

THE FLEXICURITY SYSTEM IN IRELAND

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Abstract

This article discusses the implementation of the flexicurity system in Ireland. As the percentage of dependent employees in temporary employment in Ireland grew from 5.3% in 2002 to 10.2% in 2012, it is clear that flexible working relationships are on the increase. This development in flexibility should be balanced by the creation of modern forms of security for workers. Therefore the paper examines the provisions for developing employment security, i.e. active labour market policies and income security in Ireland. In highlighting the deficiencies of the Irish provisions, the paper exposes some of the difficulties of achieving worker security under the flexicurity system

Keywords: flexicurity; flexible working in Ireland; Irish active labour market policies; Irish social welfare

‘Flexicurity, once a prominent focus of debate among EU Member States, no longer seems to figure strongly in most countries.’¹ This is one of the findings of the European Foundation for the Improvement of Living and Working Conditions, in their New Forms of Employment Report, 2015. This is quite a startling observation when one considers how flexicurity is so heavily promoted at European level. As early as the 1997 European Employment Strategy, an onus was placed on Member States to report periodically on steps taken to ‘Promote flexibility combined with employment security’. Similarly, the Lisbon Strategies of 2000² & 2005³ promoted the idea of making labour markets more flexible. However, the flexicurity system really gained impetus in 2006 with the launch of the ‘Green Paper on Modernising Labour Law to

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¹ Mandl, I. *et al*, *New Forms of Employment*, (Publications Office of the European Union, 2015).

² Lisbon European Council, 23rd and 24th March 2000, Presidency Conclusions <www.europarl.europa.eu/summits/lis1_en.htm> accessed on 29/02/2016.

³ Commission, ‘The Lisbon Strategy for Growth and Jobs’, COM (2005) 330.

Meet the Challenges of the 21st Century⁴, where the European Commission stated its aim to lead the ‘drive to make labour markets more flexible while at the same time not jeopardising the security of workers’.⁵ Even the most recent plan, Europe 2020,⁶ includes the objective of ‘Stepping up reforms to improve flexibility and security in the labour market’. With this kind of impetus behind the agenda, it seems strange that it ‘no longer seems to figure strongly’.

Although combining the concepts of flexibility and security may seem like an ambitious proposal, especially when security has been traditionally provided through job security, there is a precedent in the operation of some sections of the Danish and Dutch labour markets.⁷ Therefore, it may be possible to construct a spectrum where at one end are systems such as the Danish, i.e. systems incorporating a significant amount of flexicurity, whereas at the other end of the spectrum are systems with very low levels of flexicurity, i.e. where it no longer seems to figure strongly. Upon such a spectrum, it then may be possible to determine where different jurisdictions can be placed and the reasons for their position. The purpose of this paper is to determine the position the Irish system would hold on such a spectrum. If we consider that the flexicurity system has its origins in jurisdictions adhering to the Nordic welfare state model, then whether or not it has taken hold in a system adhering to the Anglo-Saxon welfare state model is worth considering.⁸ Consequently, as an example of an Anglo-Saxon welfare state model, Ireland is chosen for examination.

This paper begins by briefly outlining the common components of the flexicurity system as proposed by the European Commission. The paper then discusses the prevalence in Ireland of the outlined components of the flexicurity system, which are:

- flexible and reliable contractual arrangements;
- effective active labour market policies; and
- modern social security systems.⁹

The paper concludes by discussing some of the ramifications of the Irish approach to flexicurity.

⁴ Commission, ‘Green Paper on ‘Modernising labour law to meet the challenges of the 21st century’’, COM (2006) 708.

⁵ Eurofound, *Varieties of Flexicurity: Reflections on Key Elements of Flexibility and Security* (Publications Office of the European Union, 2015).

⁶ Commission, ‘EUROPE 2020: A strategy for smart, sustainable and inclusive growth’, COM (2010) 2020.

⁷ Jorgensen, H. & Kongshoj Madsen, P. (eds.), *Flexicurity and Beyond, Finding a new agenda for the European Social Model*, (DJOF Publishing, 2007).

