INVESTMENT VITAL FOR JOBS

Without a clear policy focus and investment stimulus to create jobs and generate domestic demand, the current austerity policies will drive us into deep depression.

This is not just a union view. Even liberal 'champions of the market' warn of this outcome, as outlined recently in the *Lex* column of the *Financial Times*: "The process of fiscal adjustments across the Eurozone is so arbitrary, so uncoordinated, and – in countries like Ireland and Greece – so savage, that the cure is as likely as is the disease to kill the patient."

The imposition of austerity measures as the sole instrument of fiscal policy – allied to the 'hope' that exports will save the day – is wrong. It is a deeply ideological response, based on the theory of 'Ricardian equivalence': the belief that private spending by consumers will automatically compensate for the money Government has sucked from the economy.

But the theory is riddled with holes and short on supporting evidence.

With some 450,000 people jobless, our unemployment levels are some 3 percent over the EU average. And this is almost certainly an understatement: count in those forced abroad, those staying in or returning to education and you are closer to 20 percent.

The many personal tragedies that lie behind these numbers are known to unions all across the country.

In February 2009 – a full 17 months ago - Congress made jobs and employment the cornerstone of the alternative strategy we proposed. We believe it is worth restating.
We suggested two principal initiatives:

- Save existing jobs through work sharing and state intervention in the labour market, as seen in 20 other European countries. By adopting this policy Germany has suffered no rise in unemployment despite suffering a 7 percent decline in output;

- Increase spending on infrastructure to mitigate the effects of the collapse of the construction industry.

The case for investment in infrastructure is compelling, economically and socially, both in terms of job creation and addressing infrastructural deficits. The industry has seen a 50 percent collapse in employment, from 286,000 in 2007 to 129,000 today.

Many of the jobless are now moving into the category of 'long-term unemployed' and the longer they stay there, the harder it will be to get them back to work and the greater the cost to the exchequer.

By focussing on labour intensive projects the employment impact of investment is maximised. There is also a multiplier effect of (approximately 1:1.24) as every person working creates demand for goods and services.

Investment is the key word. Quality infrastructure serves a social need – as with schools and hospitals – and Ireland still has major deficits.

Investment in water supply, broadband, smart energy metering, roads and transport will not just serve social needs, they will boost national competitiveness.

Without such investment we risk depleting our productive capacity and national skill base to such a degree that we would lose the means to effect recovery.

Two leading US academics - Reinhart and Rogoff – have conducted an examination of global financial crises over eight centuries (*This Time is Different*). They conclude that it is not possible for a country to export its way out of a crisis when that crisis is global.

The Social Dimension

If we learnt any lesson from the 1980s it is that crime, violence and drug use will rise in a period of recession. When people get desperate they are more likely to turn to drugs, and alcohol as a means to 'self-medicate' the stress of unemployment or other pressures.

As the recession deepens, those without jobs begin to lose hope. And hope is directly linked to a stable society. When people have hope for a brighter future, they hold on to their morals and values more tenaciously. During short-term recessions, it is easier to hold on to hope, continuing to seek assistance through legal channels rather than turning to criminal options.

Studies show that a direct economic stimulus can have a remarkably wide impact. Communities in the 1930s that spent more on public works programmes had lower crime rates than those which did not.

There is no room for complacency.

1. CAPITAL EXPENDITURE & JOB CREATION

An Increased Investment Programme

We believe that the capital expenditure programme outlined under the revised National Devopment Plan should be much bigger.

Ireland has a serious infrastructural deficit, mass unemployment in construction and related professions, while the wider economy needs a greater boost than the current package will deliver.

The overall investment programme has been reduced from €56.6bn to €39bn, a cut of 31%. In the 1980s, the cuts in investment delayed recovery for many years. A bigger spend today could stimulate the economy now, when it is needed. It is not too late to revise the investment programme upwards. We think that further substantial investment must be considered.

