

Bulletin

Winter 2009 Vol 19 No. 3 & 4



Campaigns

The INOU is one of a range of Community and Voluntary Sector organisations and Trade Unions that have come together to campaign against the proposed cuts to basic social welfare payments, cuts to the national minimum wage and to call for the reinstatement of the Christmas bonus. The campaign is called 'The Poor Can't Pay'.

The Poor Can't Pay

The central message of 'The Poor Can't Pay' campaign is that people living on social welfare or earning the national minimum wage did not cause Ireland's economic crisis and therefore should not be forced to pay for the cost of the recession.

The campaign's web site at (www.thepoorcantpay.ie) allows any user to directly e-mail their local TDs and the relevant Ministers with a form letter that elaborates on the core message of the campaign. This email facility is very easy to use and the message can also be edited to include any other points the user might wish to raise. With Budget 2010 shaping up to have such a huge impact on the lives of the less well off in our society, we hope you will join us in this campaign and urge you to sign up as soon as possible and make your voice heard.

The INOU is also a part of, or supporting, a number of other campaigns as we head in to the last few weeks before the Budget is announced on December 9th. These campaigns serve a vital purpose in informing the public and politicians about the discontent that so many feel about the direction that

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BUDGETING FOR 2010

Context

Budget 2010 will be a defining moment in Ireland's social and economic development. It is clear that the current Government and many of the commentators used by the media are determined to steer Ireland down a deflationary path that will lead to increasing poverty and social exclusion.

The INOU finds it inexplicable that at a time of unprecedented numbers of people losing their jobs that addressing the unemployment crisis is running a poor third behind NAMA and the gap in the public finances. The National Economic and Social Council; the Community and Voluntary Pillar; and the Irish Congress of Trade Unions have all called for an integrated approach to address the interconnected crisis facing Ireland.

A one-step at a time approach will prolong the recovery period and will result in the re-emergence of structural long-term unemployment which will be significantly harder to address in a 'smart' economy.

Ireland must invest in its people: it will not be possible to realise a 'smart economy' unless we have a 'smart' and inclusive society. It is equally important the Government further develops its policies of poverty proofing so that informed and integrated policy decisions are made to protect the most vulnerable.

Unemployment Statistics

**Live Register (LR) adjusted =
422,500 October 09**

**Redundancies year to date =
67,207 October 09**

**LR Standardised Unemployment
Rate = 12.5% October 09**

**Quarterly National Household
Survey (QNHS) Unemployment
Rate adjusted = 11.6% June 09**

Income Adequacy

The INOU challenges all calls to reduce the basic social welfare rate. The price deflation and other arguments used in the McCarthy report fail to take into account the reality facing many welfare recipients. For example, the changes to Rent Supplement in Budget 2009 and the Supplementary Budget saw rent costs increase for these welfare recipients by between €15 and €20 per week. Despite recent increases the reality is that the current basic social welfare rate still lags behind the at-risk-of-poverty-threshold for 2007 of €228.65 per week.

The INOU feels very strongly that impoverishing people, who will face increasing challenges in securing employment in a rapidly changing labour market, is not the way to proceed. To this end it is vitally important that basic social welfare rates are maintained.

Welfare to Work and Job Maintenance

The rapid rise in unemployment and the very dramatic deterioration in the labour market presents not only a new dynamic for welfare to work issues but has the potential to compound issues not properly addressed for long-term unemployed people and others during the boom years.

The INOU is also conscious that for many people on reduced hours, accessing a social welfare payment is particularly problematic because their hours of work are irregular. In the interest of job maintenance and retaining people in employment this dynamic should be addressed.

Addressing 'in-work' poverty, by automating access to Family Income Supplement through a flagging mechanism within the tax/welfare system would be an important development. FIS could play an important role in maintaining people with families in work and should be fully utilised.

Active Labour Market Programmes

Active Labour Market Programmes (ALMP), like Community Employment, have played an important role in creating access points for groups distant from the labour market including long-

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Budgeting for 2010: (Continued)

term unemployed people; lone parents; disabled people; people living in rural areas; and Travellers.