⁸ Esping-Andersen, G., *The Three Worlds of Welfare Capitalism*, (Polity Press, 1990).

⁹ Commission, ‘Towards Common Principles of Flexicurity: More and better jobs through flexibility and security’, COM (2007) 359.

1. THE CONCEPT OF FLEXICURITY

The word flexicurity is an amalgam of the two basic features of the concept, i.e. flexibility and security. The term originated in the Netherlands in the mid-1990s to describe the initiative that culminated in legislation¹⁰ aimed at correcting the ‘imbalance between an inflexible labour market for core workers and an insecure labour market situation for the contingency workforce.’¹¹ The idea being to reduce the problems faced by – as termed by Lindbeck and Snower,¹² – insiders (permanent employees) and outsiders (temporary workers) by creating more flexibility for the insiders while providing more security for the outsiders. Much has been written about the elements required for a flexicurity system.¹³ Therefore, it is not necessary to analyse the concept again here. However, it is necessary, as a means of establishing a blueprint against which the Irish system can be measured for signs of flexicurity, to briefly outline the common elements required for a flexicurity system.

1.1. FLEXIBILITY

The practice of organisations utilising a flexible workforce, as a strategy, came to prominence in the closing decades of the 20th century as a means of reacting to the social and economic changes that were beginning at that time.¹⁴ Although a heterogeneous term, the concept of flexibility has been arranged around two principal forms, functional and numerical flexibility.¹⁵ The form of flexibility an organisation utilises can be described by referring to the core-periphery hypothesis.¹⁶ This hypothesis places some workers at the core of the organisation with others operating on the periphery. Core workers are those whose skill sets are crucial to the operation of the organisation and whom the organisation would find difficult to replace. On the other hand, periphery workers are those whose skills may not be required during low production periods and whose skills can be sourced relatively easily.

¹⁰ The Flexibility and Security Act 1999 (Wet Flexibiliteit en Zekerheid).

¹¹ Kongshoj Madsen, P., Flexicurity, A New Perspective on Labour Markets and Welfare States in Europe, Background paper for presentation at the DG EMPL Seminar on flexicurity in Brussels on 18 May 2006, available at <www.dps.aau.dk/fileadmin/user_upload/conniek/Dansk/Research_papers/3-Flexicurity_A_new.pdf> accessed on 29/02/2016.

¹² Lindbeck, A. and Snower, D., ‘Insiders versus Outsiders’, (2001) 15 (1), *Journal of Economic Perspectives*, 165.

¹³ See in particular, Jorgensen, H. & Kongshoj Madsen, P., *Flexicurity and Beyond*, above at n. 7.

¹⁴ See Keane, E., ‘A Temporary Problem in Ireland’, (2010) 61 (2) *Northern Ireland Legal Quarterly*, 179.

¹⁵ Kalleberg, A., ‘Organising Flexibility: The Flexible Firm in a New Century’, (2001) 39 (4) *British Journal of Industrial Relations*, 479.

¹⁶ Cappelli, P. and Neumark, D., ‘External Churning and Internal Flexibility: Evidence on the Functional Flexibility and Core-Periphery Hypotheses’, (2004) 43 *Industrial Relations: A Journal of Economy and Society*, 148.

For the core workers, functional flexibility is more appropriate as the organisation does not want to lose the services of this group. Functional flexibility, as noted by Atkinson, essentially means ‘as products and production methods change, functional flexibility implies that the same labour force changes with them.’¹⁷ The key point here is that the composition of the workforce does not change with the prevailing market conditions. However the tasks performed by the workers may vary to meet the specific needs of the organisation at a given time. From a worker’s point of view, this type of flexibility provides a high level of job security with the same hirer, though not necessarily ‘task security’. It is interesting to note that in recent surveys, the prevalence of functional flexibility, in particular in the UK, is quite low.¹⁸

