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Responding to the Unemployment Crisis:
What Role for Active Labour Market Policies?

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RESPONDING TO THE UNEMPLOYMENT CRISIS:

WHAT ROLE FOR ACTIVE LABOUR MARKET POLICIES?

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ABSTRACT

At an early stage of the current recession, the National Economic and Social Council succinctly summarised Ireland's situation as being one where a five-part crisis was being experienced. In a short space of time, Ireland experienced a banking, fiscal, economic, social and reputational crisis; with all five components closely related to one another. Since then, both independently and as part of a multilateral exchequer bailout, Government policy has been focused on addressing and resolving this multi-part crisis. While in all cases the work continues, it is clear that progress has been asymmetric across the five components with the focus on banking reform, exchequer deficit reduction, rebuilding our borrowing credentials and implementing the minutiae of various Memorandum's of Understanding outshining any progress on addressing the labour market and socio-economic fallouts from the recession. Judged over the longer-term, it seems likely that Ireland will restore it banking system, balance its exchequer finances, regain its international/market reputation and return to economic growth, yet be left with a number of serious socio-economic scars from the recession that will have received limited public policy attention despite their long-lasting impact for individuals, households and communities. Chief among these is the unemployment crisis; the focus of this research paper.

Having reviewed the nature and composition of that crisis, the paper highlights that responding to the unemployment crisis necessitates an approach which is framed in the context of the composition of the unemployed, the likely future shape of the labour market and the likely long duration of the unemployment crisis. In particular it considers the role of active labour market policies and highlights the need for these to be comprehensive given this crisis. The paper also addresses the role of Community Employment and argues for a reform of that system which would underpin its viability and purpose for the longer-term.

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INTRODUCTION

At an early stage of the current recession, the National Economic and Social Council (NESC) succinctly summarised Ireland's situation as being one where a five-part crisis was being experienced. In a short space of time, Ireland experienced a banking, fiscal, economic, social and reputational crisis; with all five components closely related to one another (NESC, 2009). Since then, both independently and as part of a multilateral exchequer bailout, Government policy has been focused on addressing and resolving this multi-part crisis. While in all cases the work continues, it is clear that progress has been asymmetric across the five components with the focus on banking reform, exchequer deficit reduction, rebuilding our borrowing credentials and implementing the minutiae of various Memorandum's of Understanding outshining any progress on addressing the labour market and socio-economic fallouts from the recession. Judged over the longer-term, it seems likely that Ireland will restore it banking system, balance its exchequer finances, regain its international/market reputation and return to economic growth, yet be left with a number of serious socio-economic scars from the recession that will have received limited public policy attention despite their long-lasting impact for individuals, households and communities. Chief among these is the unemployment crisis; the focus of this research paper.

An unemployment crisis is nothing new for Ireland, indeed the current fiscal and labour market experiences are reminiscent of those from the early 1980s. However, the nature of this unemployment crisis is different given the broad sweeping nature of the recession (2007-2010) and the accompanying sustained period of economic uncertainly (2007-2012) which resulted in job losses across the board, touching almost all areas of work, age groups and human capital levels. Responding to the unemployment crisis therefore necessitates an approach which is framed in the context of the composition of the unemployed, the likely future shape of the labour market and the likely long duration of the unemployment crisis to, at the very least, the end of the current decade. As is outlined below, this suggests a multi-faceted response to that crisis including a suite of active labour market policies (ALMPs) focused on those near to and distant from the labour market.

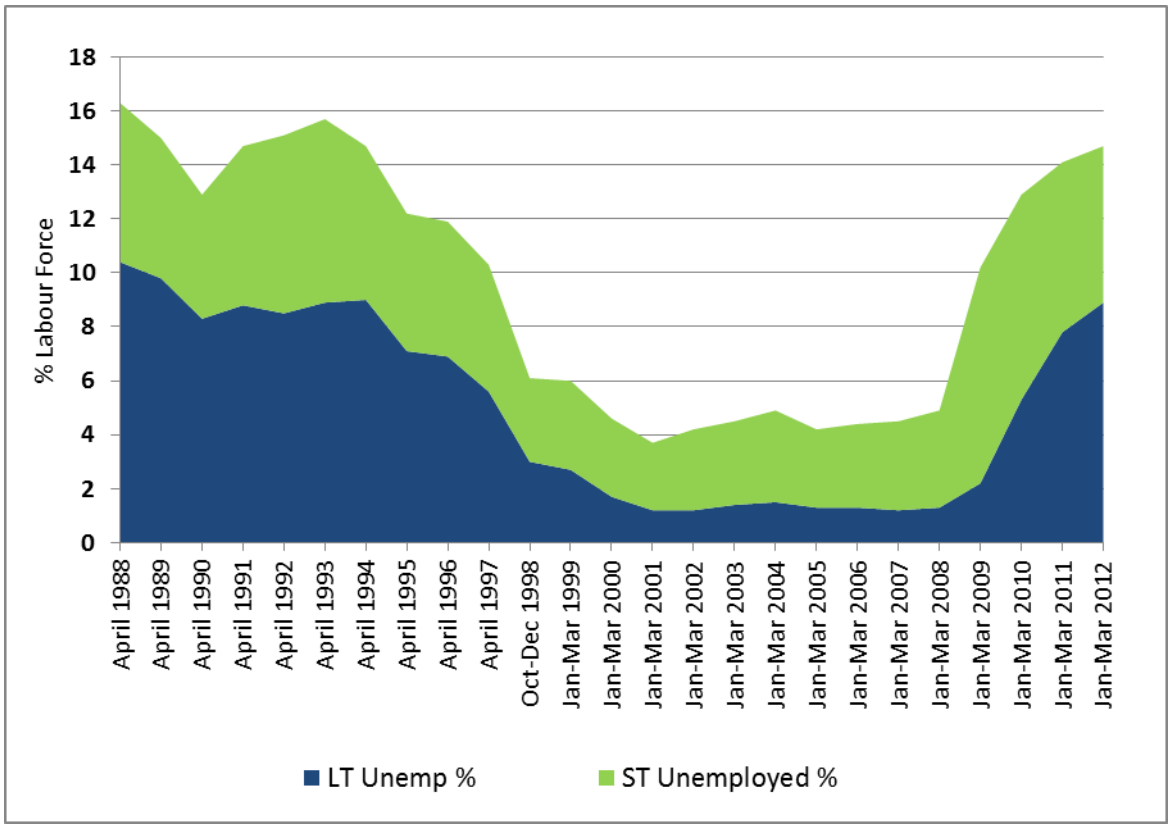
The structure of this paper is as follows. The next section reviews Ireland's unemployment crisis including an assessment of the changes since the 2007 to the levels of employment, underemployment and unemployment. It then explores the nature of the current unemployment crisis by examining the composition of the unemployed using data from the Central Statistics Office's (CSO) Quarterly National Household Survey (QNHS). Subsequently, the paper looks to the future to consider the likely scale of unemployment later in this decade. Given this, we examine the role of active labour market policies – various programmes providing employment, training and assistance to help the unemployed return to work – in responding to the crisis and highlight the need for these to be comprehensive given the composition of the unemployed and the likely duration of the crisis. In particular, the paper revisits the role of Community Employment (CE) and argues for a reform of that system which would underpin its viability for the longer-term. Finally the paper concludes.

IRELAND'S UNEMPLOYMENT CRISIS: AN OVERVIEW

Looking back over the past two and a half decades, Ireland has experienced two dramatic transformations in the labour market (see figure 1). The end of a period of jobless growth, which characterised the early years of the Celtic tiger economy (since the mid-1990s) saw unemployment rates drop from 15.7 per cent of the labour force in 1993 to 3.7 per cent in early 2001. Over the same period long-term unemployment, measuring those unemployed for more than 12 months, declined from almost 9 per cent of the labour force to 1.2 per cent so that by 2001 less than 70,000 people were unemployed and the long-term unemployed numbered only 22,000 individuals. Over the period from 2000-2008 the unemployment rate hovered around 5 per cent, near natural unemployment levels, despite a consistently growing labour force (see table A1 in the appendix).

The sudden national and global economic collapse in 2008 reversed this trend and drove unemployment up once again, with the rate more than doubling in one year (quarter 1 2008 to quarter 1 2009) and over the period to 2012 the numbers of unemployed climbed by 200,000 from a figure of 109,400 in Q1 2008 to 309,000 in Q1 2012. Over that period the numbers long-term unemployed experienced a more than six-fold increase from 29,300 to 187,400 people.

