

Responding to the Unemployment Crisis

What Role for Active Labour Market Policies?

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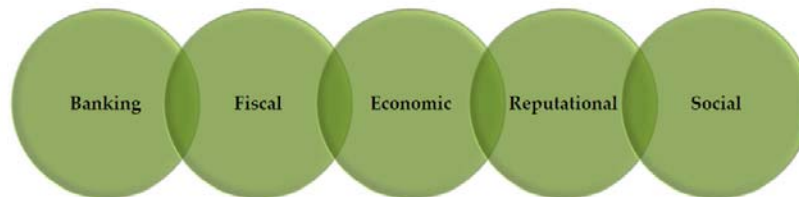
Outline

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- 3. Unemployment Changes since 2007**
- 4. A Profile of the Unemployed**
- 5. Unemployment Projections and Jobless Growth**
- 6. ALMPs and Reforming Community Employment**



1. Introduction & Context

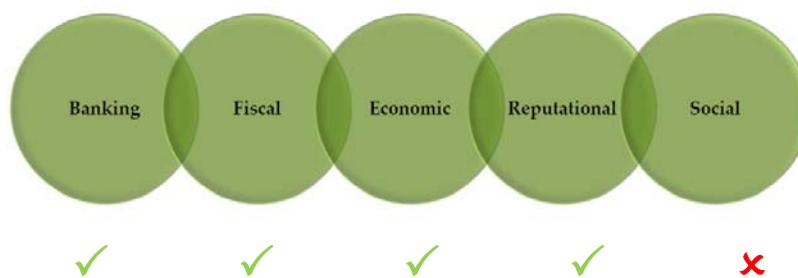
- NESC (2009)
 - Ireland's Five Part Crisis



- In all cases the work continues
- Uneven progress
- Over the longer term:

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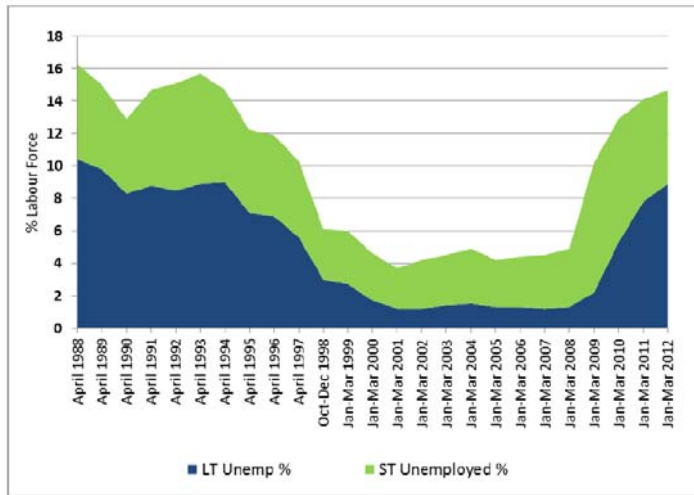


- Be left with serious socio-economic scars
- Limited public policy attention
- Despite impact on individuals, households and communities
- Chief among these, the *Unemployment Crisis*

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Figure 1: Ireland's U-Shaped Unemployment Curve, 1988-2012

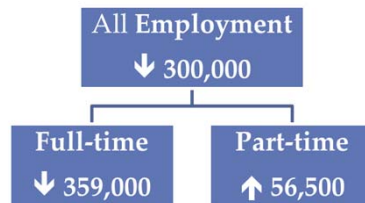


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2. Employment Changes since 2007

- Q1 2007 to Q1 2012
- CSO QNHS data



- Who?
- Status?

