



BULLETIN

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The Irish National Organisation of the Unemployed is a federation of unemployed people and 200 groups throughout the country, concerned with combating unemployment.

WTW Regional Discussion Forums

The first in a series of Regional Discussion Forums was held for Dublin based Welfare Rights providing affiliates in the INOU offices in Araby House on the 8th of December 2004. The meeting was well attended with fourteen welfare rights information officers from eight different welfare rights providing organisations.

The General Secretary, Eric Conroy, welcomed the information officers to the meeting. Due to the proximity of the budget the meeting proved to be an ideal opportunity to discuss the initial effects of social welfare changes in this year's budget. Presentations on social welfare payments / issues in the budget and the work of the Welfare to Work Development Project were given; each presentation was followed by open forum discussion, with particular reference made to the five unchanged cuts in the Savage 16 and the €14 increase to the lowest rate of social welfare.

The feedback from the meeting has been very positive and the INOU would like to thank all those who took part in the meeting for making it a successful start to the first regional discussion forum. Two further Regional Discussion Forums are planned for outside Dublin in May of this year and a second Dublin meeting will take place within the coming months.

For further information on the Discussion Forums or the work of the Development Project please do not hesitate to contact Joe McDonagh by telephone on 01 8560088 or email at development@inou.ie. ■

Post Budget Analysis 2005

Overall the INOU welcomed those aspects of the Budget that suggest that the Government is making progress towards narrowing the gap between the rich and the poor. Certainly much of the additional exchequer finances available to the Government is being targeted towards the disadvantaged, the low paid and the disabled.

On a positive note, the increase expenditure in the social welfare package is particularly welcomed. The annual social welfare expenditure for 2005 is now €12.2bn. This figure provided for an increase of €14 in the lowest rate of social welfare, bringing it to €148.80 per week. This increase now means that the Government is on target to achieve the NAPS aim of setting the lowest rate of social welfare at €150 in 2002 terms by 2007. Also Budget 2005 removed all the national minimum wage earners from the tax net. This is a positive move because the portion of the 'working poor' has been increasing consistently, and in order to increase the reward from low paid employment, such employees should be exempt from income tax. However, with the National Minimum Wage set to increase in 2005, there is a danger that these workers will again be paying income tax.

The Budget did not deliver in other areas of 'making work pay', that is easing the transition from welfare to work for those currently unemployed or in receipt of a social welfare payment. No assistance was given towards the cost of childcare, which continues to be a barrier to employment especially for women and those parenting alone. Also many of the anomalies / imbalances that exist between the welfare system and the tax

system continue to exist, trapping people into welfare because it is financially not worth while taking up low paid employment or a position in an active labour market programme. One such example is the threshold for the retention of secondary benefits remaining unchanged at €317.43.

Also the INOU is disappointed that the Minister for Social and Family Affairs failed to take the opportunity to rescind in full all of the 'Savage 16' welfare cuts. In fact only one has been fully rescinded while ten others have been amended slightly and five have remained unchanged.

Of those that have remained unchanged, four of them relate to accessing social insurance based payments such as unemployment benefit and disability benefit. We believe these changes will impact negatively on those currently in work, particularly those engaged in part-time and seasonal employment who are made redundant and then access their social insurance payment. These obstacles to obtaining a full rate payment, basically devalues the worth of PRSI contributions.

To conclude, although Budget 2005 is more equitable than previous Budgets, it is disappointing that the Government did not take the opportunity to fully address the barriers faced by unemployed people when accessing the labour market. Only by eliminating these barriers will full employment be really achieved. A comprehensive analysis of Budget 2005 including a useful reference table outlining the changes in social welfare payments is available from the website, www.inou.ie. ■

DECEMBER 2004 LIVE REGISTER FIGURES
REPUBLIC OF IRELAND

Unadjusted count: 158,816

Adjusted count: 159,100

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Changes to Rent, Diet and Crèche Supplements 2005

At Budget 2005, some amendments were made to the now dubbed 'Savage 16' welfare cuts. Some of these amendments were ambiguous and now a new Circular has been distributed giving further clarity to some of these changes, which came into effect on January 31st 2005.

These changes relate to the SWA Rent supplement, Diet supplement and Crèche supplement. In relation to the Rent Supplement, the INOU as part of the Social Partner's Working Group on Rent Supplement consistently lobbied to have the six-month rule overturned in recognition of its negative impact on peoples' lives, including hindering their participation in the labour market.