At a time of rising unemployment well designed labour market programmes integrated into a more pro-active and client centred employment and related services have an important role to play in addressing socio-economic exclusion. To secure longer term and more sustainable outcomes from these programmes the active involvement of employers is crucial. This is important to finally address the progression issues from existing programmes and to ensure that new schemes, like the Work Placement Programme, provide meaningful engagement for unemployed people.

Supporting Employment including self-employment

The INOU has welcomed recent developments in this area designed to generate increased access for unemployed people. However, the organisation is concerned that the manner in which the cost of these changes was covered will ultimately make self-employment, as a response to unemployment, untenable.

The duration a participant can stay on Back to Work Enterprise Allowance must be extended to more realistic time period. Most commentators say it takes at least three years for a business to become established.

It is also important that the necessary enterprise supports are there locally for people to prepare their business idea.

The welfare implications for people addressing their unemployment through self-employment must be addressed. Clear information that highlights this situation for unemployed people is required: with an option to pay a different class of PRSI payment.

Education and Training

Ireland has set itself a goal of "a vibrant, knowledge-based economy and stimulating enterprise and productivity" (T16). To achieve this goal and in particular to do so in a truly inclusive manner requires a considerable increase in education and training provision if unemployed people are to secure employment.

The INOU is calling for improved responsiveness and flexibility within training, education and employment

services. The development of a seamless transition from welfare to work/education/training, and back were necessary, must be developed and implemented.

Taxation

The Commission on Taxation noted in its report that "The primary role of a tax system is to raise revenue to fund Government expenditure." Recently, the Minister for Finance has said that the tax burden will not be increased in Budget 2010. However, the INOU is deeply concerned that if addressing the state of the public finances is borne by public expenditure alone then unemployed people and other vulnerable people and communities will effectively be bearing the full impact of the cost of adjustment and will find it much harder to cope.

In order to secure Ireland's future a broader tax base is urgently required. Addressing the issue of unfair and inequitable tax expenditures that have tended to favour the better off would be a good starting place.

Labour Market

In conclusion the INOU is very conscious that the best way to address unemployment is through job creation and facilitating people to move from a welfare payment to work. The interaction of the social welfare and tax systems play an important role in this regard.

When the vision for the labour market is one of increasing technology, innovation and skills levels it is crucial that every effort is made to create access points for unemployed people and others distant from the labour market.

Building a more integrated and client centred employment service that actively strives to match the right person with the right opportunity is vital if we are to build a truly inclusive labour market. To ensure the development of a 'smart' economy that does not exacerbate socio-economic exclusion demands the urgent development of 'smart' and flexible services.

The INOU's complete Pre-Budget Submission is available on www.inou.ie/publications/ ■

Campaigns *continued from front page*

Government has chosen to take in addressing the budget deficit. On the INOU website there is a section that is devoted to the campaigns we are a part of or running ourselves. Please visit www.inou.ie/campaigns/ for more details.

The "Get Up, Stand Up" campaign took to the streets on the 6th of November and the INOU took part in the Dublin protest to voice the concerns of the Unemployed. Organised by The Irish Congress of Trade Unions, this protest campaign is guided by five key principles. Tackling the Jobs' Crisis, Stopping Cuts to Peoples Incomes, Protecting Vital Services, Safeguarding Peoples' Homes and Making the Wealthy Pay their Fair Share. These five sentiments and the numerous identical calls the INOU has made on the Government in the lead up to this budget are evidence of the solidarity between our sectors. The Get Up, Stand Up campaign website is located at www.getupstandup.ie where you will find a wealth of documents, information and notification of any upcoming events of this campaign.

Rent supplement is a vital safety net for many of our poorest households preventing them from becoming homeless. It also supports people who have experienced homelessness in the past to move on to independent living. Rent supplement has already been cut twice in the last year. The "Make Room" campaign is an initiative of Focus Ireland, Simon Community, SVP and Threshold which is calling for no more cuts to be made to rent supplement in December's budget by lobbying the Minister for Social and Family Affairs and your local TDs.