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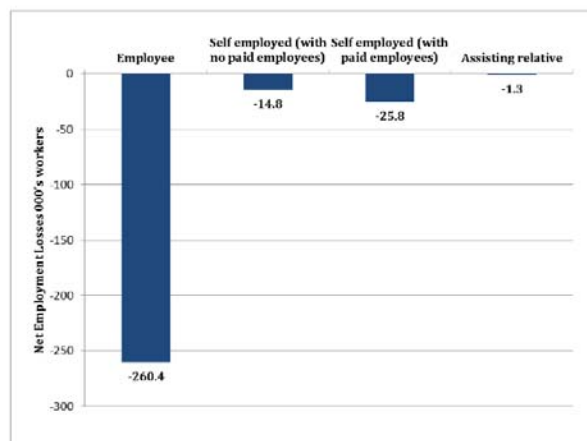
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Table 1: Change in Employment by Sector and Occupation, 2007-2012 (000s of individuals ordered by size of change)

	2007 Q1	2012 Q1	Change
Overall	2,088.5	1,786.1	-302.4
By Sector			
Human health and social work activities	209.5	234.1	+24.6
Information and communication	66.0	75.2	+9.2
Education	141.7	145.8	+4.1
Financial, insurance and real estate activities	98.9	99.0	+0.1
Public admin and defence; compulsory social security	100.8	99.9	-0.9
Other activities	97.7	96.8	-0.9
Transportation and storage	92.8	88.8	-4.0
Professional, scientific and technical activities	107.4	95.5	-11.9
Administrative and support service activities	73.0	60.1	-12.9
Accommodation and food service activities	132.0	111.6	-20.4
Agriculture, forestry and fishing	108.2	80.7	-27.5
Wholesale and retail trade; repair of motor vehicles	293.2	263.5	-29.7
Industry	300.0	232.6	-67.4
Construction	267.2	102.7	-164.5



Figure 4: Distribution of Net Employment Losses by Employment Status, 2007-2012 (000s of individuals)



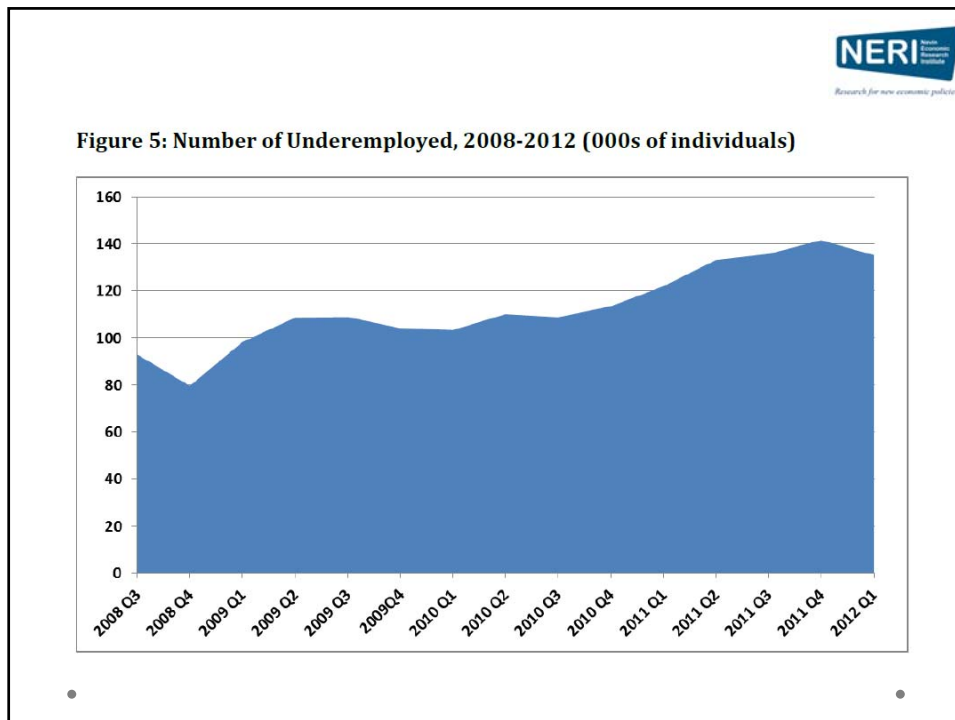
- A Shift to part-time employment
- A rise in underemployment
 - those in part-time work but seeking more hours... 'too few'
- Implications of this?