While the INOU welcomes the changes in relation to the Rent supplement, we continue to call on the Minister to rescind in full all of the Savage 16 cuts. Of particular concern are the four changes to Unemployment Benefit/PRSI based payments that have dramatically reduced the protection afforded citizens through the Social Insurance System. In addition, we in the INOU will work in the above committee to rescind the rent supplement exclusion for both partners if one works more than 30 hours a week. This was referred to Social Partners.

● Rent Supplements.

Requirement to be renting for 6 months

The requirement that an applicant for a Rent Supplement must have been in rented accommodation for a period of 6 months, in the preceding 12 months, has been discontinued.

Apart from the standard eligibility criteria, i.e. means assessment, rent level, etc., in determining a person's eligibility certain other factors will be taken into consideration in that:

- ▶ the applicant must have been able afford the rent from within his or her own resources when he or she took on the tenancy originally, and
- ▶ the applicant must have had a reasonable expectation at the time that he or she would be able to afford the rent, from within his or her own resources, and
- ▶ the applicant must have experienced a substantial change in his or her circumstances, such as illness or loss of employment, leading to an inability to continue paying the rent.

Curiously, the third condition in the guidelines (as above) is somewhat different from the definition in the Statutory Instrument, which amended the Social Welfare (Consolidated Supplementary Welfare) Regulations 1995 to 2005. The Statutory Instrument states that the Health Service Executive, the replacement for the Health Boards, should be satisfied that

"(the applicant) has experienced a substantial change in his or her circumstances leading to an inability to afford the rent, such change in circumstances not having occurred by any design on the part of the claimant"

In examining the difference between the two definitions it is clear that some extreme situations may result in anomalies arising where the substantial change in circumstances could conceivably be attributed to the applicant. For example, where a person accepts a voluntary redundancy package or where a person had resigned from employment on constructive dismissal grounds the resulting change in circumstances could be attributed to 'design' on the part of the claimant.

Under those circumstances, while the CWO's guidelines may qualify the applicant for a rent supplement on the third condition, conversely the applicant could be refused on the basis of the third condition of the Statutory Instrument.

This issue, while only potentially affecting a minority of applicants, is one that should be reviewed and resolved.

Rent Supplement.

Failure to accept Housing Authority Accommodation

This regulation has been amended. Under the new guidelines an applicant will continue to remain eligible for a rent supplement if they have refused two offers of local authority accommodation.

If however, the person fails to accept a third offer of local authority accommodation, within any continuous 18 month period commencing on or after 31st January 2004, their rent allowance will be withdrawn. Following such withdrawal a rent supplement will not be payable for a further 12 month period.

Only third offers made after 31st January 2004 will be counted, third offers of accommodation received before the 31st January will not be counted and refusal of those will not result in suspension or withdrawal of rent supplements.

Where a person refuses a third offer of accommodation after 31st January 2004, they will no longer qualify to receive a rent supplement. The Health Service Executive, through the Community Welfare Officer (CWO), must issue a notification that the rent supplement will be withdrawn 21 days from the date of notification of the decision.

The person will be afforded an opportunity to respond within the 21 day period and any observations or comments which he or she may have should be taken into consideration in reaching a final determination. If such determination results in the suspension of the payment, the payment of rent supplement should cease not later than one month thereafter. The person concerned will be advised that payment of rent supplement has been suspended for a period of 12 months and advised of the right of appeal against the decision. It will be open to the person concerned to re-apply for rent supplement after the 12 month period.

The INOU will be seeking further clarification to determine if this withdrawal will occur 21 days from the date the notification is issued or 21 days from when the person receives the notice.

Crèche Supplement

Crèche supplements, which were already in payment, may be continued, subject to the Health Service Executive/CWO being satisfied that the payment is still warranted.

New crèche supplements may only be awarded in specific instances recommended by a Public Health Nurse or Health Service Social Worker. New crèche supplements will not be awarded in respect of routine child minding expenses or for the purpose of taking up employment, training or educational opportunities, other than where the specific need referred to above is identified.

Diet Supplements

Existing diet supplements will continue to be paid as long as the only change in the recipient's circumstances is the increase in payment rates from Budget 2005. Any other increase in income may affect the diet supplement.