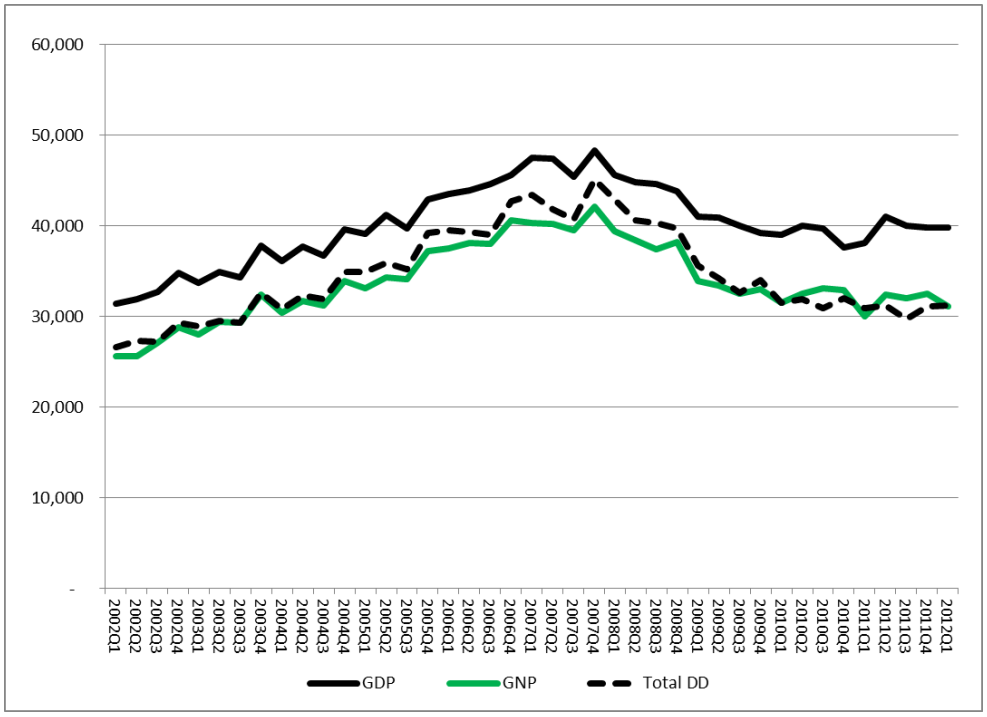
Figure 1: Ireland's U-Shaped Unemployment Curve, 1988-2012



Source: CSO Labour Force Survey and QHNS online database.
Notes: LT unemployed are those unemployed for more than 12 months. ST unemployed are those unemployed for less than 12 months.
See table A1 in the appendix for further details.

These labour market experience, as outlined in figure 1 and table A1 in the appendix, can be further understood in the context of the changes in national income (GDP and GNP) and total domestic demand (TDD). As figure 2 shows, the quarterly values for GDP, GNP and TDD all peaked in Q4 2007 and between then and Q1 2012, they declined by 18%, 26% and 31% respectively. Comparing the full years of 2007 to 2011, the decline in GDP was 16%, GNP 22% and TDD 28%. Naturally these major macroeconomic transformations carried serious implications for employment and unemployment – phenomena we explore further below.

Figure 2: Trends in the nominal values of GDP, GNP and TDD, 2002-2012 (€m)



Source: CSO Quarterly National Accounts online database.

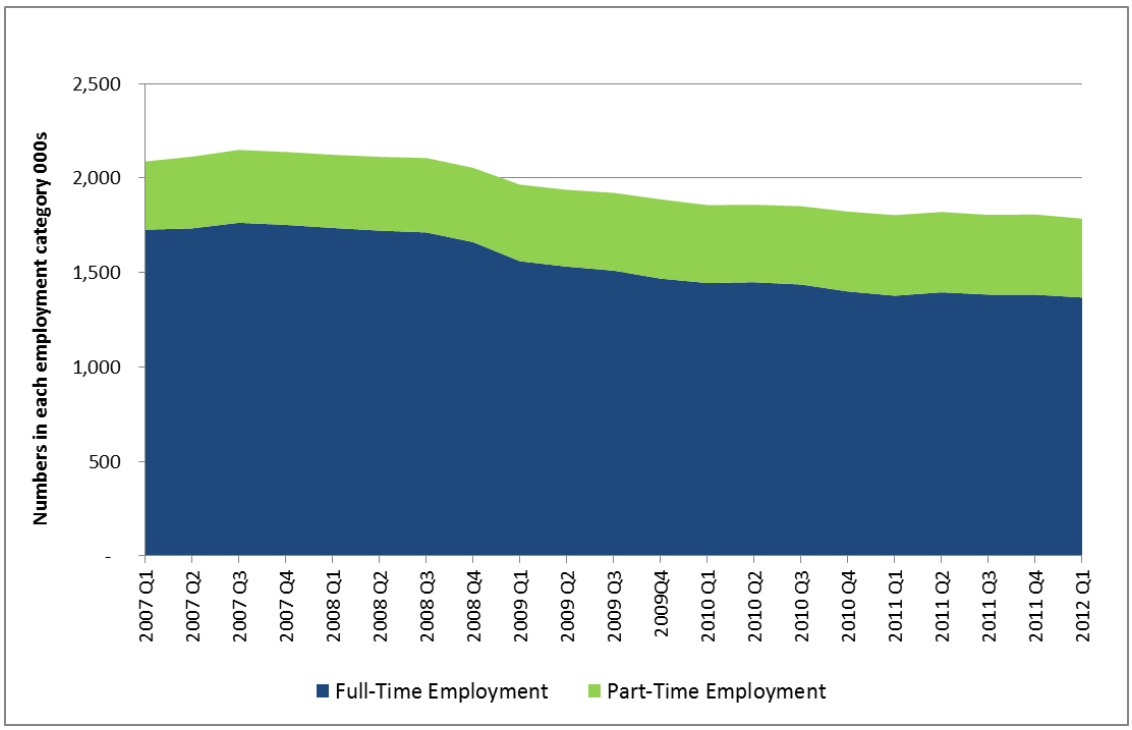
Employment Trends

Focusing on the most recent transformation in the labour market, using data from between Q1 2007 and Q1 2012, this and the next subsection of the paper review employment and unemployment trends over those five years. Over that period, as figure 3 shows, employment declined by just over 300,000 (-14.5%). Decomposing this decline, there was a 21% drop in full-time employment (-359,000 workers) and a 15% increase in part-time employment (+56,500 workers) meaning that the composition of workers in the labour force altered so that the ratio of full-time to part-time workers shifted from 80%:20% in Q1 2007 to 75%:25% in Q1 2012.

The distribution of this 14.5% decline in employment across various employment sectors and occupations offers a more detailed understanding of these job losses. As table 1 shows, over this period some sectors experienced employment increases driven primarily by demographic factors (health and education) and technological change (information and communications).

The sectoral experience of job losses reflects the aforementioned contraction in national income and domestic demand and has been concentrated in construction, industry, retail, hospitality, agriculture, administration and transport. While the table examines the experience over a five year period, many of these job losses occurred in a short period of time as Ireland's economic crash unfolded.

Figure 3: Trends in Employment, full-time and part-time, 2007-2012 (000s of individuals)



Source: CSO Quarterly National Household Survey online database.

The decomposition of these job losses by occupation category offes a similar insight. Increases in employment have been mainly in the skilled sectors (excluding trades) while job losses have been concentrated on those with lower skills and those whose skills are linked to the collapsed construction sector.[1] Figure 4 also shows that these losses have been predominantly among employees (86% of the total) with smaller net falls among those whose employment status is self-employed.[2] Overall, the data in table 1 and figure 4 suggests, that the impact of job losses have been concentrated on those with the lowest skill-set or those whose skills are linked to a sector of the economy (construction) that is unlikely to recover to more than 50% of its 2007 peak.

[1] Ireland's construction boom collapsed rapidly over this period with, for example, domestic dwelling construction falling from a peak of over 93,000 units in 2007 to less than 10,000 in 2012. Commercial construction experienced a similar decline. See Drudy and Collins (2011) for a more detailed assessment of this collapse.

[2] This may also reflect the movement of some employees into self-employment as a result of the crisis.

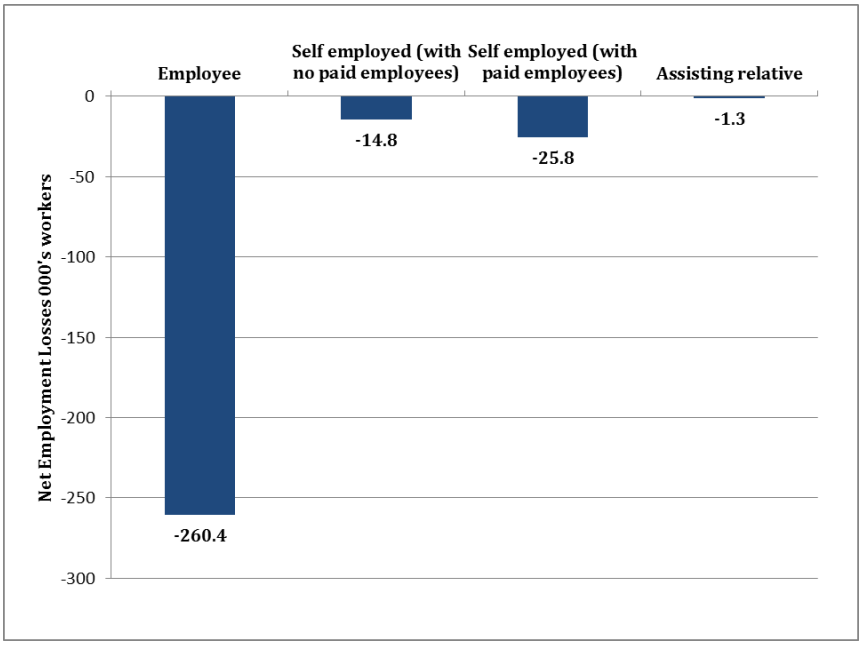
Table 1: Change in Employment by Sector and Occupation, 2007-2012 (000s of individuals ordered by size of change)