Congress rejects the view that because all of the money invested is borrowed, the Plan had to be reduced significantly. The billions of euros poured into the black hole that is the Irish banking sector have also been borrowed. This vast taxpayer subsidy to the banks creates no new jobs, builds no new schools or hospitals or establishes no new public transport systems. We hold that more borrowing for such investment makes strong sense, particularly as lower tender prices mean we can deliver far more for that investment.

There is also a strong argument for sourcing funding from other areas:

- Increased taxation on high income groups (reduction of regressive tax expenditures, extension of PRSI and related levies to capital income, etc.) could provide considerable funding while at the same time having little deflationary impact on consumption.

- Redirect and frontload some of the future contributions to the National Pension Reserve Fund. The Government intends to pay nearly €4 billion into the Pension fund between 2012-2014. Some of this could be redirected toward immediate capital investment without any medium-term impact on the Exchequer balance.

- Literature on the impact of Government investment in Ireland shows a highly positive relationship between growth and employment generation. The most comprehensive study (1) indicates that €1 billion in capital investment will generate over €4 billion in extra GDP over time.

The benefit to the economy arising from a once-off investment persists for six years. If the Department of Finance's tax ratio of 30 percent of GNP holds, the increased tax revenue alone (not counting savings in unemployment costs) would pay for the initial investment.

The employment impact would also be considerable. The Government's capital expenditure review (2) provides a ratio of direct employment of 8-10 jobs per €1 million investment in a number of sectors, a statistic reiterated in anticipated employment impacts of the Infrastructure Investment Priorities launched recently by Government. On this basis the number of jobs directly created by an investment of €1 billion would be between 8,000 and 10,000.

The scope for increased capital spending is considerable. The World Economic Forum and NCC have ranked Ireland's infrastructural capacity – energy, telecommunications, transport, etc. – as being still poor.

Therefore, much more investment in the real economy must be the priority of the Government next year.

Congress also urges that everything is done to ensure that all money allocated is spent and that planning and bureaucratic obstacles are removed as a matter of urgency.

1`. The Impact of Fiscal Shocks on the Irish Economy, Philip Lane and Agustin Benetrix, Economic and Social Review: http://www.esr.ie/Vol40_4/Benetrix.pdf As this study covers the average over 1970-2006, the multipliers are likely to be higher during a recession, where there is considerable excess capacity.
http://www.finance.gov.ie/documents/publications/reports/2010/capitalreview.pdf

Delivering Jobs – Maintaining Standards
If the investment programme is to create and deliver quality jobs, it is imperative that the Registered Employment Agreements in the construction and electrical contracting industry are maintained.

Due to the recession employers are undercutting each other and asking their remaining employees to work on conditions less than the legal minimum proscribed by the REAs. The Construction Industry Federation is on record as saying that non-compliant firms from north of the border are able to undercut good employers, even on major projects in the Dublin area.

If the REAs fall - either to legal challenge, through the failure of the parties to support them or through pressure being applied to remove them - an appalling vista is opened for big construction projects. With no universal minimum standard conditions applying, companies from outside the state - under the terms of the Laval judgment - can bid for these projects and bring labour in on the minimum wage or worse.

Thus the investment programme would not put Irish companies or workers back to work. Instead, the big, lucrative projects will be picked off by companies not based here. Inevitably, they would be picketed by unemployed Irish workers, while posted workers from abroad were bussed past them.

Full compliance with the REAs on pay and terms of employment and rigorous enforcement of the Code of Practice on the definition of the employer is the best means of ensuring that domestic contractors can compete for and obtain work that becomes available.

Labour & Social Clauses
Labour and social clauses in public contracts would mean that public authorities, in contracting for the execution of construction works, or for the supply of goods and services, would be required to concern themselves with maximising employment and the working conditions under which the operations in question are carried out. This type of approach is actually advocated by the International Labour Organisation, (ILO). Convention 94 (*Labour Clauses in Public Contracts Convention*) stipulates that all tenders apply the best conditions of employment in force at the local level.