Table 2: Distribution of those Employed by hours worked, 2007-2012 (000s of individuals)

Hours per week	2007 Q1	2012 Q1	Change
1-9	35.6	40.8	+5.2
10-19	110.8	129.8	+19.0
20-29	223.7	242.8	+19.1
30-34	82.6	95.0	+12.4
35-39	773.9	553.3	-220.6
40-44	410.1	357.4	-52.7
45+	227.3	184.8	-42.5
Variable	224.5	182.1	-42.4
Total	2,088.5	1,786.0	-302.5

Source: CSO Quarterly National Household Survey online database.

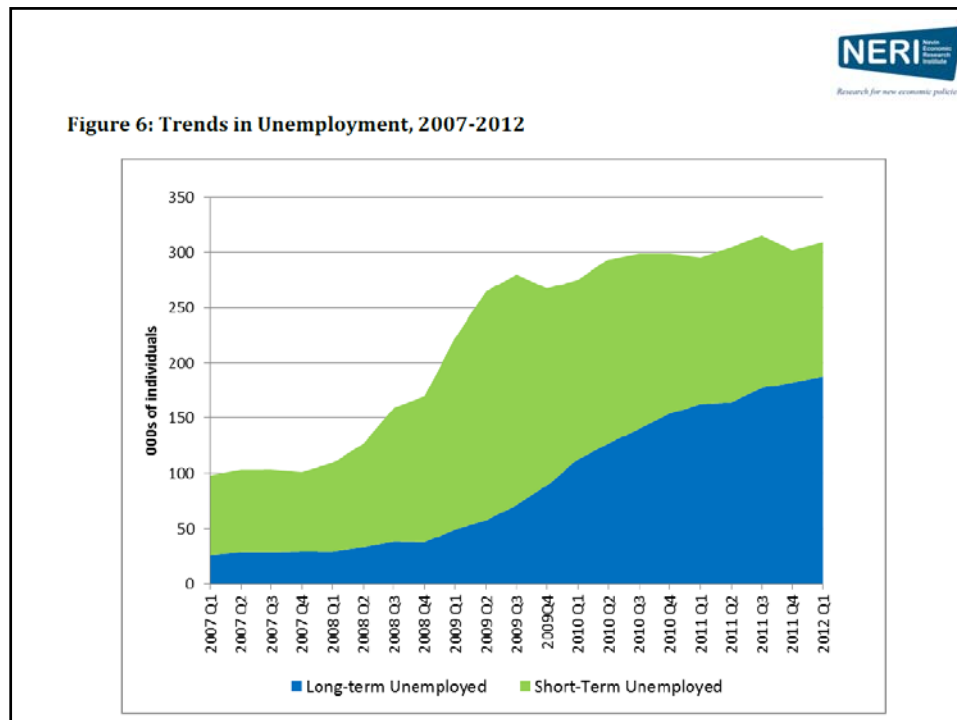
Note: Small differences in row and column totals are due to data rounding



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3. Unemployment Changes since 2007

- Over period
 - Unemployment x3
 - Long-term unemployment ↑ more than x6
 - Live-register average now 21 months (care)



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4. A Profile of the Unemployed

- Paper profiles the unemployed by:
 - *gender*
 - *age*
 - *completed education*
 - *early-school leaving*
 - *unemployment duration*
- A few key points on this

Table 4: Unemployment by age group, Q1 2012 (000s of individuals and % of the LF)

	Males no.	Females no.	Overall no.	Males %	Females %	Overall %
Overall	205.4	103.6	309.0	17.7%	11.1%	14.7%
15-19	8.3	6.4	14.8	40.5%	33.3%	37.0%
20-24	26.4	14.8	41.2	35.8%	20.0%	27.9%
25-34	65.9	35.3	101.3	20.7%	12.1%	16.6%
35-44	46.5	25.6	72.1	15.2%	10.7%	13.2%
45-54	37.5	14.6	52.1	14.7%	7.6%	11.6%
55-59	13.3	3.9	17.3	14.6%	5.7%	10.7%
60-64	6.6	2.6	9.2	11.2%	7.1%	9.6%
65+	*	*	1.1	*	*	2.3%