	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
By Occupation			
Associate professional and technical	191.7	215.5	+23.8
Professional	324.6	333.4	+8.8
Caring, leisure and other service	134.7	141.5	+6.8
Managers, directors and senior officials	140.6	145.7	+5.1
Others/Not stated	5.6	6.0	+0.4
Process, plant and machine operatives	161.6	144.1	-17.5
Sales and customer service	169.2	150.7	-18.5
Administrative and secretarial	242.4	205.6	-36.8
Elementary	287.6	185.0	-102.6
Skilled trades	430.5	258.7	-171.8

Source: CSO Quarterly National Household Survey online database.
Note: Small differences in row and column totals are due to data rounding

The headline change in employment numbers (-300,000 or -14.5%) hides the reality of the adjustment those who are employed have taken over the period. A shift towards working less hours or working part-time is evident from the data in table 2; and reflects some of the overall trends highlighted in figure 3. Comparing the distribution of those employed by hours worked between the start and end of the five year period shows increases in the number of individuals in all categories working less than 35 hours per week and decreases among those on full-time hours (35 hours plus). While much of this change is likely to be derived from those experiencing the loss of a full-time job, the increase in the prevalence of reduced hours of work has some implication for the likely nature and pace of job creation when economic recovery commences – a point developed further below.

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



Source: CSO Quarterly National Household Survey online database.

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**

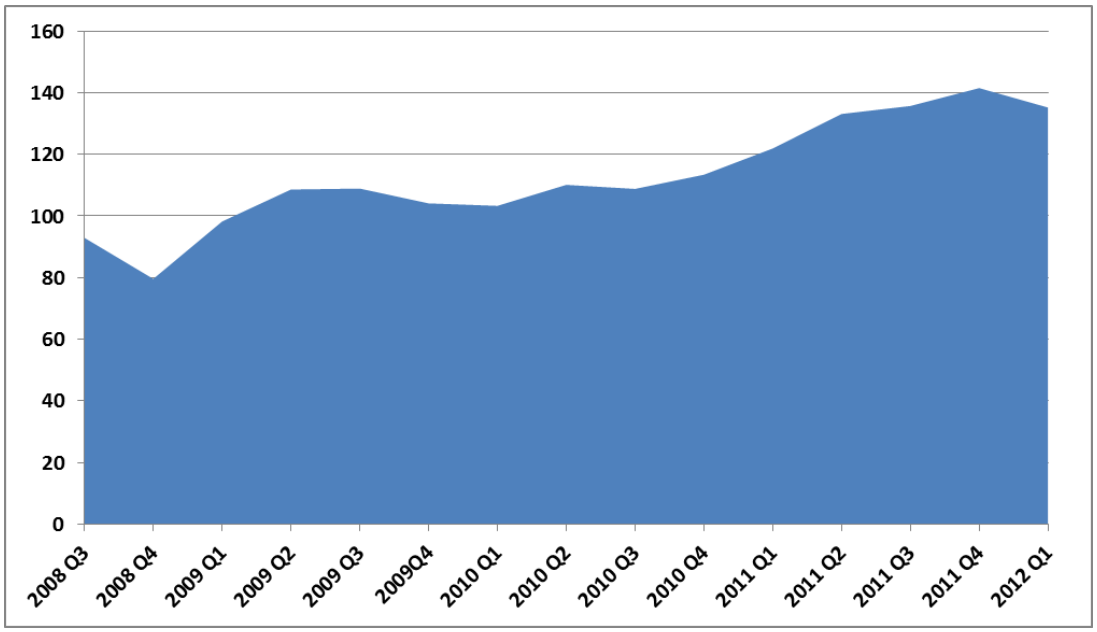
Source: CSO Quarterly National Household Survey online database.
Note: Small differences in row and column totals are due to data rounding

Complementing the data in table 2, figure 5 reports the rates of underemployment over most of the period – the data is only available from Q3 2008 onwards. Underemployment measures those who are willing and available to work more hours than they currently have. These are workers who are in part-time employment but who consider the hours they currently work as 'too few' (CSO, 2012a:31). The CSO calculate an underemployment rate (see table A2 in the appendix) as the total of those underemployed and unemployed compared to the 'wide labour force' representing those employed plus those unemployed and seeking work plus those marginally attached to the labour force meaning individuals who are without work but not

immediately available to work plus those without work and not currently seeking work but would take up work if it arose.[3]

By Q1 2012 there were 135,200 underemployed individuals; representing 7.5% of the total number of employees. While data does not exist on the scale of individual's underemployment, i.e. how many additional hours on average they would wish to work, assuming a figure of between 5 and 7 hours per week suggests that Ireland's level of underemployment is equivalent to between 19,000 and 27,000 full time jobs.[4] It also suggests that when economic growth returns some of the first beneficiaries of additional labour demand will be those already at work and seeking additional hours (both full-time hours and part-time hours). Therefore, the scale of underemployment will have an inevitable impact on slacking the transfer of renewed economic growth to job creation and suggests any employment recovery will lag economic recovery by a noticeable period. Revisiting jobless growth seems inevitable.

Figure 5: Number of Underemployed, 2008-2012 (000s of individuals)



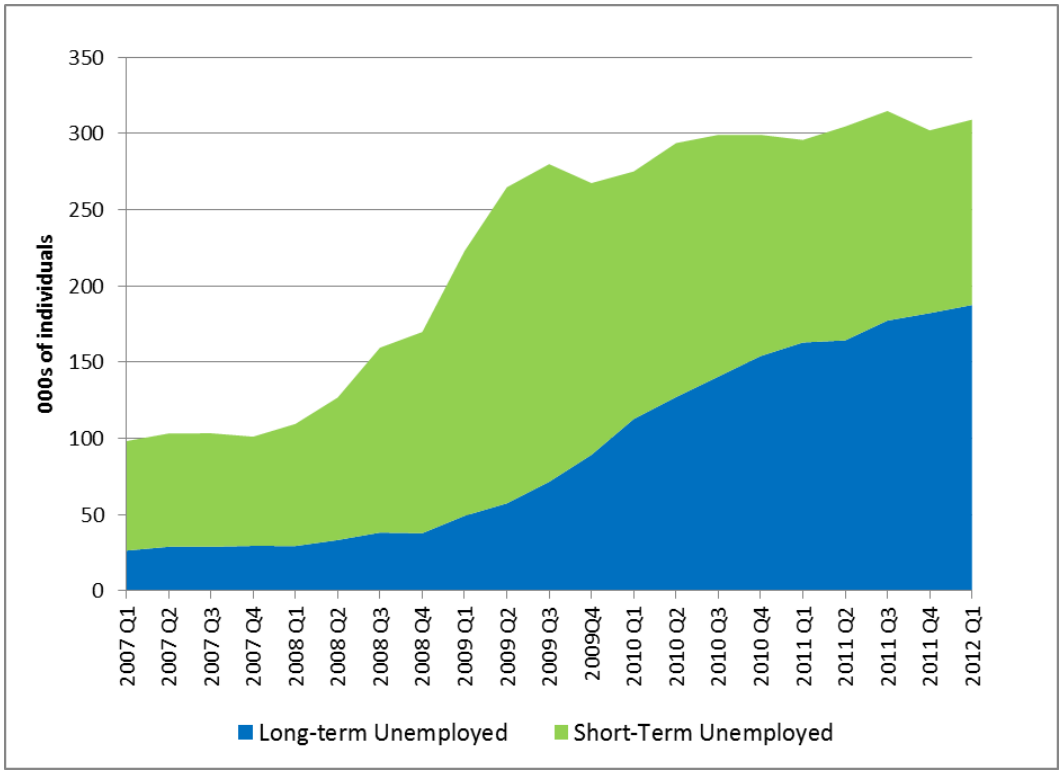
Source: CSO Quarterly National Household Survey online database.
Note: See further data in table A2 in the appendix.

[3] See NERI (2012: 29-30) for more information on underemployment measurement and recent trends.
[4] Assuming underemployment of an average of 5 hours per week for 135,200 individuals gives a weekly underemployment of 676,000 hours and over 50 weeks represents 33.8m hours. Taking a full-time working week to be 35 hours, over 50 weeks this is 1,750 hours and this divided by the annual total (33.8m) gives a full-time job equivalent of 19,314 jobs. A similar calculation was carried out for an average underemployment of 7 hours per week.

