gain?
- On the recommendation to strengthen the National Skills Council, it was noted there is currently no trade union voice on the Council. It was noted by a member that countries with higher levels of in-work training also have higher levels of collective bargaining coverage.
- It was noted that the word “firm” might suggest that the strategy is for the private sector only, but State employment, as well as non-profit and voluntary sectors must also be considered. Skills can’t just be seen from a competitiveness point of view but also must be viewed from an equality and inclusion angle.
- A member commended the emphasis on using skills effectively at firm level and as a lever for productivity, which resonates with the White Paper on Enterprise.
- The Chair noted that it was striking that the recommendations are very general. For example, “Change perceptions of FET and apprenticeships” – is a general point and not confined to Ireland, how can this be addressed concretely? More precise recommendations could be helpful. Apprenticeships are widely thought of as for young males and work is needed to change this perception.
- On Priority 2 – lifelong learning, recommendations are directed toward employers. The Chair queried: how do we incentivise workers to invest in lifelong learning? He noted that by their mid-30s most workers have completed most of their lifetime skill investment, and a more difficult task is to smooth out the curve and increase investment in middle to older workers. He asked what more specific recommendations can be tailored to the Irish context.
- It was noted that participation levels lag behind Nordic countries, perhaps due to better childcare in those countries.
- It was noted that there are immigrants in Ireland working in jobs for which they are over-qualified – language provision will be important to ensure adequate skill-matching.

The OECD team responded by stating:

- Ireland is doing very well in terms of employment. It is an example in many other countries and starts from a good baseline position. The report doesn’t over-emphasise firms . It is a broad strategy – many bases were covered; some important things didn’t make it into the report due to triage. Migration could have featured more. The recommendations are more specific than some suggested – there is more detail in the report as many stakeholders were involved. Many countries are experiencing similar issues– there is a difference in intensity, but the themes are similar. It is a broad strategy to identify priority areas.
- Memberships of skills council should be expanded as important members are missing, like trade unions. Regarding guidance – we recognise the importance of consolidating, and the report contains several concrete suggestions.
- Regarding use of skills – there are more concrete suggestions in the report. The first priority area and changing perceptions is not an Ireland-specific issue, it’s broader than the Irish context and complicated. To address issues in more detail there are options in the report.
- Regarding the second priority area – lifelong learning and employer roles were discussed but individuals were not neglected. The report recommends using individual learning schemes / paid training leave to help boost learning rates as cost and time are significant barriers in Ireland.
- Lastly, unlocking the large surplus in the national training fund is discussed in the report. It’s a complicated topic as it involves fiscal rules.

- The report provides a foundation but is not the end. It is in Ireland's hands to decide how to move forward and choose suitable priorities.

The Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) concluded, noting:

- This was a valuable process, which works to emphasise the importance of skills. The report is a blueprint. A lot of work has started – it must be embedded in the Irish context in the correct way. Structures need to be correct before implementation. The National Skills Council is the first piece of work. It will be made more balanced and the community and voluntary sectors and trade union will be included. Once structures are in place we will be empowered to prioritise as we need to bring key stakeholders with us. This was a really big project, there was a lot of engagement. This is an important piece of work for Ireland and an important blueprint.

Roundtable Discussion: Draft Mid-Term Review of Pathways to Work 2021-2025, including an update on the Labour Market Context

The Labour Market Context chapter of the mid-term review was presented to the Council for feedback, with a range of observations provided by the Council.

The Council then discussed the draft document chapter by chapter. Members were requested to provide written feedback on the latest draft of the Mid-Term Review to the Secretariat by 5pm Thursday, 5th October.

AOB

- The next Council meeting will take place in Aras Mhic Dhiarmada in December or January. The Secretariat will circulate a meeting invitation in due course. A discussion on the recently published *The Structure and Usage of the Public Employment Service* prepared by the Irish Government Economic and Evaluation Service (IGEES) was suggested as a possible agenda item for the next meeting.
- Council members discussed the possibility of inviting representatives from other civil society groups to the Council.