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INTEGRATED PROGRAMME OF THE EU SOCIAL DIALOGUE 2009-2011

**JOINT STUDY OF THE EUROPEAN SOCIAL PARTNERS
“THE IMPLEMENTATION OF FLEXICURITY AND THE ROLE OF THE
SOCIAL PARTNERS”**

NATIONAL FICHE:

Republic of Ireland

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Preface

This national fiche is part of the EU Social Partners’ Study “The implementation of flexicurity and the role of social partners” carried out in the context of the EU Social Dialogue Work Programme 2009-2011, which includes “*Jointly monitoring the implementation of the common principles of Flexicurity, notably in order to evaluate the role and involvement of the social partners in the process and to draw joint lessons*”.

To implement this task in the best possible way and to involve national member organisations actively in the gathering of data and information, the study applies a methodology that consists of multiple levels of analysis using a variety of instruments to be implemented with the help of a team of experts:¹

- The expert team, with the advice of European Social Partners, agreed on a *set of selected statistical indicators* in the field of employment and economic and social development with labour market relevance.
- National social partners were asked to participate in a *questionnaire-based survey* focussing on the relevance of the flexicurity concept within national labour markets, the role of the social partners in policy implementation and their views of the flexicurity concept. To complement the research, the expert team visited a number of countries and carried out interviews with national social partners.²
- Based on the two sources above and a review of available written materials and information, the expert team prepared *29 national “fiches”* on the implementation of the flexicurity principles and the role of social partners in the respective national contexts.
- Results of the questionnaire survey and main findings of the national analyses were discussed at four “*country cluster seminars*” that were organised by the European Social Partners with the help of national sections in Warsaw (November 2010), Lisbon (December 2010), Paris (31st January-1st February 2011) and The Hague (8th February 2011).
- In the light of the overall study results and the comments received by national social partners in the contexts mentioned above, the expert team has prepared a *comparative synthesis report* on “Social Partners and Flexicurity in Contemporary Labour Markets” that was presented and discussed at a *EU-level synthesis seminar* on 31st March and 1st April 2011 in Brussels.

This national fiche aims to present a broad overview on the economic and social context and the state of play with regard to flexibility and security in the labour market and current social security arrangements (sections one and two). Secondly, the report describes the role of the social partners and social dialogue in the implementation of policies and practices that can be considered under the broad umbrella of “flexicurity” (section three), also summarising inputs provided by national social partners to the questionnaire, from interviews carried out and other contributions made in the context of the study. Section three also presents brief descriptions of cases of good practice as has been indicated by the national social partners.

The text was originally prepared as draft report in the autumn of 2010 in order to facilitate the discussion at the cluster seminar on 31st January and 1st February in Paris. The original dossier has been reviewed and revised to take into account the comments and discussions that took place during the seminar or received afterwards.

However, it should be stressed that this report is presented as an “independent expert report”. It represents the views of the individuals involved in its preparation and does not purport to represent the views, either individually or collectively, of the social partners’ representatives that contributed to it, or those of the European level social partner organisations that were responsible for its commissioning.

¹ Expert team: Eckhard Voss (coordinator), Alan Wild, Anna Kwiatkiewicz and Antonio Dornelas.

² The following countries were visited in the context of the project between May and July 2010: Denmark, France, Ireland, Italy, Czech Republic, Poland, Germany, Portugal and the Netherlands.

1 The economic and social context

Economic crisis and recovery

Ireland is a small, modern, trade-dependent economy. Ireland joined 11 other EU nations in circulating the Euro on 1 January 2002. GDP growth averaged 6% in 1995-2007, but economic activity dropped sharply in 2008-09 as GDP fell by 3% in 2008 and by a further 7.1% in 2009. Ireland entered into a recession for the first time in more than a decade when a home grown downturn morphed into a full blown and protracted recession with the onset of the world financial crisis and subsequent severe slowdown in the property and construction markets.