Unemployment Trends

As employment decreased so too did the size of the overall Irish labour market. Between Q1 2007 and Q1 2012 it decreased by 91,500 suggesting an increase in emigration, discouraged workers and education participation among others. The number of people unemployed over the period dramatically increased reflecting the percentage data in figure 1 and the scale of the economic collapse and employment losses outlined earlier. As figure 6 shows, over the five years the numbers unemployed more than tripled, increasing by almost 211,000 while the numbers long-term unemployment increased more than six-fold (by almost 161,000).

Figure 6: Trends in Unemployment, 2007-2012



Source: CSO Quarterly National Household Survey online database.

The proportion of the unemployed who were long-term unemployment increased over the period from 27% in 2007 to pass 50% in late 2010 and reach 60.6% by Q1 2012. As table 3 reports, the proportion of the unemployed who are long-term unemployed has returned to the levels recorded in the early 1990s. The sustained contraction in domestic economic activity over much of this period, combined with the aforementioned decreased in employment have ensured that individuals who are long-term unemployed carry a high probability of remaining so for some time. In that regard the Government policy statement on labour market activation, *Pathways to Work*, noted that in 2012 "the average period spent on the Live Register is an unacceptable 21 months" (Government of Ireland, 2012a:7).

Table 3: Proportion of the Unemployed who are Long-Term Unemployed, 1988-2012 (%)

Period	LTU % Unemp	Period	LTU % Unemp
April 1988	63.5%	Jan-Mar 2001	33.3%
April 1989	65.0%	Jan-Mar 2002	29.3%
April 1990	63.9%	Jan-Mar 2003	31.3%
April 1991	60.3%	Jan-Mar 2004	31.5%
April 1992	56.4%	Jan-Mar 2005	31.9%
April 1993	57.0%	Jan-Mar 2006	28.8%
April 1994	60.8%	Jan-Mar 2007	26.8%
April 1995	58.2%	Jan-Mar 2008	26.8%
April 1996	57.7%	Jan-Mar 2009	22.0%
April 1997	54.3%	Jan-Mar 2010	40.9%
Oct-Dec 1998	49.7%	Jan-Mar 2011	55.1%
Jan-Mar 1999	44.7%	Jan-Mar 2012	60.6%
Jan-Mar 2000	36.8%		

Source: CSO Quarterly National Household Survey online database.
Note: LTU = long-term unemployed

A PROFILE OF THE UNEMPLOYED

Any response to the current unemployment crisis needs to be framed in the context of the composition of the unemployed. Using data from the QNHS, this section profiles the unemployed and we subsequently build on this analysis when considering the ALMP responses to the crisis later in this paper.[5]

Focusing on data from Q1 2012, table 4 highlights a clear gender division in the experiences of unemployment. The aforementioned job losses in industry and construction are likely to have hit male employment and job prospects harder than female ones, in some part explaining the higher proportion of the male workforce (17.7%) who are unemployed. Examining the unemployed by age group further reinforces these divisions and also highlights the concentration of the unemployed between the ages of 25-54 years; the key demographic group who should be actively employed. Of the total of 309,000 unemployed, more than 150,000 are aged less than 35 years and almost 80,000 are older than 40 years.

An inverse relationship between the unemployment rate and age is also demonstrated by table 4. One in three males and one in five females who are in the labour force and aged between 20-24 years are unemployed. Likewise, one in five males between 25-34 years are without work. Figure 7 profiles the change in the unemployment rate by age group over the period from Q1 2007-Q1 2012 and further reflects the concentration of the increases on those in the lower half of the labour market age spectrum. The prevalence of youth unemployment is also not surprising given that the stock of employment positions has been declining while the flow of new young entrants to the labour market has continued. The figures also do not capture the scale of emigration among this group, likely to have been high given the greater freedom young people possess to move countries relative to those from their mid-30s onwards who are more

[5] Data for Q1 2012 is used throughout much of this section as it was the latest data available at the time this research commenced and offered the prospect of profiling labour market changes over a full five year period from Q1 2007.

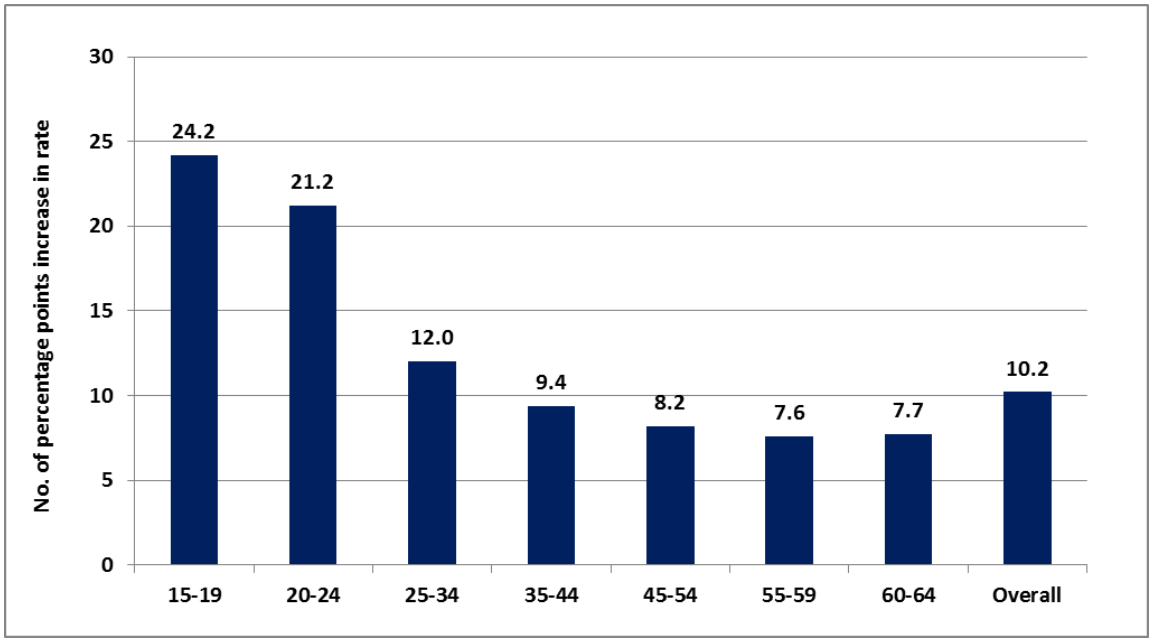
likely to have families, financial commitments among other ties which impede migration choices.[6]

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%

Source: CSO Quarterly National Household Survey online database.
Notes: Differences in total is due to data rounding
* - data not reported by CSO as sample is too small
LF = labour force

Figure 7: Increase in the Unemployment rate by age group, Q1 2007-Q1 2012 (%)



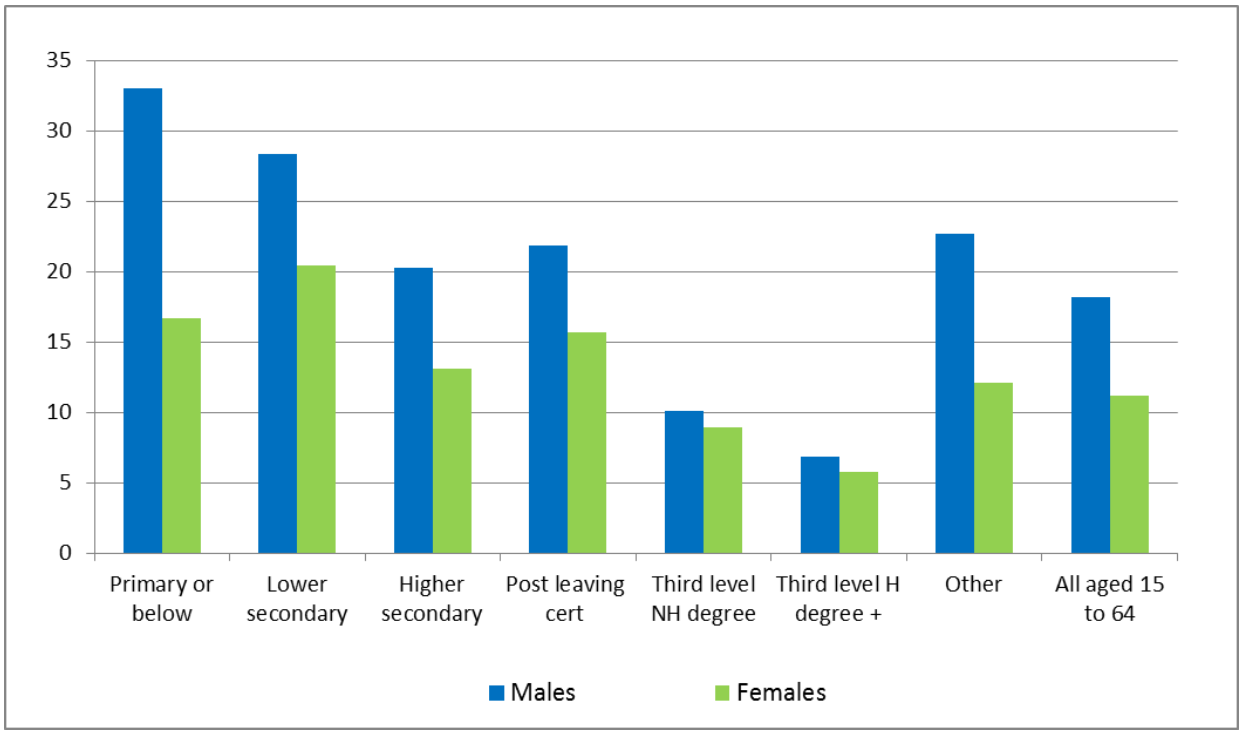
Source: CSO Quarterly National Household Survey online database.
Note: See further data in table A3 in the appendix.