Similarly to the Poor Can't Pay campaign, the Make Room web site which can found at www.makeroom.ie/takeaction/ provides a very easy to use facility that allows the user to send an email to the relevant Ministers and to all your local TDs and to make them aware of your opposition to any further cuts to this vital safety net. Please join the INOU in all of these campaigns and call on this Government to do the right thing and protect the most vulnerable in our society in Budget 2010. ■

An Bord Snip Nua

It will be a quiz question in the future years, by what name was the “Report of the Special Group on Public Service Numbers and Expenditure Programmes” better known. Its first nick name was ‘An Bord Snip Nua’ and is now generally called the ‘McCarthy Report’ after its chairman Colm McCarthy.

The range of cuts proposed in the McCarthy report would have a significant impact on employment / unemployment if they were fully implemented. The report itself calls for 17,000 public sector jobs to be cut. The ‘Communities Against Cuts’ campaign estimate that 6,633 would be lost in the community sector. So not only is the Government failing to treat the unemployment crisis with the level of seriousness it demands, its focus on addressing the gap in the public finances first will further exacerbate this situation.

Amongst the recommendations that would affect communities which have struggled with long-term unemployment and other issues of disadvantage include the discontinuation of the RAPID programme; a €10m be cut to the Community Services Programme; and a similar cut to supports to the Community and Voluntary Sector.

Later on in the report they commend the rationalisation of employment services in which they include FÁS, LES, employment services provided by Partnerships and curiously services provided by Congress Centres Network funded through Community Employment. However, what is not clear is how this recommendation would sit with another recommendation to merge the Partnerships with other non-employment related structures e.g. Volunteer Centres and the County Childcare Committees.

The levels of the cuts the McCarthy report seeks would be troubling enough if it wasn’t for the complete lack of any understanding of the valuable interconnecting role many of these programmes play in generating employment, education and training opportunities in local communities.

Another example of this is the call in the McCarthy report to consolidate all indigenous enterprise supports under Enterprise Ireland and that subsequent offices be located in the Gateways identified through the National Spatial Strategy. Self-employment as a response to unemployment is being supported through the revamping of the Back to Work Enterprise Allowance by DSFA. Unemployed people eligible for the 2 year version of the BTWEA must have in writing from a Job Facilitator or Partnership Company that they are seeking to become self-employed in an approved business. So how feasible would the roll-out of a regional support structure be when the current more localised one is struggling to cope with the level of demand?

Even during the Celtic Tiger significant numbers of people found it hard to access employment. Active labour market programmes like Community Employment and Jobs Initiative have played an important role in creating access points for long-termed unemployed people, lone parents, and disabled people. The call to end, what the report terms ‘dual payments’ to Community Employment would hit lone parents and disabled people in particular, many of whom have additional labour market participation costs. Likewise long-term unemployed people would be hit by the abolition of Jobs Initiative, to which recruitment has been close since 2004, and the reduction of the €31.80 available to them to support them into training.

Of greatest concern to unemployed people and others dependent on social welfare are the recommendations to cut the basic social welfare rate; cut Child Benefit; cut all payments that McCarthy perceived as a ‘double payment’. The McCarthy report rationalised its call to cut social welfare payments on two fronts: (i) deflation; and (ii) falling wages. As the ESRI has noted, deflation has not affected all income groups equally and called themselves for a freeze of social welfare payments. Also wage data from the Central Statistics Office refutes the claim



that wages have fallen in the private sector.

The rationale for further age graduation of Jobseekers Allowance for those aged 20-24 to €150 is even odder as it makes links this call to the National Minimum Wage (NMW). The NMW is age graduated for employees up to 18 (€6.06ph) and in the first year and second year of employment after turning 18 (€6.92ph) and (€7.79ph) respectively. In April’s Budget 18 and 19 year olds had their JA cut to €100 per week as an incentive to go into and stay in education and training. Debatable and all as this argument is for 18/19 year olds, it is not applicable to 20-24 year olds and no further age graduation should be considered.

The report goes on to call for more stringent measures for JA/JB recipients who do not take up education or training offers or access to appropriate schemes. The INOU has called for a more pro-active employment service but this should be client focused and based on constructive engagement with unemployed people. Given the limited resources available to the State it is imperative that people are matched up with the right opportunity that will improve their long-term prospects – merely putting bums on seats is a luxury Ireland can ill afford at any level, be it personal, communal or societal.

