Long-term Unemployment Initiatives

Forum Opinion No. 3

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PUBLISHED BY THE NATIONAL ECONOMIC AND SOCIAL FORUM

Copies of this Report may be obtained from the:
GOVERNMENT PUBLICATIONS SALES OFFICE
Sun Alliance House, Molesworth Street, Dublin 2.

or
THE NATIONAL ECONOMIC AND SOCIAL FORUM
Centre Block, Government Buildings,
Upper Merrion Street, Dublin 2.

Price: £3.00

(PN 2508) ISBN-1-899276-07-6
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Executive Summary</strong></td>
<td>3</td>
</tr>
<tr>
<td>Section I</td>
<td>Introduction</td>
<td>7</td>
</tr>
<tr>
<td>Section II</td>
<td>Overall Comments on the Government's Initiatives</td>
<td>11</td>
</tr>
<tr>
<td>Section III</td>
<td>Specific Measures and Initiatives</td>
<td>15</td>
</tr>
<tr>
<td>Section IV</td>
<td>Local Employment Service (LES)</td>
<td>27</td>
</tr>
<tr>
<td>Section V</td>
<td>Unemployment Statistics</td>
<td>33</td>
</tr>
<tr>
<td>Section VI</td>
<td>Conclusions</td>
<td>37</td>
</tr>
<tr>
<td>Annex 1</td>
<td>Terms of Reference and Constitution of the Forum</td>
<td>41</td>
</tr>
<tr>
<td>Annex 2</td>
<td>Membership of the Forum</td>
<td>42</td>
</tr>
<tr>
<td>Annex 3</td>
<td>Forum Publications</td>
<td>44</td>
</tr>
</tbody>
</table>
Executive Summary
Executive Summary

This Opinion sets out the Forum's comments on the recent decisions and initiatives taken by the Government for the long-term unemployed, against the background of the recommendations which had been submitted in its own Report No. 4 on Ending Long-term Unemployment.

Section II welcomes the broad thrust of these decisions which are seen as an important first step in a process of long-overdue policy reforms to tackling long-term unemployment on a more coherent and integrated basis. The changes in the Social Welfare system to assist the unemployed in seeking and taking up employment opportunities are also welcome. However, and despite the provision of additional training and education places and substantial increases in job creation, more radical initiatives are needed if the long-term unemployed are to share the benefits of economic growth, otherwise unemployment will continue to remain at an unacceptably high level.

Section III supports the decisions on refocusing and better targeting of the Community Employment (CE) Programme; the extension of PRSI coverage to CE participants and the new Whole-time Jobs Option in selected unemployment black spots; but there are a number of practical issues in relation to CE which it submits to Government for their consideration; these include progression and clarity of outcomes for participants, the role of the community and voluntary sector, the potential of the social economy and the limited duration of the Integration Option. Other issues of particular concern are:

(i) other than participants on the existing CORI Part-time Job Opportunities Pilot Programme, only the 1,000 participants on the new Whole-time Jobs Option will be paid the going rate for the job;

(ii) the new work experience programme (Work-Place) will only provide for up to five week job placements; and

(iii) the "swapping" provision should be replaced by that of the "dependent spouses of the unemployed" as one of the target groups for CE; unless additional Exchequer resources are provided, this would involve cutbacks for other target categories but there are important equality principles involved; at minimum spouses living in low-income households should be included.

Again, the Forum reiterates its earlier recommendations to facilitate women's access to training and employment opportunities through extending access to CE to people on credits, the provision of childcare facilities and more flexible opening hours in FAS offices. These also involve important issues of principle and the extra costs to the Exchequer have been faced up to.
The objectives of the new recruitment subsidy for employers (Jobstart) are supported but this scheme will need to be carefully structured and monitored, least it undermines pay and working conditions for those already in employment or is abused to create a low-pay environment.

The compulsory element involved in the new Youth Progression Programme is a serious issue of concern. If experience had shown that this Programme was an effective one while the level of take-up had been very low, compulsion might then have been considered, but not at this initial stage.

Section IV deals with the delays in establishing the Local Employment Service (LES), and submits recommendations on a number of issues which need to be addressed e.g. representation by the unemployed on the local management structures of the LES, periodic reports to Government on progress made in establishing the LES, measures to evaluate and monitor the effectiveness and quality of service delivery by the LES. Otherwise, the LES will not be in a position to provide a reasonably successful service to its clients.

Section V contains recommendations in relation to the policy implications of the growing divergence between the Labour Force Survey (LFS) and the Live Register measurement of unemployment, on delays in the publication of unemployment statistics and the suggestion of a parallel register for those who classify themselves as seeking work.