Labour clauses are emerging across the EU as a way of linking spending on capital projects and services with public policy objectives: such as reducing unemployment and combating social exclusion. They work by specifying certain labour requirements in the tender/contract, such as respect for collective agreements and labour law and targeted recruitment and training. They have a clear legal basis and ensure equality for those submitting tenders. They also have the benefit of maximising 'value for money' from public spending, along with acting as an automatic stabiliser and ensuring against a race to the bottom in wages and conditions.

Labour and Social Clauses Permitted under EU Rules

The EU Procurement Directives apply to all public sector contracts above a certain level and allow for the inclusion of labour provisions. *While EU case law requires their benefits to be verifiable from a public policy perspective, it does not prohibit their use.* Public policy objectives of combating growing unemployment, promoting decent work and protecting against a race to the bottom in wages and conditions are permitted. Congress is requesting Government to:

- End the exclusive application of the 'lowest price' principle as the adjudication criteria for public contracts
- Introduce labour and social criteria as award criteria (article 53 of Directive 2004/18/CE), importantly those related to job stability, decent working conditions and specifically require respect for collective agreements, rates of pay and conditions in the sector, along with respect for labour law;
- Explicitly exclude from public procurements those undertakings which have serious breaches of certain employment legislation (article 45.1, Directive 2004/18/CE); provide a role for NERA in this regard;
- Specifying that an agreed number of employment opportunities, training opportunities and/or work placements are provided by the contractor in connection with the project;
- Specify a number of apprentices generally and a number of unemployed apprentices to be employed specifically by a ratio of contract value;
- Require any vacancies in connection with the project to be notified to FAS and the Local Employment Service;
- Ensure employment opportunities are aimed specifically at a target group, e.g. long-term unemployed.

Training Apprentices to Guarantee Future Skills

The severe downturn in construction is impacting on the recruitment and training of apprentices and will threaten the future availability of skilled workers. The system of allowing employers to determine the commencement numbers of first year apprentices has to change if skills shortages are to be avoided when the economy improves.

If the current system is allowed to continue it is likely that no new apprentices will enter the system for several years to come. Ireland and the construction industry has benefited from a first-class training infrastructure, built up over many years and at great expense to taxpayers. The failure of employers to hold on to their apprentices or to recruit new ones must not be used as an excuse to destroy the apprenticeship system.

Congress believes that initiatives should be introduced to ensure a future supply of construction skills. Specifically, FAS should introduce a competitive scheme for school leavers and unskilled/low skilled workers who have become unemployed, for a defined intake across each of the construction trades.

FAS should take on the role of securing both public and private sector employers to sponsor the apprentices and to facilitate the completion of their training. Where this is not immediately possible, the apprentices should be taken into training centres and VEC classes to begin their training and allowed continue their education until on-the-job opportunities become available.

2. EXCEPTIONAL SHORT-TIME WORKING SCHEME

Measures initiated in other European countries have demonstrated that targeted supports can help companies through difficult operational periods, whilst at the same time maintaining full-time employment and improving skills. In particular the German and Dutch Exceptional Short-Time Working schemes are models that have demonstrated their efficacy.

The schemes provide support to private sector employers experiencing a sharp downturn in revenues to help maintain full employment. The scheme allows employers, in consultation with unions, to place workers on temporary, short-time working without having to lay them off.

This approach is intended to help employers to temporarily reduce their labour overheads whilst maintaining workers on the payroll and protecting salaries. The employers implementing the scheme receive a subsidy from the national unemployment fund, which is conditional on employees participating in skills development or education during the 'down' period and employers top-up the fund to the normal salary level.

Specific criteria exist for schemes, including a developmental requirement (training) for the affected workers and a strict qualifying measurement based on reduced turnover, by the company or business involved.