The INOU has called for the modernisation of the social welfare system to reflect the more flexible and adaptable labour market that has emerged in recent years. Calls in the report to simplify the structure and rates associated with the Social Insurance Fund (PRSI) and to simplify and standardise income disregards to ensure equitable treatment of all income for social welfare purposes should be explored. ■



Shades of the past ?



Pictures from the 'Get Up, Stand Up' National Day of Protest, November 2009.

Taxing Ideas

The Commission on Taxation (COT) report is a sizeable tome covering the tax system from the local to the national level; from the personal to the corporate; from the environment to tax expenditures.

The INOU is deeply concerned that the Government appears to be long-fingering this document and renege on their commitment in April's Supplementary Budget to "seek up to an additional €1.75 billion from taxation" in Budget 2010. This decision will have a disproportionate impact on the less well off and the most vulnerable in Irish society.

The INOU would agree with the COT's "view is that the general aim should be to continue to exempt the minimum wage from taxation." However we would query their assertion that "as a general rule, all social welfare payments should be subject to taxation and that the statutory provisions which exempt from income tax elements of social welfare payments should be discontinued".



Further on they state that a "core principle of tax policy into the medium term should be to keep taxes on labour and the labour tax wedge low, in order to reduce the costs of employment, stimulate demand for labour and encourage labour force participation." It is interesting that latter on in the report they note the impact of April's Supplementary budget in increasing Ireland's tax wedge.

The INOU would not agree with COT recommendation to tax Child Benefit. This is one of the few universal payments that Ireland has and as such is important in addressing a key welfare to work issue, childcare. Childcare costs in Ireland are high by international standards and Child Benefit plays an important role in supporting labour market participation.

The INOU has called for a broader tax base and believes a good place for the Government to start is with the tax expenditures the COT identified. An extraordinary amount of income is foregone through these expenditures which are defined "as a transfer of public resources that is achieved by reducing tax obligations". The INOU would also agree with the call to abolish the PRSI ceiling (currently €75,036) which COT argues "would also improve social solidarity where costs of social benefits are shared collectively by society". ■

Review of Programme for Government

On October 10, 2009 the Review of the Programme for Government was published. Of particular interest to the INOU are the sections dealing with 'Enterprise and Jobs'; 'A More Caring and Just Society'; and 'A Learning Nation'. This short article will give readers a flavour of what this Programme contains.

Enterprise and jobs

In the section dealing with 'Stabilising the Economy of Today' the priorities identified include:

- ❑ "retain as many existing jobs as possible and support businesses;
- ❑ re-skill people who are working in traditional business and those who have lost their jobs;
- ❑ Create new jobs in existing and new industries;
- ❑ Sort out the banks and get them lending again." (p6)

Though the INOU would welcome these four priorities, the organisation is deeply concerned at the lack of focused investment to realise them.

Similarly in the section dealing with building the economy of tomorrow, no clear pathways are established between 'Innovation Ireland' and the development of a more 'just society'. If this issue is not tackled properly then structural long-term unemployment will deepen.

'A more caring and just society'

Welfare

In preparing for Budget 2010 the Government's focus has moved to one of cuts, cuts, cuts. The INOU would remind Government that in this document they promised that "In seeking to manage the social welfare budgets, We will place strongest emphasis will be placed on protecting basic payments for the most vulnerable in society."

The INOU has called for a more flexible, modern, and client centred social welfare system and so welcomes the assertion that the Government "will radically overhaul the Taxation and Social Welfare systems so they become more integrated to better meet the needs of citizens and eliminate anomalies"(p16).

As with so many documents there is little exact detail about how much of its content will be achieved. For example, how will the Government enable "people to meet their full potential and reducing long-term dependence on income support payments"? This is a dynamic the Government made little significant progress on during the Celtic Tiger years. So how can progress be made now without a significant focus on mainstreaming equality and social inclusion in the labour market?