Section VI concludes by recommending that the Government’s policy initiatives be regularly monitored, and that periodic reports be published for public debate, as well as the results of independent evaluations. Consultations should also be held with the main interest groups, including the Forum, on these reports.
Section I

Introduction
Introduction

1.1 In its Opinion No. 1, dated 7th March 1995, the Forum welcomed the Government’s decision to put in place a Local Employment Service to meet the needs of the long-term unemployed. The establishment of such a Service was the central recommendation of the Forum’s own Report No. 4 on *Ending Long-term Unemployment* which was published in June 1994.

1.2 The present Opinion has been drawn up on the basis of the discussion and debate at the Forum’s Plenary Session which was held in the Royal Hospital Kilmainham on 25th January last. The Plenary was also addressed by the Tánaiste and Minister for Foreign Affairs, Mr Dick Spring T.D., the Minister for Enterprise and Employment, Mr Richard Bruton T.D., and the Deputy Leader of Fianna Fáil, Mrs Mary O’Rourke T.D.

1.3 The central focus of the Plenary Session was that of follow-up action on the Forum’s Report No. 4, with particular reference to the Government decisions taken on foot of the Reports of the Task Force on Long-term Unemployment\(^1\), including decisions taken in relation to the Local Employment Service, and the related decisions which were announced in this year’s Budget on 23rd January by the Minister for Finance, Mr Ruairi Quinn T.D. One of the central issues raised at this Plenary Session was the adverse implications of these decisions for women’s participation on Community Employment and the difficulties women face in getting on the Live Register.

1.4 The content of this Opinion is as follows:

- Section II presents some overall comments on the broad thrust and likely impact of the Government’s initiatives;
- Section III outlines more detailed comments, concerns and recommendations on the specific initiatives taken;
- Section IV details a number of concerns and recommendations in relation to the Local Employment Service;
- Section V makes a number of recommendations dealing with unemployment statistics; and
- Section VI submits a number of conclusions and recommendations for the further development and evaluation of policies for the long-term unemployed.

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\(^{1}\) This Task Force was established by the Government in October, 1994 following publication in the previous June of the Forum’s Report No. 4; an Interim Report of the Task Force was published in February, 1995, dealing primarily with the Local Employment Service and its Final Report was published on 17th January last.
Section II

Overall Comments on the Government's Initiatives
Overall Comments on the Government's Initiatives

2.1 By way of an overall commentary, the Forum welcomes the Government's recent decisions as a step in the right direction to tackling long-term unemployment more effectively and on a more coherent and integrated basis. This is singularly the most important economic and social problem facing this country. In particular, these decisions represent important progress and advances in a number of areas such as:

- the more focused and targeted approach to ensuring that the long-term unemployed get the maximum benefit from the Community Employment Programme;
- the retention of medical cards for three years after taking up employment by those who have been unemployed for at least one year; and
- the modifications and improvements announced in the Family Income Supplement, in the assessment of earnings from employment for Unemployment Assistance purposes, the increased number of places on the Back-to-Work Allowance Scheme and the retention of the full rate Child Dependent Allowances for the first thirteen weeks of employment by the long-term unemployed; these will help to make the Social Welfare system more employment oriented and assist the unemployed in seeking and taking up employment opportunities but will need to be monitored for their impact as there will inevitably be gainers and losers.

2.2 However, and despite:

- the provision of an additional 13,200 places this year for people on various schemes viz. Vocational Training Opportunities Scheme + 1,000, Back-to-Work Scheme + 5,000, a new Recruitment Subsidy Scheme for Employers + 1,200, a new Pilot Whole-time Jobs Option + 1,000, and a new Work Experience Programme + 5,000; and
- an estimated increase in the annual average number at work in 1996 of 31,000;

the latest ESRI Quarterly Bulletin predicts a fall in unemployment of about 9,000 on a Labour Force Survey basis and a fall of only 3,000 on a Live Register basis, using annual average figures. The end result is that unemployment at the start of next year is expected to be still well in excess of a quarter of a million people,
on a Live Register basis. A further modest reduction in unemployment predicted in 1997, unless there is a significant change in migration pattern. However, the Budget contains no target or even an estimate of its likely impact in reducing the numbers who are long-term unemployed.

2.3 Although a record number of jobs are being created, the benefits are not equitably distributed in our society and the harsh reality, which has to be confronted, is that only one in every sixteen job vacancies filled in our econo

2.4 In the circumstances, the above Government initiatives must be seen as modest but, nevertheless, important first step in a process of long-overdue policy reforms. But much more needs to be done. The additional resource provided in the Budget for active labour market measures in favour of the lon
term unemployed only amounted to £10 million. There is no provision in the Budget, for example, for the expansion of the Local Employment Servi

2.5 The degree of success or otherwise of the Government's initiatives will depend to a significant extent on how these are translated on the ground into fu

2.6 Finally, the Forum supports the declared intention of the Minister for Soc Welfare to further fine-tune and develop the pro-work innovations introduc
in this year's Budget in the light of the Report of the Expert Working Group on Integration of Tax and Social Welfare which is expected to be submitted shortly.
Section III

Specific Measures and Initiatives
Specific Measures and Initiatives

3.1 The Forum's more detailed comments on the Government's individual measures and initiatives on long-term unemployment are outlined in this Section under the following headings:

- Community Employment (CE) and Work Experience;
- Targeting of Community Employment;
- Recruitment Subsidy for Employers; and
- Youth Unemployment.