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25-34	65.9	35.3	101.3	20.7%	12.1%	16.6%
35-44	46.5	25.6	72.1	15.2%	10.7%	13.2%
45-54	37.5	14.6	52.1	14.7%	7.6%	11.6%
55-59	13.3	3.9	17.3	14.6%	5.7%	10.7%
60-64	6.6	2.6	9.2	11.2%	7.1%	9.6%
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Figure 8: Unemployment Rates by Education Attainment and Gender, Q1 2012 (%)

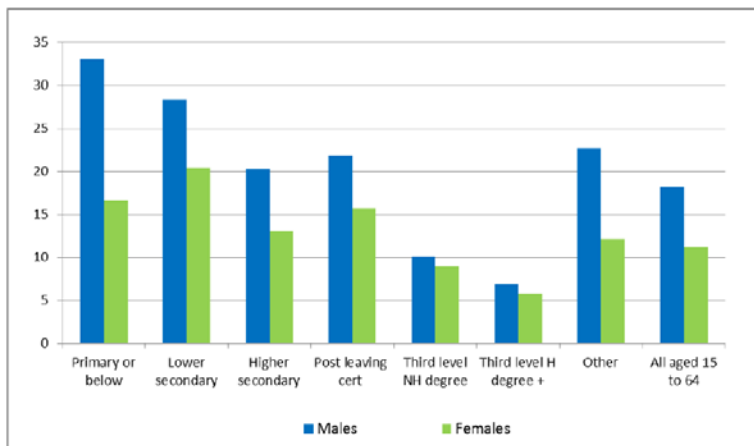
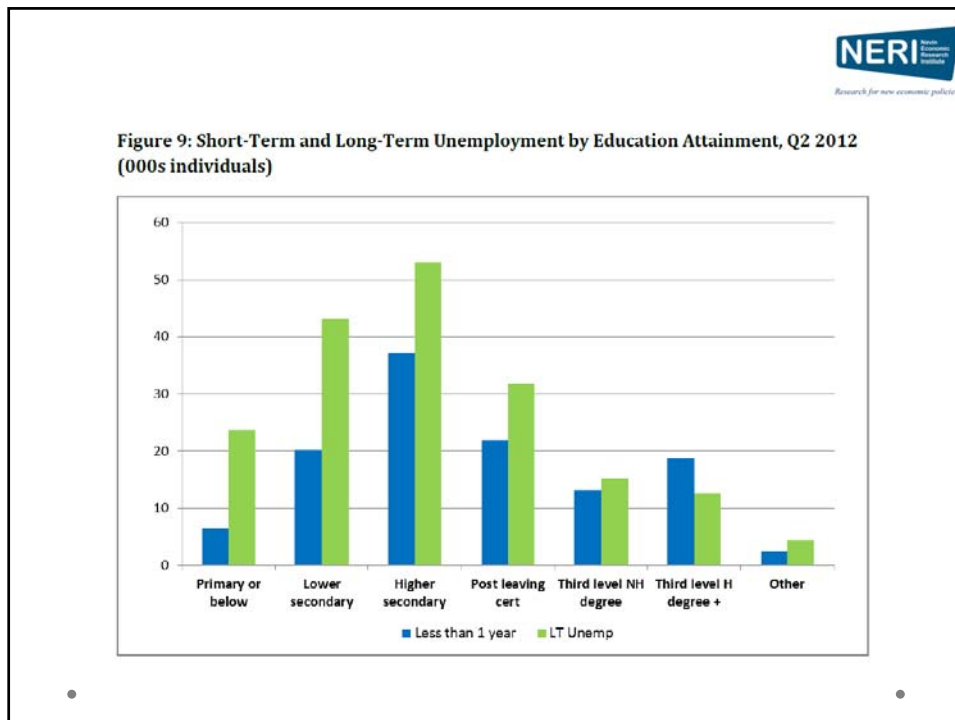


