

INTRODUCTION

The Irish National Organisation of the Unemployed (INOU) welcomes the focus in the new Programme for Government on job creation. Over the past three years employment has dropped by 15%, unemployment has grown by 196% and long-term unemployment has increased from 1.3% to 7.3%. At the end of 2010 long-term unemployment was 51.5% of the official unemployment figure: a statistic not seen since the late 1990s¹. The urgent social and economic challenge facing Ireland is how best to manage the unemployment crisis; how best to get unemployed people back to work; and how best to secure a future in this country for all the young people leaving school and college now and over the coming period.

The INOU is keenly aware of the strait jacket the EU /IMF financial support package for Ireland puts on the Government's ability to undertake the types of initiatives that are urgently required if unemployed people are to get back to work sooner rather than later. In particular how an employer who currently employs 18% of those in employment cannot take on any more employees and who is this employer? It is the State itself: the obligation on the state to row back on its own employment and to cut public expenditure further and further will have a detrimental impact on Irish society. According to the EU/IMF deal over the next two budgets the Government must cut social expenditure and public service numbers. Given the numbers of young people leaving college with degrees and qualifications that are most applicable to public sector employment the current focus on job creation and retention must be revisited if Ireland is not to lose another generation to emigration.

It is imperative that in undertaking the Comprehensive Review of Expenditure to be completed in September 2011 the focus is, to use the language of *Europe 2020*², "smart, sustainable and inclusive." At a time of high unemployment and growing poverty and social exclusion more and more people are dependent on social services to survive. If Ireland is indeed to become, as envisaged in the Programme for Government, "*a modern, fair, socially inclusive and equal society supported by a productive and prosperous economy*" then it is vital that a key focus of any review is how best to use the decreasing resources at our disposal to the maximum effect. This is particularly important if as the Government notes in the most recent EU/IMF document³ they are to "*seek to ensure that future fiscal consolidation is fair and does not over burden those most in need*".

THE JOBS INITIATIVE

In the Programme for Government, the Government promised to "*resource a Jobs Fund which will*

- *Provide resources for an additional 15,000 places in training, work experience and educational opportunities for those who are out of work;*
- *Cut the 13.5% rate of VAT to 12% up to end 2013;*
- *Halve the lower 8.5% rate of PRSI up to end 2013 on jobs paying up to €356 per week;*

¹ Ref CSO's Quarterly National Household Survey data

² EUROPE 2020 A strategy for smart, sustainable and inclusive growth, COM(2010) 2020

³ EU/IMF Programme of Financial Support 28th April 2011

- *Reverse the cut in the minimum wage;*
- *Abolish the Travel Tax as part of a deal with airlines to restore lost routes;*
- *Implement a number of sectoral initiatives in areas that will create employment in the domestic economy;*
- *Initiate a long-term strategy to develop new markets in emerging economies;*
- *Secure additional resources for the national housing energy retrofitting plan, as part of plans to phase out subsidies in this area by 2014;*
- *Expand eligibility for the back to education allowance; and*
- *Accelerate capital works that are 'shovel ready' and labour intensive including schools and secondary roads."*

The INOU believes it is important that the Government strives to take action on all of these promises. However, the organisation is keenly aware that this Initiative will be but a start to getting people back to work. An integrated Jobs Strategy is urgently needed: a strategy that looks at all elements of the labour market and identifies where jobs can be maintained; developed and created.

Such a strategy must also ensure that unemployed people are offered the most meaningful education, training and employment option for them. At a time of limited resources and too few options activation policies must have an end goal of a job and not become an end in themselves.

Three new activation programmes have been introduced over the past few Budgets: the Work Placement Programme; the Skills Development and Internship Programme (SDIP); and TÚS a community based programme. The terms and conditions differ across all three and the INOU urges that they all follow the standard set by the SDIP where participants will receive training and an additional payment of €100.

The Community and Voluntary sector plays a key role in the implementation of Active Labour Market Programmes in particular programmes like Community Employment and Jobs Initiative. Support for this sector must be maintained.

On a practical basis the Back to Work Allowance should be re-introduced and targeted at the long-term unemployed. The INOU believes that this would be a more constructive development than recent discourses in the public domain that inferred that long-term unemployed people would be cut adrift from social protection. No Government can claim to be developing an inclusive and equitable society while at the same time implicitly threatening the most vulnerable with destitution. The real problem is the lack of jobs, training and education options to met the current levels of demand.

Improve access to supports to make self-employment a more viable option for unemployed people: a good starting point would be the extension of the time period on the Back to Work Enterprise Allowance. The INOU is also calling on the Government to ensure that in their efforts to build one-stop shop services that unemployed people pursuing the self-employment option are given access to the proposed Microfinance Start-Up Fund.

NATIONAL EMPLOYMENT AND ENTITLEMENTS SERVICE

A key element of the Programme for Government is public sector reform. For such reform to be meaningful for unemployed people it is vital that the proposed new National Employment and Entitlements Service strives to be a first class service meeting the needs of unemployed people and other welfare recipients of working age. To that end it is of the utmost importance that the following are built into its design and delivery:

- Employment and social services must start with the individual unemployed person.
- Participation in education, training and employment programmes must be by choice and be meaningful.
- Personal contact aimed at guiding the individual is required which would facilitate better decision making and better use of resources rather than the big stick approach.
- Employment and related services must understand the qualifications unemployed people already have and explore how these can be built on.
- Timely access to relevant information must improve. It is urgent that communication across all schemes and providers supports positive participation. To that end, maximising the use of online facilities is urgently required.
- Services must do all they can to make work placements and work experience available to unemployed people. However, work placements must be relevant to the person's needs and must not be used to replace paid jobs.

In the meantime, given the extent of the unemployment crisis and the fact that there is no easy or quick fix to it, it is imperative that unemployed people and their dependents have the means for an acceptable standard of living. To that end the Government must keep to its promise *"to maintain social welfare rates"*. And while the new NEES is being developed social protection services must ensure that:

- People who become unemployed have their claims processed and paid as quickly as is possible;
- When people need to re-sign-on their claims are dealt with speedily;
- When people are moving from Jobseekers Benefit to Jobseekers Allowance their claims are dealt with promptly;
- The significant delays in the Social Welfare Appeals process are dealt with urgently;
- The Supplementary Welfare system is providing a basic and prompt SWA payment for unemployed people waiting for their claims to be dealt with;
- The system adapts to support people to find work in a more atypical labour market.
- Supports are provided to self-employed people whose work has dried-up.

FOR FURTHER INFORMATION PLEASE CONTACT

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