In relation to workers at the periphery of an organisation, numerical flexibility is more relevant. Numerical flexibility describes the hirer’s ability to adjust to fluctuations in demand for products, by quickly adjusting the size of the workforce. The most effective means of doing this is by hiring short-term workers through fixed-term contracts, agencies or casual labour.¹⁹ These workers can be hired at short notice and dismissed, inexpensively, at short notice. Being able to rapidly adjust the size of the workforce is particularly attractive to organisations operating a ‘just in time’ production system and to some service industries where there may be peaks and troughs in production needs. Consequently a hirer will have peaks and troughs in demand for labour. A means of rapidly, and inexpensively, adjusting the size of the workforce allows for maximum economic efficiency for the hirer. This type of flexibility provides very little job security for the workers as, being dependent on market fluctuations, opportunities for work can be difficult to predict.

In practice, many organisations have used a combination of both functional and numerical flexibility to meet the supply side and demand side requirement for flexible working practices.²⁰

1.2. SECURITY

The concept of security for workers, although again a heterogeneous concept, can be classified as consisting of three types: job security, employment security and income security.

In this context, the common definition of job security is that which protects the tenure of a worker in a particular job with a particular employer. An individual’s job

¹⁷ Atkinson, J., ‘Manpower Strategies for Flexible Organisations’, (1984) 16 *Personnel Management*, 28, 29.

¹⁸ Rees, G. & Smith, P. (eds.), *Strategic Human Resource Management: An International Perspective* (Sage Publishing, 2014), 203.

¹⁹ Treu, T., ‘Labour Flexibility in Europe’, (1992) 131 (4–5) *International Labour Review*, 497.

²⁰ Eichhorst, W., Feil, M.T. and Marx, P., ‘Crisis, What Crisis? Patterns of Adaptation in European Labor Markets’, IZA Discussion Paper No. 5045 <<http://ssrn.com/abstract=1638481>> accessed 29/02/2016.

security can be influenced by many factors, e.g. a worker with rare skills may have high job security due to the lack of competitors for their position. From a legislative point of view, the primary structural means of creating job security is through employment protection legislation, as promulgated by individual states. However, as noted by Collins,²¹ employment protection legislation does not provide guaranteed tenure to an individual. A situation that is borne out by the results of some recent surveys which found that workers in jurisdictions with the strongest employment protection legislation (as ranked by the OECD), felt the least secure in their job.²² Therefore, other types of security are worthy of brief discussion.

Employment security, in this context, is understood to mean that which protects the worker from loss of employment, simpliciter, as distinct from a loss of a particular employment with a particular hirer.²³ The concept being, that a worker with employment security is assured that they will find some employment, though not necessarily with the same hirer. It is the worker's 'employability' that creates the security, rather than a distinct relationship with a particular hirer. The basis for this type of security is the worker's ability to perform an array of different tasks, which allow him/her to avail of a series of opportunities, with potentially different hirers, in order to maintain continuous work. Consequently, the more multi-skilled the worker, the more likely they are to find work giving them higher employment security.

The final form of security available to a worker in modern times is income security. Income security, as per the ILO, is about actual, perceived and expected income.²⁴ While the other types of security play a role in income security, by far the most significant feature is the income replacement rate for periods of unemployment. This is most frequently provided by insurance against unemployment, be it a private insurance policy, or state sponsored 'social insurance'. The key point here is that the one of the purposes of such insurance is to reduce the financial risk of unemployment.²⁵ Consequently, the level of replacement rate should be such that a worker is not financially afraid of periods of unemployment.

1.3. ACTIVE LABOUR MARKET POLICIES

The final aspect of the flexicurity system and, it is suggested, the most fundamental to the entire system, is Active Labour Market Policies. In the Irish context, 'Active

²¹ Collins, H., 'The Meaning of Job Security' (1991) 20 (4) *Industrial Law Journal*, 227.

²² Clark, A. and Postel-Vinay, F., 'Job Security and Job Protection' (2009) 61, *Oxford Economic Papers*, 207.

²³ Dasgupta, S., 'Employment Security: Conceptual and Statistical Issues' (2001), International Labour Office, Geneva, 4.

²⁴ International Labour Organisation, Income Security Index, <www.ilo.org/dyn/sesame/SESHELP.NoteISI> accessed on 29/02/2016.