Table 6: Unemployment Rates by Education Attainment and Gender, Q1 2007 and Q1 2012 (%)

	Q1 2007			Q1 2012			Change in percentage points		
	M	F	All	M	F	All	M	F	All
Early School Leavers aged 18-24	19	11	16	53	30	43	+34	+19	+27
Other persons aged 18-24	5	4	4	16	10	13	+11	+6	+9
Early School Leavers aged 25-65	5	3	4	20	6	14	+15	+3	+10
Other persons aged 25-65	3	2	2	12	7	9	+9	+5	+7



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5. Unemp Projections / Jobless Growth

- Where is the crisis going?
- Unemployment static...small decreases occurring
 - Job creation, migration, discouraged workers...
- Looking to 2017

Table 8: Unemployment Projections and Estimates of the Unemployed, 2012-2017

	2012	2013	2014	2015	2016	2017
<i>Unemployment projections (% of the labour force)</i>						
IMF	14.8	14.4	13.7	13.1	11.5	10.6
Dept. of Finance	14.3	13.6	12.8	11.7		
Central Bank	14.7	14.4				
ESRI	14.8	14.6				
	2012	2013	2014	2015	2016	2017
<i>Estimate of numbers of unemployed people* (000s of individuals)</i>						
IMF	302.3	289.6	274.8	260.0	238.9	219.9
Dept. of Finance	302.3	287.5	270.6	247.3		
Central Bank	310.8	304.4				
ESRI	315.0	310.8				

Source: NERI QEO Autumn (2012:9) and authors calculations.

Note: Estimate assumes the labour force remains constant to 2017 at the average level for the four quarters of 2011 (2,113,975 individuals).

- **Jobless Growth**

- As in the 1990s – pre Celtic Tiger
- Given underemployment
- Hard to avoid this... ‘inevitable return’
- Implications for how we think about responding to the crisis

6. ALMPs & Reforming CE

- 85,000 Job Placement and Work Experience places
- DSP shift to ‘activation’
- A focus on output measures of ALMPs
 - throughout, placements/employment etc
 - short-term expenditure and outcomes
 - danger of biasing response away from those most distant from the labour market
- Policy needs to be formed in context of reality of the unemployment crisis, its composition and likely duration

- Much critique of interventions such as:
 - CE, RSS, CSS
 - Concern on this...
 - Focus on CE as the biggest ALMP
 - Critique:
 - focused on progression to employment/activation only
 - ignores ‘dual role’
 - *lost its way*...yes, a case for reform
 - *high-cost*...but ignores direct benefits, let alone indirect
 - *less success*...but given participants etc

Reforming CE

- Retain the dual role, but formalise this
- Two streams:
 - (i) *Specific Skill (Re)Training focused on the LT Unemployed*
 - (ii) *The Provision of Local Services*

(i) *Specific Skill (Re)Training focused on the LT Unemployed*

- Focused on future areas of employment growth e.g. personal services
- Delivered in supported learning and work environment...mentored by qualified CE supervisor
- Delivered using Individual Learning Plan
- Linked to formal qualifications (FETAC etc)...moving from levels 1-3 to levels 4-5 on NQF
- Time limit on participants involvement...set reflecting time required for formal qualification and relevant work experience

(ii) The Provision of Local Services

- A mixture of service provision and some developmental aspects
- Local services as determined by local hosts
- Regular project reviews by DSP; projects not indefinite
- Some formal training and skills enhancement, designed within Individual Learning Plan
- Time limit on participants involvement

- Distribution of CE places across these a matter for policy
- Retain voluntary aspect of participation
- But, this requires some form of mandatory ALMP scheme(s)
- Support for CE providers
 - not realistic to assume absorb within existing resources
 - certainly not when large in size relative to host
 - danger is shortage of CE hosts not participants
- More comprehensive evaluation approach needed

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