



## **Department of Social and Family Affairs**

### ***United Nations Told Ireland's Unemployment Rate Now One Of The Lowest In World***

Ireland's major progress in reducing poverty levels, dramatically cutting unemployment and in improving living standards in the past decade was outlined today (Thursday, 10<sup>th</sup> February 2005) by the Minister for Social Affairs, Séamus Brennan T.D., when he addressed a special session of the United Nations in New York devoted to assessing the progress made globally on the 10th anniversary of the Copenhagen World Summit on Social Development.

Minister Brennan said that the years of exceptional economic growth in Ireland over the past decade had resulted in a situation where our Gross Domestic Product (GDP) per capita is amongst the highest in the world; our level of unemployment has dropped to one of the lowest in the world, from over 17% twenty years ago to little over 4% today; net immigration has replaced emigration, and Ireland's population is now at its highest level since 1871.

The Minister said that while substantial progress had been made in addressing the socially unacceptable evil of poverty, and especially child poverty, in society, the reality was that in a 21st century Ireland in the region of 60,000 children remained in poverty or at risk of poverty. Employment was a central plank in tackling and eradicating poverty and in this context he wanted to see obstacles to employment for lone parents and others eliminated. He was also giving serious consideration to putting in place as a matter of urgency a second tier of supports-in addition Child Benefit payments and other support entitlements-targeted specifically at those children most at risk.



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In his address, Minister Brennan Ireland has seen its rate of unemployment fall from over 17% less than 20 years ago to just over 4% currently, one of the lowest rates in the European Union and in the world. During this period there has been a significant increase in labour force participation on the part of women, especially married women, and the participation of older workers is relatively high by EU standards. Youth unemployment (those under 25 years of age) remains a key concern across Europe and although Ireland's rate at 8.2% is below the EU average, it is still nearly double Ireland's overall unemployment rate.

From being traditionally a country of emigration, Ireland has now become a country of net immigration, although some emigration still occurs. As a result of these developments, the numbers of people in employment in Ireland is at an all time high of 1.8 million. Most economists now predict that employment growth will continue, with an annual average rate of increase of 2% up to 2010. Against this background, it is estimated that an inflow of over 300,000 people, equivalent to one/sixth of the current workforce will be required in the decade up to 2010 to meet this level of economic growth and as replacement for those leaving the labour market. Ireland achieved the dramatic fall in unemployment from a combination of factors. These included sound macro-economic policies, investment in the education and training of its young people, and a national effort secured through partnership between Government and the social partners to enhance economic competitiveness and make Ireland an attractive location for investment. Ireland has become one of the most open economies in the world. Instead of Irish people going abroad to work, much investment comes to Ireland which enables them now to remain at home”.

The Minister said that Ireland's employment policy also requires that we invest more and more effectively in human capital and lifelong learning. “Because of the rapid changes in technology, markets and sectors, people in work will have to constantly upgrade their skills. This requires that we ensure that our education and training systems are appropriate and flexible. Under the National Training Fund, funding is provided in order to promote human resource development. But there is a clear onus on the business community to invest greater time and resources in training to achieve greater adaptability to change, greater innovation and higher productivity. Employees must also be convinced of the need to secure extra training and qualifications to enhance their employability, a requirement that applies not only to those with third level qualifications, but to all workers including those with low skills”

He said that a key challenge for Ireland is also in enabling the increasing number of parents, both women and men, reconcile work and family life. This not only boosts employment participation on their part, but may also enable them have the number of children they desire and with the positive consequences this will have on fertility levels.

Minister Brennan told the UN that Ireland has managed to make substantial progress in reducing poverty and in improving living standards. “Our biggest achievements have been in reducing levels of unemployment and increasing female participation in the workforce, which have made a major contribution to improving household incomes.



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The incomes of those not in employment, including certain families with children, those with disabilities, and the old, while also significantly benefiting from the country's economic growth, have not kept pace with the high income increases generally. Progress in improving service provision, including health and child care, has not been as quick as we would have hoped, in part because of the extent to which we have had to make up for under-investment in the past.

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