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INOUE Submission to Low Pay Commission

Consultation Process 2018

Bríd O'Brien
IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED
policy@inou.ie

Submission to the Low Pay Commission Consultation Process 2018

Name	Irish National Organisation of the Unemployed	
<hr/>		
Are you (Please tick)	Employer	<input type="checkbox"/>
	Employee	<input type="checkbox"/>
	NGO	<input checked="" type="checkbox"/>
	Union	<input type="checkbox"/>
	Other (please specify) _____	
Size of Organisation (Number of Employees)	0-10	<input type="checkbox"/>
	11-25	<input checked="" type="checkbox"/>
	26-50	<input type="checkbox"/>
	51-100	<input type="checkbox"/>
	100+	<input type="checkbox"/>

INTRODUCTION

The Irish National Organisation of the Unemployed (INOU) welcomes this opportunity to make a submission to Low Paid Commission, access to decent employment is critical for people who are unemployed to ensure that they can establish their economic independence and fully participate in Irish society.

“The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all. We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society.” (INOU Mission Statement)

The organisation has over 200 affiliated organisations and 2,800 individual members. We work at the local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

CONTEXT

On January 16th 2018 the Central Statistics Office (CSO) published the new Labour Force Survey (LFS), which will replace the Quarterly National Household Survey (QNHS) from Quarter 3, 2017. In this latest data the CSO have also made adjustments to take account of the information collected through the Census 2016. In their release the CSO notes that the Census changes had the biggest impact on the labour force statistics, accounting for a 96,400 increase in the working age population.

According to these new figures there were 2,206,800 people employed in Q3 2017, 80% of whom were in full-time employment. 438,100 people were in part-time employment, with 26.5% of them describing themselves as underemployed.

There were 163,500 people who were unemployed, 40% of whom were unemployed for more than a year. The overall unemployment rate in this quarter was 6.9%, 1.6% less than the same quarter in 2016. And the long-term unemployment rate was 2.8%, down 1.5% on Q3 2016.

According to the Labour Force Survey Q3, 2017 the overall employment rate was 68%. The age group with the highest employment rate was people aged 35-44 at 80.7%. The group with the lowest rate are those aged 15-19 years, at 19.4%. Of course the majority of this age group are still in the formal education system, however as the age group with highest unemployment rate at 21.6%, it illustrates the challenges facing people with lower educational attainment.

On January 30th the Central Statistics Office (CSO) published the Monthly Unemployment figures for January 2018. The MU figures are based on the most recent Labour Force Survey (LFS) and changes in the subsequent Live Register figures. In the LFS Q3 2017 the seasonally adjusted unemployment rate was 6.7%. In January the Monthly Unemployment Rate (MUR) was 6.1%, a decrease of 1.3% over the year. The MUR for people aged 25 to 74 years was 5.2%, a decline of 1.2%, while for people aged 15-24 years it was 13.7%, down 0.9% on January 2017.

On February 1st the CSO published the Live Register for January 2018. According to these figures there were 237,386 people on the Live Register, a drop of 14.3% over the year. 98,007 people, or 41.3% of the Register, were on it for more than a year, a decline of 17.8% over the year.

In an annex to the Live Register figures, the CSO also publishes data on participation on activation programmes, which lag a month behind the Live Register figures. So, in December 2017, there were 61,072 people participating on employment, education and training programmes - 15% lower than December 2016. 64% of the overall decrease on activation programmes is accounted for by a 15% drop in the numbers of people participating on employment programmes.

QNHS - NATIONAL MINIMUM WAGE ESTIMATES

On April 26th 2017 the Central Statistics Office published a special Quarterly National Household Survey (QNHS), which in the three quarters, 2, 3 and 4 2016 included questions on the National Minimum Wage (NMW)¹. As the table below illustrates, over the three quarters 10.1% of those in employment were earning the NMW or less: this figure was 10.9% for female employees; and 9.3% for male employees.

Quarter 2 - Quarter 4 2016	Q2 2016	Q3 2016	Q4 2016	Average Q2 to Q4 2016
Indicator				
Employees reporting earning National Minimum Wage or less ('000)	173.2	157.6	134.5	155.1
Employees reporting earning more than National Minimum Wage ('000)	1,341.0	1,376.0	1,423.5	1,380.2
Not stated ('000)	154.8	164.8	156.1	158.6
Total ('000)	1,669.0	1,698.3	1,714.1	1,693.8
Proportion of employees reporting earning National Minimum Wage or less (%) ²	11.4	10.3	8.6	10.1

The 'services' sector accounts for 81.7% of all employees in this category; with two sectors accounting for half of these employees: the 'wholesale and retail trade; repair of motor

¹ Further information available at www.cso.ie/en/releasesandpublications/er/q-nmw/qnhs-nationalminimumwageseriesq42016/

² The CSO notes that the denominator excludes employees whose National Minimum Wage status was *Not stated*

vehicles and motorcycles'; and the 'accommodation and food services sector'. These two sectors share of overall employment is 21.9%.

The 'elementary', 'sales and customer service' occupation groups also account for one fifth of all employees in the State. 29.9% of all employees in 'elementary' occupations and 25% of people in the 'sales and customer service' occupation group are earning the NMW or less.

Looking at these figures from a regional perspective, NUTS 3, 'the proportion of employees earning NMW or less' was higher in the Border (14.3%), the South-East (13.2%), the South-West (10.9%), and slightly in the West (10.2%). The region with the highest 'share of employees earning the NMW or less' was Dublin with 27.1%, which was 6% lower than its 'share of total employees'. The next three highest regions are the South-West (13.9%), the South-East (13.5%) and the Border (13%), which were all greater than their 'share of total employees'. The Border region had the biggest difference at 3.8%.

ISSUES OF CONCERN

The INOU receives feedback from individual members and affiliates about the difficulties in securing access to decent employment. Amongst the issues raised are uncertainty of hours; transport and caring costs; ageism; skills mismatch with available employment. In the past year at the INOU's Regional Discussion Forums the prohibitive cost of car insurance was raised, and in particular the exorbitant rates facing young people. This is a particular issue in rural areas, but also arises in urban areas if, for example, the hours of work on offer are outside of public transport provision.

NATIONAL MINIMUM WAGE

The National Minimum Wage in 2018 will stand at €9.55 per hour for 'an experienced adult worker'. The reduced rates for young people aged 18-20 years is questionable, and sends a negative message to young people about their contribution to the world of work. A very striking feature of the CSO study of the NMW was the age profile of the 'proportion of employees reporting earning NMW or less. The overall figure was 10.1%, but for people aged 15-24 it was 41.5%. Now many people in this age group will be students hopeful of acquiring much better employment when their studies are complete. But for others, the prospects of moving on into a decent job are far more challenging and potentially unattainable. The reality is that those with a higher educational attainment tend to be the people who pursue life-long learning opportunities and often working in sectors where this is expected and supported.

In 'A Programme for a Partnership Government' there is a commitment to "*Increase the minimum wage to €10.50/hour by 2021*" (p135). Given that the Living Wage for Ireland was estimated as €11.70 per hour³, it is absolutely critical that this target is not only met, but that a more ambitious target is set and achieved.

³ Further information available at www.livingwage.ie