Community Employment and Work Experience

3.2 The Government's decisions provide for the following four main changes to Community Employment (CE):

- 30,000 (or 75%) of CE places are to be reserved for those **over 21 years and unemployed for at least twelve months**; the main focus will be reintegration into employment with an initial target progression rate to employment, education or training of 50%; this is referred to below as the "Integration Option";

- the remaining 10,000 (or 25%) of CE places are to be reserved for people **over 35 years of age and unemployed for three years or more**; this option will provide part-time places of three years duration; this is a sponsored jobs option;

- an **additional** 1,000 full-time places will be provided, on a pilot basis, for people **over 35 years of age** who have been **unemployed for at least five years**; this option will provide full-time places of three years duration; this is also a sponsored jobs option; and

- CE workers are to be insurable at PRSI Class A and scheme sponsors are to be exempt from employers' PRSI.

3.3 In addition, the Government announced the introduction of a new work experience programme, called Work-Place, for those **unemployed for over six months** and in danger of drifting into long-term unemployment, or who are already long-term unemployed but considered to be ready for employment. A target of 5,000 places has been set and participants will continue to be paid their Social Welfare entitlements as well as a contribution to their out-of-pocket expenses.
3.4 The Forum supports these changes, grounded as they are on a number of very important principles such as:

- better targeting of resources and clarity in objectives to ensure that it is in fact the long-term unemployed who get the maximum benefit;
- progression and integration into the labour market for those for whom this is a realistic possibility;
- sponsored employment of limited duration for those who are less likely to get jobs in the short-term;
- whole-time contract jobs of longer duration for those who have the poorest prospects of finding jobs; and
- positive discrimination with the provision of incentives for employers to employ the long-term unemployed (see paragraphs 3.17 to 3.20 beneath), thereby accepting for policy purposes that equity gains in the case of measures for the long-term unemployed can now outweigh their possible displacement and dead-weight effects.

3.5 Having said this, however, there are a number of issues of concern to the Forum which it wishes to submit to the Government for their consideration; these are as follows:

- **Progression and clarity of outcomes**: the Forum welcomes and supports the proposed improvement in target progression rates for CE participants\(^2\) but this will require a better focus on the quality of training, its duration and devotion of greater resources to training; a further issue requiring attention is that of the conflict of interest between the role of the sponsor in employing the best person for the job and that of a CE participant’s concern to obtain training, work experience and progression to a full-time job; the recasting of the entry criteria to CE will help concentrate greater attention on the needs of participants; however, it is essential that all sponsors and not just the better ones are encouraged to subscribe fully in practice to the stated objectives of the different CE options and to provide quality schemes; implementation of the Task Force recommendations in this area would help in this regard; the Local Employment Service also has a key role in supporting CE participants while the commitment and role of certain Local Authorities as CE sponsors also needs to be examined;

- **Role of the community and voluntary sector**: this sector is concerned that, with its increasing dependence on schemes such as CE, this erodes its

\(^2\) The Government Task Force proposed that the existing minimum target progression rate of 20% should be replaced by a tentative 50% target progression rate to employment or further education/training for the CE Integration Option.
independent voice and distorts its role and the nature of its work; in this regard, the Forum repeats again the criteria which it recommended in its Report No. 6 for the statutory funding of this sector;³

- **Potential of the social economy:** there continues to be a limited focus on the potential of the social economy and a tendency to reduce it to the activities of CE sponsors; in its Report No. 7, the Forum emphasised and submitted a number of recommendations to develop also and exploit more fully the jobs potential of the social economy⁴ and the Forum is encouraged by the commitment given by the Minister for Enterprise and Employment at its January Plenary to giving this Report⁵ his full consideration;

- **Duration of the integration option:** the 12 month duration (six months contact time) for the CE Integration Option may be too short for participants to gain the necessary confidence and experience to secure employment; a study of the timing of employment outcomes, with a special focus on those participants who have been granted a second consecutive year on CE might shed some light on the optimum duration for this option;

- **Co-ordination of Pilot Whole-time Jobs Option:** participants on the Pilot Whole-time Jobs Option need to be engaged in useful activity if they are to benefit; in selecting projects and in subsequent early monitoring, it will be necessary to ensure there is an adequate quantity of work and adequate support and supervision for participants;

- **Division of CE options:** it would be useful if clarification was provided as to how the 25%/75% division of CE places will operate in practice and how this will be applied at local level;

- **Status and working conditions for participants:** in its Report No. 4, the Forum emphasised that participants on both the new temporary job placements and the range of longer duration part-time and full-time contract jobs, which it had recommended, should be given the going rate per hour⁶ and have the same status and working conditions as a regular employee; this was seen as a fundamental principle and one of crucial importance in terms of (i) the participant’s self-esteem, (ii) getting proper recognition from the employer and (iii) securing the co-operation of existing workers by allaying their fear of existing wage rates being undermined.

