

NO SHORT-TERM SOLUTIONS FOR LONG-TERM UNEMPLOMENT

Since the mid 1970's most western economies have been faced with the growing problem of unemployment. In the early to mid 1970s the average rates of registered unemployment in the European Community was 2/3%. In the 80's, despite an increase in economic growth which helped generate an additional nine million jobs, the rate of unemployment never fell below 8%. Since 1990 unemployment has increased and the rate of average unemployment in the European Community now stands at 10.6%

Relative to other European countries Ireland has fared badly in providing unemployment opportunities for its citizens. For example over the period 1969-73 when most European Countries has an average unemployment rate of 1%/3%, the rate of unemployment in Ireland was 5%/7%. This trend has continued and the difference between Ireland's average and that of the other European Community Countries, with the exception of Spain, has widened. Between 1986-90 Ireland's average unemployment rate was 16%/18% compared to a Community average of between 7%/9%. Currently Ireland had an unemployment rate of 18%.

Countries with the highest levels of unemployment also tend to have the highest incidence of long-term unemployment. Almost half of all the unemployed in the European Community have been out of work for a year or over. This represents 4% of the labour force. In Ireland around two thirds of the unemployed have been out of work for over a year. This is equal to 9% of the labour force.

Unemployment has impacted unevenly on the labour force with certain categories harder hit than others. Particularly affected are individuals with low levels of skills and education or who have skills which are no longer in demand, early school leavers and older workers. Individuals with these

characteristics tend to remain unemployed longer mainly because they have to compete with people who have higher level of skills and education, and also because of the reluctance of employers to recruit the long-term unemployed.

Stronger economic growth and direct actions aimed at increasing employment opportunities, are necessary to address long-term unemployment, but are unlikely in themselves to be sufficient. Special measures aimed at reintegration are both justified and essential.

Given the negative social and personal effects that long periods of unemployment has on individuals, families and communities it is not sufficient to put in place programmes that enable the long-term unemployed to compete more equitably on the labour market in isolation from other measures. Programmes must therefore address the totality of social, personal and labour market factors which combine to prevent the long-term unemployed accessing the employment opportunities which are or become available.

Programmes for the long term unemployed should include the following: actions to motivate and encourage, skills and educational development, counselling for individual and social problems, assistance in accessing information on employment or self-employment and employment and self-employment preparation activity.

Because of the relationship between poverty and long-term unemployment the income for programme participants would have to be at a level which eases the financial burden on themselves and their families. Importantly it must also be acknowledged that people who are unemployed for long periods will require long term individual support and development if they are to be able, once again, to compete successfully on the labour market. It is questionable whether the current range of short-term measures and action, however extensive in scale and scope, have the capacity to meet the needs of the long-term unemployed. It is clear therefore that long-term integrated programmes (3 - 4 years) need to be developed as an important part of the measures to address long-term unemployment.

At present labour market programmes for the long-term unemployed are the responsibility of two main agencies, FAS and the VEC. A variety of other Departments and Agencies deal with elements of the problem, for example the Departments of Social Welfare, Health and Environment. In order to ensure a more coherent delivery of actions the various Departments and Agencies must integrate their programmes and services. This could best be achieved by the establishment of one body with the resources and power to develop and implement programmes for the long-term unemployed.

The Area Based Partnerships established under Chapter Seven of the Programme for Economic and Social Progress have the potential to fulfil this function at a local level. At present their capacity to do so is limited primarily because their role is unclear particularly in terms of their relationship to the Government Departments and Agencies and the limited budgets of the Partnerships.

Long-term unemployment remains a feature of the unemployment problem which requires special measures. These should be intergrated into other actions aimed at stimulating economic growth and additional employment opportunities. If more effective actions are to be developed then the nature of the policy objectives, which shape the measures intended to address long term unemployment, needs to be examined. The policies should acknowledge that the long-term unemployment problem is an issue of poverty and social exclusion as much as it has to do with the operation of labour markets.

Given the social and personal importance that employment plays in how our society values the contribution of its citizens it is necessary that programmes for the long-term unemployed are judged on their ability to keep the maximum number of people in touch with the labour market rather than consisting of short-term actions to reduce the number on the Live Register.