Agriculture, once the most important sector, is now dwarfed by industry and services. Although the export sector, dominated by foreign multinationals, remains a key component of Ireland's economy, construction most recently fuelled economic growth along with strong consumer spending and business investment. Property prices rose more rapidly in Ireland in the decade up to 2007 than in any other developed economy. However, average home prices have fallen 50% from their 2007 peak.

Looking at recent economic developments, in 2008 the Irish government moved to guarantee all bank deposits, recapitalise the banking system, and establish partly-public venture capital funds in response to the country's economic downturn. In 2009, in an effort to stabilize the banking sector, the Irish Government announced the establishment of the National Asset Management Agency (NAMA), which will acquire property and development loans from Irish banks.

The economic downturn has produced a dramatic deterioration in Irish public finances with a large government deficit emerging and feeding a steep increase in the debt ratio from a healthy 25% of GDP in 2007 to more than 97% in 2010. Faced with a need to bring the budget deficit down under the EMU target by 2014, the Irish Government introduced the first in a series of draconian budgets in 2009. In addition to across-the-board cuts in spending, the 2009 budget included wage reductions for all public servants.

REPUBLIC OF IRELAND - MAIN ECONOMIC INDICATORS AND OUTLOOK

	2007	2008	2009	2010	2011
GDP – annual percentage change	5.6	-3.5	-7.6	-0.2	0.9
Employment -annual percentage change	3.7	-1.1	-8.2	-4.0	-0.8
Unemployment rate (Eurostat definition)	4.6	6.3	11.9	13.7	13.5
General government balance (as percentage of GDP)	0.0	-7.3	-14.4	-32.3	-10.3
General government gross debt (as percentage of GDP)	25.0	44.3	65.5	97.4	107.0

Source: European Commission: Autumn 2010 Economic Forecast.

Turning to the future, a much less pronounced contraction in real GDP is expected in 2010 and positive growth is projected to return in 2011 driven by the performance of the chemical and pharmaceutical sectors and improving domestic consumer confidence. The pace of longer term recovery will depend crucially on the speed at which economic activity can be shifted from construction (which employed more than 13% of the Irish workforce at its peak in 2006) to more productive sectors, the recovery of competitiveness and the cleanup of household and corporate balance sheets. It is worth noting that

prior to the crisis, the Irish economy had already suffered significant losses in competitiveness over the period from 2002 with labour costs outstripping productivity.

Labour market indicators and trends

The total labour force in Ireland has grown rapidly since 1990 and now exceeds two million people. Ireland experienced strong gains in employment in the period 1990-2005, concentrated in certain sectors, particularly construction and domestically traded services, including public services. Economic and employment growth has been facilitated by a growing population of working age, increasing female participation rates and net immigration. Overall labour market participation rates in Ireland climbed from 60% in 1990 to 68.6% in 2004 but remain below the OECD average for both males and females. While participation among women between 25 and 34 is almost 80%, for those over 55, it remains close to 40%.

Ireland’s national rate of unemployment over the period 1990 to 2008 reduced to a very low level (4.5% in 2006) especially when set against the dark days of the 1980s when unemployment reached a high of 18% in 1986. More recently the unemployment rate in Ireland has increased from just over 4% in 2006 to more than 13% in 2010. Young and lower skilled workers have been the worst hit with major employers in the chemical and pharmaceutical industries remaining relatively stable in employment terms. Following significant inward migration of primarily construction workers in the boom years, foreigners left the country in large numbers in 2009. Going forward, unemployment is predicted to decrease only gradually from 2011.

The Irish labour market is described in figures in the summary table below.

REPUBLIC OF IRELAND - MAIN LABOUR MARKET INDICATORS 2009 IN COMPARISON TO EU27

	Ireland	EU27
Employment rate – % population aged 15 – 64	61.8	64.6
Employment rate older people – % population aged 55-64	51.0	46.0
Self employed - % total population	17.8	15.5
Employment in services - % total employment	72.6	70.4
Employment in industry - % total employment	22.1	24.1
Employment in agriculture - % total employment	5.3	5.6
Unemployment rate - % labour force 15+	11.9	8.9
Youth unemployment rate - % labour force 15-24	24.4	19.6
Long term unemployment rate - % labour force	3.4	3.0
Inequalities of income distribution (2008)	4.5	5.0

Source: Eurostat, *Employment in Europe Report 2010*.