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³ *Quality Delivery of Social Services: Forum Report No. 6* (February, 1995)

⁴ The “social economy” is concerned with meeting real demands which cannot be fully met by the market alone and are not provided by the public sector. It is located within a continuum of delivery possibilities between fully commercial and public provision.


3.6 The Forum, therefore, notes with considerable concern that:

- only the 1,000 participants on the new Pilot Whole-time Jobs Option will be paid the going rate for the job; at present, the CORI Part-time Job Opportunities Pilot Programme pays this rate subject to a minimum payment in low paid jobs; the participants on the Part-time Jobs Option and the Part-time Integration Option will be paid an amount equivalent to the CE weekly payment, rather than at the going rate as recommended by the Forum;

- the new work experience programme, called Work-Place, will only provide for up to five week job placements, with payment of Social Welfare benefits plus an incentive, compared to up to six months paid at the going rate recommended in Report No. 4; and

- the role of an effective LES in the Work-Place programme would be crucial to its success.

3.7 However, the Forum is encouraged by the official response, given at its January Plenary Session, that the going rate issue will be looked at further, taking on board lessons which can be learned from the CORI experience. The Forum also welcomes that the status and conditions of employment for CE participants have been improved significantly through their inclusion under Class A PRSI and that participants on the Part-time Job Option and the Pilot Whole-time Jobs Option will also be covered by relevant employee protection legislation. While the Social Welfare Bill, 1996 has now been published, a number of practical issues arise in the implementation of these new social insurance provisions for CE workers. In this context, it would be worthwhile if the implications and practicality of the following options could be examined by Government as four possible solutions to the problems arising:

- exempting Child Dependent Allowances from PRSI and tax for CE participants; or

- replacing Child Dependent Allowances for CE workers with Family Income Supplement; this could be a costly option; or

- increasing Child Dependent Allowances to compensate for the higher PRSI rate; or

- providing full A rate benefits for J rate contributors.

3.8 Finally, the Forum welcomes that the Whole-time Jobs Option will be targeted initially at three selected urban areas of high unemployment but at the same time underlines that other unemployment black spots in smaller population centres and in rural areas should not be overlooked in due course.
Targeting of Community Employment

3.9 In its Opinion No. 1, the Forum noted approvingly that the priority targeted groups for assistance by the Local Employment Service, which were identified in the Interim Report of the Government Task Force, also corresponded to those listed in its own Report No. 4, namely:

- the long-term unemployed;
- those unemployed for over six months;
- dependent spouses of the unemployed;
- lone parents; and
- the young unemployed.

The Forum also welcomes the targeting of Travellers in the Final Report of the Task Force and the emphasis on the flexibility needed to secure Traveller access.

3.10 However, in its Final Report, the Task Force introduced an important departure from the above in proposing for the CE Part-time Integration Option and the CE Part-time Jobs Option that eligibility for the dependent spouses of the long-term unemployed would be limited to those "who opt to "swap" places with their spouse on the Live Register".

3.11 It is recognised, of course, that targeting by its nature inevitably means that some groups are excluded. In some instances, a spouse of a person on the Live Register may be in a better position to take up an opportunity and the swapping arrangement is designed to facilitate such people. However, and at the individual household level, this will entail having to decide that one spouse's advancement to CE will be at the other spouse's expense. This is a retrograde step from the Forum's own approach which was to recognise parity and that both spouses are in the labour market together. It is also subject to the charge of being a cynical exercise in "massaging" and seeking to artificially reduce the number on the Live Register.

3.12 Apart from these objections in principle, it is also important to point out that such a swapping arrangement within households will not work in practice. This is evidenced in the case of the CORI Part-time Job Opportunities Pilot Programme – under that Programme, only 2.5% are participating under the swapping provision which is unique to this Programme and does not obtain elsewhere. This provision was only accepted by CORI when its preferred option of full access for spouses was rejected because of the Exchequer costs involved.
3.13 In the circumstances, the Forum very strongly recommends that this swapping provision should not be proceeded with and that this should be substituted for, as had been recommended in its own Report No. 4 and was endorsed in the Interim Report of the Government Task Force, by the category of the "dependent spouses of the unemployed".

