

Action Plan for Jobs to address employment crisis – Taoiseach, Tánaiste, Minister Bruton

Yearly “Jobs MOU” to contain quarterly targets for implementation; monitoring group to oversee delivery

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The Government has committed to deliver a multi-annual Action Plan for Jobs, with quarterly targets for delivery every year and a monitoring group to oversee implementation, in a new departure in government policy in order to address the jobs crisis. The measure was one of a series agreed at a special Cabinet meeting on employment today.

The Government has set the ambition of making Ireland the best small country in Europe in which to do business by 2016, and the Action Plan for Jobs will seek to deliver on that. The Government recognises the crucial need, in order to address the jobs crisis, for an ambitious programme of job-creating and pro-growth measures alongside the restructuring of the public finances and banking systems.

In January the Government will publish its first annual Action Plan for Jobs, which will contain a series of measures from across the entire range of Government activity to be implemented during 2012, with quarterly targets to be hit. It will be a whole of Government process, and all Departments will be involved.

Reporting into the Cabinet Committee on Economic Recovery and Jobs, an implementation group consisting of representatives from the Department of the Taoiseach, the Department of Jobs, Enterprise and Innovation and Forfás will be charged with ensuring that these targets are achieved.

Government this week discussed a wide range of initiatives that will be contained in January’s Action Plan for Jobs. These include three measures to help combat the problems that businesses at all levels face in accessing credit:

- Government sanctioned the establishment of a Micro Finance Loan Fund to generate up to €100million in additional micro-enterprise lending which will benefit over 5,000 businesses over a ten year period. The Fund will be in place in the first quarter of 2012
- The establishment of a Temporary Partial Credit Guarantee Scheme. Minister Bruton will now proceed to draft legislation and shortly appoint an operator for the Scheme which will also be in place in the first quarter of next year. The scheme will be demand-led, and for every €100million guaranteed will benefit over 1200 businesses, and provide at least €15million in net benefit to the exchequer.
- A second call worth approximately €60million under Innovation Fund Ireland also to take place in Q1 2012, after the recent finalisation of the capital budgets of Department of Jobs, Enterprise and Innovation.

The Tánaiste also announced the agreement by Government of a series of measures arising from the Global Irish Forum.

Other measures sanctioned by Government include a series of measures arising from the recommendations of the Report of the Small Business Advisory Group presented by Minister for Small Business John Perry to the Taoiseach yesterday.

Making the announcement, the Taoiseach said:

“The Government’s top priority is jobs and it was the sole focus of today’s Cabinet budget meeting. The challenge for all of us is to bring our national finances under control in a manner that still supports jobs and enterprise. During this budget process the guiding principle when taking decisions has been to support jobs and growth. To this end will be keeping our commitment that there will be no increases in income tax. But we also need to be ambitious for the future and so the target of Government remains creating 100,000 extra jobs by 2015. This will be part achieved by delivering on my promise to make Ireland the best small country in the world to do business.”

The Tánaiste said:

“Creating jobs and restoring economic growth are the Government's highest priorities. Today's cabinet meeting was an important opportunity to review our progress in this area, and to progress a number of important initiatives. The particular initiatives that we are announcing today are important components in our overall strategy to promote enterprise and innovative companies, and will make a significant contribution to the development of the enterprise sector”.

The Minister for Jobs, Enterprise and Innovation said:

“This Government recognises that alongside the adjustments to the public finances, which we must make in order to reclaim our sovereignty, we must also crucially implement measures, which will make it easier for job-creating businesses to expand, grow and create the jobs we so badly need. Government does not create jobs, people and businesses do. That is why, in these difficult times, we must implement a series of radical reforms in order to make it easier for those businesses to create jobs. We must put indigenous businesses at the core of our job-creation strategy. We must build on clusters of strength and remove barriers to help companies be more innovative and win new markets. Today Government agreed the first steps in a new process to deliver on that.

“This Government is highly ambitious about the number of jobs we must create in Ireland and the growth we can achieve, and we have set ourselves tough targets not only to exit this crisis but to become world leaders. The Taoiseach is determined that we will become the best small country in Europe in which to do business by 2016; I have said before that we should aim to have two million people back at work by 2020, and also set ambitious targets for exports and competitiveness.

“So as to ensure that we do not go down the road of recent governments and make big announcements which are then forgotten about, this will be a rolling programme with strict targets for delivery and systems to monitor implementation. Commitments will be renewed

and updated every year. Quarterly targets will be set, and delivery monitored. In this way, I am convinced that we can hit our targets and get people back to work”.

NOTES

1. Action Plan for Jobs

The Action Plan for Jobs will address seven principal areas:

1. Improving competitiveness and intensifying competition in sheltered sectors
2. Supporting indigenous start-ups
3. Assisting indigenous business to grow
4. Attracting inward entrepreneurial start-ups
5. Developing and deepening the impact of FDI
6. Developing employment initiatives within the community
7. Exploiting sectoral opportunities, including
 - Health/Life Sciences
 - SilverTech
 - Green Economy
 - ICT
 - Cloud computing
 - Digital gaming
 - Agri-Food
 - Tourism and Sport
 - Financial Services

An implementation monitoring group will be established to ensure that quarterly delivery targets are delivered by each relevant Department or Agency. This group will comprise representatives from the Department of the Taoiseach, the Department of Jobs, Enterprise and Innovation and Forfás.

The Action Plan for Jobs will be a recurring item on the Cabinet Committee on Economic Recovery and Jobs, and the implementation group will report back to that Committee.

2. Temporary Partial Loan Guarantee Scheme

Minister Bruton will now proceed to draft legislation and invite tenders for an operator for this Scheme which will be in place in the first quarter of 2012. Under the Scheme, the government will partially guarantee loans by traditional lenders to viable businesses that are at the margins of commercial lending decisions and have difficulties accessing credit for either of two reasons:

- insufficient collateral
- the lender does not have the skills or experience to carry out a proper assessment of the proposition, due to a lack of knowledge of new sectors, markets or technologies.

For every €100million of loans guaranteed, the Scheme will benefit over 1200 businesses, and provide over €15million in net benefit to the exchequer.

The scheme will be demand-led, and the total amount of funding guaranteed will depend on demand, which will be monitored and will be subject to review.

3. Micro Finance Loan Scheme

The Government also signed off on the establishment of a Micro Finance Loan Fund, to provide loans on a commercial basis for start-up businesses and micro-enterprises. It is expected that the businesses that will primarily benefit will be those at the margins of commercial lending decisions. The Scheme will use an additional exchequer investment of €10million to leverage further funds from private sources. Over a ten year period, the scheme has the potential to provide up to €100million in additional lending to micro-enterprises over that period. The Scheme will be demand-led and the amount of funds provided will depend on the demand from viable businesses

4. Innovation Fund Ireland

Last month Minister Bruton signalled his intention to carry out a second call for expressions of interest in the remaining balance of the €125million of Enterprise Ireland-managed funds in Innovation Fund Ireland. Today, following the recent finalisation of the capital budgets of his Department, the Minister confirmed that this call will take place in Q1 2012 and will be worth approximately €60million.

Last year, a first call for the EI-managed €125million fund was made and the first of these investments are about to be finalised. The second call, to take place in the first quarter of next year, will be for the balance of the Enterprise Ireland fund. An equivalent amount of funds is managed by the National Pension Reserve Fund, and all monies under this fund are leveraged by equivalent amounts of private funding.

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