A similar scheme should be introduced in Ireland to help protect jobs in viable employments which are facing short-term difficulties. Such supports should be made available for a limited term and defined period (up to the end of 2011), in organisations that have a realistic prospect of continued trading. Equally important is the necessity to ensure that training and educational establishments are geared-up to give access to workers to participate in appropriate training opportunities.

Specifically, we propose that an **Irish Short-Term Work Programme** should now replace the Employment Subsidy Scheme to help companies retain their employees in temporary periods of low demand for their products or services.

The key difference in this proposed scheme is that the employer commits to work with and support the employees so that they can undertake training and/or educational development during the time they are not working.

The employees may work a reduced number of hours but these hours are replaced by accredited skills' development.

In this manner, the scheme will help enterprises retain and develop their productive capacity, by retaining their labour, knowledge and skills-base, thereby supporting a faster return to sustainable growth as well as enhancing the capacity of vulnerable workers and contributing to our aspirations of better skills and better jobs.

Importantly, the support from Government for participating companies or businesses is not a direct subvention to employee wages which, on removal, could lead to further job losses.

This scheme should be available to employers and their employees where enterprises can identify a number of full-time jobs at risk in their company as a result of the current economic downturn, which under better economic conditions would be viable.

By approving an employer's application for short-time work allowances, the Government agrees to enter into a three-way agreement with the employer and its employees. The fundamentals of this agreement are that the employer will not make employees redundant, but instead employees will agree to work and be paid for fewer hours, and Government will compensate employees for around two thirds of their resulting foregone net earnings (subject to a maximum of €200), as well as crediting the employer and employee with the associated social insurance contributions. The employer's contribution to the scheme is the time that they invest in making the application under the scheme, the identification of future skills needs and the restructuring of working time in such a way that employees can be trained. The employee's contribution is one third of their training hours wages and their commitment to participate in the training. In this scheme the short-time worker is still contractually full time employed and they receive a wage from their employer which comprises of their working hours and the money for the training hours.

Since temporary unemployment imposes a financial and social cost, the redirection of resources towards training of the workforce can be accountable as an investment in the productive capacity of the enterprise and the workforce of the country. If this scheme is to work, employers will need to agree to facilitate and support employees to participate in the accredited training opportunities during the reduced working week.

While it is expected that employees will want to participate in a quality training opportunity, however employees can choose not to participate and will in those circumstances be able to claim unemployment benefit for the days not worked (or work elsewhere).

3. The Role of State Companies

Congress made the case for the establishment of a State holding Company (SHC), as a new governance structure for commercial state companies, as far back as 2005. It would free up capital for re-investment within the grouping of these companies, give them clearer objectives and a developmental role both here and internationally.

More importantly today, with the fiscal constraints, the SHC could and should be used to leverage the companies' considerable aggregate assets for borrowing, outside the strictures of the EU's Growth and Stability Pact. This investment could also be used for a major Investment Stimulus Programme for jobs, within and outside these companies themselves and also in partnership with private firms.

The Commercial semi-state companies employs about 40,000 directly and many more indirectly. They have a turnover of around €10bn and generate profits of in the region of €500m annually. They generate substantial dividends in normal times (The CIE group is unique - being the only company in the group to receive net subsidies and these are under EU rules).

The net worth is very positive and level of net debt is well under control, being about €3bn for ESB and BGE and much less for the other companies. The companies did employ as many as 87,000 back in 1980, falling to 67,000 by 1987 and 46,000 by 2002, through restructuring but mainly by moving employment out of the sector through privatisation. It is roughly estimated that the privatised commercial state companies still employ around 35,000.

The substantial net worth of the companies within a structure like a state holding company allows increased borrowing and expands such capacity substantially in aggregate. As these are commercial enterprises (excluding CIE) with substantial leverage, their aggregate borrowings should be accepted by Eurostat as outside the Growth and Stability Pact.

Then the challenge becomes the repayment of interest on increased borrowing and also stress testing for increased rates. If the money is invested in expanded enterprises, then that does not pose a problem. There are also multiplier effects in jobs and tax revenue.

