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## Press Release : W.P. Publishes New Document on Unemployment

The Workers Party

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# THE WORKERS PARTY



18 November 1991

## P R E S S R E L E A S E

### W.P. PUBLISHES NEW DOCUMENT ON UNEMPLOYMENT

The Workers' Party in a new document on the unemployment problem, published today (Monday) has called for a more interventionist EC industrial policy and said that state intervention and assistance must be more selective than in the past, more highly targeted and less wasteful.

Party Spokesman on Industry and Commerce, Deputy Pat Rabbitte, said that it was understandable that the focus of political and media attention had been on the series of business scandals and political crises of the past few weeks, but it was important that we should not lose sight of the fact that our unemployment level remained the principal scandal in Irish life. "The document we publish today, 'BACK TO BUSINESS - the Real Crisis is Unemployment', is an attempt to focus some attention on this appalling problem."

"The burden on the economy, arising from unemployment, is horrendous. Our document sets the cost in terms of extra social welfare and tax foregone at more than #2,000 million per annum, or 10% of GNP. While the traditional line of economists has been that unemployment can only be dealt with when our fiscal affairs are in order, the evidence now is that the economy cannot be put back on a sound footing until we get more people off the dole queues and into productive employment."

"And, of course, the economic cost is only part of the picture. Of even more significance is the human and social cost - the families broken, the lives destroyed and the talents wasted by the scourge of unemployment. Poverty, crime, vandalism and social alienation are all too common in communities demoralised by constant mass unemployment".

"It is a shocking indictment of our society that in all the recent scandals involving the privatisation of state companies, which led to huge fees for select firms and massive profits for a handful of businessmen, not one additional job was claimed to have been created. If some of those at the top of Irish business channelled half the energy into job creation that they devote to feathering their own nests, then we would be a far healthier society."

"This document is not intended as a 'blue-print' for ending unemployment - we will be producing a more comprehensive document on industrial policy in the near future. It is simply an attempt to put the problem of unemployment into its shocking context and to set out a broad strategy as to how Irish society might go about dealing with the problem", Deputy Rabbitte said.

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Tony Heffernan - Press Officer

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## INDUSTRIAL POLICY

- ◁ Irish industrial policy has a habit of changing too slowly.
- \* An industrial policy is required which will direct the development of large, successful indigenous industry, allow small enterprise to flourish and provide guidelines as standards for business of all kinds.
- \* State intervention and assistance must be more selective than in the past, more highly targeted and less wasteful.
- \* There must be an interventionist EC industrial policy with convergence of the regions as a major target. Jobs must be brought to the people, not the other way round.
- \* EC intervention is also needed to encourage European multi-nationals to co-operate with each other, and to invest in other EC countries, especially on the periphery.

## DEMOCRATISATION

- \* A good industrial policy is useless without the active involvement and commitment of people.
- \* Successful enterprises are ones in which a team of workers, operating more or less as equals, pull together to provide a really good product.
- \* Democratisation in the workplace requires much greater flexibility in working hours, patterns of work, and even types of work.

## A LIVING INCOME

- \* There is a need for a radical reform of the tax and social welfare systems with a view to their eventual integration.
- \* Such a move would remove the various 'poverty traps' which result from the irrational interaction of several systems working at cross purposes (not just tax and social welfare, but also the way in which PRSI is charged and entitlement to medical cards assessed).
- \* The tax system should reflect new social and economic priorities, such as the encouragement of efficient, job generating and environmentally acceptable industry and the discouragement of parasitic non-productive or environmentally damaging enterprise.

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## BACK TO BUSINESS

### The Real Crisis is Unemployment

#### SUMMARY OF MAIN POINTS

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#### BACKGROUND

- \* Crises in business and politics come and go, but the unemployment crisis remains constant.
- \* People have become fatalistic about the jobs crisis, but we need to dispose of the idea that unemployment is inevitable and that nothing can be done about it

#### THE EXTENT OF THE PROBLEM

- \* Our official unemployment level is now 20% of the workforce (the worst in the EC), but the true figure is probably considerably higher when account is taken of those on pre-retirement or training courses or who are studying or working in the home because they cannot get jobs.
- \* The direct cost of unemployment is in excess of #2,000 million per annum, or 10% of GNP.
- \* We would need 35,000 extra jobs every year for the next ten years simply to reduce official unemployment to its 1980 level of 100,000, yet it is likely that there will be no net increase in jobs in either 1991 or 1992.
- \* The number of school-leavers and others who are looking for jobs will exceed the numbers retiring by more than 29,000 each year. The falling birth rate is not likely to have any impact on the jobs market until the year 2010.

#### OBSTACLES TO PROGRESS?

- \* Many obstacles are trotted out as to why 'nothing can be done'. But we also have many positive things going for us.
- \* We now have the huge EC market at our fingertips - if only we can grasp the nettle.
- \* Ireland's wage costs are amongst the lowest in the EC. Productivity growth, during 1980s, was the highest.

#### WHAT IS TO BE DONE?

- \* Action is required under three headings - industrial policy, democratisation, and a living income.

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