

# BULLETIN

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October/November 2004

*The Irish National Organisation of the Unemployed is a federation of unemployed people and 200 groups throughout the country, concerned with combating unemployment.*

## National Employment Action Plan Conference

The INOU held a successful conference on Ireland's National Employment Action Plan on October 20<sup>th</sup> in Croke Park. The conference was opened by the Minister for Enterprise, Trade and Employment Mr Michéal Martin TD and the keynote speaker was Mr Robert Strauss of the EU Commission. The Minister mentioned different schemes that are under the Plan and spoke of the need to up-skill and re-skill people throughout their lives by creating opportunities for all to gain recognised and relevant qualifications. He also recognised the value of Active Labour Market Programmes such as Community Employment and reassured that such provisions are here to stay. Mr Robert Strauss explained the European dimensions, namely how the European Employment Strategy guides Ireland's National Employment Action Plan. Other speakers at the conference included Colin Hampton from the European Anti-Poverty Network Taskforce on Employment, Philip O'Connell from the ESRI and June Tinsley from the INOU. The Open Forum discussion was lead by a panel which included all the previous speakers as well as Patricia Curtain from FAS, Brendan O'Leary from the Department of Enterprise, Trade and Employment and Alan McMenamin from the INOU General Branch.

The purpose of the conference was to raise awareness of Ireland's National Employment Action Plan (NEAP) and the key measures / actions within it. It also provided the opportunity for key politicians and civil servants to learn how the NEAP can be improved to enhance its effectiveness for unemployed people.

The INOU would like to thank the Combat Poverty Agency for funding this valuable conference under the Working Against Poverty grant scheme.

A full conference report is currently being compiled and all delegates will receive a copy. A copy of the report will also be made available on the INOU website – [www.inou.ie](http://www.inou.ie). ■

## Full Employment – Not Quite

There has been much speculation in recent times about the reducing levels of unemployment, as borne out by the Quarterly National Household Survey (QNHS) and the Live Register (LR). There are frequent references to "full employment" or "near" full employment. What is the actual situation, and what are the prospects going forward? In this article, we set out an INOU perspective on the figures, taking account of the wide-ranging issues involved in the subject.

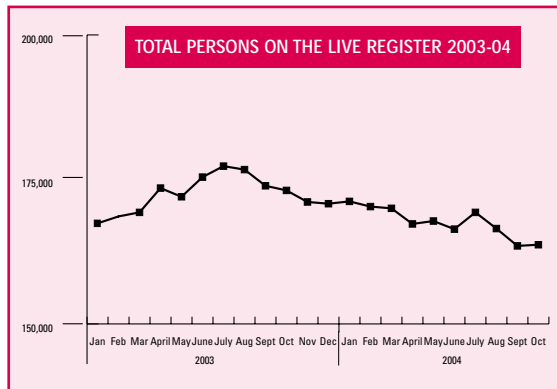
Clearly the statistics for unemployment have been coming down regularly since the high point in Summer 2003 (see LR graph). The October LR unadjusted count of 155,500 is the lowest monthly figure since May 2002. The QNHS, which the CSO states is the correct record on unemployment, is out of date at this time, given that we only have Qtr. 2 of 2004 up to May. However, it shows 84,200 people unemployed or 4.4% of the labour force. This is also down from the recent high of 98,800 in June-August 2003. We have the third lowest unemployment rate in the EU-25 (only Austria and Luxembourg are lower) which is half the EU average of 9%. Inward migration has averaged 15,000 p.a. in recent years.

Following a period of uncertainty after the Celtic Tiger years, the economy is now on an upward curve, and government finances are much more buoyant than even 12 months ago. Most sectors of the economy are increasing employment. Construction has seen 15,000 nett new jobs added in the year to Qtr. 2, 2004. Even manufacturing, which has been shedding jobs continuously, has improved recently and the prospects for this sector are reasonable. The redundancy table for 2004, after showing increases over

2003 in the first half of 2004, has now slowed considerably and the total for this year should be less than the previous year (which was the highest year for redundancies since 1984). Other indices, such as job advertisement counts and Purchasing Managers Index are also positive signs on the economy and resultant jobs.