Strategic Investment in Broadband

A good telecommunications infrastructure can play a major in protecting, providing and attracting jobs in any economy. Unfortunately we still lie firmly at the bottom of the high speed broadband league within the EU. High tech industries who wish to take advantage of any upturn in the world economy would be loathe to locate themselves here, given that the telecoms infrastructure is so much better in other competing economies. This places Ireland at a competitive disadvantage.

We could spend a lifetime debating the manner in which eircom was privatised and its sordid history since then but suffice to say that the company still plays a major role in the Irish economy with capital investments of around a quarter of a billion each year and a staff of in excess of 6,000.

A crippling debt of approx €3.5 billion and zealous over regulation by ComReg clearly puts eircom in a precarious position.

The Government needs to carefully consider what signal would be sent out internationally by the collapse of the state's main provider of telecommunications services, not to mention the impact on the bondholders and the banks. There is also the probable associated employment fiasco with government having to deal with the implications of the protections granted to Eircom workers under the 1983 P+T Act and the fact that the majority of those workers have no social welfare safety net as they still pay the lower rate of welfare contributions.

In an attempt to deal with these immediate problems, the unions in eircom have taken positive steps which could conservatively be said to have saved the Company in excess of

€1 billion. The unions are also involved in discussions around a rescue plan for the Company.

A key element of that plan is an extensive trial on the use of fibre networks to some 10,000 homes and businesses in Sandyford and Wexford. The outcome of that trial is being watched closely by other telcos, ComReg and the Department of Communications. The level of investment required to move from a technical trial to a major deployment of fibre throughout the country ranges from €500 million - which would take fibre to the cabinet at each housing and industrial estate in the country - to approx €2.5 billion to take fibre directly into each home and enterprise.

Given the present regulatory environment and Government's financial woes there is absolutely no hope whatsoever of that type of investment being made by the state.

However, the CWU has recently met with the new owners of eircom (STT) on this issue. In simple terms STT would see the investment being done on a collaborative basis with a number of other at Telecos combining (Vodafone, O2, BT, Eircom ESOT etc.) to form a new network company (Netco) and with a share also being held by Government, if necessary.

That Government share would be paid for through the regulatory regime which would govern the new network and company, thus guaranteeing a fair return to the investors.

Telecos which did not invest would obviously not then be in a position to get a free ride, which they virtually do at present and would be expected to pay the necessary premium to operate off the new network.

We therefore have the opportunity of providing an almost national new generation fibre optic network at no additional cost to the state with all Telecos operating from the network on an open reach basis. If the new Company was partially owned by Government, it would create an opportunity to use that stake strategically for the benefit of the wider economy and society.

It is impossible to quantify the number of jobs that could be created if such a scenario was to be delivered but the attraction of unencumbered high speed broadband access cannot be understated.

It is understood that discussions have already taken place between the chief executives of the main telecos. Interestingly there has also been discussion at the same level in relation to collaboration on LTE technology (Long Term Enhancement) which will deliver technology which may further reduce the actual investment costs by enhancing properties of the copper network where it meets the fibre network at the cabinet. In short, collaboration between these companies is the only way we as a nation will get the broadband network we need and deserve. That collaboration requires active Government encouragement and assistance.

The Financial Services Sector

It is anticipated that over 10,000 jobs will be lost in the financial services industry by the middle of next year. This clearly indicates the necessity for the establishmnent of a

Banking Employment Strategy Committee that would examine progressive ways to protect jobs and re-skill/redeploy staff in the industry.

Unions believe that there are minimum opportunities to retain jobs in the industry through by implementing the following measures:

- Both NAMA and the Regulator require skilled individuals to put in place structures that monitor the Banking and Finance industry into the future. There is a serious gap in the industry with regard to credit and risk

- Significant **skills training programmes** could be put in place to develop these skills, which would provide staff with other alternatives

- Special initiatives should take place with the IDA with regard to a management services centre in evaluating job potential there, as there are still some foreign investment banks interested in locating in Ireland.

