

IRELAND'S **WORLD OF WORK**

Update on labour market developments in Ireland, employment trends and policy issues

November 2013 – Latest trends in Ireland's moves towards labour activation and contracting

Budget allocates €1.6bn for employment schemes

Last week's Irish Budget included a €1.6 billion package aimed at supporting the Government's *Pathways to Work-2* programme launched in July. In his budget speech, Minister for Public Expenditure and Report (D/PER), **Brendan Howlin** [right] said that the policy "sets out our strategy for tackling unemployment, and in particular, long-term unemployment. The total allocation for 2014 for activation places in education, training and work experience is €1.6bn."

He added that this would provide nearly 300,000 places in work, education and training

programmes. This equates with an average spend of €5,350 per unemployed participant which may be a guide figure for those considering tender bids for the anticipated JobPath employment services contracts. The Budget also allocated an additional €9m in capital spending towards expanding the network of Intreo employment advice offices throughout the state.

A further €14m has been set aside for the new Youth Guarantee Fund which is aimed at supporting additional activation for those under-25 years old.



IRELAND SET TO QUIT IMF-EU BAILOUT

IRELAND is due to leave the IMF-EU bailout controls in December making it the first of the EU's euro-area rescued states to have completed the process.

The intention is that, in future, the Department of Finance will secure funding and future state borrowings from the international bond market.

The downside is that the quarterly IMF-EU 'Troika' assessments of government policies and cost reductions will also end.

Jobseeker payments cut to €100 a week for younger people up to 25

All new applicants for Jobseekers' allowances aged under-26 will face reduced payments from the beginning of 2014. Those aged between 22 and 24 will see their welfare payments fall from €144 a week at present to €100. Those aged 25 will receive €144 a week instead of the current €188 rate. At present 18-22 year olds receive €100 a week. The Minister for Social Protection, **Joan Burton**, said that the savings made in reduced payments would be invested in youth employment measures. She said that "signing on for jobseeker's allowance on a person's 18th birthday is not the start to adult life any parent would want for their child. We need to be more ambitious for our young people".

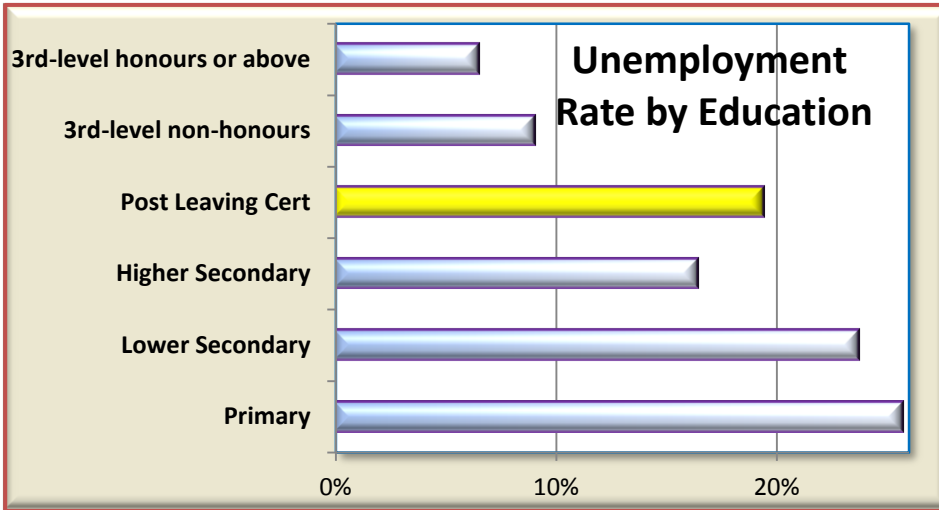
The intention appears to be to force younger unemployed to participate in '**Back to Education**' schemes which provide weekly payments of €160 a week for those to attend training courses.

New SOLAS training agency launched with Pat Delaney as chair

The Government has approved the membership of the board of SOLAS, the new authority that will be responsible for developing Ireland’s further education and training system. SOLAS, which takes over the training functions of FAS will begin its work this week.

As an agency of the Department of Education and Skills, SOLAS, [the Further Education and Training Authority], is intended to commission further education and training programmes for jobseekers and other learners. The establishment of SOLAS will also bring about the dissolution of FÁS. The FÁS employment services were incorporated into the department of Social protection last year.

The board will be chaired by **Pat Delaney** who worked previously with the Ibec employers’ body and is a former director of the Small Firms’ Association. Other board members include the SOLAS CEO-designate, **Paul O’Toole**, [pictured right] who is currently director general of FAS.



Ireland’s first tenders for activation contractors are scheduled to be requested within six weeks. Now is the time to build stakeholder and employer alliances with key groups in Ireland.

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