

**Irish National Organisation of the Unemployed  
Pre Budget Submission 2012 to  
Department of Social Protection**



## **INTRODUCTION**

Over the past three years Ireland has experienced a massive drop in employment: 15.1% or 319,900 jobs<sup>1</sup>. Contrary to popular belief not everyone who has lost their job has joined the Live Register or become officially unemployed: some people have left the labour force and others have left the country. Of those who have left the Labour Force some have gone back into education; while others view themselves as unemployed but are not counted because they are no longer in receipt of a Jobseekers payment due to their family circumstances.

Listening to a lot of the debate around unemployment it would be easy to believe that it is affecting young people only. This is not the case: the age group that has been hit the hardest has been those aged 25-34, followed by those aged 35-44. These are also the groups struggling with bigger personal debt burdens. These two age groups account for nearly 60% of those unemployed. However, the unemployment rate for those aged under 25 and in particular those aged between 15-19 is particularly high. The latter group includes early school leavers, a group whose unemployment rate invariably runs at two-three times the national average. Duration of unemployment and discrimination are particular issues for older unemployed people: it is alarming to hear unemployed people in their early forties say they believe they will not get a job again because they are perceived as being too old. On the 14<sup>th</sup> July the CSO published a special Quarterly National Household Survey report on equality based on Q4 2010. In that report they noted that the second highest rates of discrimination were reported by unemployed people (22%) yet unemployment per se is not covered by the Equality legislation as there is no socio-economic or social origin ground. Other unemployed people are told they are over qualified and are advised to dumb down their CVs yet there is an implicit assumption in the policy responses to-date that when employment growth returns this group should find work more easily. Will they? Employment growth on the scale required to give unemployed people real hope is a long way off: and will people existing skills still be relevant? Even now with so little employment Ireland is facing the challenge of a skills mis-match with a lack of potential workers to fill some of the 'smart' jobs Ireland has been so anxious to create.

In this Pre-Budget Submission the INOU has concentrated on issues of relevance to the Department of Social Protection. However, the DSP will not be able to deliver on its activation agenda unless the Department of Education and Skills plays its part in the delivery of quality education and training courses that will improve the employment prospects of unemployed people; and the Department of Jobs, Enterprise and Innovation delivers on job creation and access to business supports for unemployed people seeking to address their unemployment through self-employment. A key issue for these three departments will be the appropriate co-ordination of their work and the INOU continues to be deeply concerned that no-one Minister has overall responsibility for active labour market policy development. However, the INOU welcomes the joined-up training and development

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<sup>1</sup> Quarterly National Household Survey, Unemployment Thematic Report, Quarter 1 2005-2011, available [www.cso.ie](http://www.cso.ie)

referral model between NEES, JobBridge and SOLAS described in the “*Project Plan for the Development and Implementation of the National Employment And Entitlements Service*” published by DSP in August.

A fourth Department will also have an important role to play: the Department of Environment, Community and Local Government. Key funding lines for many C&V organisations are now with DECLG including the Local and Community Development Programme which should continue to play an important role in the delivery of services to unemployed people and their local communities.

This submission to the Department of Social Protection focuses on three key areas for unemployed people: income; active labour market programmes; and services. Each section starts with the key recommendation and call on the Government for action. Then the section elaborates on a range of matters that must be addressed if real and meaningful choices are to be made available to unemployed jobseekers.

## **JOBSEEKERS: INCOME**

### **KEY RECOMMENDATION: MAINTAIN SOCIAL WELFARE RATES**



Social welfare rates must be maintained in the forthcoming budget. Since August of last year prices have continued to rise: including higher mortgage interest repayments; insurance; fuel costs; and price increases across a wide range of food and non-alcoholic beverages. The rise in these costs has impacted on the cost of living for unemployed people many of whom are struggling to survive. The organisation is also keenly aware that cuts to social welfare income not only impacts negatively on the recipient but it also impacts negatively on the local economy as most social welfare income is spent locally. In the Programme for Government, under the ‘Equality and Social Protection’ heading, it states “*We will maintain social welfare rates.*” The Taoiseach and the Tánaiste also subsequently re-affirmed this commitment to maintain social welfare rates. ***The INOU is calling on the Government to honour this commitment.***

***The INOU is also calling on the Government to support unemployed people struggling to maintain their own homes.*** The organisation believes that it would be more cost effective to maintain people in their own homes rather than support them to find alternative accommodation through, for example, Rent Supplement.