[6] Data from the CSO's *Population and Migration Estimates* 2012 highlights the higher numbers of young people emigrating (CSO, 2012b:6).

The scale of youth unemployment, and its potential for long-term damage to the employment and general well-being prospects of individuals, underscores the need for policies to actively address youth unemployment. Initiatives to date have been limited, and while considerations of guarantees of employment or training for young people are progressing towards policy implementation[7], they are emerging more than three years into the unemployment crisis, much later than ideal.

The education attainment profile of the unemployed also offers insights into the composition of those most experiencing the unemployment crisis and is of note as we consider responses later. Figure 8 profiles the unemployed by gender and maximum educational attainment. It, and the data in table 5, underscores the concentration of the unemployed among those with the lowest levels of completed education and further highlights the aforementioned gender divide in the experience of unemployment. Table 5 also highlights the distribution of the increases in unemployment rates between Q1 2007-Q1 2012 showing stark comparisons between the unemployment rates pre and post the recession, most notably for those with the lowest completed education levels.

Figure 8: Unemployment Rates by Education Attainment and Gender, Q1 2012 (%)



Source: CSO Quarterly National Household Survey online database.
Notes: NH degree = non honours degree / H degree + = honours degree or above

[7] Such as the proposal for a 'youth guarantee', similar to those in New Zealand and the Netherlands, which is being developed at an EU level.

Table 5: 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
Total aged 15 to 64	**4.9**	**4.1**	**4.6**	**18.2**	**11.2**	**15.0**	**+13.3**	**+7.1**	**+10.4**
Primary or below	9.2	7.8	8.8	33.0	16.7	28.0	**+23.8**	**+8.9**	**+19.2**
Lower secondary	7.2	7.5	7.3	28.3	20.4	25.9	**+21.1**	**+12.9**	**+18.6**
Higher secondary	4.6	4.0	4.3	20.3	13.1	17.1	**+15.7**	**+9.1**	**+12.8**
Post leaving cert	3.1	4.0	3.5	21.8	15.7	19.2	**+18.7**	**+11.7**	**+15.7**
Third level NH degree	3.0	3.2	3.1	10.1	8.9	9.4	**+7.1**	**+5.7**	**+6.3**
Third level H degree +	2.6	2.2	2.4	6.8	5.8	6.3	**+4.2**	**+3.6**	**+3.9**
Other	5.4	5.1	5.3	22.7	12.1	18.2	**+17.3**	**+7.0**	**+12.9**

Source: CSO Quarterly National Household Survey online database.
Notes: M = Male and F = Female
NH degree = non honours degree / H degree + = honours degree or above

Focusing on the youngest labour market cohort, those aged 18-24 years, the QNHS data provides a further insight into the composition of the unemployed and the much higher proportions of early school leavers who became unemployed over the past five years. While this group will always carry a higher probability of lengthy periods of unemployment, 43% of early school leavers aged 18-24 who are in the labour force were unemployed in Q1 2012. Overall, across the whole working age population, early school leavers carry higher probabilities of unemployment and overall table 6 further highlights the composition of the unemployed and the specific challenges that will need to be addressed in any policy proposals which successfully respond to it.

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**

Source: CSO Quarterly National Household Survey online database (table S9b)
Notes: M = Male and F = Female
Early school leavers are defined as those whose highest level of education attained is lower secondary or below and have not received education (either formal or non-formal) in the four weeks prior to the survey.

Focusing specifically on the long-term unemployed, table 7 and figure 9, profiles the composition of this group by gender, age and educational attainment. Given the relative size of that group (see table 3) the age and gender distribution roughly matches that of all those unemployed. However, as figure 9 highlights, the number of long-term unemployed with low levels of educational attainment is noticeable. It further reflects the earlier analysis and underscores the challenges associated with adequately responding to the current crisis.

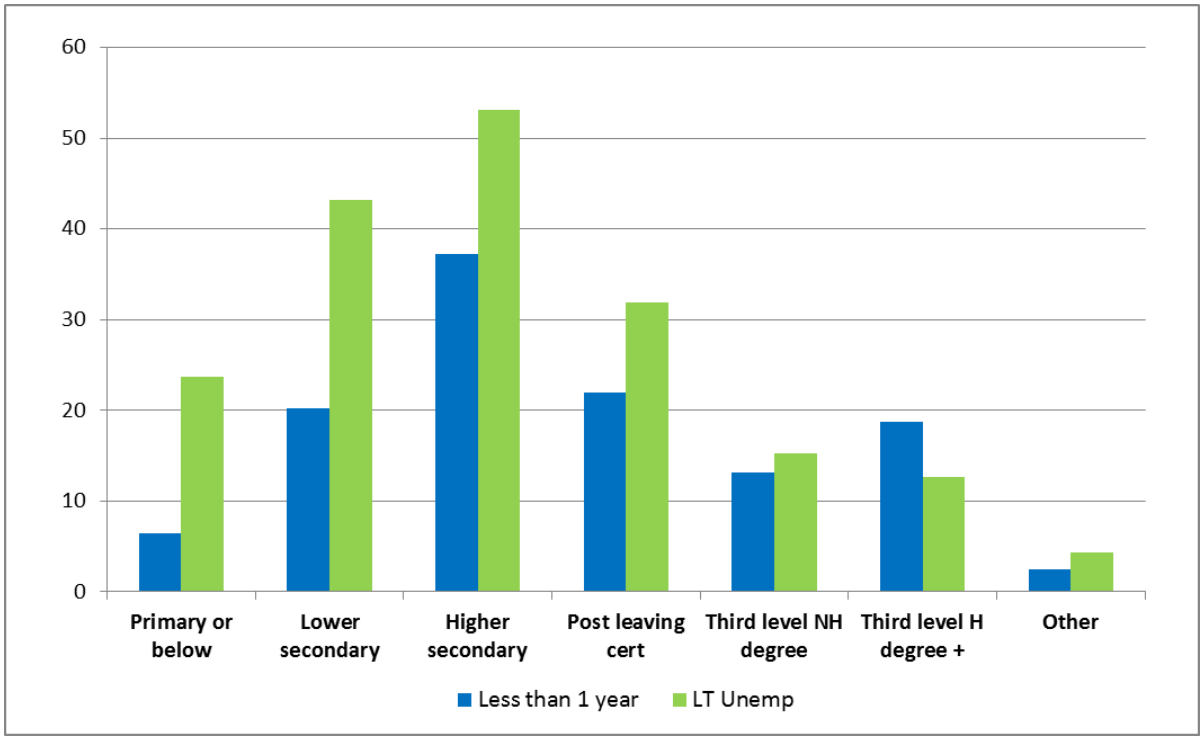
Table 7: Profile of the Unemployed and Long-Term Unemployed, Q1 2012 (000's individuals)

	All Unemployed	Less than 1 year	L-T Unemployed
Overall	**309.0**	**119.2**	**187.4**
Gender			
Male	205.4	67.0	136.8
Female	103.6	52.2	50.6
Age Group (all)			
15 - 24 years	56.0	27.7	27.6
25 - 44 years	173.4	65.5	106.6
45 years and over	79.6	26.0	53.1
Age Group (males)			
15 - 24 years	34.7	15.4	18.9
25 - 44 years	112.5	35.8	75.8
45 years and over	58.2	15.8	42.0
Age Group (females)			
15 - 24 years	21.2	12.2	8.7
25 - 44 years	60.9	29.8	30.8
45 years and over	21.4	10.2	11.1

Source: CSO Quarterly National Household Survey online database

Nothwithstanding the concentration of the unemployed among those with lower age and education levels, the above data does reflect the broad spectrum of people now finding themselves unemployed. In that regard, it would seem inappropriate the treat 'the unemployed' as a homogenous group; rather it would be better to approach the issue of addressing this unemployment crisis by segmenting the unemployed into groups with varying probabilities of re-entering work in the short-medium term. Clearly some individuals require limited or no assistance and are unemployed principally due to the sustained nature of the economic crisis and its persistence. However, others will need assistance, irrespective of the nature of economic recovery, if they are to avoid remaining unemployed or cycling through unemployment, labour market schemes, occasional employment and unemployment in the years to come. The nature of such a policy approach is considered later in this paper.

Figure 9: Short-Term and Long-Term Unemployment by Education Attainment, Q2 2012 (000s individuals)



Source: CSO Special calculation using QNHS microdata, Q2 2012
Note: Data is for Q2 2012, see further data in table A4 in the appendix.