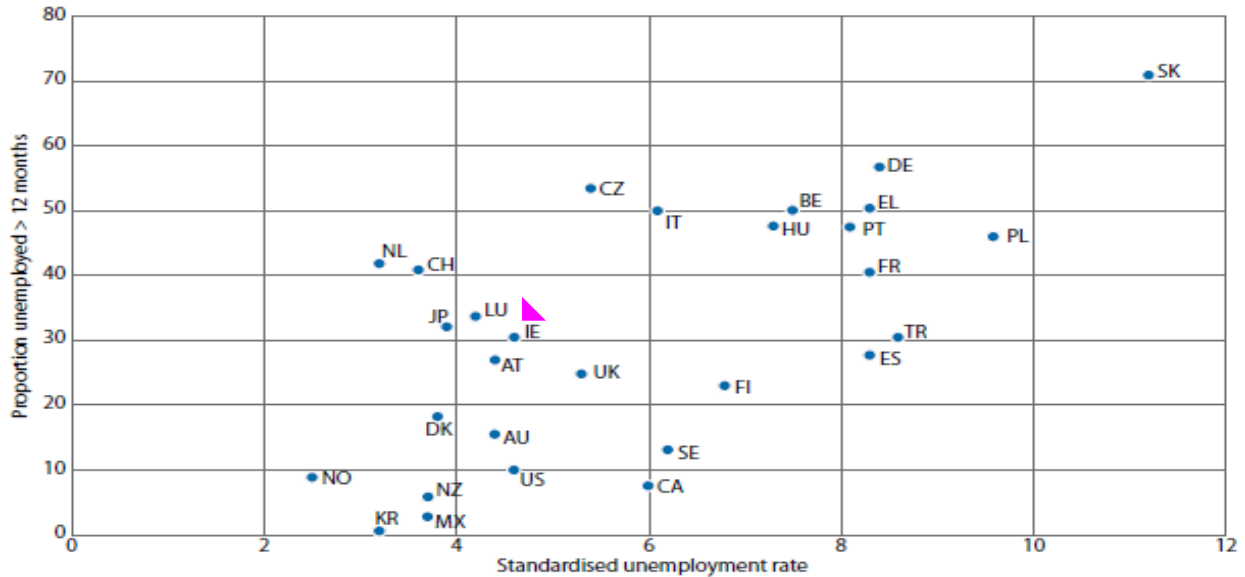
The table offers basic labour market data showing that,

- Ireland's employment rate in 2008 was around the European average but the country performed better on the employment of older men;
- The makeup of the economy in terms of the employment split between services, industry and agriculture almost mirrors the EU average;
- Self employment is around the EU average

Comparative data for 2007 below showing the incidence of unemployment and long term unemployment shows Ireland as a better than average performer in general, and in particular in long

term, unemployment in European terms but a poorer performer than the US, Australia, New Zealand and Mexico and behind Austria, Norway and Denmark in Europe. Today Irish unemployment would be "off the graph" for general unemployment.

INCIDENCE OF LONG-TERM UNEMPLOYMENT AND THE UNEMPLOYMENT RATE 2007



Source: *Employment in Europe Report*, p. 73, based on OECD figures.

Flexicurity in the labour market and labour market policy

The following table takes a closer look to series flexicurity indicators. The following aspects are quite striking when Ireland is compared to the EU27 average:

Ireland ranks around the EU average in regard to educational attainment, i.e. the share of the population having at least completed upper secondary education. However, the share of employees participating in continuous vocational training in Ireland is above the EU average though the participation of adults in lifelong learning is below the European average.

While part time employment was slightly above the EU average, the use of fixed term contracts in Ireland is significantly lower, perhaps reflecting the relatively low level of employment strictness for workers on regular contracts. Also the strictness of employment protection on temporary employment in Ireland was clearly below the OECD average.