The ESRI has predicted that, in the medium term to 2010, the economy should be capable of 5% growth p.a. Unemployment is expected to dip towards 4% and not

exceed 4.5% in the near future. This level of growth will lead to an increase in the labour market and the need for migration to help fill the jobs needed to keep the economy going. Already we have seen 30,000 people



arriving from the EU accession countries in the first six months since 1 May 2004 to take up employment in Ireland. In this period the unemployment rate went down, so this economic movement is not adding to our unemployment numbers.

However, not all signs are positive. The hotels/restaurants sector is decelerating sharply: it lost 6,800 jobs in the year to Qtr. 2. We are shocked at the loss of 234 jobs in Bewleys Cafes in Dublin in the run up to Christmas. It is a sign of the times that 80% of that number are non-nationals. (We hope that every effort will be made by all concerned to find replacement jobs for these people in this country). Non-market service jobs are also in decline, which reflects the government's cap on public sector recruitment.

In the global economy, there will be continuing pressure on Irish business with competition from low-cost economies such as

► continued on page 2

### OCTOBER 2004 LIVE REGISTER FIGURES REPUBLIC OF IRELAND

Unadjusted count: ..... 155,476  
Adjusted count: ..... 162,100

### In this issue...

- Changes to ALMP's
- National Employment Action Plan (NEAP) Conference
- Welfare to Work Discussion Forum

# Changes to the ALMP's Announced

The Minister for Enterprise, Trade and Employment announced recently a number of changes to the FÁS Active Labour Market Programmes, namely Community Employment, Jobs Initiative and Social Economy programmes. These changes include:

- No compulsory lay-offs on the Job Initiative Scheme (JI), participants who remain on JI will have their contracts renewed. People who leave JI voluntarily will be replaced by CE participants to support the service being provided.
- No compulsory cessation of Social Economy Programmes, which play a very valuable role in communities throughout the country. In situations where an enterprise decides itself to cease activity, the employees affected will be assisted by FÁS in finding alternative employment.
- For CE participants, the 3 year cap will be removed for the over 55's. With immediate effect, over-55's will be eligible to participate on Community Employment for a maximum of 6 years. In the case of people advancing beyond 55 years dur-

ing their normal period of service on CE, participation can be extended for up to a maximum of 6 years. The current ring fencing and prioritisation for the essential services of childcare, health related services and Drugs Task Force clients, will be maintained. CE will remain as an active labour market programme with the emphasis on progression to employment.

While the INOU broadly welcomes these changes there are still a number of concerns that need to be ironed out. In general it is reassuring that the number of places across the ALMPs will remain at 25,000 in 2005 and that the Minister is recognising that such schemes are still needed to assist people back into the labour market despite Ireland having a 'buoyant labour market'. However, these changes do not adequately address the fundamental dual function of ALMPs – that as a programme to assist people back into the labour market and a provider of essential social services. These two components should be separated with additional funding being guaranteed to ensure the continuation of these services without reliance on ALMP staff.

The INOU has always seen these programmes as ALMPs, that is encouraging the progression of the participants into the mainstream labour market. However, some of the recent changes could impact negatively on those unemployed people for whom these supports were originally designed. Some of the INOU concerns relate to the following:

The replacement of JI people with CE participants effectively means that CE is the only ALMP option open to long-term unemployed people despite JI being designed to assist those over 5 years unemployed. It could also mean that those longest unemployed are further overlooked for places as sponsors hire those individuals who are unemployed for shorter durations and consequently have more labour market experience.

It is stated that for participants who remain on JI their contract will be renewed. However, it is unknown how long this is for and whether it is applicable to those JI participants who joined the scheme for the intended 3-year period.