²⁵ Hans-Werner, S., 'Social Insurance, Incentives and Risk-Taking' (1996) 3 (3) *International Tax and Public Finance*, 259.

Labour Market Policies (ALMPs) are the principal means by which the employability of the unemployed, through the provision of training and reskilling opportunities, is increased and their detachment from the labour market prevented.²⁶ Consequently, if these policies are successful, workers will gain employment security (in the sense described above) due to their skill levels, and hirers will also have a larger pool of suitably skilled workers available to meet their production needs. The core components of any suite of active labour market policies are the 'Activation Strategies'. These function as the nexus between the social welfare system and the labour market; being designed to ensure that social welfare operates as a safety net, as distinct from the warehouse it can be for long-term unemployed. A typical activation strategy requires benefit recipients to engage in active job searches and to improve their employability, in exchange for receiving employment services, training, and benefit payment. Consequently, a fully functioning suite of active labour market policies, including activation strategies, would create a flexible, highly skilled workforce who would be willing to transition between jobs.

2. THE IRISH IMPLEMENTATION OF THE FLEXICURITY SYSTEM

The concept of the flexicurity system has been actively promoted, by various entities, in Ireland for over ten years. In 2005 the Irish National Economic and Social Council published a report titled 'The Developmental Welfare State', in which they suggest 'the deliberate development of an Irish form of Denmark's flexicurity'.²⁷ However it is to be noted that at the time of that suggestion the Irish economy was almost at the peak of an economic boom, hence the political will to adjust the operation of the labour market was non-existent.²⁸ Nevertheless, the concept of adopting an Irish form of flexicurity was at the core of the social partnership agreement reached in 2006 titled 'Towards 2016'.²⁹ However, with the introduction of austerity measures in the wake of the economic crisis of 2008, social partnership in Ireland collapsed,³⁰ taking with it whatever little political impetus there had been to implement a flexicurity system. While the Irish Congress of Trade Unions argued in 2009 that adopting a flexicurity

²⁶ Irish Government Economic and Evaluation Service, 'Labour Market Synopsis, Issue 4, Active Labour Market Programmes', (2014). < <http://igees.gov.ie/wp-content/uploads/2014/02/Labour-Market-Synopsis-Issue-4-Active-Labour-Market-Programmes.pdf> > accessed on 29/02/2016.

²⁷ National Economic and Social Council, *The Developmental Welfare State*, (2005) p.220.

²⁸ For a full discussion see Drudy, P.J. and Collins, M., 'Ireland: From Boom to Austerity' (2011) 4 (3) *Cambridge Journal of Regions Economy and Society*, 339.

²⁹ Department of the Taoiseach, *Towards 2016 Ten-Year Framework Social Partnership Agreement 2006–2015*, (2006) section 31. Available at <www.taoiseach.gov.ie/attached_files/Pdf%20files/Towards2016PartnershipAgreement.pdf> accessed on 26/02/2016.

³⁰ Regan, A., 'The Impact of the Eurozone Crisis on Irish Social Partnership' (2012). Available at SSRN <<http://dx.doi.org/10.2139/ssrn.2124946>> accessed on 26/02/16.

system would help Ireland to recover from the impact of the economic crash, the argument did not gain any political traction.³¹ This, in itself is not surprising; due both to the collapse of social partnership and that a system requiring significant investment in social welfare benefits is unlikely to find favour during a period of economic austerity.

What is somewhat surprising is that as the Irish economy moves out of recession, the concept of flexicurity has not returned to the agenda. Each year since 2012, the Irish Government have produced an ‘Action Plan for Jobs’, yet the term flexicurity does not appear once in any of the Plans.³² While all of the Plans have the ambition of creating more jobs by encouraging foreign direct investment and indigenous industries alike, none of the plans suggest reforming the social welfare benefits as a means of encouraging worker mobility. In fact, the original Plan in 2012 identified 270 separate actions required to achieve the goals of the Plan, without suggesting social welfare benefit reform. Consequently, the concept of promoting a flexicurity system seems to have been frozen out of the Irish political sphere by the chill of economic austerity.

