



INOUE meets key Trade Union Officials to discuss unemployment crisis

The INOU has begun a series of meetings with key trade union officials to discuss, amongst other things, the unemployment crisis; the supports the organisation is providing to trade unions and workers dealing with redundancy situations and the changes to unemployment payments announced in budget 09.

To date, we have met with John Douglas, General Secretary of Mandate and Anne Speed, Head of Equality and Campaigning and her colleagues at SIPTU. We hope to meet with other unions over the coming weeks.

Two key aims of the INOU are to develop close liaisons with the Trade Union movement and to build on the common interests between the unemployed and people in employment. The meetings provided a very useful opportunity to open up a dialogue and build strategic alliances between the INOU and the trade unions at this critical time.

Social Welfare Rates

Introduction

Listening to recent commentary from economists in a range of private and public institutions one could easily get the impression that social welfare rates were excessive. In recent years social welfare rates have increased. These increases were originally recommended by the Commission on Social Welfare and since then pursued through a variety of social policy and partnership arenas by the INOU and other community and voluntary organisations.

In their 2001 review of the National Anti-Poverty Strategy, Goodbody Economic Consultants noted that progress had been made in reducing poverty rates in Ireland and that "Increases in social welfare rates have been a contributory factor in this process." (p6) Clearly any reduction in social welfare payments would have the opposite effect; it would impact negatively on social cohesion and consequently Ireland's longer term socio-economic development. In particular it would make it next to impossible for the State to meet its own target of eliminating consistent poverty by 2016. This target was set in February '07 as the overall poverty goal in the National Action Plan for Social Inclusion, which covers the period 2007-2016.

Poverty

It is also important to note that though social welfare payments have improved they are still lower than crucial poverty thresholds. The Central Statistics Office produces a report annually entitled the 'Survey on Income and Living Conditions', it is part of an European wide survey and is often called EU-SILC for short. The latest report for Ireland was published in December 2008 and covers the year 2007.

At the end of 2007 the 'at-risk-of-poverty threshold' was €11,890 per annum or €228.65 per week. This figure is €24.35 higher than the basic social welfare rate introduced in Budget 2009.

Looking at the poverty figures, both the at-risk-of-poverty rate and the consistent poverty rate, the rates were lower for the State and for unemployed people in 2007 in comparison to 2006. However the rates for unemployed people were considerably higher in comparison to the overall or State figure. The at-risk-of-poverty rate was 38.7% for unemployed people in comparison to 16.5% overall; while the consistent poverty rate was 17.5% for unemployed people in comparison to 5.1% overall.

Inflation / deflation

The prospect of deflation has started to emerge and is being used as the rationale for proposing reductions in social welfare payments. The latest Consumer Price Index published by the Central Statistics Office is for January 2009 and saw an annual fall of 0.1%. The most dramatic falls were evident in housing, water, electricity, gas and other fuels category (7.9%); and clothing and footwear (6.9). These are two of the twelve groups within the COICOP which stands for 'Classification of Individual Consumption by Purpose'. Out of these 12 groups, 4 fell and 8 rose. From an anti-poverty and social

Unemployment Statistics

Live Register (LR) adjusted =
352,800 Feb 09

Redundancies year to date =
13,034 Feb 09

LR Standardised Unemployment
Rate adjusted = **10.4%** Feb 09

Quarterly National Household
Survey (QNHS) Unemployment
Rate adjusted = **7.7%** Nov 08





inclusion perspective inflation increased over the past year in two important groups'—

health (5.8%) and education (5.6%). However, amongst the groups that saw deflation it is important to look at the sub-groups and the potential impact on poorer households and how far their incomes will stretch. For example, although overall transport inflation fell by 4%, bus fares rose by 16% and rail fares by 13%. These increases in public transport costs also have implications for longer term and more sustainable development.

In conclusion

At their recent regional meeting the International Labour Organisation¹ noted amongst their conclusions that "As the recession deepens the numbers of

unemployed and the length of time they are out of work is rising rapidly all over the region. It is vital to ensure that the unemployed are able to maintain themselves and their families and not fall into poverty with all the risks this entails of becoming permanently detached from the workforce. Income support should be part of policies to facilitate rapid reactivation of the unemployed into productive employment."

To end on a practical note, unemployment is a life changing experience for people and it is crucial that unemployed people can access their entitlements as quickly as possible. Feedback from our affiliates indicates that two groups of people are experiencing particular delays and they are:

- ▶ people who were technically self-employed who are applying for Jobseekers Allowance; and
- ▶ non-Irish workers who are applying for either Jobseekers

Benefit or Jobseekers Allowance whose applications are being tied up in Habitually Resident concerns even when the applicants employment records clearly show they meet the criteria.