3.14 In this regard, the Forum wishes to particularly highlight that the target groups which it had recommended (see paragraph 3.9 above) had only been agreed to on the basis of delicate negotiations between the various interests it represents and its seeking to ensure that the limited resources available would be refocused away from those unemployed for less than a year and be targeted instead at the groups most in need of training and other forms of assistance.

3.15 Given that savings on Social Welfare payments finance over half of the costs of CE, the Forum acknowledges, of course, that opening CE options to dependent spouses who are not in receipt of Social Welfare payments in their own right would add to Exchequer costs. However, if both spouses participate on CE there is no Adult Dependent Allowance payable and this reduces the net additional Exchequer cost. Nonetheless, the Forum accepts that, in the absence of additional resources, there would be cutbacks in places for other beneficiaries. However, there are three points worth noting in this regard:

- firstly, implementation of gender equality is now a fundamental principle in our society, is accepted by all political parties and has to be adequately resourced;
- secondly, the assumption that women should bear the brunt of political decisions made in allocating Exchequer resources is no longer tenable; and
- thirdly, and while endorsing the principle of targeting available resources to those most in need, the Forum is wholly opposed to discrimination on grounds of gender.

However, and in the absence of extra Exchequer resources being provided and with a view to minimising the adverse consequences for other target groups, the Forum recommends, as a first step, that spouses of the long-term unemployed living in low-income households should be included.

3.16 Finally, the Forum wishes to highlight again the fact that the Live Register is a poor reflection of the unemployment experience of women. This is all the more important because being on this Register is a precondition required of the majority of people for participation on CE. The Forum also highlights the obstacles women encounter in accessing employment opportunities. In this respect, the Forum recalls and reiterates again:
the recommendation made in its Report No. 37 on extending access to
CE to people on credits (in the case of those signing for credits, 85% are
women who are, therefore, disproportionately affected);

- the recommendations made in its Report Nos. 3, 6, 7, 9 and 10 on the
provision of childcare facilities; the official Working Group on Childcare
Facilities for Working Parents, which reported in 1994, pinpointed that this
country has one of the lowest levels of childcare provision in the EU; and

- the recommendation in its Report No. 6 on the need for more flexibility
by FAS offices in opening hours and the provision of evening services to
facilitate women’s participation.

Again, important issues of principle are involved in the above which have to be
faced up to, despite the financial costs involved for the Exchequer.

Recruitment Subsidy Scheme for Employers

3.17 The Forum supports the objectives of the new Jobstart recruitment subsidy
scheme – which was announced in the Budget together with the targeting of
the scheme.

3.18 As a positive discrimination measure, this will provide an incentive to
encourage employers to recruit from those who have been unemployed for
three years or more. Other positive features of the scheme are:

- the requirement on employers to pay the going rate for the job;
- flexibility in its operation to assist the unemployed to progress from CE
and the new work experience initiative WorkPlace, already mentioned
above; and
- its application to all vacancies and not just new jobs as was the case for
similar schemes in the past.

3.19 However, there are a number of issues requiring attention:

- the scheme in itself will not address employers’ negative attitude and
perception of the long-term unemployed; were it to be available as an
extra tool in the armoury of an effective and adequately-resourced Local
Employment Service (see Section IV) it would, however, stand a much
better prospect of being successful;

the scheme will need to be structured and monitored to ensure that it does not undermine pay and working conditions of workers in existing employment, is not abused by unscrupulous employers to create a low-pay environment and has an adequate level of take-up by employers; in this regard consideration should, therefore, be given to payment of the recruitment subsidy on a formula of 50 per cent of the gross rate of pay to a maximum of £80; and

the provision of subsidised labour for very low paid jobs will not lead to an acceptable quality of jobs or even durability in employment; durability and quality should not, therefore, be sacrificed in order to boost take up of the scheme.

3.20 Finally, the Forum endorses the viewpoint of the Government Task Force that the variety of measures and schemes to assist the unemployed (e.g. the Back-to-Work Allowance, the Part-time Job Incentive Scheme, tax/PRSI exemptions) should now be clarified in relation to their role and objectives and streamlined to ensure that they complement one another. A similar case has also been made for an integrated package of supports for the long-term unemployed to set up their own businesses through integrating the Back-to-Work and the Area Allowance (Enterprise) Schemes.

Youth Unemployment

3.21 The Forum welcomes that 18/19 year olds on the Live Register will now also be targeted through the introduction of a new Youth Progression Programme. This will be focused on encouraging young people into the labour market and prevent their drifting into long-term unemployment. This Programme will, depending on the individual needs, comprise a number of elements such as intensive counselling, foundation skills, job/work trials under Work-Place, a youth employment option and a job training scheme.