However, the absence of an explicit policy to move towards a flexicurity system does not mean that such a system may not be developed organically within Ireland. Therefore it is worthwhile examining the Irish system for the prevalence of the components of the flexicurity system, which are:

- flexible and reliable contractual arrangements;
- effective active labour market policies; and
- modern social security systems.

2.1. FLEXIBLE AND RELIABLE CONTRACTUAL ARRANGEMENTS

In relation to flexible contractual arrangements, Ireland has provided for the existence of some types of flexible contracts by transposing the relevant EU Directives, in promulgating the:

- Protection of Employees (Part-Time Work) Act 2001³³
- Protection of Employees (Fixed-Term Work) Act 2003³⁴
- Protection of Employees (Temporary Agency Work) Act 2012³⁵

³¹ Irish Congress of Trade Unions, *Ten Point Plan for National Solidarity*, (2009).

³² All of which are available at < www.actionplanforjobs.ie/ accessed on 26/02/2016.

³³ Protection of Employees (Part-Time Work) Act 2001, available at <www.irishstatutebook.ie/eli/2001/act/45/enacted/en/html?q=Part+time+work&years=2001> accessed on 29/02/2016.

³⁴ Protection of Employees (Fixed-Term Work) Act 2003, available at <www.irishstatutebook.ie/eli/2003/act/29/enacted/en/html?q=Fixed+TErm+Work&years=2003> accessed on 29/02/2016.

³⁵ Protection of Employees (Temporary Agency Work) Act 2012, available at <www.irishstatutebook.ie/eli/2012/act/13/enacted/en/html?q=Temporary+Agency+work&years=2012&=> accessed on 29/02/2016.

Although ostensibly protective statutes for workers to whom they apply, statutes such as these also served to ‘normalise’ these types of working arrangements by setting out a blueprint for how such relationships should operate.³⁶ Therefore, the promulgation of these pieces of legislation could be seen as the Irish state’s method of promoting flexible, reliable contractual arrangements. A point to note here is that the Irish state, with the exception of the Agency Work Directive, enacted the minimum required to meet the requirements of the Directives. This would suggest that there was no great enthusiasm for promoting these working arrangements – a suggestion that is reinforced by the comments of the Irish Government Economic and Evaluation Service, who noted ‘... longer-term ideals such as providing the unemployed with lasting, sustainable employment must then be prioritised’.³⁷

Given the existence of these statutes, the question becomes, how successful have they been at creating flexible working relationships? Data from the OECD suggests that in 2002, 5.3% of dependent employees in Ireland were in temporary employment.³⁸ This figure almost doubled to 10.2% by 2012, which would suggest that numerical flexibility is on the rise in the Irish workforce.³⁹ Whether this increase is as a result of the opportunities provided by the legislation, or other factors such as HR practices, or the downturn in the economy (causing a lack of full-time work opportunities), is difficult to tell. Most likely it is the confluence of all the factors.

An important point to note here is that the increase in numerical flexibility is not necessarily at the behest of the workers. In Ireland, unlike other jurisdictions, there is no statutory right to request flexible work. In fact, 73% of Irish enterprises do not support flexible working for employees who request it.⁴⁰ The inference being that flexible working only occurs to suit the needs of the employer, as distinct from a mutually beneficial arrangement.

2.2. IRISH ACTIVE LABOUR MARKET POLICIES

In recent times there has been a marked increase in the series of programmes provided by the Irish state which could come within the rubric of Active Labour Market Policies, such as Jobbridge, Tus, Back to Education, Back to Work, Springboard, *etc.* Though, the investment in these measures has been somewhat lower than other jurisdictions.

³⁶ Murray, J., ‘Normalising Temporary Work’, (1999) 28 *Industrial Law Journal*, 269.

³⁷ Irish Government Economic and Evaluation Service, ‘Labour Market Synopsis’, Issue 4 (2014)n.26.

