

Update on Long-term Unemployment

A positive feature of the Irish EC Presidency was the priority given by the Minister for Labour, Mr. Ahern, to the issue of long-term unemployment. The EC Social Affairs Council adopted a resolution on action to assist the long-term unemployed, when it met in Brussels on 29 May. This initiative which was promoted by the Irish Minister, is a welcome development. The exact details of the resolution are not yet to hand but it will lead to some additional EC spending on 'demonstration projects' in this area.

However the ongoing lack of priority given in national policy to tackling long-term unemployment is a matter of considerable concern. By far the biggest Irish programme for the long-term unemployed is the Social Employment Scheme. The expansion of the SES to 15,000 places announced in the Budget is the major initiative so far by this government in relation to long-term unemployment.

Is the SES a good enough scheme to merit its position as the main programme for the long-term unemployed. In fact the vast majority of participants return to unemployment after completing the scheme. This is not surprising. To date SES has offered no training (though plans have recently been announced for the inclusion of some training in the scheme as of 1991). The scheme only offers half - time work. Much of the work under the scheme is manual labour of the most basic kind. And many SES jobs are outside mainstream labour markets. It would be foolish to expect that a scheme with these characteristics could significantly improve a persons employment prospects in our increasingly sophisticated job scene. This is tacitly admitted by the statement in the recently agreed Community Support Framework (p.9) that "This scheme aims to prevent participants from becoming chronic unemployables". This certainly suggests low expectations of the scheme on the part of the authorities.

There are ways in which SES could be improved - for example by the inclusion of a training element - by providing full time work - by greater linking of participants into further training on completion of the SES - by targeting it on the very long - term unemployed etc. etc. Much could be done to improve the Scheme from the point of view of SES workers, in terms of social insurance and employment rights, rates of pay and working conditions. Developments of the SES along these lines would be progress. However while there is a place for SES the totally dominant position the SES occupies in policy to combat LTU seems mistaken.

What is the alternative? Much greater emphasis needs to be given to education and training. The upgrading

of vocational training even for those already in employment is considered essential in the light of rapid technological change and rapid change in job requirements. This would suggest that even greater priority should be given to training for the long-term unemployed if they are not to be permanently excluded from the job market.

But training for the long-term unemployed is very much a minority option in Irish policy. We have the Aiternance Scheme, which has never offered more than 3 thousand placements of six months duration per year, and which was down to 1500 placements in 1989. There is the Vocational Training Opportunities Scheme offering around 200 places in 1990. Clearly there is room for expansion here. But just as important as the expansion of training courses specifically for the long-term unemployed is improving the access of long-term unemployed people to mainstream training provision. The plan on LTU submitted to the EC Commission last June stated that "the long term unemployed are capable of benefitting from specific skills training" and that "the LTU should to the greatest possible extent have their training needs met on programmes available to the generality of those seeking work" But so far this is not happening. It seems that recruitment to training schemes is screened in much the same way as recruitment to jobs and the long-term unemployed are largely excluded.

This needs to be addressed. One possible approach is to set aside a quota of places for the long - term unemployed on designated training programmes. Another is to provide pre training courses for the long-term unemployed, successful graduation from which guarantees entry to a mainstream course. Without doubt with a bit of effort many other ways of addressing this issue could be found. This should be a priority. Yet there is little evidence that much progress will be made in the near future. The best indication to date of plans in this area come from the submission to the European Commission quoted above and from information set out in the Community Support Framework. Without going into detail neither of these gives much hope for major innovation in the area of training.

The amounts of Structural Fund money devoted to 'Objective Three' - i.e. combatting long-term unemployment - don't give much hope here either. Something of the order of £27 million a year at 1989 prices (2/3 from the EC and 1/3 from the Exchequer) suggests at best rather small expansion of provision for the long-term unemployed. And this must be placed against a background where the level of direct Exchequer spending on Fas training was cut by £10 million in the 1990 estimates. In fact Exchequer spending on training will be £24 million less in real terms in 1990 that it was in 1987.