3.22 However, a serious issue of concern is the compulsory element involved and young people, who fail to register with FÁS/LES or to complete the Progression Programme, will now face the threat of their unemployment assistance being withdrawn. The Forum’s Report No. 4, contained cogent reasons why participation on programmes should be on a voluntary basis viz. the introduction of compulsion eliminates the need to provide a quality product, reduces the value of participation in employers’ eyes, creates resistance from the unemployed and turns training into a form of punishment for being unemployed.
3.23 In the present instance, the crucial consideration will be that of the quality of the new Youth Progression Programme. This Programme still remains to be introduced and tested, both in term of its effectiveness and level of take-up. The Forum is very much of the view that only after this process has been gone through, and if it had been clearly established that the Programme was an effective one while the level of take-up had been very low, then and only then should the issue of compulsory registration be considered. This is all the more reinforced by the fact that there is at present a waiting list for participation on Youthreach courses throughout the country.
Section IV

Local Employment Service (LES)
Local Employment Service (LES)

4.1 The success of the Government's package of measures and incentives for the long-term unemployed will be critically linked to and dependent on an effective and adequately-resourced Local Employment Service. In its Opinion No 1, the Forum expressed the hope that the necessary structures and arrangements would be put in place sufficiently early on in the initial 14 selected areas, and that the experience gained in these areas would be taken into account in the Final Report of the Government Task Force.

4.2 In this regard, and with a further year having now elapsed, the Forum is seriously concerned with:

- the delays in establishing the Service, even in the initial 14 Designated Areas, apart altogether from the Government's commitment to its progressive extension to all other areas throughout the country;

- at best what seems now to be envisaged is that the Service will be operational only in these 14 Areas this year and that the budgetary allocation of £6 million will only suffice for this purpose; there is no additional money provided to extend the Service to other areas in the immediate future; and

- while the mediator/client ratio for the Service will be at the level recommended by the Forum of around 125 per mediator, the Department of Enterprise and Employment accepts that, because of the limited budgetary resources, the Service will not be able to deal with all the potential clients of its services; this may result in many potential clients having to be turned away or else a very inadequate level and quality of service being provided; however, it is understood that on the ground experience to-date of the LES suggests that a lower ratio may be needed, because of the more intense needs of some clients; as against this, the needs of other clients may require a much higher ratio so that a range of ratios around an average of 125 clients per mediator is needed.

4.3 Having said this, however, the Forum is not advocating a "speed at all costs approach" as this could be counter-productive and result in over-hasty and badly considered planning and decision making. The Forum accepts the Government's declared commitment to extend the LES nation-wide but much more needs to be done, and at an accelerated pace, to achieve practical and concrete results on the ground.
4.4 In the circumstances, the Forum **recommends** that:

- the obstacles encountered and the delays involved should be more vigorously tackled as quickly as possible and that, if necessary, additional staff should be deployed for this purpose;

- while accepting the need for the Service to have as much autonomy as possible in its structures and working arrangements, nevertheless, it is important that the voice of the clients of the Service is heard and, to this end, the Department of Enterprise and Employment should encourage the Local Management Committees to include representatives of the unemployed on their management structures;

- as a complement to this, the unemployed and the community and voluntary sector should be consulted at national level for their views by the National Advisory Group which is advising the Minister for Enterprise and Employment on the establishment of the LES as recommended by the Government Task Force\(^8\);

- the other Partnership Areas which are at present preparing LES Action Plans should be informed of the likely time-scale of when the Service will be provided in their areas and the likely level of resources to be expected;

- the Service should seek to match the expectations of its clients with the type and quality of jobs likely to be available at local level; in this regard, it would be helpful were the Service to provide guidelines to its clients on pay and working conditions for these jobs;

- given the lack of State services on the ground and the resultant difficulties of reaching out to people in rural areas, more resources and different type models of delivery will need to be provided in these areas as compared to urban areas;

- the need for strong links between the LES and the level of and quality of education and training provision; this should be taken into account in the implementation of the White Paper on Education and in the forthcoming White Paper on Human Resource Development; in this respect, particular account and focus will also need to be given to youth unemployment\(^9\);

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\(^8\) Paragraphs 7.20–7.25 of the Final Report

\(^9\) The Forum will be preparing over the coming months a report on the subject of *Early School Leavers and Youth Unemployment*. 

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**page 28**
clear, simple and accessible explanatory leaflets should be provided to LES clients on the various schemes and options available; a pro-active approach to information targeting, consultation and involvement by client groups and joint pilot information and training programmes between the statutory and non-statutory sectors should also be undertaken;

above all else, the LES will require a strong commitment and direction at political, Departmental and Agency levels for its establishment and effective operation nation-wide;

for this purpose, the Department of Enterprise and Employment should be required to make periodic reports to Government on progress made in establishing the LES; and

finally, measures should be drawn up to evaluate and monitor the effectiveness and quality of service delivery by the LES e.g. resources allocated, staff recruited and training provided, utilisation of the service, placement rates, support from employers, etc.