UNEMPLOYMENT PROJECTIONS

The timing and nature of an economic recovery in Ireland and elsewhere, in particular among our fellow Europeans and key trading partners, is central to the likely prospects for future economic growth, a recovery in domestic demand and job creation. However, irrespective of the extent of that recovery, the unemployment crisis looks unlikely to abate rapidly.

Reflecting this, table 8 reports the most recent projections for the level of unemployment in the years to come from the IMF and three indigenous sources. All suggest limited progress over 2012 and 2013, with those projecting past that point suggesting small decreases over 2014 and 2015. Only the IMF project out to 2016 and 2017 and optimistically predict a 1.6% decrease in unemployment in 2016 and a further 0.9% fall in 2017; these decreases are based on optimistic projections of economic growth for those years (IMF, 2012). By 2017 they forecast an unemployment rate of 10.6%; similar to the levels recorded in 1997 and 2009 (see figure 1).

The lack of official projections for the labour force impedes the ability to estimate what these percentage unemployment rates imply in terms of the number of people being unemployed over the next five years. However, in an attempt to overcome this, table 8 assumes that the labour force remains constant for the period at its average level over 2011. Such an assumption is cautious, and balances the flow of new workers from education and immigration into the labour

force with the numbers of exits via retirement, emigration and disaffection.[8] Given that, the calculations suggest that based on the IMF estimate for 2017 the numbers unemployed will be approximately 220,000 people. This would suggest an 80,000-90,000 reduction from 2012 and imply that the numbers unemployed in 2017 would be similar to the levels recorded in Q1 2009 and more than double the unemployment numbers and rate from 2008 or 2009.

These projections for the numbers unemployed contrast with the objective of the Government's *Action Plan for Jobs*, to have 100,000 more people in work by 2016 (2012b:7). The IMF projections for approximately a 60,000 decrease in the numbers unemployed to 2016 suggests that, if that objective is to be achieved, almost 40,000 new entrants to the labour market (from the education system, immigrants and returning disaffected workers) would also gain employment; something which is certainly possible but remains ambitious. Reflecting this, projections from FAS on the future composition of employment by occupation suggests that overall employment growth will be small and slow and that in absolute terms between 2008-2015 the greatest net job gains are expected for professionals (business and related, science, IT and engineering), personal service providers, managers and sales agents; while the greatest net losses will be among agricultural workers, construction workers (skilled building workers and wood craftspersons (carpenters)) and operatives (Behan and Shally, 2010:39-42).[9]

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

	2012	2013	2014	2015	2016	2017
Unemployment projections (% of the labour force)						
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
Estimate of numbers of unemployed people* (000s of individuals)						
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).

Assuming a natural unemployment rate of around 4% of the labour force, table 8's projections for 2017 also suggest that at least 6.5% of the labour force will be cyclically or structurally unemployed at that time; approximately 140,000 individuals. Combined with the earlier profiles of those currently unemployed, and in particular the characteristics of those long-term

[8] The CSO are likely to issue a set of population and labour force projections for this period over the next year.
[9] See also table 1 earlier.

unemployed, the probability of a large group of structurally unemployed workers seems high. It remains a key policy challenge for Irish society to address the reality of that situation and to frame our response to the unemployment crisis accordingly.

RESPONDING TO THE CRISIS: A ROLE FOR ALMPs

Almost five years into Ireland's unemployment crisis, from 2008 when the unemployed first increased above 100,000 and 5% of the labour force and doubled over that year, the nature of our policy response has been slow. In general attention has been focused on employment creation, a worthy and necessary goal, but with limited attention on the nature of the unemployment crisis and the likely long-term impediments to resolving it. Where new initiatives have been adopted, these have been small scale (e.g. JobBridge and Tús), perhaps limited by expenditure pressures and impeded by the aforementioned dominant policy focus on the fiscal and banking aspects of Ireland's crises.

Although the pool of unemployed workers is not static, there are flows in and out depending on job opportunities and various circumstances, a large proportion of the unemployed are long-term unemployed and in danger of drifting from cyclical to structural unemployment. Indeed, given the duration of the crisis, and the aforementioned details on the composition of job losses and the human capital levels of the unemployed, many will already have made this transition.

Active labour market policies (ALMPs) of various types rightly form a part of the state's response to the crisis. In 2012, the Department of Social Protection (DSP) will provide just over 85,000 job placement, back to education and work experience places (see table 9). Complementing this, there are training and education places in SOLAS and on schemes such as the Springboard, the Training and Education Support Grant among others.[10] Overall, the stock of places on these schemes is high, but it is of note that the scale of these responses to unemployment has changed little relative to the labour market interventions which were in place prior to the recession commencing: indeed the number of places on the various ALMP programmes is remarkably similar to the level that existed in the 1980s when the labour force was much smaller and the response then was considered to have been inadequate.

Table 9: DSP Job Placement and Work Experience Initiatives in 2012

Scheme	Places
Community Employment	22,300
Back to Work Enterprise Allowance Scheme	12,000
Back to Education Allowance Scheme	25,000
Jobs Initiative	1,300
Supported Employment	4,500
Job Clubs	7,800
Rural Social Scheme	2,750
TÚS	5,000
JobBridge	5,000
Total	**85,650**

Source: Government of Ireland *Pathways to Work* (2012a:15).

[10] See Government of Ireland (2012a:15-16) for a more comprehensive list.

Aside from the stock of ALMP places, Government's labour market policy has recently shifted to give greater, if not paramount, importance to 'activation' rather than retraining, skill enhancement or service provision. Such a shift reflects much of the recent international labour market literature[11] and reflecting this, the emphasis of reports on Irish labour market policy from NESC (2011, 2012) and the OECD (2011). The Department of Social Protection (DSP) now describes itself as being:

> "engaged with the delivery of income support payments, activation of those of working age and the control of fraud and abuse of the system. In relation to activation the aim of this Department is to engage with every unemployed individual to make sure that his/her first day out of work is also the first step on the pathway back to work. Future funding of employment programmes, particularly CE, will reinforce the key objectives required by the Department as outlined above. This requires a more focused engagement with people on programmes such as CE and greater targeting of activation places and opportunities to further the progression of unemployed people into work" (DSP, 2012a).

While there is merit in a shift towards activation, in particular given the passive nature of much labour market interventions over recent decades and to avoid what the Government's *Pathways to Work* describes as the 'mistakes of the 1980s' (2012a:5), there is a danger that policy becomes overly, or exclusively, focused on activation. To do so would be to ignore a number of realities, reflected in much of the earlier analysis, including:

- The unemployed are not a homogenous group, with notable differences in their levels of skills, sector distribution and closeness to the active labour market.
- The current unemployment crisis is likely to persist for a number of years even in the context of returned economic growth and the achievement of the Government targets on job creation.

In particular, there is a danger of solely adopting output measures of ALMPs which measure throughput and placements/employment/activation only and calculate economic efficiency measures based on short-term expenditure and outcomes. Such schemes, while highly relevant, would by themselves bias the policy response to the unemployment crisis towards the easiest to activate, of whom there are many with up-to-date skills and abilities, who are unemployed due to domestic demand problems rather than skill deficits or structural issues. The losers in such a policy would be those most distant from the active labour market, who may need longer and more personal intervention to facilitate their return to the active labour force; cases where throughput and outputs will be smaller and more difficult. An inappropriately framed policy would activate the easiest to activate and defer the hard work to the future at a cost of trapping many in successive years of long term unemployment and welfare dependency.

It is important, therefore, that Government policy responding to the unemployment crisis, is broad, encompassing a suite of responses, not just activation, and framed in the context of the composition and likely duration of the current crisis. However this contrasts to the approach being adopted where a number of the existing ALMP programmes targeted at those most distant from the active labour market are being scaled back, directly though headcount decreases or indirectly through funding and support payment reductions or limitations on the duration of

[11] See NESC (2011:150-158) and Kelly et al (2011) for a good overview.

participation.[12] These include Community Employment, the Rural Social Scheme (RSS) and the Community Services Programme (CSS). Critiques of these schemes have focused on their slow throughput and high cost-to-place ratios, rather than comparing the cost of these schemes against the triple benefits they deliver, namely[13]:

- Providing targeted training for the lowest skilled and the most difficult to activate.
- Providing employment opportunities for those unlikely to progress to further employment, education or training given their age and skills profile and the composition of those competing against them for jobs.
- The delivery of community services.

Focusing on the biggest of these schemes, and the largest overall ALMP, Community Employment (CE), previous assessments of this scheme's participants have highlighted its focus on what the DSP describe as those 'very-distant from the labour market' (DSP, 2012a). The programme is targeted on those who are unemployed for more than one year, aged more than 25 years and for the most part have low completed education levels. Reflecting this, in 2011 the DSP reported that more than 50% of participants were aged 45 year plus, 53% of new entrants to the scheme had Junior Certificate or less completed education and of these over one-fifth (23%) had primary level education or no record of achievement (DSP, 2012a and 2012b: 12-14). Similarly, Forfas (2010) in their *Review of Labour Market Programmes* for 2007 and 2008, detailed the gender, age, education and social welfare status of CE participants for those years (see table 10). Although some recent policy changes have altered the attractiveness of CE to some groups (e.g. lone parents and the disabled) these data also reflect the DSP's summarisation of the CE programme as being "predominantly focused on the older, low skilled job-seeker" (DSP, 2012a).