New applications for diet supplement will be subject to the following payment rates. These rates will remain in place pending any changes stemming from the DSFA commissioned report by the Irish Nutrition and Dietetic Institute. ■

REDUNDANCY IN IRELAND

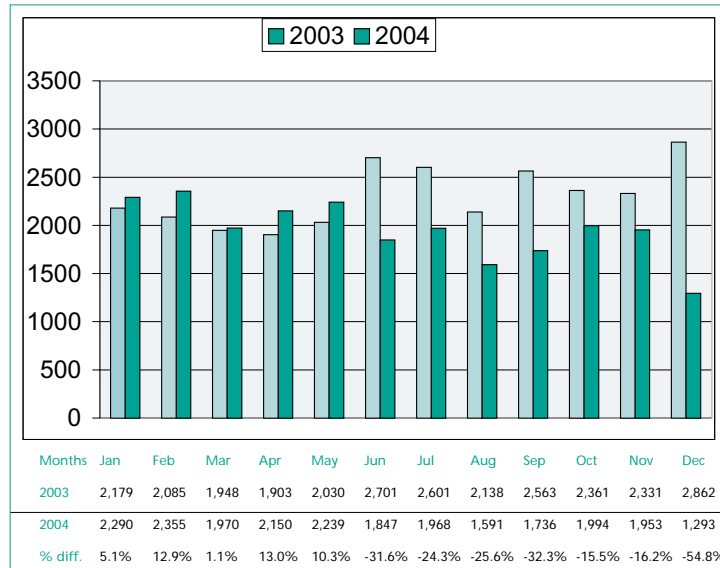
One aspect of the work of the Welfare to Work Development Project is the tracking of redundancies notified by the Department of Enterprise, Trade and Employment. It is important to note that these figures do not include employees with less than 2 years eligible service, employees under 16 years of age or employees who have reached the qualifying age for old age pension. The table below highlights the extent of the redundancies notified during 2004. The overall figures show that 23,372 redundancies occurred in 2004, down 4,330 on the 2003 redundancy figures.

However, it should be noted that figures in 2003 were the highest since 1984. It can be seen that the counties most affected by redundancies in 2004 were Dublin (10,252), Cork (2,413), Limerick (1,078), Galway (904), Waterford (885), Donegal (729) and Kildare (700). Over a third of all redundancies were in the manufacturing sector with 8,047 in total, the second highest was that of Distributive Trades with 4,906 redundancies, including trades such as wholesale / retail sales, hotel and catering industry.

Unfortunately so far in 2005, a significant number of redundancies have been announced, with Allergan – Co. Mayo (320), APW – Dublin (250), Bord Na Mona – Co. Mayo (200), Sara Lee – Co. Kerry (92), Donegal Parian China – Co. Donegal (50) and Shamrock Aluminium – Co. Kilkenny (25).

Co. Cork. Now Killarney has learnt that Sara Lee are set to cut a further 92 jobs. This is on top of the previous redundancies announced by the company resulting in the loss of nearly 200 jobs. Donegal too has suffered badly, the latest redundancies being the loss of up to 50 jobs in Donegal Parian China in Ballyshannon, which announced that it is to close its plant and transfer production to its sister company, Belleek in Co. Fermanagh.

In October of last year Unifi Textured Yarns closed its factory with over 300 jobs lost. In addition Fruit of the Loom in Bunclara, announced last year plans to wind down and close its facilities in Donegal and Derry over the next three years which may result in a loss of up to 630 jobs losses in both factories.



In the last three years Kerry and Donegal have been particularly badly hit with redundancies. In Killarney alone, around 600 industrial jobs have been lost. Closure of Scott Tools and Transmould factories have led to almost 90 jobs being lost, Rosenbluth has also closed, while Alps Electric transferred 300 jobs from Killarney to Millstreet,

The INOU will continue to work with our Welfare Rights providing affiliates who help support individuals who have recently or are about to become unemployed through the provision of Welfare Rights information specifically designed for these individuals. ■

Welcome to New Affiliates

We are pleased to welcome the following new affiliates:

Nenagh Community Network

Based in Carrickmacross, Co. Tipperary, Nenagh Community Network is an ADM funded Community Group providing a range of services including jobsearch assistance, Enterprise information and assistance, training and welfare rights information.

County Roscommon Youth Service

Based in Roscommon town, the County Roscommon Youth Service provides a range of services in four youth information offices throughout the county and provides a Job Club in Castlereagh. The Job Club provides job seeking skills training, job search assistance and information on education and training courses.

Northside Community Forum

The Northside Community Forum consists currently of 45 community based organisations within the Northside Partnership area of Dublin. The Forum is focussing on social inclusion policy issues and will provide a useful opportunity for networking and exchanging information.

We would like to take this opportunity to extend a warm welcome to these new organisations and we look forward to their involvement in the year ahead.

Regional Discussion Forum



(Left to Right) John Stewart WTW Development Project Manager INOU, Siobhan Hammond Baldoye Forum Ltd., Rachel O'Brien West Tallaght Resource Centre, Joe McDonagh WTW Development Officer INOU - December 2004.

