BUDGET 2013
EMPLOYMENT & INVESTMENT

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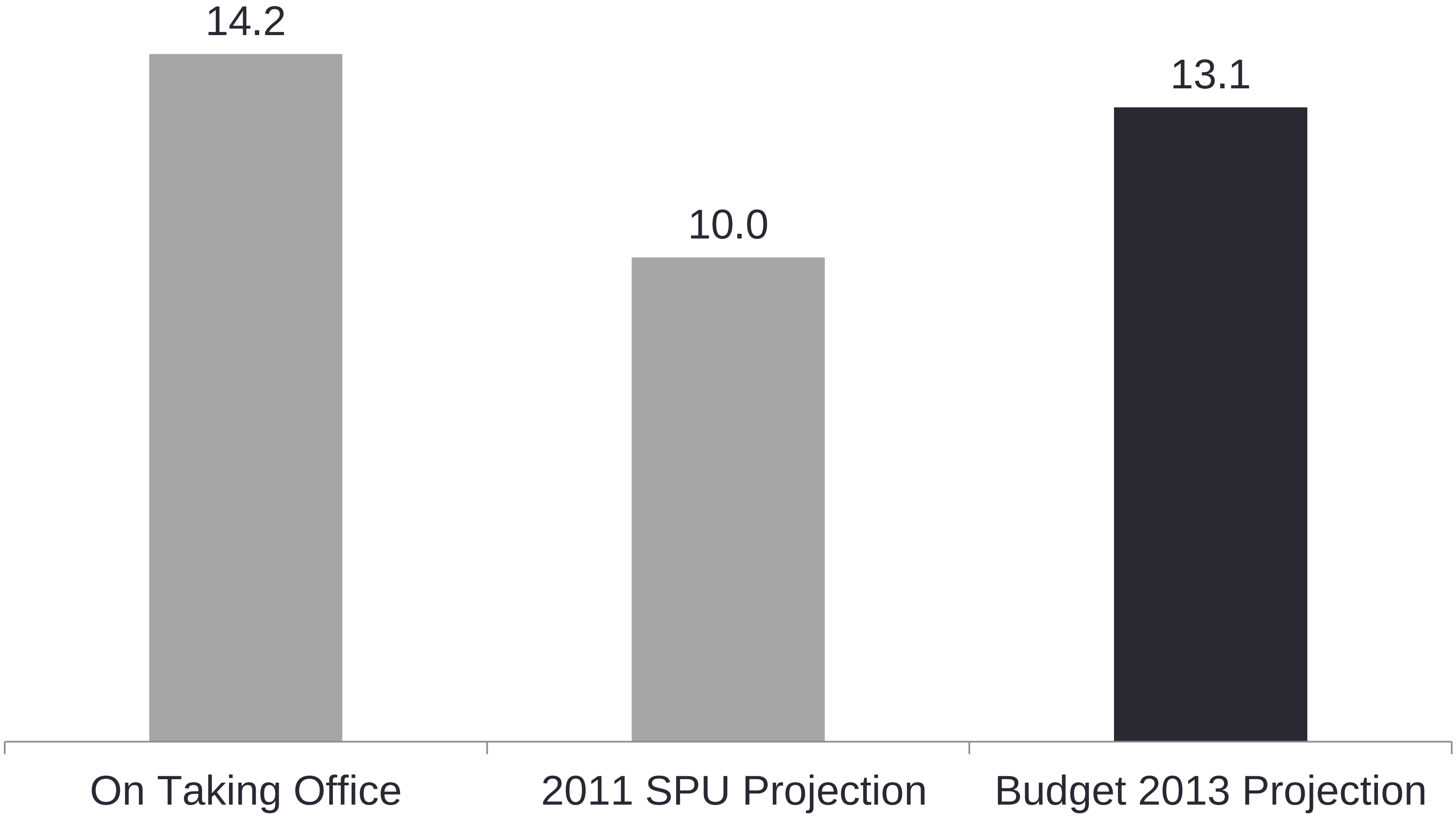
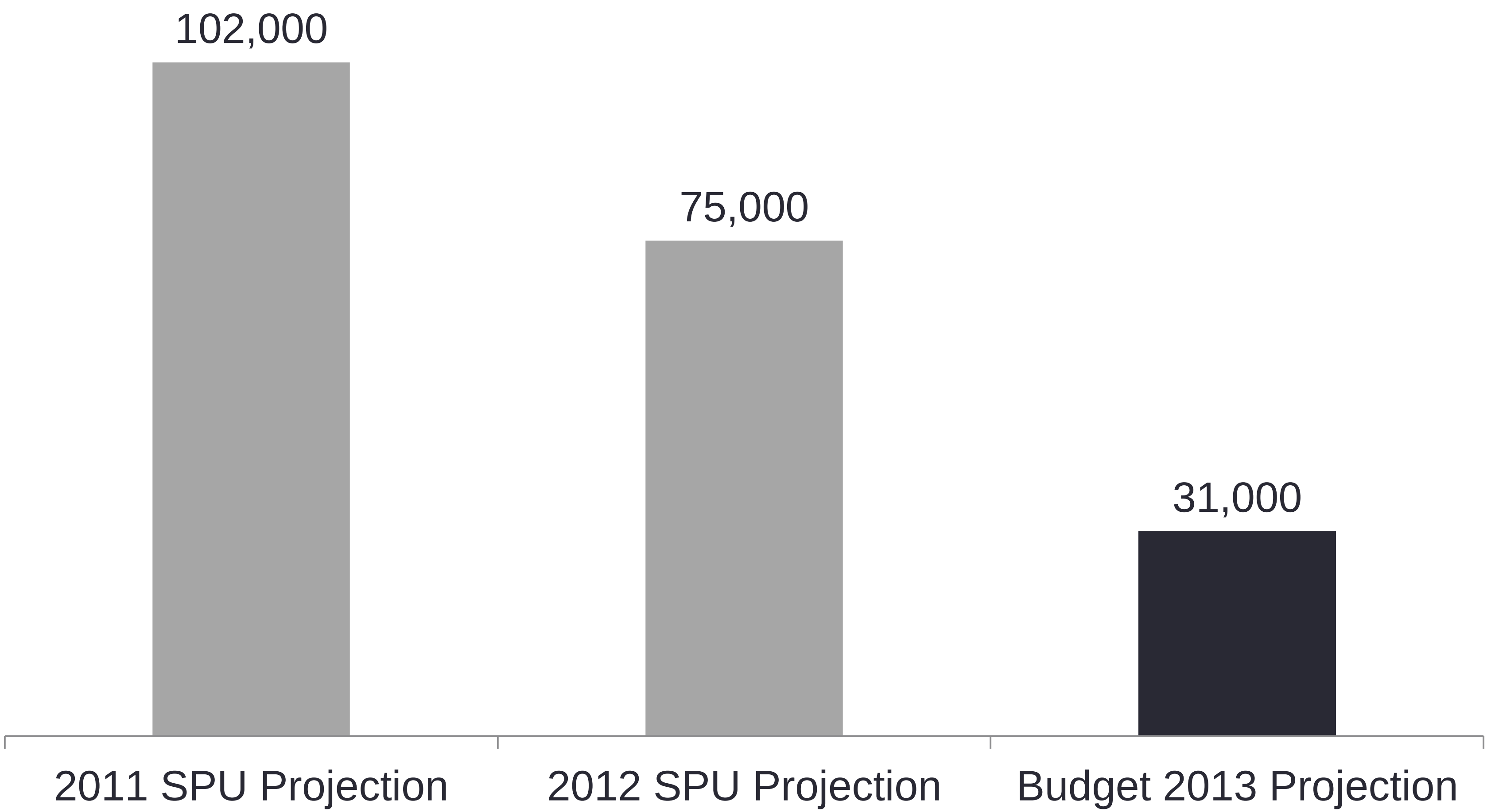
UNITE