In general, recent empirical reviews of CE have benchmarked it against all other ALMP interventions and judged that scheme's success solely in terms of progression to employment/activation (O'Connell 2002a; O'Connell 2002b; O'Connell et al, 2009; Forfas, 2010:133; Kelly et al, 2011; McGuinness et al, 2011a; McGuinness et al, 2011b; O'Connell et al, 2012; and Barrett and McGuinness, 2012)[14]. Inevitably, given the aforementioned composition of those on CE schemes, their distance from the active labour market and the mixed focus of CE on retraining and service provision, these assessments find that CE programmes perform poorly relative to other ALMPs or indeed the population of the live register itself.[15] Similarly, cost comparisons between ALMP schemes have reported a high cost-per-place or cost-per-day for CE but have not differentiated the programme from others exclusively focused on activation. For example, the Forfas analysis of labour market programmes reported a CE cost-per-day of €125.74 and €132.48 for 2007 and 2008 respectively; higher than many other ALMP programmes (2010:101-102). However, the inclusion of even a conservative estimate of the direct service provision benefits from these schemes (see table A5 in the appendix) suggests

[12] See Harvey (2012) for a review of the overall impact of recent expenditure cuts on employment and services in the community and voluntary sector.
[13] Note Fitzpatrick Associates (1995) made a preliminary attempt to measure both the costs and benefits of CE along similar lines (see Forfas, 2010: 120).
[14] For example, McGuinness et al (2011a:57) state "as it stands, the CE scheme can be characterised as a revolving door to long-term unemployment, and from an employability perspective there would seems to be little grounds to support the continuation of such a programme".
[15] See also Fahey et al (2011:98).

that the schemes net daily costs are about 25% lower and in line with those for other ALMP interventions.[16]

Table 10: Forfas Profile of Community Employment Participants, 2007 and 2008 (%)

	2007	2008
Gender		
Male	41	42
Female	59	58
Age		
under 25yrs	3	3
over 45yrs	52	54
Completed education level		
Primary	45	43
Leaving Certificate +	25	26
Social welfare status		
Long term unemployed	93	92
From Live Register	40	39
Disability	25	27
One Parent Family Payment	28	26

Source: Forfas (2010:101-102).

As NESC (2011:166 and 2012:78-79), Halpin and Hill (2007) among others, have highlighted, some aspects of the development of CE over the recent period of full-employment underscore the need for the scheme to be reshaped so that it can continue to play a role in responding to the current crisis. While there have been some suggestions that it should abandon its longstanding dual role, of helping the long-term unemployed return to the active labour market and the provision of local services (NESC 2011:166-167; Forfas, 2010:11; and Kelly et al, 2012:9), there would seem to be a benefit from retaining both of these objectives but more clearly differentiating between them. In that regard, the future structure of a sustainable CE programme might comprise:

Stream 1: Specific Skill (Re)Training focused on the Long-Term Unemployed

This aspect of CE would typify the highest standards in ALMP interventions and only differ from other existing programmes in that it would retain its traditional focus on the long-term unemployed and those most distant from the active labour market. Its features would include:

- Provision of training focused on areas of employment which are expected to grow in demand in the years to come. While the identification of future labour market needs can be hard to predict, as noted by NESC (2012:70), there are some clues given by demographics and "the use of labour-market intelligence could be augmented by a

[16] The calculations attempt to include a value for the direct benefits of services provided by CE participants using conservative estimates. Other direct and indirect activation related benefits from CE schemes, and all other ALMP schemes, are not examined by the Forfas analysis or in these calculations.

greater focus on the potential novel solutions to complex social problems and needs. For example, demographic trends means that a growing number of older people will require more care, medical support and therapies in their home or in senior citizens residences" (NESC, 2012:70). Similarly, childcare needs are a possible area.

- Delivery of this training within a supported learning and work environment where each participant is mentored by a qualified and experienced CE supervisor.
- Delivery of this training in accordance with a tailored Individual Learning Plan compiled by the CE supervisor and the trainee given the participants training requirement and employment goal.
- Structured delivery of this training so that it leads to the participants achieving formal qualifications (FETAC or its equivalent) as they move from levels 1-3 to levels 4-5 on the National Qualifications Framework.
- A time limit on a participant's involvement in the CE scheme which is set reflecting the time required to achieve formal qualification and relevant in work experience. These limits would need to balance the flexibility many CE participants will need in undertaking such training given their personal, psychological and family circumstances. It should also take account of the starting skills/education/literacy position of the participant. In many cases the structure of the FETAC programmes, for example in Childcare, will necessitate training and the accumulation of relevant work experience across a number of years. However, a time limit is important so that there remains a flow of long-term unemployed people through the CE programme and that openings appear for others to access these opportunities and skills.

Some CE schemes already incorporate many of these characteristics, for example Individual Learning Plans leading to FETAC qualifications have been in place in a number of schemes since 2007/08. However there is merit in the development of CE schemes linked to labour market needs, structured to account for participant's circumstances and training requirements, focused on the achievement of formal qualifications in the context of close mentoring and time-limited so that openings appear each year for new entrants.

Stream 2: The Provision of Local Services

This aspect of CE would reflect both the scale and likely duration of the current unemployment crisis including its concentration on many low-skilled and middle aged workers, and the role which CE has already built for itself as a cost-effective means of the state supporting the provision of local social services. Its features would include:

- A focus on assisting CE participants to retain/rebuild or establish an active association with the labour market. Given the aforementioned profile of CE participants, and those who are long-term unemployed, such assistance is likely to cover formal and informal learning, mentoring and supporting participants in adjusting to a work environment.
- Provision of local services as determined by the needs of local CE host organisations and approved by the DSP. These would encompass a broad range of social enhancing roles from combatting education disadvantage, improving the local physical environment, fostering local services, assisting statutory bodies such as Drug Task Forces, the HSE and VECs and voluntary/charitable organisations among others. While the nature and composition of these local services should emanate from local communities (as has been the case with many CE schemes), they should be subject to initial approval and regular

review by the DSP. It would seem appropriate that such programmes should not be regarded as of indefinite duration and that most should carry time-limits (probably of a number of years) to reflect their counter-cyclical nature and the need to maintain the distribution of participation and throughput in these schemes.

- The incorporation of some formal training and skills enhancement within the programme, where this might range from basic literacy to the accumulation of specific skills relevant to the service being provided.
- Participation in the provision of these services should be guided by a tailored Individual Learning Plan compiled by the CE supervisor and the scheme participant given the nature of the service and the participant's training/skill requirements. While such programmes would be mainly a work experience programme, the incorporation of a development/training element is essential.
- A time limit on a participant's involvement in the CE scheme which is set reflecting the individuals distance from being able to access the active labour market. These limits (some exist already) would need to balance the flexibility many CE participants will need given their personal, psychological and family circumstances. However, a time limit is important so that there remains a flow of long-term unemployed people through the CE programme and that openings appear for others to access these opportunities.

While both these streams are not mutually exclusive the latter would be more focused on those furthest from the active labour market. The distribution of the overall number of CE places between these two streams would be a matter for both policy and be reflective of the nature of CE host applications received. However, constructed in this way, there would seems to be merit in retaining the overall number of CE places at a figure of between 22,000 and 23,000 as it has been for much of the past decade. The approach would also allow the retention of the voluntary aspect of participant's engagement with CE, reflecting a desire from them to achieve additional skills or build links to the active labour market, but similarly necessitate that Government retain some other form of mandatory ALMP engagement to minimise discouragement and permanent disengagement with the labour market (e.g. as with Tús).

The fostering of a sustainable CE programme, incorporating these two streams, also requires Government to support and where appropriate co-fund the provision of these services. Local CE hosts cannot be expected to house and administer these schemes entirely on a voluntary or 'within existing resources' basis. Given the likely medium-term shape of the unemployment crisis, one of the greatest challenges to the provision of these CE programme is not the participants (although there are challenges in facilitating the participation of single parents and those with disabilities) but rather the identification, encouragement, support and retention of CE scheme providers among the aforementioned voluntary, charitable and statutory providers. Policy should also address this challenge.

Finally, the structuring of the CE programmes similar to the manner described above has some implications for the way in which these schemes are evaluated. Clearly, both streams are very different to each other and their performance measurement, using economic efficiency evaluation techniques, should reflect these differences. While stream one is close to the general ALMP approach, it focus on long-term unemployed participants with varying skill requirements and training objectives cautions against simple output and activation measures. Similarly, the second stream pursues goals of both service provision and activation with mixtures in the relative importance of these goals across and within schemes. In each case, evaluations would

need to consider the broader benefits of the schemes including a valuation of the services they provide and the intangible benefits they assist in developing.

CONCLUSION

The dominance of policy responses to Ireland's banking, economic, fiscal and reputational crisis has resulted in limited focus to date on the nature, scale and long-term labour market and societal implications of the unemployment crisis. As outlined above, that crisis seems likely to persist for some time including throughout an expected period of jobless growth that will inevitably accompany Ireland's eventual return to sustainable economic growth.