4.5 In all of this, the focus on and the support and involvement of employers in the LES is crucial to its success. As evidenced by the successful Contactpoint initiative in the Northside Partnership Company in Coolock, this will require that account be taken of the needs of employers and appreciation of the factors which influence their recruitment practices and the choices they exercise about who they are actually going to employ. The factors involved are complex and it will not be sufficient to rely on the social conscience of employers to recruit from the long-term unemployed.

4.6 Finally, the Forum wishes to emphasise that, in the absence of a more meaningful increase in the number of options and places for the long-term unemployed and at a level more commensurate with the scale of the problem to be tackled (see Section III above), the difficulties which the LES will face in providing a reasonably successful service to its clients will be seriously exacerbated.

10 The comprehensive set of recommendations submitted in Forum Report No. 6 to improve the quality of delivery of social services would also be particularly relevant to the services provided by the LES.
Section V

Unemployment Statistics
5.1 Given the increasing divergence between the Labour Force Survey and the Live Register in their measurement of unemployment, the Forum recommends that:

- the implications for policy purposes of the divergence between these two measures of unemployment should be assessed as a matter of priority in consultation with the non-statutory interests concerned viz. the social partners and representatives of the unemployed, of women and of people with a disability;

- the timeliness of Live Register data on long-term unemployment should be improved; in addition, delays in the publication of unemployment data from the Labour Force Survey should also be addressed urgently; and

- the suggestion of a parallel register, perhaps linked in with the Local Employment Service, to capture those who classify themselves as seeking work should be considered and assessed; there would be no entitlement to payment arising from this register, but it might give a better measure of unemployment for policy and administrative purposes, than both of the existing measures.
Section VI

Conclusions
Conclusions

6.1 In conclusion, and subject to the comments and recommendations made earlier on in this Opinion, the Forum welcomes the broad thrust of the Government's long-term unemployment package. This will not provide a panacea for the problem and much more needs to be done before the integrated package of recommendations outlined in the Forum's Report No. 4 are achieved. In particular, a fully operational and effective Local Employment Service with direct access to resources and autonomy to allocate these resources and providing access (the "gateway" function) to a range of supports for the long-term unemployed (viz. guidance, counselling, training and job placement) is clearly a long way off. This will require a greater push and direction at political and administrative levels.

6.2 The Forum is reasonably confident that, as a result of its own efforts and the initiatives proposed in its Report No. 4, the problem of long-term unemployment is now on the political agenda. But the challenge for the future will be to ensure that it is kept there and that it remains centre stage in the Government's programme of priorities as the scale of the problem is still unacceptably high. Therefore, the search for workable solutions must be an ongoing process and involve a willingness to try new approaches. As the Tánaiste emphasised in his address at the Forum's January Plenary Session, policy approaches must be "continuously updated, refined and developed".

6.3 In this regard, the Forum recommends that:

- the policy measures now in place should be regularly monitored and independently evaluated;

- the results of these evaluations should be published to encourage a more informed debate on the issues and policy choices involved;

- the Minister for Enterprise and Employment should publish periodic reports for debate in the Oireachtas on the results achieved, together with any proposed policy changes which may be necessary in the light of experience; and

- consultations should also be held with the main interest groups, including the Forum, on these reports.

6.4 The Forum also wishes to stress again the key importance of and continuing relevance of the other two elements of the strategic approach which it had recommended in its Report No. 4 (page 71 refers). Appropriate
macroeconomic and structural policies are of continuing relevance and should be the linchpin to help create more sustainable employment in our economy. However, and at the present time when the economy is performing very well, a unique opportunity is being lost to initiate and embark on a more decisive programme of structural reforms to ensure that current growth rates are maintained into the future.

6.5 The Forum reiterates its call again for an early identification and intervention strategy in the education sector to ensure that young people leave school with qualifications, thereby ensuring that they do not become the long-term unemployed in the future. Again, this is an area which is not being accorded sufficient attention and priority and, as already mentioned above, the Forum will be preparing a report on this key policy area over the coming months.

6.6 Finally, and with the greater political resolve and commitment now being shown, and with a sustained effort and involvement also by all the other interests concerned, a more decisive inroad can now be made in tackling this country's long-term unemployment problem. In this regard, the present period of unprecedentedly high levels of economic growth provides a unique opportunity to ensure that the resources becoming available from such growth are more equitably distributed. For its part, the Forum will continue to give long-term unemployment the priority it rightly deserves and will be returning to it again in its future work.
Annexes
Terms of Reference and Constitution of the Forum

1. The Terms of Reference of the National Economic and Social Forum are to develop economic and social policy initiatives, particularly initiatives to combat unemployment, and to contribute to the formation of a national consensus on social and economic matters.