A bit surprisingly, the expenditure on active and passive labour market policy in Ireland is above the EU average.

Finally, the indicators of job satisfaction and of persons in risk of poverty in 2009 – both significantly better than the EU average mirror a situation that has certainly worsened since then.

IRELAND - FLEXICURITY INDICATORS IN COMPARISON

	Ireland	EU27
Total population having completed at least upper secondary education (population aged 25-64, %), 2009	71.5	72.0
Part-time employment - % total employment, 2009	21.2	18.8
Fixed-term contracts - % total employees, 2009	8.5	13.5
Access to flexitime, % total employees aged 15-64, 2004	20.2	31.3
Percentage of employees (all enterprises) participating in CVT courses , 2005	49.0	33
Lifelong learning participation – percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009	6.3	9.3
Job satisfaction – percentage of workers that are either very satisfied or satisfied with working conditions in their main paid job (EWCS 2010)	90.7	84.3
Strictness of employment protection – regular employment, 2008	1.60	2.11*
Strictness of employment protection – temporary employment, 2008	0.71	2.08*
Strictness of employment protection – collective dismissals, 2008	2.38	2.96*
Public expenditure on <i>passive</i> labour market policies (categories 8-9) - % of GDP, 2008	1.33	0.96
Public expenditure on <i>active</i> labour market policies (categories 2-7) - % of GDP, 2008	0.54	0.46
Persons at-risk-of-poverty after social transfers - % of total population, %, 2009	15.0	16.3

Source: Eurostat; *Employment in Europe Report 2010*; Eurofound (*European Working Conditions Survey 2010*); OECD. *OECD average

2 Flexibility and security in recent labour market and social policy reforms

Introduction and overview

In practice, while not historically labelled as flexicurity, Ireland’s social partnership process has sought, over the course of the years since 1987, to strike its own particular balance through negotiated tripartite trade-offs over issues such as labour market flexibility, contractual arrangements, and employment rights; pay; social security and income tax; training and upskilling; and active labour market policies. The Irish approach to tripartite social dialogue at the national level has been cited as one of the reasons for the economy's strong growth over the period 1990 to 2008. However, at the end of December 2009 the main employer body, IBEC, formally withdrew from the terms of the transition agreement reached in 2006 (Towards 2016) having failed to agree a suspension of the pay terms with the national trade union organisation ICTU.

The Irish government National Reform Programme 2008-2010 contains a specific section on flexicurity and Ireland's commitment to it in a manner that makes sense in national circumstances. The country sets out a balanced approach to tax and welfare payments, contract security, ALMPs and a National Skills Strategy to drive Lifelong learning provision. The government believes that Ireland has achieved a great deal in the area of flexicurity over recent years and employment growth and economic development have been positively associated with the policies adopted. They stress (in the report authored in October 2008) the role of the social partners in the design and delivery of the Irish model of flexicurity over the years since 1987 and in setting out a longer term direction through the agreement "Towards 2016" which has not been operational since January 2010.

In the 2006 agreement, Towards 2016³ the Government and the social partners in Ireland sought to strike a balance between flexibility and security – for instance by introducing a Lifecycle Framework based on the concept of a ‘Developmental Welfare State’ outlined by the National Economic and Social Council (NESC); a raft of new employment rights; unveiling a new National Innovation Fund aimed at boosting workplace innovation; as well as new measures on lifelong learning and active labour market policies. Although the national social partnership process has stalled, it is assumed that the Irish government will continue with the flexicurity initiative to the extent that national finances permit and the social partners will continue to engage.

Lifelong learning and mobility of workers

The Irish approach to Lifelong learning is through the National Skills Strategy to contribute to the employment prospects of unemployed workers and to facilitate greater mobility between jobs.