- With increasing regulation there is a fundamental need for more enhanced training in investment upskilling, as present arrangement in the industry are inadequate.

- Given the huge indebtedness problem that exists, there is plenty of opportunity to develop jobs at local level through voluntary agencies or state bodies where bank officials, made redundant, could help and assist customers generally and the public at large how better to manager their way through the debt crisis.

4. Social Innovation & Social Infrastructure

From the trade unions point of view, cutting support for unemployed people is unacceptable, given the individual misery and social harm it causes. Likewise 'workfare' and 'work for your benefits' programmes can actually do more harm than good. Working for benefits creates a plentiful supply of cheap labour, whilst running down public spending and creating a lower benchmark for wages. Forcing people to work for their dole – allied with employers making ' an offer you cannot refuse' – has little or no role in job creation. In fact it may be detrimental to that goal.
Keeping people in employment should be the number one priority

Social Enterprise & Job Creation – a Public, Citizen Partnership

There is a value in developing a job guarantee /social enterprise programme that will provide job opportunities for long term unemployed, while at the same time providing community goods and services, for which there is a genuine demand, but for which there are insufficient resources to pay at a market rate.

Social enterprises can be thought of as Public-Citizen-Partnerships (PCP) as opposed to Public-Private-Partnerships (PPP). The concepts of Social Enterprise and Social Entrepreneurship are gaining increasing popularity amongst researchers and policy makers throughout the world. It is argued that the development of this field has provided innovative ways of obtaining economic growth, social development and environmental sustainability. While the social enterprise sector in Ireland is growing, it remains relatively underdeveloped in comparison to the EU and US.

Overall, the sector has also become a major provider of jobs in Europe, where employment in social enterprises is estimated at 3.5 million[3].

Local and social economy organisations can have an important function as suppliers and service providers. especially in social markets, which are not always adequately served by private or by public entities. They can be an innovative and dynamic vehicles for achieving social and public goals and providing employment in local communities. Social enterprises help combat social exclusion and can foster local development (as they are usually locally or community based organisations)). Moreover, the sector has the potential to become a provider of jobs, particularly as many social enterprises provide personal services with a high labour intensity.

Developing a PCP for Ireland
The PCP has the objectives of:

- (re) Integrating long term unemployed people into the labour market by making a job available (using social welfare and other income transfers to provide a subsidised wage). Direct support in the form of subsidies / project grants can be used as well as indirect financial support, mostly in form of wage subsidies for social enterprises active in the field of work-integration.

- Supplying services and goods in those markets not adequately served by private or by public entities that meet social and public goals.

- Contributing to the reallocation of resources and to a favourable transformation of the welfare system.

- Helping combat social exclusion and fostering local development.

The principles underpinning the programme are:

- participation is genuinely voluntary (refusal to participate will not result in any negative impact on social welfare or secondary benefits);
- work is paid (at a negotiated wage agreed with Congress) and there is no loss of secondary benefits;
- participation is beneficial (one step up training is available although not required);
- the work provides a benefit to the community or generates services for persons who would otherwise be without these (i.e., it addresses equity issues in respect of market failure); and
- it does not displace or substitute employment in the public or private sectors.

A wide variety of organisations are involved in the provision of services like child-care, after-school services, care for older people, providing services for people with disabilities etc. What has not been brought to the fore is that it is likely that many of these services are fulfilling objectives that arise from the inability of people to pay for the services that are available through the market and the failure of the state to directly respond to this. The central idea is to recognise the existence of a range of unmet social needs that are not being responded to by either the market or the state. There is potential to literally match the unmet needs, the deficits in social infrastructure with people out of work. This can be done by providing subsidies to support the establishment and operation of social enterprises that provide employment for those out of work.

Possible Fields for Activity
Child Care; Assistance for Young People in Difficulty; Eldercare
Housing Improvements; Community Security; Local Transport; Redevelopment of Urban Areas; Local Co-operative Shops
Tourism; Audio-visual Sector; Cultural Heritage; Local Cultural Development; Protection and Maintenance of Natural Areas.