With regard to the proposed changes in departmental responsibility for Rent Supplement: it is imperative that such changes should be to the benefit of the tenant and not be driven solely by a desire to achieve savings. It is particularly important that such a development should lead to an improvement in the provision of accessible quality accommodation. It is also vital that any such move supports tenants’ accommodation choice and in particular if they have children attending local schools.

In relation to Child Benefit, the INOU believes that it would be better to maintain Child Benefit rates and address any issues of inequitable re-distribution through the development of a more progressive income tax system. In Budget 2011 the cut to Child Benefit was not offset by an increase in the Qualified Child Increase which further impacted negatively on the family incomes of unemployed people. *In order to avoid exacerbating the welfare to work issues for unemployed families the INOU is calling on the Government to maintain Child Benefit payments.*

Family Income Supplement (FIS) is an important though underused resource for families in or accessing low paid employment. *The INOU is calling for automated access to this support in order to dramatically increase its uptake:* as has been successfully achieved with an increase in payments for 'new' children for those in receipt of Child Benefit. This support would be a positive development in supporting unemployed people and other social welfare recipients with families back into work.

*The INOU also calls on the Department to run an information campaign on the benefits to employers of recruiting unemployed people onto the Revenue Job Assist and the Employer PRSI Incentive Scheme.*

## **JOBSEEKERS: ACTIVE LABOUR MARKET PROGRAMMES**

**KEY RECOMMENDATION: CHOICES MUST BE GIVEN AND BE MEANINGFUL**



The single biggest active labour market programme is Community Employment: for many community based organisations CE is a key resource and one that is seen as critical in supporting local employment. However, the INOU is keenly aware that as an active labour market programme per se CE has been criticised for its lack of progression into the wider labour market. This is an issue that throws up challenges for both the Government and the community and voluntary sector, the main employer of CE participants: how to ensure that the work experienced gained is valued as it should be in the wider labour market. *The INOU is calling for the maintenance and further development of Community Employment.*

The INOU has expressed a number of concerns with the new community based programme TÚS including: the random method of selecting potential candidates; the subsequent lack of choice or opt-in for potential participants; and the lack of funding to provide training opportunities. It would seem that TÚS, as a programme, is trying to meet incompatible objectives: on the one hand it is trying to provide an opportunity for local unemployed people with skills to work with local community organisations in need of those skills: the apparent rationale for no training element on this programme; on the other hand it is trying to address the issue of fraud and 'catch' people working in the informal economy and hence fund the programme through any savings arising. *The INOU is calling on the Government to facilitate unemployed people to opt-in to TÚS: this would facilitate improved matching of participants and opportunities; and it would give an increased range of options to frontline employment services staff to offer unemployed people.*

The INOU's concerns with the Work Placement Programme remain including: that there is no financial top-up; that much of the places on the non-graduate strand are effectively minimum wage jobs for which participants should be paid the proper rate for their work. ***The INOU is calling for an additional payment to participants on the Work Placement Programme to help cover the cost of participating on the programme.***

It is early days yet on the National Internship Scheme and it will take time to roll it out properly. However, concerns of exploitation have been raised and ***the INOU is calling on the Government to ensure that the scheme is properly monitored. The INOU is also calling on the Government to ensure that the experience on offer is worthwhile and will improve the participant's prospects of securing paid employment.*** Concerns have also been raised about the eligibility criteria and that unemployed people who have participated on another activation programme will find themselves ineligible to participate on this scheme. It is counterproductive on the one hand to introduce legislation to threaten to cut unemployed people's payments if they do not participate and then on the other to disqualify them from the latest scheme for participating. ***The INOU is, therefore, calling on the Government to ensure that the criteria for participating in NIS does not create additional barriers to unemployed peoples' participation.***