³⁸ The OECD use the same definition of temporary employment as Eurostat, i.e. employees with temporary contracts are those who declare themselves as having a fixed term employment contract or a job which will terminate if certain objective criteria are met, such as completion of an assignment or return of the employee who was temporarily replaced.

³⁹ OECD Stat, <http://stats.oecd.org/Index.aspx?DatasetCode=TEMP_I#> accessed on 29/02/2016.

⁴⁰ Taylor, C., ‘Irish Employers Reluctant to Embrace Flexible Working Arrangements’ *The Irish Times* (Dublin, 28th November 2014).

In 2013, Ireland invested 0.88% of GDP in active labour market programmes, whereas Denmark, in the same year, invested 1.81% of GDP.

These programmes are operated by two different state entities, the Department of Social Protection⁴¹ and SOLAS⁴² (the Irish National Further Education and Training Authority). The division of programmes between the state entities is determined by the level of skilled training provided. Programmes requiring highly skilled trainers, where the training is provided directly as part of the programme, such as construction skills, are operated by the National Further Education and Training Authority, whereas programmes where financial support is given to the worker while they pursue their chosen training, such as Back to Education, are operated by the Department of Social Protection.

The system is based on the activation strategy of profiling each individual as to what training would be most appropriate. Profiling, for the short-term unemployed occurs at the time of registration with the Department of Social Protection. Each worker is assigned a case worker who then works with the individual to identify the appropriate training. For the long-term unemployed, profiling is outsourced to a private company operating in the relevant geographical area (one of the Local Employment Services Network), who work with the individual in the same manner as the Department of Social Protection.

The key point here is that, despite the increase in programmes and investment (from 0.64% of GDP in 2004 to 0.88% in 2013) these programmes are not very successful. A report published in 2014 noted that circa 10% of participants on the programmes operated by the Department of Social Protection exit to employment, meaning that 90% of participants exit to unemployment or another programme.⁴³ While reviews are currently being undertaken in an attempt to improve the success rates for these programmes, the statistics are not very encouraging. This lack of success can potentially be attributed to two issues. First, an investment of 0.88% of GDP is quite modest. Considering the scale of unemployment, currently running at 8.6% of the workforce with youth unemployment running at 19.1%, one would think a larger investment would be more appropriate.⁴⁴ The second reason, and probably the more fundamental reason, for the lack of success of the active labour market programmes is the lack of cultural buy-in. It is to be noted that successful completion of the programme is not required; attendance suffices for continued social welfare payments. So with no risk of failure, and strong evidence of high levels of hysteresis

⁴¹ The Government Department with responsibility for administering the social welfare system, further details available at <www.welfare.ie/en/Pages/home.aspx> accessed on 29/02/2016.

⁴² Operating under the auspices of the Department of Education, as established under the Further Education and Training Act 2013.

⁴³ Irish Government Economic and Evaluation Service, 'Labour Market Synopsis, Issue 4, (n.24).

⁴⁴ Central Statistics Office, Ireland, available at <www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentjanuary2016/> accessed on 29/02/2016.

amongst the long-term unemployed,⁴⁵ it is hard to see the motivation for taking the training seriously.

2.3. A MODERN SOCIAL WELFARE SYSTEM

In Ireland, unemployment assistance⁴⁶ (known as Jobseeker's Allowance) and unemployment insurance⁴⁷ (known as Jobseeker's Benefit) are both monetary payments administered by the Department of Social Protection. In what has become a somewhat complex system of rate levels, the replacement rate on Jobseeker's Benefit, though dependent on prior earnings, is capped at € 188 per week. This payment is available for a maximum period of nine months before a claimant exhausts their entitlement although this temporal limit is suspended for the period of any activation programme pursued during the entitlement.

