



## 10 Reasons to Protect Jobseekers Payments

1. Over the past three years unemployment has increased by 180% while long-term unemployment has increased by a staggering 328%. This means that for an increasing number of families and individuals Jobseekers Allowance is their only source of income.
2. Could you survive on €196 per week? The Vincentian Partnership for Social Justice have undertaken work on a 'minimum essential budget' and noted that an individual unemployed male would be struggling with a shortfall of €68.22. This work was carried out before social welfare payments were cut by 4.1% in Budget 2010.
3. Commentators calling for cuts to social welfare payments cite the entire social welfare package unemployed people may be entitled to and presented as if every unemployed person was getting this level of support. For example, the maximum amount of Rent Supplement is included in their calculations yet according to the DSP Annual Statistical Report 2009 less than 10% of unemployed people were in receipt of Rent Supplement. It is also worth noting that the average cost of this scheme per person was less than half the full level of support.
4. Jobseekers Benefit is an entitlement people build up through their PRSI contributions. Over the past three years newly unemployed people have been astonished to find that the payment they receive bears no relationship at all to the wage they had earned and most have experienced a significant drop in

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## Is this for real?

What exactly is Minister Éamon Ó Cuív proposing? To-date nothing has appeared in writing as to where these new 10,000 places will be found, how they will be funded, and more importantly for an unemployed person's perspective, how the participants will be picked. There is talk of 'working for your dole' and of 'workfare'. With over 455,000 people on the Live Register it is absolutely ridiculous to be talking about mandatory involvement. It appears the Minister and the media are playing to the public gallery.

At present there are approximately 30,000 people on Community Employment, Jobs Initiative, Rural Social Scheme (RSS) and the Community Services Programme (CSP). Over the coming months all of these schemes will come under the Minister's department, now called the Department for Social Protection. In discussions with the Minister it appears that he intends to expand the RSS and the CSP to create these additional places. This would amount to a threefold increase in these schemes as there are currently a little over 5,000 people participating. Such an expansion is not feasible without significant additional resources. It appears that the Minister is planning on

funding this expansion through savings in his Departmental budget. In particular by removing people from the Live Register that he believes should not be there: this appears to be his rationale for mandatory participation!

The example of childcare illustrates how deeply flawed the Minister's current proposal is. This is an area where potential employees must be interested in and have an aptitude for their work. Employers, in the case of a scheme often known as the sponsoring body, have an obligation to ensure that those they are hiring for this work are suitable. So it is crucial that the person goes through an application process undertaken by the employer. Where does mandatory participation fit into this? It doesn't. Participation must be chosen, not coerced! Community organisations must be properly funded to develop their work and respond appropriately to local needs including employment.

The scale of the unemployment problem facing the country cannot be addressed on a cost neutral basis. The Government has not tried to address the banking crisis in this manner instead billions have been spent in trying to rescue a banking system that has demonstrated little capacity to properly support economic development.

What unemployed people want is a job, however for the foreseeable future there will be too few jobs for the numbers of jobseekers. In the meantime a suite of education, training and employment options must be developed that would give unemployed people the opportunity to maintain and improve their skills. Employment schemes have their role to play however they are only part of the answer. What would be far more effective would be the development of an efficient social welfare system that facilitates people to take up short term, part-time, casual employment rather than penalising them and threatening them with destitution. ■

### Unemployment Statistics

**Live Register (LR) adjusted =  
455,000 August 2010**

**Redundancies year to date =  
43,449 August 2010**

**LR Standardised Unemployment  
Rate = 13.8% August 2010**

**Quarterly National Household  
Survey (QNHS) Unemployment  
Rate adjusted = 12.9% Mar 10**



their income and living standards.

5. Jobseekers Allowance is a means tested payment that not only takes into account a claimant's cash income and assets but that of their families if they are under 25 or if their partner is working. So generally if you are in receipt of a full JA payment then you have little to fall back on to deal with the unexpected or life's expensive moments e.g. Christmas.
6. According to the CSO's Survey on Income and Living Conditions (SILC) for 2008 unemployed peoples' at-risk-of-poverty was 23% in comparison to a national average of 14.4% and a risk for those at work of 6.6%. 37% of individuals in households headed by an unemployed person experienced 2+ forms of deprivation: in comparison to a national average of 13.8%. As long-term unemployment rises and becomes more entrenched managing poverty will become a daily reality for more and more people.
7. Contrary to what organisations like the OECD may believe, it is not Ireland's levels of social welfare payments that will lead to structural unemployment *but* the chronic lack of jobs.
8. In the meantime unemployed people need to be able to readily access their payments and to move into education and training options that will improve their long-term employment prospects.
9. A client centred and active social welfare and employment service should also support people to take up work which for the foreseeable future will be part-time, casual and short-term.
10. Ireland is not the only country talking about a 'smart' economy, at the European level the EU is developing "EUROPE 2020 a strategy for smart, sustainable and inclusive growth". Impoverishing people who are unemployed is not smart and will not lead to sustainable or inclusive growth. Maintaining people's hope and dignity is crucial if Ireland is to get out of this crisis. ■

## Long-term Unemployment: here to stay?

**When the Live Register started to rise in late 2007 unemployment was mainly short-term. Even in 2009 when we saw the most dramatic increases in the monthly live register, long-term unemployment dropped as a percentage of the overall unemployment figure. As this economic crisis has deepened it is not surprising to see long-term unemployment (LTU) starting to rise again.**

The last time long-term unemployment was over 5.3% in Ireland was in 1997. LTU now accounts for 40.9% of the unemployment figure: a year ago it accounted for only 22%. During the past decade it ranged between a quarter and a third of unemployment.

