

Meeting of the Labour Market Advisory Council

Thursday, 22nd October 2020

Opening address by Minister Humphreys

- I welcome you today to the fourth meeting of the Labour Market Advisory Council which was established earlier this year by my predecessor in very different economic circumstances. I note and thank each one of you for your dedicated effort to date.
- Some of you are continuing members from the Labour Market Council. Others bring new experience. Combined, you offer a strong blend of skills and experience that can contribute strongly to the policy debate on economic recovery and the labour market.
- Against the backdrop of increased and indeed rolling public health restrictions, and as we move to Level 5 restrictions for the next six weeks, it is imperative that we continue to plan ahead for the recovery period. Our focus needs to be on supporting economic recovery, and repositioning the labour market as quickly and effectively as soon as restrictions are lifted.
- We need to stimulate job retention and growth to the greatest extent possible. In particular, we need to protect against rising youth unemployment, as many young people will be entering this challenging labour market for the first time. Others are already long term unemployed and face barriers to work.
- The Advisory Council will be an important stakeholder and expert body in advising on policy responses and programmes we need to support economic recovery over the coming period.
- As Minister for Social Protection, I recognise the scale of the challenge facing the Public Employment Service over the coming months and I am conscious of the need to expand the capacity of the PES, including contracted provision. I noted with interest the recommendation in the Advisory Council's Policy Paper, *'Preparing for Economic Recovery'* earlier this year to expand existing contracted service provision to provide the continuity of service given the scale of the unemployment challenge

that lies ahead. Moving forward on this, the Government's July Jobs Stimulus provided for an expansion in the capacity of our Public Employment Services including through contracted services. In addition a report on our Public Employment Services was conducted during the course of 2020 by the Institute for Employment Studies. The final report which contains a number of recommendations on our Intreo employment service as well as the contracted employment services was provided to my Department during September. **I would welcome the Advisory Council's observations on this report and its recommendations and I would ask you to consider this report at a meeting in the near future.**

- Other recommendations in the Advisory Council's Policy Paper, in particular the recommendation to increase case work capacity and develop a new work placement scheme also fed into Government's July Stimulus, training, education and employment support package of measures with a total investment of over €212 million up to the end of 2021. I would welcome your ongoing views on this initiative as my Department develops the design of this important measure. The Government also agreed to expand enterprise and self-employment grants and to increase places on state employment programmes to benefit those at most removed from the labour market. In total the Department will spend about €2.2Bn on employment services, and programmes next year. **I would welcome your feedback on these plans and the proposals. I would in particular welcome your support and assistance in advising us how we might improve our 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.**
- As you are aware, my Department is currently developing a successor Pathways to Work strategy for the period 2021-2025, to ensure that our labour market is positioned to react to current and future economic threats, and that economic opportunities are achievable for all groups in our society. Strategy content reflects the extensive consultation that has taken place with other Government Departments, Agencies and Stakeholder Groups over the past year.

- I look forward to receiving the feedback of the Advisory Council, which will greatly assist us to finalise this strategy. Following consideration by Government, we will then move towards publication in mid-November, in line with the Government's National Economic Plan.
- There are number of further challenges face Ireland's labour market that could be considered by the Council over the next year. These challenges which existed pre-Covid continue to be of relevance. They include the challenges posed to many vulnerable sectors and regions by Brexit; climate change; population ageing; ensuring the availability of decent work for all, in particular for groups with low participation rates as well as the implications of the changing world of work.
- I understand that the Advisory Council intends to deal with some of these topics in future policy papers, and that a number of sub-groups may be formed to look at these issues in greater detail. You can be assured of my and my Department's ongoing support for this important work at all levels.
- That said, it is now clear that Covid-19 has had and continues to have a serious impact on our economy and represents a significant shock to the labour market. With the introduction of the Level 5 restrictions from midnight last night, the numbers availing of emergency pandemic supports – in particular the PUP – will increase significantly over the coming weeks. While it is envisaged that most of jobs affected are affected on a temporary basis only and most employees will return to their previous employment, this may not be the case in all circumstances.

I would therefore also find it helpful if the Advisory Council could use its next round of work to conduct a review of the sectors that may be most affected in the medium term in terms of employment levels arising from Covid-19, as well as identifying those sectors which will have capacity to generate new jobs and more generally economic growth opportunities when we are in a position to move beyond Covid-19. In this context it may also be useful to review the recommendations contained in the Policy Paper on Preparing for Economic Recovery, to assess whether there is a need to update or revise them in light of changed economic

circumstances arising from the more recent round of restrictions and how best to support recovery and employment into 2021.

- I'd like to thank you all for attending today. I look forward to working closely with you in the future.

ENDS