Under the terms of Towards 2016, the social partners and government agreed on the need for a review of both workplace learning and active labour market policies, especially from the point of view of user friendliness and modularisation; the provision of generic, transferable as well as sector specific skills; future skills requirements; geographical accessibility; cost; and means of operationalisation. They also agreed on the need to examine the availability of workplace learning (including in relation to basic skills) and upskilling for lower skilled and vulnerable workers in the manufacturing sector and for workers from overseas.

The social partners further agreed on the need to put in place measures to ensure renewed focus for State provisions and to develop more targeted schemes, with a view to maximising the use of resources. In addition, the involvement of employer and trade union representatives in the activation of workplace learning and upskilling is suggested to be of particular importance. The overall objective is to ensure that the institutional framework and provision for the development of skills across the economy matches anticipated requirements; provides a co-ordinated, user-friendly and easily accessible system of workplace learning and upskilling; and is geared to employability and competitiveness. The social partners outlined the following key areas for action on workplace upskilling initiatives:

- The development of a targeted guidance, learning and training programmes, particularly accessible to the manufacturing sector, to include coaching and mentoring for workers in vulnerable employments where appropriate;
- The introduction of measures for the promotion of take up of apprenticeships by older workers;
- The mainstreaming of the Knowledge Economy Skills Passport (KESP), focusing on computer literacy, science and technology fundamentals, basic business skills and innovation and entrepreneurship;
- The Skillnets programme will be expanded and will provide more flexible means of delivery and will also include pilot initiatives to focus on those with lower skill-sets;
- Increased financial support will be provided for the existing pilot trade union-led learning network under the FÁS One-Step-Up programme which engages trade union representatives in the workplace as part of the learning activation process, particularly among the lower skilled, to pursue education and training; and
- The allocation for the Workplace Basic Education Fund, aimed at increasing numeracy and literacy skills in the workplace, will be increased.

³ (<http://www.taoiseach.gov.ie>),

External/internal flexicurity and contractual arrangements

Both the Irish government and the employer organisations believe that the Irish legal framework balances well the need to maintain workers' security with due regard being taken to assisting internal flexibility and not inhibiting job creation. In its reply to the questionnaire survey carried out in the context of this project, the employer federation IBEC states:

There is significant legislative infrastructure in place to provide for reliable and flexible contractual arrangements. The protection of workers (fixed-time work) act covers all workers who are on fixed term contracts. It provides for specific protections relating to contract renewal, moving to permanent contract. The protection of employees (part time work) act provides a series of protections for part time workers. And sets out minimum requirements in terms of pay and conditions for all part time workers. Furthermore the minimum notice and terms of employment act provides for minimum requirements for employers when terminating a contract. (IBEC reply to the questionnaire)

Looking forward, Towards 2016 provides for new employment rights, measures to provide greater protection to workers and particularly to labour market 'outsiders' such as migrant workers and agency workers. The Government published two major employment rights laws in 2008: the Employment Law Compliance Bill and the Employment Agencies Regulation Bill. The Employment Law Compliance Bill contains a substantial package of measures designed to secure better compliance with employment law including:

- A new statutory office dedicated to employment rights compliance (National Employment Rights Authority, NERA);
- A trebling in the number of labour inspectors; and higher penalties for non-compliance.

The Government introduced a new Employment Agencies Regulation Bill 2007, designed to tighten up regulation of employment agencies.

The Irish trade union federation ICTU in its response to the questionnaire highlights the flexibility of employees and their unions at the enterprise level in the context of the current crisis situation:

There has been quite a lot of flexibility shown by employees and their unions in enterprises in dealing with the deep crisis, from major restructuring and overall remuneration adjustments. (ICTU reply to the questionnaire)

Active labour market policy

The Irish approach of combining a variety of actions in the four flexicurity pillars (lifelong learning, ALMPs, contract security and social protection) and the integration of the social partners in the design and delivery of initiatives means that it is difficult to describe policy actions under prescribed headings. Much of what would be characterised as ALMPs are described above under Lifelong learning and below in social security measures.