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## The Irish Labour Market... *Continued from page 1.*

China, India and within the EU from accession countries. Many jobs have been lost in this environment in recent times. This will continue for the foreseeable future. In addition, it is not just low-skill manufacturing jobs that are leaving our shores, but high-tech IT jobs as well. The huge US trade and current account deficits will have to be addressed at some stage in the near future and this will have a significant impact on the world economy. Other negative factors are the strength of the euro/weakness of US dollar, ongoing high oil prices and the uncertain geopolitical situation. As a result, Ireland as a small open economy could experience an economic downturn on a number of fronts. Therefore the ESRI forecast could be seen as optimistic in this scenario.

While unemployment may be low nationally, it hides a significant amount of local unemployment blackspots around the country. The census of 2002 found 88 areas with unemployment in excess of 24% based on personal description. These covered both urban and rural disadvantaged locations. Government must put measures in place to bring these rates down to the national average. The INOU will publish a briefing paper on this subject early in 2005. We have seen several company closures/lay-offs in recent months in rural towns, including Letterkenny, Michelstown, Mallow and Rosslare, to warrant concern on the economic viability of these places into the future. The government must put a wind behind its National Spatial Strategy to drive coherent economic activity throughout the state.

Thus while the overall economy is doing reasonably well, there are sizeable pockets of unemployment that need addressing, and a one-size-fits-all approach will not work. Local solutions for local conditions, in the broad context of national policy, are needed and the inputs from actors, including social partners. Also, while we have 84,200 unemployed nationally and 26,300 of these long term unemployed, we are nowhere near full employment. Many of these people, especially among the long term unemployed, are quite distant from the labour market and will need more help to place them in jobs. Therefore, there is a constant need for active labour market measures such as CE, JI and SE and the one-to-one help of the High Supports Process.

On a broader front, we should be going beyond the narrow definition of (ILO) unemployed. The Lisbon Strategy, in its vision for social and economic goals for Europe in 2010, lists Employment Rate targets (70% all, 60% women, 50% older workers) which encompass more issues than strict "unemployment". The employment rate is the percentage of the adult population between 15 and 64 years who are working. We in the INOU (and OUNI in Northern Ireland), have constantly argued that people other than those considered "unemployed" should be part of the full picture on joblessness. This includes those who are marginal to the labour market (discouraged workers) and economically inactive who would take work in the right circumstances. In addition, it also covers groups such as lone parents, people with a disability etc. who are in different social

welfare categories but who also do not work. It is generally accepted that a job is the best route out of poverty. By emphasising employment rate targets, we are inclusive in maximising job creation and job seeking throughout the whole of society, and not just within the confines of the narrow labour market.

If we look at the employment rate figures for Ireland, there is plenty of work for us to do to achieve the Lisbon targets in 2010. While our unemployment performance is good in European terms, several EU countries have better employment rates. Our overall rate is 65.5%, therefore we have a sizeable 4.5% to make up in just over 5 years. We have done well in recent years with female employment (55.8%), but we are still over 4 points below the target of 60%.

In overall terms, the picture is mixed in relation to future levels of unemployment in the country. One thing is clear, and that is the need to boost our employment rates to enable the maximum number of citizens to aspire to a job. This would be a major step in securing social inclusion – there is a lot of this condition in having a job, especially for the long-term unemployed. However it goes beyond this to encompassing everybody in society, including those who cannot work for various reasons. In relation to unemployment, there is plenty of work to be done in bringing the unemployment rate of urban and rural disadvantaged areas down to the national average and to eliminate long term unemployment by 2007 (NAPS target). ■

## Combat Poverty Research Seminar



(Left to Right) **Ciairán de Buis** Independent Research Consultant, **Victoria Sutherland (Chair)** Research Officer Combat Poverty Agency, **Colin Daly** Solicitor Northside Community Law Centre, **Eric Conroy** General Secretary INOU.

