

# Building a Just Society



*"The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions.*

*The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all.*

*We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society."*

*INOUE Mission Statement*

## INOUE

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According to the most recent Monthly Unemployment Rate, June 2016, the unemployment rate is 7.8%, almost half that of the crisis high of 15.1%. While welcome, it is still considerably higher than the unemployment figures that prevailed from Q1 2000 to Q4 2007 when the unemployment rate varied from 3.6% to 5%. In the Programme for Government the target is to "Reduce the unemployment rate to 6%". The INOU believes strongly that this target needs to be more ambitious, otherwise a lot of people will not be able to participate in Ireland's economic development. The Labour Market Council in its response to *Pathways to Work 2016-2020* recommended that "the Government decrease the unemployment rate target to between 5 - 6% by 2020." (p11)

Looking at long-term unemployment, there were 100,600 people who were classified as such in the QNHS Q1 2016. It is important to note that given how the official unemployment figures are captured, this figure may not capture everyone who is long-term unemployed. For example, some people may have lost heart and may not be actively seeking work, and others may have care or transport issues that need to be addressed before they can take up work. To capture people who may not fit into the official definition of unemployment, the Central Statistics Offices produces a figure called the Potential Additional Labour Force (PALF). In Q1 2016 there were 30,700 people described as being part of the PALF.

The long-term unemployment figure of 100,600 people is down from a crisis high of 204,300 in Q1 2012, but threefold+ the pre-crisis levels: when long-term unemployment ranged from 21,800 people in Q2 2001 to 33,000 in Q1 2008. The latest long-term unemployment rate is 4.7%, down from a crisis high in Q1 2012 of 9.5%, but considerably higher than the pre-crisis rates of 1.3-1.5%. The theme of the recent National Economic Dialogue was 'Growth towards a Just Society' and to ensure that people who are long-term unemployed can enjoy such a society it is essential that the Labour Market Council's recommendation that "the Government decrease the long-term unemployment rate target to less than 2.2% by 2020" (p11) is not only achieved, but surpassed.

In June 2016, the seasonally adjusted Live Register stood at 305,600, down 32% on a recession high of 449,200 seen in September 2010, but 90% higher than pre-crisis levels. Note that from January 2005 to May 2007, the register remained under 160,000 people. At present 20% of the people on the Live Register are working part-time or casually, in comparison to the noughties when the percentage of people working this way was in and around 12-13%. At the INOU's recent Regional Discussion Forums, participants raised concerns about the fragmentation of the Irish labour market and the prevailing quality of work. Within the Programme for Government it states that "The ultimate goal of the new Government will be to deliver sustainable full employment. This will mean an extra 200,000 jobs by 2020, of which 135,000 will be outside of Dublin, leading to more people at work than ever before." (p41) It is absolutely critical that the creation and maintenance of decent jobs is at the heart of this goal, and that unemployed people are provided with good information, advice, education and training supports to be able to access these jobs.

## The INOU 2017 Pre-Budget Submission to the Department of Social Protection covers:

- ☞ Essential Income Adequacy
- ☞ Particular Income Adequacy Issues
- ☞ Supportive Activation Programmes
- ☞ Supportive Employment Services



# Essential Income Adequacy

In the Programme for Government it notes *“We accept that the economic recovery remains incomplete and fragile. Many people have yet to feel the benefit of the upturn in the economy. Many families are still struggling financially. Many communities - both rural and urban - have inadequate services and infrastructure.”* (p32) At the INOU’s recent Annual Delegate Conference the delegates called *“on the Government to significantly increase Jobseeker payments – at a minimum to the rates in early 2009 – including reversing the cuts to younger jobseekers.”* This call was made in recognition of the financial difficulties facing unemployed people, the fact that the poverty rates experienced by unemployed people are considerably higher than the national average.

According to the most recent Survey on Income and Living Conditions (SILC) 2014, unemployed people’s at risk of poverty rate was 35.9% in comparison to the national figure of 16.3%; their deprivation rate was 53.4% in comparison to a national figure of 29%; and their consistent poverty rate was 22.6% in comparison to a national figure of 8%.