The nature of the current crisis differs notably from that experienced in the past. Unemployment increased very rapidly and has impacted on those in all age, skill and sectoral categories. However, a profile of where the job losses have arisen, alongside an assessment of the composition of the long-term unemployed, highlights the large numbers of potential workers who for various reasons are now quiet distant from the labour market and will need some assistance to return to active employment. Furthermore, the likely persistence of the crisis may result in many of these individuals remaining unemployed for many years to come.

The suite of ALMPs offered by Government, albethey complex for potential users to understand and choose between, has begun to prioritise activation as a solution. However, this paper highlights that there is a danger of solely adopting output measures of ALMPs which measure throughput and placements/employment/activation only and calculate economic efficiency measures based on short-term expenditure and outcomes. Such schemes, while highly relevant, would by themselves bias the policy response to the unemployment crisis towards the easiest to activate, of whom there are many with up-to-date skills and abilities, who are unemployed due to domestic demand problems rather than skill deficits or structural issues. The losers in such a policy would be those most distant from the active labour market, who may need longer and more personal intervention to facilitate their return to the active labour force; cases where throughput and outputs will be smaller and more difficult. An inappropriately framed policy would activate the easiest to activate and defer the hard work to the future at a cost of trapping many in successive years of long term unemployment and welfare dependency.

Reflecting this, there remains a clear need to retain support for ALMPs targeted at those most distant from the active labour market. Dealing specifically with Community Employment, the biggest of the ALMPs and a scheme with such a focus, the paper suggests a refocusing of CE so that it retains its dual role, of helping the long-term unemployed return to the active labour market and the provision of local services, but is structured across two streams. The first focused on specific skill (re)training for the long-term unemployed and the second on the provision of local services. Within each of these the paper has proposed scheme components (some new, some pre-existing) and has also emphasised the need to support providers of these schemes and evaluate schemes performance is a more comprehensive way which reflects their dual focus, the composition of their participants and the broader benefits, both tangible and intangible, that they provide.

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APPENDIX

A1: Short-term and Long-term Unemployment Rates in Ireland, 1988-2012

Period	Short-Term Unemployed	Long-term Unemployed	Total Unemployed	Short-Term Unemployed %	Long-term Unemployed %	Total Unemployed %
April 1988	79.2	137.8	217.0	5.9	10.4	16.3
April 1989	68.8	128.0	196.8	5.2	9.8	15.0
April 1990	62.2	110.2	172.4	4.6	8.3	12.9
April 1991	78.8	119.7	198.5	5.9	8.8	14.7
April 1992	90.1	116.5	206.6	6.6	8.5	15.1
April 1993	94.7	125.4	220.1	6.8	8.9	15.7
April 1994	82.8	128.2	211.0	5.7	9.0	14.7
April 1995	74.1	103.3	177.4	5.1	7.1	12.2
April 1996	75.7	103.3	179.0	5.0	6.9	11.9
April 1997	72.7	86.3	159.0	4.7	5.6	10.3
Oct-Dec 1998	50.4	49.7	100.1	3.1	3.0	6.1
Jan-Mar 1999	55.4	44.8	100.2	3.3	2.7	6.0
Jan-Mar 2000	50.1	29.2	79.3	2.9	1.7	4.6
Jan-Mar 2001	44.0	22.0	66.0	2.5	1.2	3.7
Jan-Mar 2002	54.9	22.8	77.7	3.0	1.2	4.2
Jan-Mar 2003	58.3	26.6	84.9	3.1	1.4	4.5
Jan-Mar 2004	63.8	29.4	93.2	3.4	1.5	4.9
Jan-Mar 2005	57.0	26.7	83.7	2.9	1.3	4.2
Jan-Mar 2006	66.1	26.8	92.9	3.1	1.3	4.4
Jan-Mar 2007	71.8	26.3	98.1	3.3	1.2	4.5
Jan-Mar 2008	80.1	29.3	109.4	3.6	1.3	4.9
Jan-Mar 2009	173.7	49.1	222.8	8.0	2.2	10.2
Jan-Mar 2010	162.4	112.6	275.0	7.6	5.3	12.9
Jan-Mar 2011	132.9	162.8	295.7	6.3	7.8	14.1
Jan-Mar 2012	121.6	187.4	309.0	5.8	8.9	14.7

Source: CSO Labour Force Survey and QHNS online database.

A2: Underemployment Rates and Numbers, 2008-2012

Period	Rate	Number
2008 Q3	13.9	92.9
2008 Q4	13.6	79.6
2009 Q1	17.6	98.2
2009 Q2	20.0	108.6
2009 Q3	20.9	108.9
2009Q4	20.4	104.1
2010 Q1	21.0	103.3
2010 Q2	22.1	110.1
2010 Q3	22.6	108.8
2010 Q4	23.0	113.4
2011 Q1	23.3	121.9
2011 Q2	24.0	133.1
2011 Q3	25.0	135.7
2011 Q4	24.5	141.5
2012 Q1	24.7	135.2

Source: CSO Quarterly National Household Survey online database.
Note: See definition of underemployment and the underemployment rate in the main text.

A3: Unemployment Numbers and Rates by age group, Q1 2007and Q1 2012

	Males Q1 2007	Females Q1 2007	Overall Q1 2007	Males Q1 2012	Females Q1 2012	Overall Q1 2012
Numbers						
Overall	**60.5**	**37.6**	**98.1**	**205.4**	**103.6**	**309.0**
15-19	6.2	4.0	10.2	8.3	6.4	14.8
20-24	11.3	6.4	17.7	26.4	14.8	41.2
25-34	17.9	12.3	30.2	65.9	35.3	101.3
35-44	12.1	7.7	19.8	46.5	25.6	72.1
45-54	8.6	5.3	13.8	37.5	14.6	52.1
55-59	3.1	1.4	4.5	13.3	3.9	17.3
60-64	1.2	*	1.6	6.6	2.6	9.2
Rates						
Overall	**4.8**	**4.0**	**4.5**	**17.7**	**11.1**	**14.7**
15-19	13.8	11.6	12.8	40.5	33.3	37.0
20-24	7.9	5.4	6.7	35.8	20.0	27.9
25-34	5.0	4.2	4.6	20.7	12.1	16.6
35-44	4.0	3.6	3.8	15.2	10.7	13.2
45-54	3.6	3.0	3.4	14.7	7.6	11.6
55-59	3.5	2.6	3.1	14.6	5.7	10.7
60-64	2.0	*	1.9	11.2	7.1	9.6

Source: CSO Quarterly National Household Survey online database.

A4: Short-Term and Long-Term Unemployment by Education Attainment, Q2 2012 (000s individuals)

	No. Less than 1 year	No. LT Unemp	No. All Persons	% Less than 1 year	% LT Unemp	% All Persons
Primary or below	6.5	23.7	30.5	5%	13%	10%
Lower secondary	20.2	43.2	64.1	17%	23%	21%
Higher secondary	37.3	53.1	91.3	31%	29%	30%
Post leaving cert	22.0	31.9	54.2	18%	17%	18%
Third level NH degree	13.2	15.3	28.7	11%	8%	9%
Third level H degree +	18.7	12.6	31.7	16%	7%	10%
Other	2.5	4.4	7.3	2%	2%	2%
Total aged 15 to 64	**120.4**	**184.2**	**307.8**	**100%**	**100%**	**100%**

Source: CSO Special calculation using QNHS microdata, Q2 2012
Note: Data is for Q2 2012.

A5: Forfas's Key Cost Measures for Community Employment – Revisited

- The approach to costing some of the benefits from CE in this table is deliberately conservative. Data impediments prevent a full-scale cost benefit analysis of the scheme.[17]
- The analysis takes the figures published by Forfas (2010) as given although there was some dispute between the approach to counting the number of days of CE provision between Forfas and FAS (see Forfas, 2010: 122-123).
- Only 50% of the total CE days in 2007 and 2008 are valued in these calculations. This is an attempt to take account of the training element of scheme and consequent lower productivity that would emerge from this.
- Each hour of CE is valued at the minimum wage of €8.65 per hour. In reality this would be less than the cost of a comparable provision of services in the public or private sector as it ignore the probability of higher per hour wage costs, social insurance costs etc.
- Each full CE day is assumed to include 7.8 hours, equivalent to 19 hours for 2.5 days and 38 hours per week.

	2007	2008
Forfas (2010) Data		
Total Cost	€371,800,000	€392,400,000
Activity days	2,957,000	2,962,000
Cost per day	€125.74	€132.48
Some Conservative assumptions on direct benefits		
50% of days	1,478,500	1,481,000
Pay at Minimum wage	€8.65	€8.65
Value of a day	€67.47	€67.47
Value of benefits	€99,754,395	€99,923,070
Revised total cost (costs – benefits)	€272,045,605	€292,476,930
Revised cost per day	€92.00	€98.74

[17] See discussion in SIPTU (2012) and the analysis of Fitzpatrick's Associates (1995).

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