The General Secretary of the INOU, Eric Conroy, was pleased to attend the CPA Research Seminar 'Is the Social Welfare Appeals System Accessible and Fair?' on Tuesday 12th October 2004. The INOU was invited to participate on the steering committee of this study funded by Combat Poverty under the Working against Poverty Grants Scheme.

## NEAP Conference



(Left to Right) **Eric Conroy** General Secretary INOU, Minister for Enterprise, Trade and Employment **Mr Michéal Martin TD**, **June Tinsley** Policy Officer INOU, and **Barrie McLatchie** Vice-Chair INOU.

## Discussion Forum

As part of the ongoing work of the Welfare to Work Development Project the first in a series of half-day regional discussion forums on welfare rights issues will take place for Dublin based affiliates on the 8th December at the INOU offices in Araby House, 8 North Richmond Street, Dublin 1. Similar regional meetings will be arranged, throughout the country, for our affiliates that provide welfare rights information.

The discussion forums are a key aspect of the work of the development project and are aimed at front-line Welfare Rights Information Officers in INOU affiliated organisations. Over the past number of years people who provide welfare rights and welfare to work information advice

have consistently advocated having forums or meetings where they can discuss welfare rights issues and concerns with other information providers. The Regional Discussion Forums will provide opportunities for these frontline welfare rights information providers to meet to discuss their work, develop ideas for common work, gain information on ongoing INOU Welfare Rights work / activities, identify useful information and related supports and network with information providers from other organisations.

Should you have any queries in relation to the Discussion Forums or any other aspect of the Development Project please do not hesitate to contact Joe McDonagh – Welfare to Work Development Officer by telephone on 01 8560088 or email at: [development@inou.ie](mailto:development@inou.ie)

## INOUE National Executive Committee 2004 - 2005

In accordance with the INOU Constitution, nominations were invited for membership of the National Executive Committee in the run up to our Annual Conference on 15<sup>th</sup> September. Elections to positions of INOU Chairperson, Vice Chairpersons and Treasurer were subsequently held at the NEC meeting on 1<sup>st</sup> October.

The outgoing Chairperson, Ann Fergus, Galway Peoples Resource Centre, was re-elected as Chairperson for a further two year term. Pdraig Malone, Limerick Centre for the Unemployed, outgoing Vice Chairperson was elected as INOU Treasurer. Barrie McLatchie, Belfast Unemployed Resource Centre was re-elected as a Vice Chairperson of the INOU and Richard McGhee, Longford EDIC was also elected as INOU Vice Chairperson.

The New NEC is as follows:

### OFFICERS BOARD

Ann Fergus *Chair*  
Pdraig Malone *Treasurer*  
Barrie McLatchie *Vice Chair*  
Richard McGhee *Vice Chair*

### NEC

Rotimi Adebari  
Des Bonass  
Anne Bowen  
Delia Colohan  
Noel Clune  
John Farrell  
Mark Harding  
Catherine Healy  
Tony Jordan  
Ed McGrath  
Gerry McNamee  
Pat Murphy  
Seamus Orr (Co-opted)  
John Curtis (Co-opted)  
Seamus Boland (Co-opted)  
Brian Carty (Co-opted)

### NOMINATING ORGANISATION

Galway People's Resource Centre  
Limerick Council of Trade Unions  
Belfast Unemployed Resource Centre  
Employment Development Information, Longford

Supporting Unemployed in Laois  
Dublin Council of Trade Unions  
One Family  
Ballinasloe Community Information Centre  
ICTU  
INOUE Staff Representative  
Fingal Centre for the Unemployed  
Mayfield Employment Action Project  
Ait na nDaoine Community Development Project, Dundalk  
National Citizens Information Call Centre, Cork  
Target, Dublin  
Larkin Centre for the Unemployed, Dublin  
INOUE General Branch  
Dublin 12 Centre for the Unemployed  
Irish Rural Link  
EAPN

We would like to welcome our new NEC member, Gerry McNamee, TARGET and to place on record our appreciation of the work of outgoing Treasurer, Delia Colohan, and of the following out-going NEC Members:

Paul Billings  
Anne McCloskey

Clondalkin Centre for the Unemployed  
Crumlin Citizens Information Centre

## Active Labour Market Programmes

(continued from page 2)

Although it is noted that there will be no compulsory cessation of the Social Economy projects, it is worrying that no commitment is given to the continuation of the services provided under this programme. The cessation of many of these projects is likely as many are now entering their final year of the 3-year funding without a guarantee that such funding will continue.