Operational Model
The programme could be provided through a grants system (payable for up to three years) to social enterprises successfully applying to the PCP. Accessing these grants would be by way of formal application. Organisations interested in applying for funding would have to clearly establish the nature of their proposed project and include a plan to show how any products or services produced will support local economic and social development.

Eligible groups would be community based and pursuing social, cultural and environmental goals with an emphasis on improving the quality of life; not for profit practice and different forms of organising economic activity (e.g., the Traveller community, worker co-operatives, consumer co-operatives, housing co-operatives) local development community businesses.

Structures Involved in Implementing the Programme
The programme would be overseen and monitored by a National Monitoring Committee, comprised of representatives from the social partners, community bodies and social enterprise representatives.

Improved Rules to Ensure <u>Internships</u> and <u>Work Experience Programmes</u> are not used to Exploit Unemployed People or as a Substitute for Real Jobs

High quality work experience can be of great benefit to people starting out on their career and as a way for unemployed people to maintain their skills and keep their resumé up to date.

However, Congress is increasingly concerned that some employers are abusing their power and taking advantage of internships or the FAS work experience programme to get work done for free, whether it is young unemployed graduates on 'internships' or older unemployed workers on work experience.

Greater care is needed in vetting the job, training and work experience on offer and better rules are needed to ensure that these schemes are not used to exploit unemployed people or to substitute for real jobs.

From our perspective the most important question is what the real arrangement is, not whether someone is labeled an 'intern' or not. If someone is engaged on a regular basis, for an extended period of time, and they carry out work of benefit to the enterprise, particularly full time and core work, then that person must be considered an employee and should be entitled to be paid at least the national minimum wage and to be protected by all other employment rights, such as working time, health and safety and employment equality.

Congress is calling for a better set of rules to ensure that internships and FAS work experience programmes are actually giving people an insight and relevant experience in the sector they are interested in working in. In the United States - the home of the intern - the U.S. Department of Labor has outlined a list of criteria and all must be met in order for an internship to be unpaid:

1. The training, even though it includes actual operation of the facilities of the employer, is similar to that which would be given in a vocational school;
2. The training is for the benefit of the trainee;
3. The trainees do not displace regular employees, but work under close observation;
4. The employer that provides the training derives no immediate advantage from the activities of the trainees and on occasion the employer's operations may actually be impeded;
5. The trainees are not necessarily entitled to a job at the completion of the training period; and
6. The employer and the trainee understand that the trainees are not entitled to wages for the time spent in training

Congress believes these rules provide a useful framework and that Ireland should put in place a similar set of rules for internships and work experience programmes to ensure that:

a) where interns and those on work experience programmes are engaged on a regular basis and they carry out core work of benefit to the enterprise, particularly for- profit enterprises then that person must be considered an employee and should be entitled to at least the minimum rate (hourly, weekly or monthly) including JLC and REA for the job;

b) that interns and those on work experience programmes do not displace regular employees, but work under close observation and support;

c) unpaid internships and unpaid work experience are only acceptable when it provides training and experience that yields economic benefits in the long term, the International Labour Organisation have held that unpaid work is only acceptable where the future benefit (from the unpaid work) outweighs the short term absence of pay;

d) that employment rights, including health and safety, maternity and employment equality rights apply equally to interns and those on FAS work experience programmes, including at the recruitment stage;

e) that interns and those on work experience programmes have an entitlement to time off for job seeking and in circumstances where the worker finds paid employment, employers cannot require a notice period from unpaid interns or those on work experience programmes.

To ensure that the graduate and non graduate work experience programme does not displace paid employment or distort the normal functioning of the labour market, Congress is calling for better monitoring of the programme. We are specifically asking that that the existing national monitoring for Community Employment be used to confirm that work experience placements conform to the criteria set out above.

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