According to the Quarterly National Household Survey over the two years up to the end of March 2010, unemployment increased by 151% and LTU increased by 284%. The sector where the greatest number of jobs were lost is construction where there are 123,000 less people employed. The sectors that grew over this time period are primarily in the public sector which are more likely to decline in the foreseeable future given current Government policy. Information technology and financial services are the other two sectors where there's been growth or little loss.

Given this snapshot of the Irish labour market and current Government policy to develop a 'smart' economy where the cost of job creation is very considerable, there is a real danger that we looking are the re-emergence of long-term unemployment as an entrenched problem.

In its recent publication, "Special Article, Recovery Scenarios For Ireland: An Update" the ESRI notes "While past experience suggests that the labour market is sufficiently flexible to eventually return the economy to full employment, it is possible that labour market policy failures could instead leave Ireland with a legacy of unskilled long-term unemployment... it will be important that labour market policies, broadly defined, are developed to re-skill the unemployed for the kind of jobs which will be available over the coming decade and to

*minimise the danger of poverty traps of the type experienced in the 1980s occurring in the future."* (p3)

For Ireland to return to 'full-employment', an experience that many marginalised communities and people did not get an opportunity to share in even at the height of the Celtic Tiger, requires not only a flourishing export economy but also a domestic driver or drivers that can replace the indigenous economic and employment impact of the construction industry. The concept of full-employment didn't arise until the now lamented construction bubble start to grow. Export led growth does not have the same employment kick-back; just look at Finland a country that went through a severe economic crisis in the 1990s. Export led growth got the Finnish economy back on track but employment growth lagged well behind and has never returned to pre-crisis levels.

Cutting public expenditure, getting Ireland back to being more competitive have been the dominant calls of most of the economic commentators. In these calls there is a presumption that this will eventually get more people back to work. How? At present the Irish State employs or covers the costs of 485,500 people in employment. This number will fall with increasing cuts to public expenditure. Amongst indigenous industry a key element in their competitive strategy is pushing pay, including low pay, lower and lower. Will this produce the desired outcome? Hardly, given how important domestic consumption was to the Celtic Tiger and the realisation of 'full' employment. If people have less and less disposable income in their pockets and are fearful that they are facing a future of less and less disposable income, they will spend less and less and to ensure, if nothing else that they can keep the roof over their heads. The less people consume the more jobs losses there will be in retail and related services.

Without a coherent Jobs Strategy that looks to the development of the internal economy as well as the exporting one it is very hard to see how Ireland will avoid a severe structural long-term unemployment crisis. ■

# Campaigns Update

The **Community and Voluntary Pillar** is renewing its campaign to influence the decisions made by Government in Budget 2011, asserting that there is indeed a crisis – but it is not just an economic crisis, it's a social crisis as well. The Pillar campaign will be unveiled at 10:00am on the 7<sup>th</sup> of September at a press launch in Buswells Hotel, Dublin 2 with the publication of two important policy documents which will then be available for download from the INOU website after the event. ■



Campaign for a viable alternative to cuts

The INOU is a member of the **Community Platform** who will be launching a campaign for Progressive Tax Reform called **4 Steps 2 Recovery**, on Monday the 13<sup>th</sup> of September, at 11:00am in Buswells Hotel, Dublin 2. This campaign sets out an alternative tax strategy to the cuts we have faced in successive budgets. Please visit the Platform's website at [www.communityplatform.ie](http://www.communityplatform.ie) to keep up to date with this vital alternative voice in the lead up to Budget 2011. ■

The **Poor Can't Pay** campaign began its second phase of action earlier this summer with the launch of the "Make A Commitment" drive, in which TDs and Senators are being asked to make a personal commitment to do all in their power to ensure that there are no further cuts in social welfare or the minimum wage in Budget 2011. For some time now members of the general public have been making this same commitment in numbers. The campaign is set to ramp up further in October with the launch of two internet based video messages urging all current members of the campaign – and every other person in the country concerned with fairness and equality to contact their elected representatives and ask them to stand up and be counted come budget time this year. The INOU was centrally involved in the production of these videos, pictured below, in conjunction with the European Anti Poverty Network and Areaman Productions. To see which elected representatives have signed up to the campaign, to easily send an email to all the TDs and Senators in your constituency or simply to follow this campaign as it develops please visit the website at [www.thepoorcantpay.ie](http://www.thepoorcantpay.ie) ■



## The Poor Can't Pay



## Redundancy Statistics

The latest redundancy figures show that 4,399 people were made redundant in August a decrease of 24.6% on the same month in 2009.