Nonetheless the Irish government describes its approach to ALMPs as tailoring support to the needs of individuals and their circumstances to increase workforce participation and to encourage workforce mobility. Training and employment support are available to the unemployed, those in vulnerable jobs and those in employment to improve skill levels and build up work experience. The government highlights the linkages between policy options by referring activation policies for older workers (55-64) which involve the extension of unemployment preventing measure to this group and at the same time eliminates the previous "Pre Retirement Allowance" (PRETA) which facilitated early exit from the labour force.

Supportive social security systems

In terms of social security policy, the adoption of the Lifecycle Framework, as set out by NESC in its report, 'The Developmental Welfare State', is a core feature of Towards 2016. The term 'developmental welfare state' describes a social policy system that would support and facilitate the development of each person, enabling them to reach their full potential. In view of this, the lifecycle approach in Towards 2016 places the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and the support available to address those risks, at key stages in his/her life.

The key lifecycle stages are identified as: Children, People of Working Age, Older People, and People with Disabilities. It is acknowledged that translating the lifecycle framework into explicit policy terms is an ambitious exercise and the long-term goals pose major challenges in terms of availability of resources, building the necessary infrastructure, and institutional and service delivery at both national and local level.

In particular, the Government and social partners agreed that they were committed to working together to sustain an acceptable standard of living for all people of working age in particular by:

- Ensuring that social protection adequately supports all people of working age, whether in the labour force or out of it by facilitating labour market participation, mobility and transition. Reforms are to be introduced to provide those most marginalised with the confidence and support necessary to accept the risks involved in taking up employment. This will involve the provision of extended information and support dealing as far as possible with the financial and non-financial barriers to employment, in particular those which present poverty traps and encourage dependency;
- Other elements of social protection will be examined to ensure that atypical working, the reconciliation of work and family life and those working on low incomes are supported;
- Achieving the National Anti-Poverty Strategy (NAPS) target of €150 per week in 2002 terms for lowest social welfare rates.

High quality and productive workplaces

Under Towards 2016, the Government and the social partners established a three-year Workplace Innovation Fund (WIF) aimed at boosting workplace innovation and flexibility through partnership between employers and employee representatives. The commitment is contained in Section 6 (Partnership at the Workplace);

"The Government has agreed to establish a three year Workplace Innovation Fund to enable the parties of this Agreement and the National Centre for Partnership and Performance to build a stronger commitment to workplace innovation by encouraging the development of new ways of working through partnership, aimed at increasing flexibility and improving performance".

Financial sustainability

The prevailing financial difficulties faced by the Irish government in terms of public debt pose substantial Challenges to the affordability of flexicurity initiatives going forward.

The Irish social partners have expressed quite different views on the effects of the current and deep crisis on the financial sustainability of public spending and financing of labour market and social policies:

While IBEC states that,

the government has continued to fund the various social fund and employment programmes. While there have been cutback in some programmes many of the key labour market activation programmes remain in place.

The ICTU is much more critical regarding the current state of public financing:

(...) the severest cuts ever have been implemented all round. Billions of taxpayers' Euros, however, are readily available for the bail out of Irish banks, including two non-systemic banks, with close links to the largest political party (...)

3 The role of social partners

General remarks on the role of social partners

The Irish form of social partnership extensively and cite its role in assisting in the country's economic and social development over a period of 25 years of rapid economic transition. That process has, at least for the moment, come to an end.

The core participants in the Irish process were the Irish government through the Department of the Taoiseach (Prime Minister's Office); the main employers' organizations which are the Irish Business and Employers Confederation (IBEC) and the Construction Industry Federation (CIF); and the Irish Congress of Trade Unions (ICTU) which is the umbrella body for over 40 trades unions representing around 550,000 members.

REPUBLIC OF IRELAND - MAIN SOCIAL DIALOGUE INDICATORS

	Republic of Ireland	EU27
Collective bargaining coverage	44%	63%
Trade union density, 2007	31.4%	25%
Employer organization density, 2006	n.a.	n.a.

Sources: Eurofound EIRO Country profiles, EU Industrial Relations Report 2008.