When there are delays in processing people's social welfare applications the only access point to income that people have is Supplementary Welfare Allowance. The SWA system is also under pressure at this time of unprecedented increases in unemployment and feedback from affiliates again indicates that issues are arising with regard to these discretionary payments and who can access them. Clarity about people's entitlements; improved processing times and procedures are vitally important if new sub-groups of poverty and deprivation are not to emerge amongst the unemployed. ■

Discussion Forums

The first Regional Discussion Forum of 2009 for Welfare Rights providing organisations was held in the E.D.I. Centre in Longford recently.

The meeting was well attended and presentations on the work of the Welfare to Work Development Project, the effects of the economic downturn on the labour market and social welfare as well as redundancy were given; each presentation was followed by an open forum discussion, with particular reference made to bogus self employment.

The feedback from the meeting has been very positive and the INOU would like to thank all those who took part in the meeting, with particular thanks to Mary Smith and all the staff in the E.D.I. Centre for making it a successful start to this years regional discussion forums. Two further regional discussion forums are planned for Limerick 24th March and Dublin 31st March 2009.

For further information on the discussion forums or the work of the Development Project please do not hesitate to contact Joe McDonagh on 01-856-0088 or email at development@inou.ie

Welfare to Work Development Project



Some of those in attendance at the INOU Longford meeting

Welfare Rights Information

The INOU have recently updated the leaflet 'Know Your Welfare Rights – What you need to know when you become unemployed'. The leaflet is specifically designed for individuals who have recently or are about to become unemployed and contains information on qualifying criteria for unemployment payments, the rate of those payments, how to collect your payment as well as information on Secondary Benefits and PRSI Contributions.

The leaflet is available to download from both INOU websites, www.inou.ie and www.redundancy.ie however if you require hard copies of the leaflet please do not hesitate to contact Joe McDonagh on 01-856-0088 or email at development@inou.ie

Redundancy Figures

Redundancy Figures notified to the Department of Enterprise, Trade and Employment showed that 2008 had the highest ever amount of redundancies, 40,607, some 59.5% higher than 2007.

Already in 2009, figures for the first two months of the year show that 13,034 people have been made redundant, an increase of 132.7% over the same period last year, with January of 09 showing the highest ever monthly increase recorded (6,697). Redundancies over the last six months total a massive 30,239, almost 5,000 more than the previous highest figure in 2003. Should this rate of increase continue then redundancies will reach 78,000 by the end of 2009.

It is important to note that these redundancy figures do not include people who have less than two years service and the amount of job losses occurring in Ireland is much higher than the amount of redundancies. ■

INOU Meets Minister for Social and Family Affairs

A delegation from the INOU met with Mary Hanafin, TD, Minister for Social and Family Affairs on 29th January to discuss the worsening unemployment situation and the issues affecting people who had recently lost their jobs.

The meeting provided an opportunity for us to outline, directly to the Minister, our key concerns in relation to the day to day issues affecting unemployed people and particularly people who had recently lost their jobs. We discussed the urgent need for the Department to tackle waiting times at social welfare offices; the need to radically reduce the delays that people are experiencing in receiving their unemployment payments after signing on for the first time and the need to address the particular problems experienced by people who were previously self-employed.

We also highlighted the urgent need for initiatives to maintain the maximum number of people in employment and for job creation measures. We also took the opportunity to outline the INOU's perspective in relation to education and training initiatives and the need to ensure that such initiatives have a definite labour market outcome in terms of future employment.

We also discussed the psychological and other impacts associated with losing your job and asked that the Minister ensure that counselling and other support and advice services were adequately resourced to deal with the increasing number of people in crisis situations.

Since the meeting, the Minister has announced a number of measures designed to alleviate some of the problems we raised. The Department, as we suggested, have taken the very practical step of making Application Forms for Jobseekers Benefit and Jobseekers Allowance available on the Department's website – www.welfare.ie. This means that people who are making a repeat claim (i.e. renewing a claim that they had initially made within the past two years) can now download and complete the UP 6 form. All other people can download and complete the UP 1 form prior to going to their local Social Welfare Office.

The Department is also establishing four Central Decisions Units, in Dublin city centre, Sligo, Finglas and Carrick-on-Shannon to speed up processing and decisions on claims. The Minister has also recently announced funding for counselling services.

We welcome these initiatives. We will also monitor the extent to which they alleviate the very real problems facing unemployed people and feedback to the Minister on areas where further initiatives are required. ■



Mary Hanafin TD, Minister for Social and Family Affairs, launching the INOU's "Working for Work" at Araby House last year.

QNHS – what's happening?