   The Forum will:

   (i) Have a specific focus on:
       - job creation and obstacles to employment growth;
       - long-term unemployment;
       - disadvantage;
       - equality and social justice in Irish society; and
       - policies and proposals in relation to these issues;
   
   (ii) Make practical proposals on measures to meet these challenges;
   
   (iii) Examine and make recommendations on other economic and social issues;
   
   (iv) Review and monitor the implementation of the Forum’s proposals and if necessary make further recommendations; and
   
   (v) Examine and make recommendations on matters referred to it by Government.

2. The Forum may consider matters on its own initiative or at the request of Government.

3. The Forum will work in two year cycles and will inform Government of its programme of work within three months of the beginning of each cycle.

4. In drawing up its work programme, the Forum will take account of the role and functions of other bodies in the social and economic area such as NESC and the CRC to avoid duplication.

5. The Forum may invite Ministers, Public Officials, Members of the Forum, and outside experts to make presentations and to assist the Forum in its work.

6. The Forum will publish and submit all its reports to Government, to the Houses of the Oireachtas and to other Government Departments and bodies as may be appropriate.

7. The Forum will be drawn from three broad strands. The first will represent the Government and the Oireachtas. The second will represent the traditional Social Partners. The third strand will be representative of groups traditionally outside the consultative process including women, the unemployed, the disadvantaged, people with a disability, youth, the elderly and environmental interests.

8. The Forum will have an independent Chairperson appointed by Government.

9. The term of office of members will be two years during which term members may nominate alternates. Casual vacancies will be filled by the nominating body or the Government as appropriate and members so appointed shall hold office until the expiry of the current term of office of all members. The size of the membership may be varied by the Government.

10. The Forum is under the aegis of the Office of the Tánaiste and is funded through a Grant-in-Aid from that Office. This Grant-in-Aid is part of the overall estimate for the Office of the Tánaiste.
Annex 2

Membership of the Forum

Independent Chairperson: Maureen Gaffney

Government Representative: Eithne Fitzgerald, T.D.,
Minister of State at the Office of the Tánaiste
and at the Department of Enterprise and
Employment

Chairpersons of the
Standing Committees:

Dr. Eileen Drew
Professor Donal Dineen

Oireachtas

Fianna Fáil:

Martin Cullen, T.D.
Chris Flood, T.D.
Tom Kitt, T.D.
Senator Willie Farrell
Senator Marian McGennis
Senator Paschal Mooney

Fine Gael:

Alan Dukes, T.D.
Frances Fitzgerald, T.D.
Senator Bill Cotter
Senator Madeleine Taylor-Quinn

Labour:

Joe Costello, T.D.
Senator Mary Kelly

Progressive Democrats:

Senator Cathy Honan

Technical Group:

Kathleen Lynch, T.D.

Independent Senators:

Senator Mary Henry

Social Partners

Trade Unions:

Paula Carey
Charlie Lennon
Patricia O’Donovan
Manus O’Riordan
Tom Wall
Employer/Business Interests:
Mirette Corboy
David Croughan
Karin MacArthur
Declan Madden
Aebhric McGibney

Agricultural/Farming Organisations:
Mary Coleman
Ciarán Dolan
John McGee
Monica Prendiville
Michael Slattery

"Third Strand"
Womens' Organisations:
Ursula Barry
Noreen Byrne
Cris Mulvey

Unemployed:
Mike Allen
Brendan Butler
Jane Foley

Disadvantaged:
Niall Crowley
Mary Daniel
Eithne McNulty

Youth:
Gearóid Ó Maoilmhichíl

The Elderly:
Breda Dunlea

People with a Disability:
Roger Acton

Environmental Interests:
Jeanne Meldon

Academics:
Fr. Seán Healy
Monica McWilliams

Secretariat
Director:
Seán Ó hÉigeartaigh

Secretaries of the Standing Committees:
Greg Heylin
Vacancy
Maura Conneely
Theresa Higgins
Liz Reason

Economist:
Executive/Secretarial:
# Annex 3

## Forum Publications

### (i) Forum Reports

<table>
<thead>
<tr>
<th>Report No.</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Negotiations on a Successor Agreement to the PESP</td>
<td>November 1993</td>
</tr>
<tr>
<td>4.</td>
<td>Ending Long-term Unemployment</td>
<td>June 1994</td>
</tr>
<tr>
<td>5.</td>
<td>Income Maintenance Strategies</td>
<td>July 1994</td>
</tr>
<tr>
<td>6.</td>
<td>Quality Delivery of Social Services</td>
<td>February 1995</td>
</tr>
<tr>
<td>7.</td>
<td>Jobs Potential of the Services Sector</td>
<td>April 1995</td>
</tr>
</tbody>
</table>

### (ii) Forum Opinions


Opinion No. 2 (dated 29th January, 1996) on the development to-date of the *National Anti-Poverty Strategy*