On a more practical note, the INOU welcomes the commitment to "reduce the long processing times for jobseekers' claims that are currently evident in some parts of the country" and urges immediate and targeted action.

Community and Social Economy

It is interesting to see what gets covered in the McCarthy report and what gets covered in this renewed Programme for Government. McCarthy recommended the discontinuation of RAPID while the Programme commits to continuing "to develop the RAPID Programme that is giving local communities in the most disadvantaged urban areas a real voice for change for the better in their own communities". McCarthy recommends phasing out the CLAR programme while the Programme commits to "In these times of economic constraint we will focus the CLÁR programme on priority local needs in CLÁR areas". (p20)

The use of the words 'Social Economy' are curious in this section as no such programme has existed since the mid-noughties when it moved from D/Enterprise, Trade and Employment to D/Community, Rural and Gaeltacht Affairs; and much of the text in this section describes the range of activation measures that are not necessarily part of the social economy.

'A Learning Nation'

The INOU is concerned at the lack of links in this section to the development of the green or smart economy. Inclusive socio-economic development that offers unemployed people and others distant from the labour market long-term sustainable options are not realisable unless we finally get life-long learning right. ■





National Executive Committee

Elections to positions of Chairperson, Vice-Chairpersons and Treasurer of the INOU were held at the NEC meeting on 10th July. We are delighted to report that the outgoing Chairperson, Ann Fergus, was re-elected for a further two year term and Seamus Orr, outgoing Vice-Chairperson, was elected as Treasurer. We are also delighted to welcome Edel Kelly, EDI Centre, Longford and Barrie McLatchie, Belfast Unemployed Resource Centre, as our newly elected Vice Chairpersons. The members of our National Executive Committee are:

Officers Board

Ann Fergus	Chair
Edel Kelly,	Vice-Chair
Barrie McLatchie	Vice-Chair
Seamus Orr	Treasurer

Nominating Organisation

Galway People's Resource Centre
 EDI Centre, Longford
 Belfast Unemployed Resource Centre
 INOU General Branch

NEC

Des Bonass
 Tony Jordan
 Rotimi Adebari
 Sylvia Ryan
 Delia Colohan
 Lorraine Hennessy
 Frank Mallon (Co-opted)
 Brendan Sherlock (Co-opted)
 Padraig Malone (Co-opted)
 Orla O'Connor (Co-opted)
 Bill Abom (Co-opted)

Dublin Council of Trade Unions
 Ait na nDaoine Community Development Project
 Supporting Unemployed in Laois
 ICTU
 Ballinasloe Community Information Centre
 INOU Staff Representative
 Armagh Unemployed Group
 General Branch
 Limerick Centre for the Unemployed
 National Women's Council
 Migrant Rights Centre

Photographs from the November 2009, ICT



INOUE preparing to march



Age Action Ireland joining in to support the cause.



FIT: A Unique Initiative that is making a Difference

Deirdre Kelleher

FIT (Fastrack to Information Technology) is a unique industry initiative which involves major indigenous and international companies that are committed to the integration of unemployed job seekers into the labour force through the acquisition of marketable ICT skills. The Initiative was established in 1999 with the support of Government (Department of An Taoiseach, the Department of Education and Science and the Department of Enterprise Trade and Employment in Ireland). Companies which support FIT include: Microsoft, Eircom, Lionbridge, IBM, AOL, Alchemy and many other IT related companies throughout Dublin. FIT has developed a wide range of ICT courses responsive to the technical skill need and personal/professional development of marginalised job seekers throughout Ireland. Over 7,500 people have been trained since 1999, of which 70% have successfully progressed into employment, self-employment or onto further education programmes.

The aim of FIT is to enable marginalised job seekers residing in areas of disadvantage to successfully compete for new employment opportunities through the acquisition of ICT skills currently in demand in the labour market. The Initiative therefore responds significantly to Irish strategies to combat poverty and social exclusion by targeting vulnerable groups in disadvantaged communities with low levels of educational attainment. FIT is built on partnership, mutual benefit and shared expectations, for people who have less access to mainstream opportunities. It has established connections and interactions between industry, Government and local communities (the latter involving: Local Employment Service Networks (LESNs); Vocational Education Committees (VECs); Area Partnership Companies (APCs).