For information, the history of Irish social dialogue at the national level produced six agreements prior to “Towards 2016”:

- 1987-1990 - Programme for National Recovery (PNR)
- 1991-1994 - Programme for Economic and Social Progress (PESP)
- 1994-1996 - Programme for Competitiveness and Work (PCW)
- 1997-2000 - Partnership 2000, for Inclusion, Employment and Competitiveness (P2000)
- 2000-2003 - Programme for Prosperity and Fairness (PPF)
- 2003-2005 - Sustaining Progress (SP)

The seventh social partnership agreement, titled *Towards 2016* was concluded in June 2006 with pay terms due to run to early 2008. These provided for cumulative wage increases set at 10.4% over a 27-month period with minor adjustments for those earning less than €400 a week. The pay and policy pact also included increased enforcement measures for employment protection and compliance with established labour standards. Its social and welfare provisions were built around a loose ten-year social democratic-style commitment towards improved provision of welfare and state services.

The second stage of "Towards 2016" pay terms were agreed in September 2008 and provided a 6% pay increase over a 21-month period, payable in two stages, following a three-month pay freeze in the private sector and an 11-month pay freeze in the public service. The terms also included an additional 0.5% wage rise for those earning less than €11 an hour and maintained the inability-to-pay provisions for companies in financial or trading difficulties. The terms were accepted by IBEC, the main employers' union, and ICTU by majority vote but the Construction Industry Federation (CIF) withheld consent as it had sought a 12-month pay freeze for employees in construction.

The second stage pay terms, described as a 'transition agreement', effectively collapsed at the end of 2009 when the Government imposed income cuts of between 5% and 8% for about 315,000 public servants in its Budget. At the end of December 2009 the main employer body, IBEC, formally withdrew from the terms of the transition agreement having failed to agree a suspension of the pay terms with ICTU.

Positions of the social partners on flexicurity

Turning specifically toward flexicurity and the views of the social partners, the unions generally consider social security to be the main missing element of a comprehensive flexicurity approach, since flexible labour markets and ALMP (albeit recently) are well established in the country. The employers regard temporary agency work as a crucial source of flexibility, especially in certain sectors of the economy and consider the costs of a strengthened welfare system as problematic in the current financial environment.

Despite the stalling of the social dialogue process, much of the action plan contained in *Towards 2016* is likely to continue contingent on two issues. First the ongoing participation of the social partners where this is required, and second, the availability of financial resources to the government. This view is reinforced by the content of the agreement which states:

"Government has ultimate responsibility for decision making, within the framework of democratic accountability. However, in recognition of the special relationship that encompasses social partnership, Government, and Departments on its behalf, commit to consulting with the social partners on policy proposals and the design of implementation arrangements. While not all policy issues covered by this ten-year framework agreement are necessarily agreed with the social partners they do provide a reference for engagement in the relevant areas. In this context, Government is committed to involving the social partners in the development of policy through:

- Effective consultation in a spirit of good governance on the basis that Government Departments and organisations under their aegis will provide a meaningful opportunity for social partners to input into the shaping of appropriate relevant policy issues and the design of implementation arrangements, where appropriate;
- Government Departments will manage the consultation process effectively, by giving sufficient notice, information and appropriate process for engagement, consistent with the overall requirements of effective governance, and;
- As part of these good governance arrangements the social partners also commit to engaging constructively with Government Departments and recognise the need for the Government to deal with urgent matters in a timely manner"

In broad terms the Irish Congress of Trade Unions (ICTU) believes that a move in Ireland towards flexicurity along Dutch and Danish lines should be seriously explored. Here, the ICTU held a conference in Dublin in September 2007 to debate flexicurity and the challenges it raises for the union movement.

Also the Irish Business and Employers Confederation (IBEC) is more cautious on flexicurity. IBEC is wary of the notion of ‘insiders’ and ‘outsiders’ in the labour market, suggesting that many employers do not view part-time work, for instance, as offering a lesser form of contract. IBEC has questioned whether an expensive Danish style flexicurity model would be acceptable in Ireland - given, for instance, the current financial situation and the leap in taxation and public spending that it would entail.