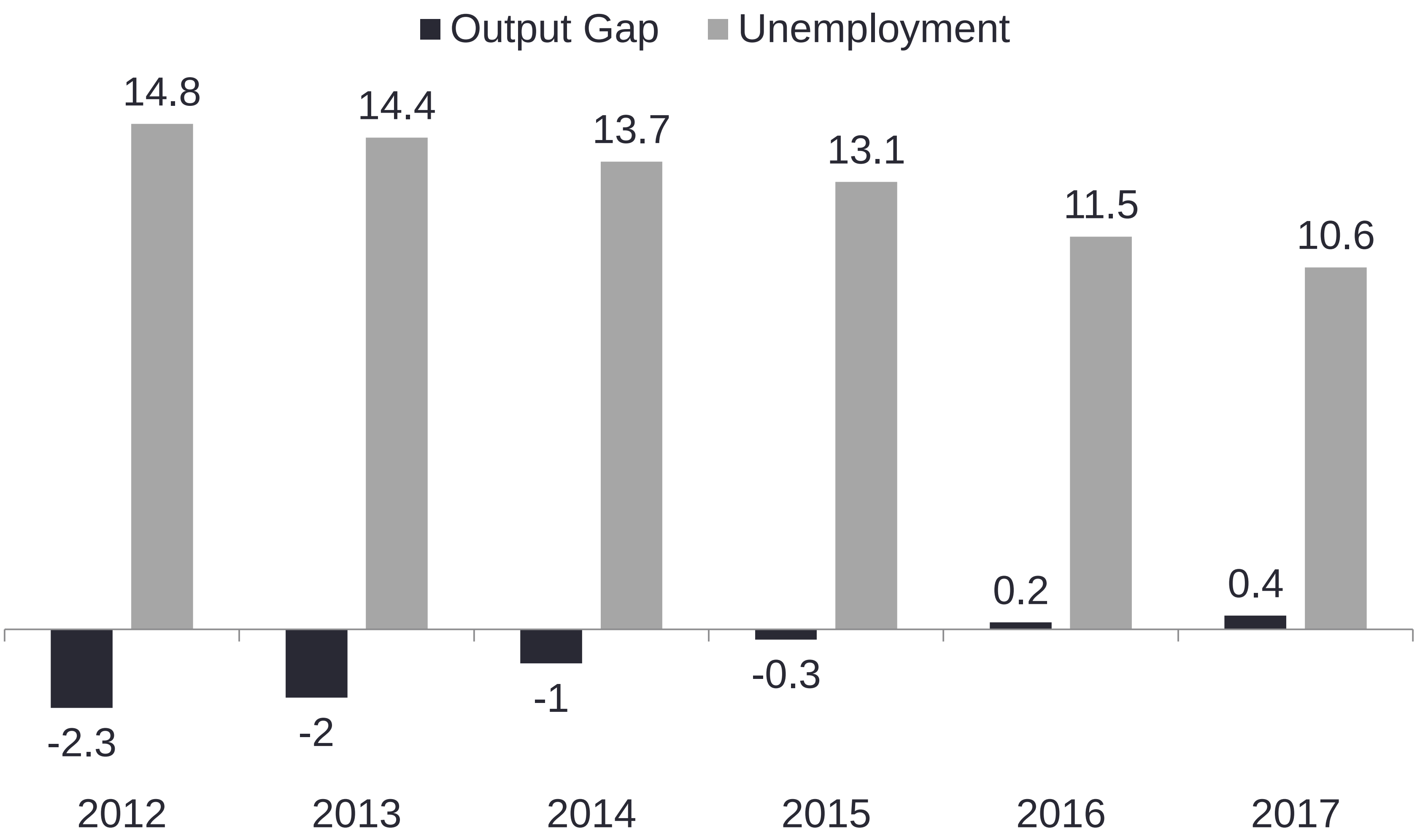
Unemployment Projections for 2015 (%)