The Future of Lifelong Learning” Event hosted by FIT. From left to right: Wendy Hamilton (Lionbridge Technologies and FIT Board Member), Seán Haughey (TD and Minister for Lifelong learning) and George Ryan (FIT).

During its ten year existence, FIT has broadened its range of activity and is also bridging the digital divide across Europe, acting as a catalyst for upskilling and inclusion, as Europe strives to become the most knowledge-based economy by 2010. It has done so by leading and partaking in an array of EU projects which have innovation as a common theme. Through these projects, FIT has pioneered new ways of helping people to draw on and enhance their abilities and also train them in IT. These projects were showcased at the ‘Future of Lifelong Learning’ event hosted by FIT on 5 October 2009 in the Department of Education and Science Headquarters. Minister Seán Haughey launched the occasion and drew attention to the work being done by FIT through stating that “it is fantastic to see how participation in education can transform people, not least in increasing their self-esteem.” ■

U ‘Get Up, Stand Up’ National Day of Protest.



INO member Rutilio LopezReyes during the march.



INO crossing O’Connell Bridge battling heavy winds.



The Poor Can't Pay Campaign were out in force.



Regional discussion forums

The first in a series of Regional Discussion Forums was held in Cavan on Tuesday the 17th of November. The next fora in this series will be in Dublin, Thursday 26th November and Cork, Tuesday 1st December for welfare rights information providers. The meetings will feature presentations and discussion on Education Options for Unemployed people and also the INOU Pre Budget Submission.

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

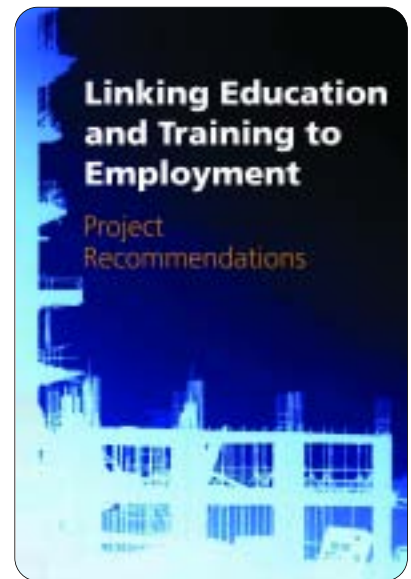
E Bulletin

The INOU 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.

Project recommendations

Given the Government's vision for Irish jobs of the future being jobs in the Knowledge/Smart economy, there is little surprise at the high level of interest amongst unemployed people in taking up training and education options to re-skill in this difficult labour market. This year the INOU published the recommendations from our project entitled "Getting It Right, Linking Education and Training to Employment." These recommendations could hardly be timelier. There is a mammoth task facing FÁS, the Employment Services and the Education Sector in reorientating their education and training delivery to meet the needs of the historic number of people now unemployed.



The recommendations in this report aim to assist the development of genuine useful and beneficial options for the unemployed. You can download the report from the INOU website at: www.inou.ie/download/pdf/project_recommendations_report.pdf

Redundancy

Redundancy figures for October show that 67,207 people have been made redundant so far this year, an increase of 110% on last year's figures.

Over 6,500 people were made redundant in October an increase of almost 42% on the month of October 2008. Areas which were badly affected included Clare, Dublin, Limerick and Roscommon. Should this rate of increase continue then redundancies will reach over 80,000 by the end of 2009, double that of 2008. The figures also show that 45,438 men and 21,769 women were made redundant so far in 2009.

It is important to note that these figures only include people who receive a redundancy payment; people have worked for less than two years, will not receive a redundancy payment and therefore do not show up in the figures.

Irish National Organisation

of the Unemployed,

Araby House,

8 North Richmond Street,

Dublin 1.

Tel: (01) 856 0088

Fax: (01) 856 0090

E-mail: info@inou.ie

WORKING FOR WORK

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Copies of Working for Work are still available. The publication is free but

postage charges will apply. Please contact the INOU if you wish to order any copies.