Although stating that CE will remain as an active labour market programme there is no indication if the format of the programme will change to enhance the skills / training of the participant and consequently their employment chances.

Finally, it is unclear whether the proposals announced in July for a revamped CE programme are still valid. Those proposals suggested a one-year CE programme with a second and third year open to a smaller number.

- ▶ The INOU has requested a meeting with the Minister to iron out some of these concerns and a future update will be provided in a later edition of the Bulletin. ■

## Limerick Resource Centre for the Unemployed moves into New Building

The Limerick Resource Centre for the Unemployed (LRCU) has been an INOU affiliate since 1987. During the summer it moved from its premises in Thomas Street, which it occupied for nearly seventeen years. It is now based in a much more modern building which forms part of the Tait Business Centre at Hunt's Lane (between Dominick Street and Parnell Street).

The LRCU is managed by the Limerick Council of Trade Unions and is part of the ICTU Network of Unemployed Centres. In common with the 37 other such centres throughout Ireland, it provides a range of services to unemployed people including welfare rights information, adult education courses and job seeking supports (i.e. CV preparation, access to telephone, fax and internet facilities etc.). In recent years the Centre has become increasingly involved in IT training and is a fully accredited ECDL test centre.

The new premises, which are leased from Shannon Development, were officially opened on the 16th September by the Mayor of Limerick, Cllr. Michael Hourigan.

The opening was attended by representatives of statutory agencies, trade unions and community organisations. The gathering was also addressed by Sally Ann Kinahan of the ICTU and William Davoren,



A computer class in action at the Limerick Centre for the Unemployed.

Chairperson of the LRCU Board of Management. In his address Mr. Davoren thanked all those who have supported the work of the Centre over the past seventeen years including FÁS, DSFA, PAUL Partnership, LES, Limerick City Council, Limerick City VEC and the Bank of Ireland. He expressed the hope that the Centre would continue to benefit from such assistance and goodwill in the years ahead.

Limerick Resource Centre for the Unemployed, Unit 6/7, Hunt's Lane, Dominick Street, Limerick.  
Telephone: 061-416056 Fax: 061-411696  
e-mail: [lrcu@eircom.net](mailto:lrcu@eircom.net).

## NESF Project on Creating a more Inclusive Labour Market

The National Economic and Social Forum (NESF) recently established a Project Team to make practical proposals aimed at making work a real option for all.

The Project Team will focus on the following themes

- ▶ the best way(s) local labour market and social inclusion measures, acting together, can help those who have the greatest difficulty getting employment.
- ▶ identifying any financial disincentives and other barriers to taking up work.
- ▶ assessing how the performance of the National Employment Service (FÁS and LES), in helping different groups of people into employment, should be measured.

- ▶ the development of workplace model(s) that support the progression of low skilled young workers into better quality jobs.

The Project Team is chaired by Phillip O'Connell, Research Professor, ESRI

Submissions to the Team are invited in writing or by e-mail. More information is available from the NESF Secretariat and on the NESF's website. [www.nesf.ie](http://www.nesf.ie)

The closing date for receipt of completed submissions is Friday 10th December 2004. The provision of the Freedom of Information Act, 1997, will apply to the submissions received.

Secretariat Contact: Gerard Walker  
Telephone: 01-8146363  
e-mail: [gerard.walker@nesf.ie](mailto:gerard.walker@nesf.ie)

*The Staff of the INOU*

*wish all our members and affiliates a Happy Christmas and a Successful New Year.*