Employment Projections 2011-2015



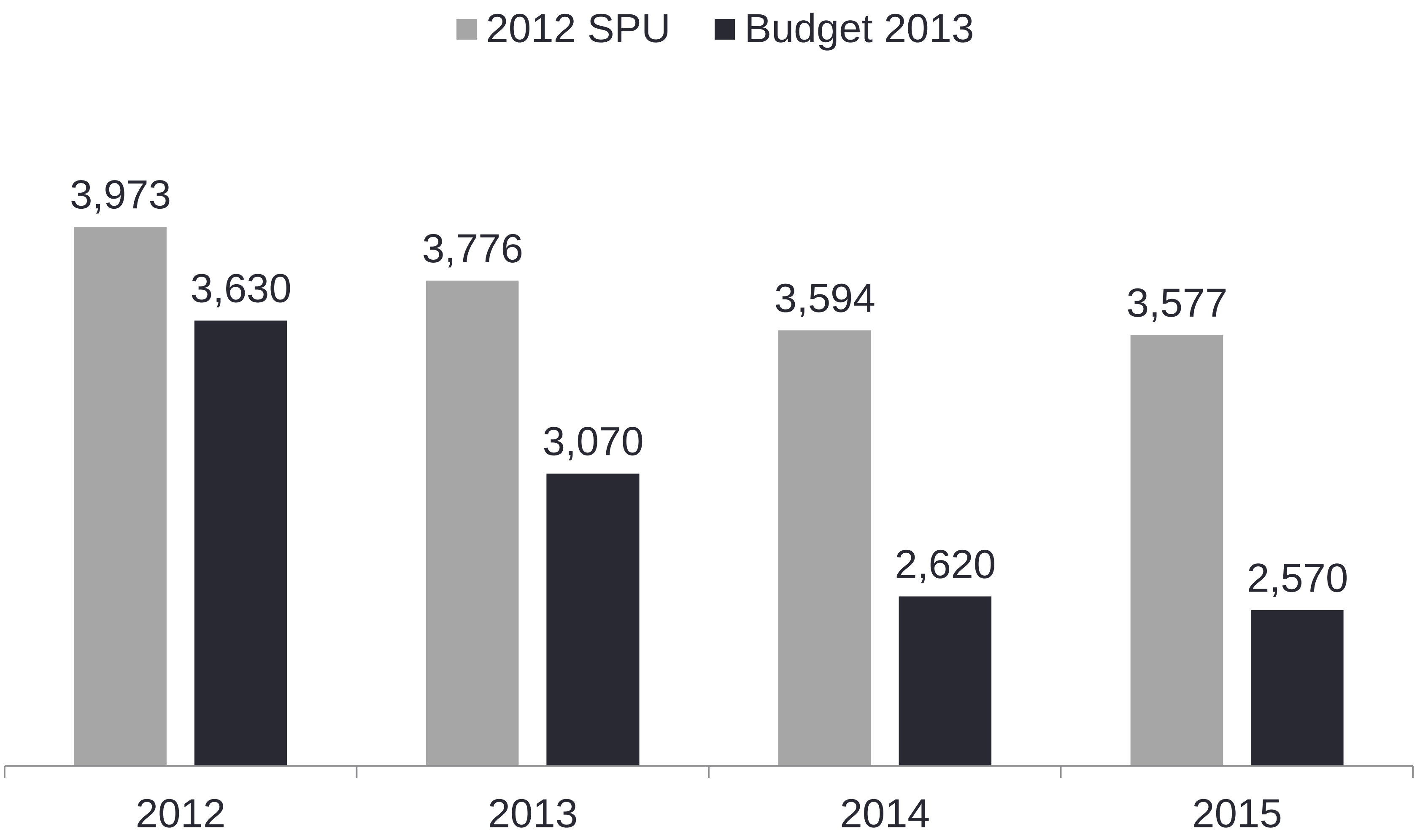
IMF Projections



Employment Summary

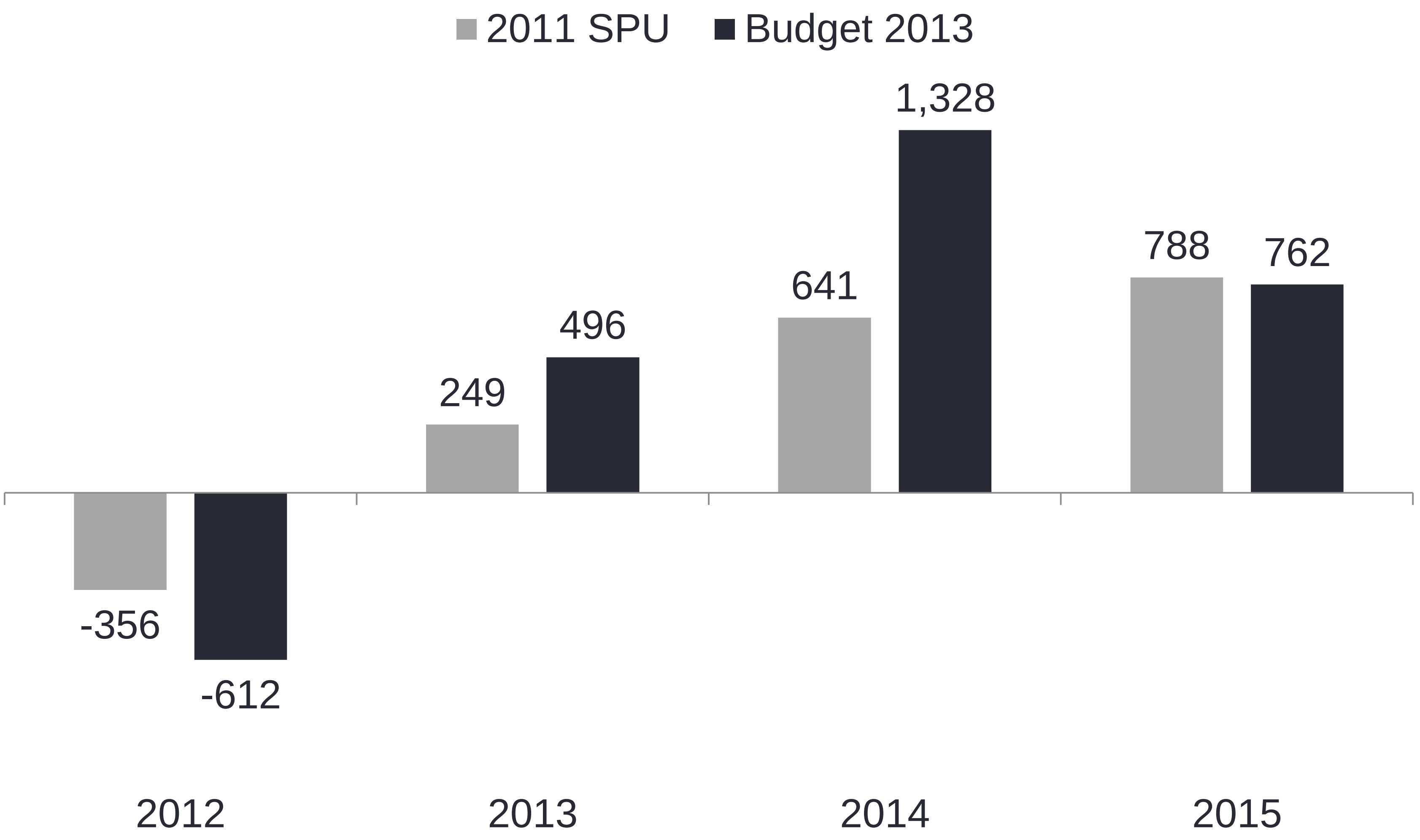
- Jobs Initiative, Action Plan for Jobs, two ‘job-creation’ budgets, 10-Point Employment Plan
- After all these, Government admits that their employment policy is failing
- By the time of the next election
  - (a) Unemployment will fall by only 1 percentage point
  - (b) Employment will only increase by 31,000 – not enough to absorb new labour market entrants
- IMF projects unemployment at 11 percent in 2017 with the economy operating at full capacity

Public Investment Projections



Investment in Economy Projections

(€ million real terms)



Investment Summary

- Budget 2013 has cut public investment over the next 3 years by €2.7 billion over projections earlier this year.
- Investment in the economy has been revised upwards by DoF: '*to take into account the announcement in July of the Government's €2.25 billion stimulus plan*'
- The 'Investment Stimulus' was always less than it claimed. Many of projects announced had already been announced the year before – and there was no extra allocation for PPP payments.
- The 'extra' investment the Government announced in July was taken away from the public portfolio in Budget 2013.

An Urgent Response Needed 1

- An emergency ‘Jobs Initiative II’ programme
- €2 billion in physical and human capital investment
- Fast-track investment that would otherwise wait for private capital/EIB funding along with education / training