The level of Jobseeker's Allowance, which is means tested, is dependent upon age. If a person is under 25 years old, the maximum rate is € 100 per week. For those aged 25 the rate is € 144 per week, and for those over 26 the maximum rate is € 188 per week.⁴⁸ However secondary benefits are also available on both schemes.⁴⁹

In truth, it is difficult to describe the Irish social welfare as modern. Despite the seemingly complex nature of the qualification criteria and secondary benefits, very little has changed over the last century. Operating as essentially a flat rate payment system,⁵⁰ jobseeker's assistance and jobseeker's benefit are both capped at € 188 per week for the over 26s. Therefore, there is no real financial distinction between those who have worked and are temporarily unemployed and those who have never worked. Those who have worked could get the same rate of payment, provided they satisfy the means test, even if they had never worked, so, when taken from the viewpoint that the replacement rate should be adequate to ensure a worker is comfortable with the idea of not having continuous work. Capping the amount at such a low level, in comparison to Denmark's cap of € 505 per week, is not really appropriate.⁵¹

⁴⁵ Irish Government Economic and Evaluation Service, 'Labour Market Synopsis, Issue 2, Long-Term Unemployed', December 2012 <http://igees.gov.ie/wp-content/uploads/2014/02/Labour-Market-Synopsis-Issue-4-Active-Labour-Market-Programmes.pdf> accessed 29/02/2016.

⁴⁶ As provided by Section 141 of the Social Welfare Consolidation Act 2005 and renamed Jobseeker's Allowance by Section 4 of the Social Welfare Law Reform Act and Pensions Act 2006.

⁴⁷ As provided by Section 62 of the Social Welfare Consolidation Act 2005 and renamed Jobseeker's Benefit by section 4 of the Social Welfare Law Reform and Pensions Act 2006.

⁴⁸ Figures are accurate as of March 2016 and are available at <www.welfare.ie/en/Pages/Jobseekers-supports.aspx> accessed on 1/03/2016.

⁴⁹ Secondary benefits include payments for dependents, electricity allowance, gas allowance, medical card, rent allowance, fuel allowance.

⁵⁰ Cousins, M., 'Social Security and Atypical Workers in Ireland', (1992) 131(6) *International Labour Review*, 647.

⁵¹ European Commission, *Your Social Security Rights in Denmark*, <http://ec.europa.eu/employment_social/empl_portal/SSRinEU/Your%20social%20security%20rights%20in%20Denmark_en.pdf> accessed on 29/02/2016.

In this light, it would seem that the Irish social security system, is not so modern after all, and does little to improve the income security of workers.

2.4. CONCLUSIONS

The most striking point from the above is that, while the flexicurity system is not on the political agenda, flexible contractual relationships are on the rise. So it could be argued that the ‘flexibility’ part of the flexicurity system is certainly gaining momentum in Ireland. However, this flexibility is solely determined by the hirers and therefore the potential for workers to self-select flexibility is quite low. Consequently, while the Irish system is showing signs of evolving to include flexible working patterns, it is not necessarily for the benefit of the workers.

As for the active labour market programmes, it is true to say that some progress has been made. However the current success rate for these programmes is disappointing. While the reviews, which are currently underway, may lead to more fruitful offerings, the level of hysteresis amongst the long-term unemployed may well serve to stymie these efforts.

In relation to the requirement of a ‘modern social welfare system, it is quite clear that the Irish system, in its current format, is not designed to promote the ideals of the flexicurity system. If one of the purposes of the replacement rate is to provide income security, then a maximum replacement rate of € 4.82 per hour (€ 188 divided by 39) is not very comforting, especially when the Irish Living Wage Technical Group has recommended € 11.50 per hour to be the minimum living wage for Ireland in 2015.⁵²

In light of these observations, it can be said that the flexicurity system is not operating as it should in Ireland and there seems to be very little political impetus to change the *status quo*. It is difficult to tell if the lack of political impetus is due to adherence to the ideology of the Anglo-Saxon welfare model, or due to the view that a full economic recovery is a prerequisite before committing to enhancing social welfare payments as a means of encouraging worker mobility. What is clear is that Ireland’s position on the hypothetical spectrum, between jurisdictions using a model of flexicurity and those where it is not on the agenda, is definitely at the end where the concept of flexicurity has been side-lined. As to whether or not it will make a return to the political agenda in the future, only time can tell.

⁵² Report of the Irish Living Wage Technical Group, <www.livingwage.ie/> accessed on 29/02/2016.