Overall the figures show that 43,449 people have been made redundant in so far 2010. This represents a decrease of 20.2% on last year's figures which were the highest ever recorded.

It is important to note however that people who have worked less than two years do not have an entitlement to a statutory redundancy payment and therefore do not show up in these figures. ■

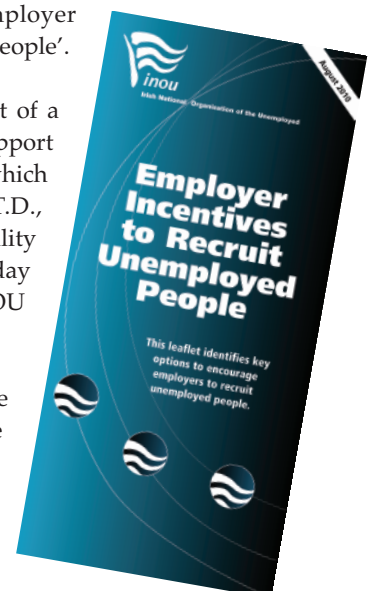
## Two new INOU leaflets



The INOU has produced two new leaflets 'Start your own business – What you need to know about moving from unemployment to self-employment' and also 'Employer Incentives to Recruit Unemployed People'.

Both the new publications are part of a suite of INOU information and support leaflets for unemployed people, which was launched by Pat Carey T.D., Minister for Community, Equality and Gaeltacht Affairs on Monday 6<sup>th</sup> September, at the INOU Offices.

For further information on the leaflets please contact Joe McDonagh on 01-856 0088 or by email at [development@inou.ie](mailto:development@inou.ie) ■





## Protecting your Social Insurance Record (PRSI)

Concerns have been raised with the INOU about unemployed people being unaware, and in particular people who were self-employed, of the importance of protecting your Pay Related Social Insurance (PRSI) record. PRSI contributions to the Social Insurance Fund (SIF) help an individual person to qualify for social insurance payments e.g. the State Pension (Contributory); Jobseeker's Benefit if you were an employee. If a person is out of work they may not have a paid PRSI contribution but they may qualify for a credited contribution, usually made while the individual is in receipt of Jobseekers or other welfare payment or while participating on approved education or training course.

A person's pattern of work could affect their social insurance record e.g. working part-time or in a job-sharing work arrangement. If a person works a week off as part of their work pattern they may miss out paying a PRSI contribution for the week they are not working.

If a person has been self-employed they may have been paying a Class S contribution, but if they cease self-employment they will cease paying a mandatory Class S contribution, and may not be making any PRSI contributions at all. This could have a longer term impact on their overall PRSI record and any entitlement to a State Pension.

If a person falls into one of these categories they may need to look at the option of making Voluntary PRSI contributions to keep their 'record' complete and 'up to date'. There are qualifying criteria including a minimum contribution of 260 weeks; apply within 12 months of last paid or credited contribution; and agree to pay voluntary

contributions from the start of the contribution week that follows the week in which a person leaves compulsory insurance.

For further details on methods of payment and rates and to download the application form VC1 go to [www.welfare.ie](http://www.welfare.ie)

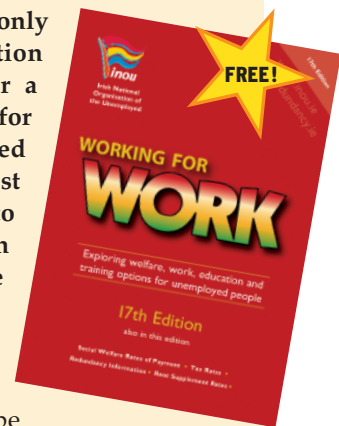
If you have any queries on this or any welfare rights issue contact the INOU Welfare Rights Section. ■

## Working for Work New Edition Now Available

Working for Work is the only comprehensive publication available bringing together a wide range of information for individual unemployed people, people who have lost their jobs, or are about to lose their jobs, and those in receipt of welfare payments.


Copies of Working for Work are FREE of charge to individuals and can be ordered directly from the INOU online, by email or telephone.

Copies are also available through local Citizens Information Centres, Social Welfare offices, MABS and a wide range of other groups and agencies. ■



## Social Media

The INOU is seeking to distribute its publications in as diverse a manner as possible. With social networking and media websites now reaching wider audiences than ever before possible, the INOU is embracing these new technologies. Please follow us on the following sites:

 <http://www.facebook.com/pages/The-Irish-National-Organisation-of-the-Unemployed/197274531407>

 <http://twitter.com/inouireland>

 <http://www.youtube.com/inouireland>

## WORK PLACEMENT PROGRAMME

The INOU is hearing very different stories about the Work Placement Programme. It is an option that suits some people; others have found it hard to access; others find the lack of an additional payment makes it unviable; and others have found it useful in providing valuable work experience.

We are conducting an on-line survey and really want to hear what your experiences have been of the Programme. So please check out [www.inou.ie](http://www.inou.ie) or our facebook page.

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