- Capacity to increase employment by 32,000 (ESRI Bradley) to 34,000 jobs (NERI)
- Funded from cash reserves: €18.5 billion (excl. NPRF)
- Net cost to the Exchequer: €1.1 billion (NERI / ESRI Bradley) in first year, with borrowing reduced in subsequent years as supply-side impact kicks in

An Urgent Response Needed 2

- *'The State must be willing to contemplate being an employer of last resort through local authorities or social employment. The lessons of the Great Depression may have been lost but they are as valid in social terms now as they were in the 1930s. No country, no society can afford to regard so many of its unemployed citizens as expendable.'*

- David Begg to the TEEU conference

Employer of Last Resort

- Net cost to state (after tax / SP payments): every €100 million employs 10,000 long-term unemployed on minimum wage for one year. Doesn’t count economic impact of higher demand.
- Combine employment with training
- Work placements through public agencies, social & community organisations, non-profit groups, etc.
- Combine with Social Justice Ireland’s Part-Time Job Opportunities Programme – up to 100,000 job placements at a net cost of €200 million.
- Paid for by bringing forward tax measures (SIPTU)

Conclusion

- An Urgent Response can mean trade union movement working together with community/social sector
- With Labour Party – as they need a new programme to show they have capacity to influence Government on their principles
- With other progressive parties / independents
- This is a programme that the trade union movement can and must lead.