The INOU is concerned at the lack of financial contribution made by to employers under the WPP and NIS. One way of addressing this issue would be to reinstate the Back to Work Allowance Scheme as it would facilitate the initial maintenance of a Jobseekers payment with the payment of a contribution, ideally a wage, by the employer. ***The INOU is also calling for BTWA's re-introduction as one response to the dramatic rise in long-term unemployment.***

At present activation takes places through programmes yet the INOU believes that a more effective activation measure would be for the Government to facilitate people to take up piece meal and irregular work and to facilitate their immediate return to the register when such work ends. Such a development would allow people maintain and develop their own labour market connections and could be supported and developed through more productive use of technology. ***To that end the INOU is calling on the Government to change the current method of facilitating people to work part-time through a change in 'Genuinely Seeking Work' criteria and a review of assessable work and income, from a 2/3 days on/off basis to one based on hours worked.*** As the NES report notes the current arrangement is inequitable whereby someone working only four hours spread out over four days would lose the Jobseekers payment while someone else working two full days would maintain a part payment.

## **JOBSEEKERS: SERVICES**

**KEY RECOMMENDATION: SERVICE DESIGN AND DELIVERY MUST BE UNDERPINNED BY A CULTURE OF ENABLEMENT**



***The INOU is calling on the Government to ensure that the proposed new National Employment and Entitlement Service (NEES) provides a world class service to unemployed people.*** To develop such a service

demands that a culture of enablement is at its heart. However the INOU is deeply concerned that the culture underpinning this new service will remain one of enforcement rather than one of enablement. The cause of concern is the following quote from the summary description of the new service: *“The creation of a social contract between the citizen claiming unemployment benefits and the State under which the citizen commits to engage with the employment advice/training referral services. Failure of the citizen to honour this commitment can lead to a reduction or withdrawal of benefit payments.”* (p8)

***The INOU is calling on the Government to ensure that the State itself delivers for the unemployed citizen and to clearly state this commitment.*** However, the revised model for the much criticised National Employment Action Plan is not inspiring as it envisages *“that new clients signing-on on to the live register will, as a minimum, benefit from a Group Engagement after three months and a referral to job placement/training after eighteen months as already described above.”* (p12) The longer someone is unemployed, the harder it is for them to find employment: if activation is to be anyway meaningful referrals to job placement/training will have to occur long before eighteen months. And the social contract between the state and the citizen must hold such a commitment.

At the INOU Annual Delegate Conference the following motion was past ***“The INOU calls on the Government to ensure access for unemployed people not included on the Live Register to the full range of employment, training and education supports including the Training Allowances and other supports”.*** In the National Economic and Social Council’s report No 123<sup>2</sup> it notes *“It would be a pity if the incorporation of employment services into the DSP was allowed to subordinate their role to that of managing the Live Register. As pointed out above, several groups of unemployed jobseekers are not on the LR, yet they stand to benefit significantly from employment services.”* In the interests of equity it is vital that services designed and delivered to unemployed people are inclusive of those who are not in receipt of a payment because of their family circumstances or means. The damaging effects of unemployment on an individual’s health and well-being; on their family and community are no greater or no less if they had been employed or self-employed beforehand.

## **IN CONCLUSION**

In the Programme for Government it states *“By the end of our term in Government Ireland will be recognised as a modern, fair, socially inclusive and equal society supported by a productive and prosperous economy.”* (p3) The development of a pro-active client centred social welfare system that ensures unemployed people have access to their fundamental rights and entitlements; an adequate income; meaningful employment, education and training options; and that related services are based on a culture of enablement will be vital in realising this vision. ***The INOU is calling on the Government to standby the vision contained in this quote and to ensure that the Budget does not further exacerbate inequalities, social exclusion and poverty in Irish Society.***

***2<sup>nd</sup> September 2011***

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<sup>2</sup> Ref: *Supports and Services for Unemployed Jobseekers: Challenges and Opportunities in a Time of Recession*, Report No. 123 published by NESCC August 2011, available for download at [www.nesc.ie](http://www.nesc.ie)