On Friday 27th February the Central Statistics Office issued the latest Quarterly National Household Survey (QNHS). This QNHS covers the period September to November 2008 and is known as Quarter 4 (Q4). It should be noted that since the end of this Quarter the Live Register has increased by 18%.

Employment

According to the Survey there were still 2.05m people in employment. However, there were 2.14m in employment in the same period in 2007 and this drop of 86,900 represents the largest decrease ever recorded since the Labour Force Survey began in 1975. 79% of the decrease in employment was male: and almost 70% of this decrease came from the continuing decline in construction employment. This dynamic presents considerable challenges for the education, training and employ-

ment systems as the skills profile of many construction workers and alternative employment opportunities do not match up.

Not all sectors experienced an employment decline for example: education; health; and other services saw increases for 4.5%; 1.6% and 2.5% respectively. However, most of these sectors are funded through public finances and unfortunately are more likely to contract than expand over the coming period.

Unemployment

In Q4 2008 there were 69,600 more people unemployed than in Q4 2007. The unemployment rate has increased from 4.5% to 7.7% and given the dramatic increases in the Live Register and the redundancy figures over the past number of months the unemployment rate will continue to rise. During most of this decade long-term unemployment remained relatively

static at 1.2%-1.6%. In Q4 2008 it rose to 1.8% and though a far cry from the figures seen in the 1980s, it still increased by 12,800 over the same period in 2007. Given the decline in employment and the skills mis-match highlighted by the Expert Working Group on Future Skills Needs, Ireland is facing a considerable challenge to design productive education, training and employment strategies that will guard against ingrained long-term unemployment.

In Conclusion

The state of the public finances and the subsequent lack of additional resources demands innovative thinking and approaches to address unemployment and related issues. Partnership with a small 'p' is required as there is a considerable body of knowledge at local and national level that needs to be engaging with these issues and identifying long-term sustainable responses. ■



INOUE to participate in key European funded project

We are delighted to advise that the INOUE will be playing a major role as a partner in the development and delivery of a key European funded project managed by the European Anti-Poverty Network Ireland (EAPN).

This project has been developed following detailed analysis by EAPN Ireland of the challenges of raising awareness of social inclusion issues, and specifically the contribution of the European social inclusion process. It takes into account the current realities and existing challenges and responds to a variety of national challenges, including the implication of the recent economic downturn, and the imperative to effectively include people who experience poverty in the design, monitoring and implementation of policies that effect them.

EAPN Ireland has actively engaged in these policy processes for many years and has been the lead organisation in Ireland in securing the participation of people experiencing poverty in European Structures. This project has been developed by the partners in consultation with a range of stakeholders. It draws on dialogue with people experiencing poverty,

community and voluntary sector organisations, national and local policymakers, state agencies, public relations experts and academics.

The core objectives of the project are to:

- ▶ Enhance understanding of experiences of poverty in Ireland and promote a national debate on their implications for national and European policy
- ▶ Raise awareness of the added value of a European approach to ending poverty and social exclusion during and in the run up to 2010.
- ▶ Promote innovative strategies for how the EU, through the Open Method of Coordination on Social Protection and Social Inclusion, can add more value to the fight against poverty in Ireland.

The project will adopt a thematic approach, structured in the context of the current debate on active inclusion. Focusing on the three strands of: (1) income; (2) services; and (3) labour market activation, the INOUE will undertake work in relation to labour market activation.

This thematic approach will be underpinned by supporting activities intended to actively create the conditions for a substantial debate at national level on poverty and social inclusion and the EU dimension. These conditions will be achieved through strategies to support people who experience poverty and the groups that work with them; to foster cooperation and dialogue with politicians and officials and to raise public awareness of poverty and its policy implications.

The project is managed by the EAPN and the Partners are the INOUE, the Vincentian Partnership for Social Justice, the Community Workers Co-Op, the Northern Ireland Anti-Poverty Network and Cork City Council. We look forward to rolling out the project in the coming months and to engaging with our member organisations in respect of a number of the proposed project activities. ■

E Bulletin

The INOUE is undertaking to provide this informative publication in as diverse a way as possible. To this end we are now publishing this document in an electronic format, as well as in a printed format.

We are asking that any interested parties who currently receive this publication in a printed format, who would like to receive it in an electronic format instead, to contact us by email at: ebulletin@inou.ie and leave us your details.

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DATE FOR YOUR DIARY

Annual Delegate Conference

This year's Annual Conference is scheduled for Thursday 21st May at Wynn's Hotel, Lower Abbey Street, Dublin 1. Registration will be from 9.30am – 10.00am. Further details on the Conference will be circulated shortly to our member organisations. We hope to see as many affiliates as possible represented on the day.