INOU Website Developments

Check out www.inou.ie for the latest and upcoming developments on the INOU site:

1. The Welfare to Work Development Project section has now a full listing of redundancies by month, gender and county for 2004 courtesy of the Department of Enterprise, Trade and Employment. The 2005 figures will be updated monthly.
2. The conference report from the INOU conference on the National Employment Action Plan held in October 2004 has been uploaded and is accessible through the publications section of the site.
3. The training calendar for 2005 has been uploaded and trainees can book directly onto the course from the website.
4. An advert advertising the Welfare to Work Query service has been posted on the homepage. A new section dedicated to the Welfare to Work Section will appear shortly on the site.

FÁS LABOUR MARKET REVIEW

The FÁS Labour Market Review (and associated Conference in November 2004) is a welcome contribution to debate and policy-making in relation to unemployment issues in Ireland. The range of information on the labour market and the issues brought up by the speakers at the conference and later by writers in the report is commendable. This helps to inform public debate about the complexities of the Irish labour market.

In its report, FÁS has made a number of recommendations for future policy on the labour market. These are:

- To provide a subsidy to employers of €200 per week for 6 months for each long term unemployed person they hire, provided they employ one in every two recruited for a further 12 months. This proposal is for those who are over two years unemployed.

While we welcome this proposal, it is regrettable that employers need to be financially encouraged to hire long term unemployed people. They should be employed for positive human resources reasons, as demonstrated by Tesco in North Dublin last year. There already exists a similar scheme in Revenue Job Assist, which gives additional tax credits and tax relief to the employee and employer respectively. However, if the FÁS proposal is introduced it should help to reduce the numbers of the long term unemployed and assist the government in meeting its target to eliminate long term unemployment by 2007.

- The current €317.43 weekly earnings threshold on the retention of secondary benefits should be increased significantly, and there is a case for decoupling them from primary payments.

We wholeheartedly agree with this, as this has been a key unmet demand by the INOU in recent years. It has not changed from the IRE250 set over 10 years ago, and is seriously out of date now. If we are serious about making work pay, and eliminating all unemployment traps, this threshold must be addressed before the end of 2005. The issue of decoupling is a good suggestion, and merits further explo-

ration. Secondary benefits have become more valuable in recent times, especially in relation to rent supplement, and can be a major disincentive in taking up a low paid job.

- In relation to the existing preventative strategy under the Employment Action Plan, action should be taken where clients do not show a genuine desire to progress.

We would be concerned that penalties would ensue if unemployed people do not engage with the process. The benefit of the system is the voluntary nature of it for unemployed people, thus making it a positive environment for maximum impact. Conditionality on receiving payments is already in place (genuinely seeking work). In addition, given the evaluation currently taking place on the preventative strategy by Indecon Consultants, it is premature for proposals in this area at this time.

- Given the increased number of non-unemployment social welfare payments in recent years, including the One Parent Family Payment (OPFP), that consideration be given to a work test and/or time limit for its payment. This is predicated on a good quality and affordable childcare infrastructure.

Given our poor childcare provision in the country and the expensive nature of it, we are a long way off from the conditions above.

- A skills-based immigration strategy should be developed, incorporating an expanded working visa scheme or a new Green Card system for non-EEA immigrants.

It is recognised that the Irish labour force could need up to 50,000 non-nationals per annum if GDP growth continues at around 5% in the medium term. It is hoped that this level of inward migration will not impact negatively on unemployed people in Ireland seeking employment. Use of a Green Card-type scheme for Non-EEA nationals with skills in demand by the Irish labour market is recognised as an option. However, any new scheme to regulate inflow of migrant workers should be based on the permit being held by the employee and not the employer as it currently operates. ■

Welfare to Work Development Project Update

Welfare Rights Information

To incorporate changes in this year's Budget, we will be updating both the Leaflet 'Know Your Welfare Rights' and the Wallchart 'Welfare Rights for the Recently Unemployed' later this month. We will also be printing the Resource Guide 'Know Your Welfare Rights' which will be a more detailed guide for information providers with information specific to individuals who have recently or are about to become unemployed.

Development Project Webpage

As part of the work on developing a Development Project webpage on the INOU website, we have added a redundancy figures link which shows the amount of redundancies by county and gender on a monthly basis. These figures are sent to us from the Department of Enterprise, Trade and Employment. The figures do not include employees with less than two years' eligible service with an employer and employees who are under 16 years of age or who have reached the qualifying age for old age pension.

Quarterly Email Newsletter

The second edition of the Quarterly email Newsletter will be distributed to our Welfare Rights Providing affiliates later in the month. This edition will include information on changes to the Budget 2005, which will be of use to welfare rights information officers. Any of our welfare rights providing affiliates who may not have received the first edition of the email newsletter and would like a copy should e-mail the Development Section at development@inou.ie. ■