A number of difficult ‘big themes’ have emerged in the Irish flexicurity debate to date;

- *Contractual arrangements*: ICTU believes the Government must provide greater protections guaranteeing equal pay and treatment for vulnerable workers;
- *Workplace upskilling, life-long learning and active labour market policy*: The social partners find it easier to reach consensus and common ground on this issue given that the mutual gains potential for both employer and employees from improvements in this area are more readily apparent;
- *Social security/welfare state*: From a union viewpoint, Ireland has two sides of the flexicurity ‘triangle’ more or less in place: flexible labour markets and active labour market policies. But the one side of the ‘triangle’ that Ireland does not have in place is a highly-developed welfare state and high quality public services. So, unions would argue that one key side of the triangle is missing. To a large extent, Ireland is playing catch-up following years of underinvestment in the welfare state/public services. Spending on public services has been increasing significantly during the last decade or so – albeit from a very low base line. However, public investment remains low by Nordic standards and this reflects the very different taxation regimes that apply respectively in the Nordic economies (high) and Ireland (low). The employers body IBEC has questioned whether an expensive Danish style flexicurity model would be either possible or acceptable in Ireland. In view of this; doubts remain whether the third side of the flexicurity triangle (a highly developed welfare state) is feasible in Ireland.

Finally, and perhaps even more important than this, the 2008 crisis and its severe effects on the Irish economic and social life, framework conditions have fundamentally changed the context of debate in Ireland, as the following comment of ICTU to the questionnaire survey illustrates:

“This (flexicurity, A.W.) is a difficult area with the collapse of Social partnership and in dealing with a Government which largely focused on rescuing the banks. It has no employment strategies at all and has rejected ideas from both unions and employers on measures to mitigate the effects of Ireland’s deep recession (a collapse of 20% in GNP in just the past three years) on jobs, with 435,000 on the live register in March 2010, up by 66,000 or 18% in a year and estimated emigration of 60,000 in year to April 2010, the highest level since the 1950s.” (ICTU reply to the questionnaire survey)

Cases of good practice in the field of labour market flexibility and security

The following cases of good practice were indicated in the reply of the Irish social partners to the questionnaire survey:

CASES OF GOOD PRACTICE IN THE FIELD OF “FLEXICURITY” AS SUGGESTED BY THE SOCIAL PARTNERS IN THE REPUBLIC OF IRELAND

Good Practice	Social Partner	Flexicurity principle addressed
Skillsnet - a state funded, enterprise-led support body dedicated to the promotion and facilitation of training and upskilling as key elements in sustaining national competitiveness	IBEC	Lifelong learning and mobility
Union involvement in training unemployed members with SIPTU and also by Congress	ICTU	Lifelong learning, job transition

Sources: Questionnaire replies

4 Key issues arising

From the point of view of the author of this report the following key points/questions are arising in regard to flexicurity in Portugal, also in reflection of the cluster seminar discussions:

- *A major question for the Irish social partners today is how cooperation will continue on the flexicurity agenda in the absence of a national agreement and the linkages between pay, working conditions and social policy.*
- *It appears that the way forward on Lifelong learning and ALMPs is to a great extent based on a shared vision, priorities and views, however views on social protection and contract security are not so well aligned. How will the agenda on these issues progress in the short to medium term given the current level of unemployment and the position of state finances?*

Sources and references

Replies to the questionnaire survey, interviews and other contributions

Questionnaire replies were received from the ETUC member organisation, the Irish Congress of Trade Unions, ICTU and the BUSINESSEUROPE national member in Ireland, the Irish Business and Employers Confederation, IBEC.

Further resources

Eurofound 2009: Flexicurity and Industrial Relations. Country Report Republic of Ireland.

The Lisbon agenda Integrated guidelines for growth and jobs - Ireland national reform programme 2008-2010 - October 2010

European Economic Forecast - Spring 2010 Ireland

EIRO employee relations profile - Ireland

Industrial Relations News, issue No.1, January 2010.

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