In the National Action Plan for Social Inclusion 2007-2016, Goal 6 focused on income support and said *“Maintain the relative value of the lowest social welfare rate at least at €185.80, in 2007 terms, over the course of this Plan, subject to available resources.”* Currently, the Basic Social Welfare Allowance (BSWA) is €186, but if this goal had been adhered to, BSWA would be €191.77: a figure that would still be below the SILC 2014 ‘at risk of poverty threshold’ by €18.34.

In their report on Minimum Essential Standard of Living (MESL), the Vincentian Partnership for Social Justice (VPSJ) noted *“The data shows that working age households without dependent children are also experiencing income inadequacy when dependent on social welfare”* and that *“The single adult household faces income inadequacy of €63 per week, despite receiving Rent Supplement and the full rate of Jobseekers.”* (p13) Restoring working age social welfare payments to 2009 levels would go some way to addressing these issues and alleviate poverty.

The INOU regards the introduction of age segregation to Jobseekers Allowance payments as discriminatory and strongly believes that on equality grounds they should be reversed. The VPSJ in their work have noted that *“The cost of an MESL for an unemployed young adult living in the family home is €154 per week, more than 1 ½ times the reduced rate of JSA for adults aged 18 to 24.”* (p14) So, there are strong social inclusion and poverty grounds for this practice to be ended. Such a development would be keeping with the commitment in the Programme for Government to *“develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights. We will also develop a new Integrated Framework for Social Inclusion, which will outline measures to help eliminate any persisting discrimination on grounds of gender, age, family status, marital status, sexual orientation, race, disability, religion or membership of the Traveller Community.”* (p6)

## IN BUDGET 2017:

- ☞ **Start restoring social welfare rates to 2009 levels with an €8 per week increase.**
- ☞ **End the inequitable age segregation to Jobseekers Allowance payments by reversing the cuts to younger jobseekers.**



# Particular Income Adequacy Issues

The INOU is keenly aware, through the course of our work, of the anomalies that exist in the social protection system and the difficulties that these can cause for unemployed people and their families. As Ireland's economy begins to recover it is important that these anomalies are addressed. This would be in keeping with the Programme for Government's aspiration that *"At the same time, economic repair must be complemented by social repair."* (p33) To that end and in keeping with a motion to the INOU's Annual Delegate Conference *"The INOU calls on the Government to fully restore the Christmas bonus and to facilitate access to this payment for people who are unemployed for at least 12 months i.e. when they are deemed to be long-term unemployed rather than the current access point of 15 months"*; and to restore the duration of Jobseekers Benefit to 12 and 9 months from the current maximum durations of 9 and 6 months depending on the recipient's PRSI contributions.

At present, the Jobseekers Allowance Daily Disregard from employment is €20 per day for a total of €60 for a 3 day period; while the income disregard for assessment of means from employment for Rent Supplement is €75 per week. To address this anomaly the INOU is calling on the Government to increase the daily disregard from €20 per day to €25 per day to a maximum of €75 for 3 days. Such a change would avoid the need for any additional means assessment / administration where a person engages in employment up to 3 days per week and earns €75 or under, and is receiving Rent Supplement. It would additionally incentivise the practical benefits of return to work – where such additional €15 income could be used to offset additional costs e.g. travel.

At present on Supplementary Welfare Allowance (SWA), the Capital Value of Savings is assessed with an initial €5,000 disregard; while all other means assessed payments have a higher initial disregard ranging from €20,000 to €50,000. Issues are arising where, for example, a person applies for a SWA payment as they await an appeals decision and receive a lower payment than they may subsequently receive on JA. To address this anomaly the INOU is calling for the SWA capital disregard to be brought into line with the next lowest capital means assessment i.e. €20,000.

The initial disregard on the means test for Jobseekers Allowance is €20,000, and this can create difficulties for people moving from Jobseekers Benefit who had been made redundant and who received a lump sum. This is an issue that can impact on older unemployed people with a long work history, a group facing ageism when seeking to re-enter the labour market. Increasing the initial disregard from €20,000 to €50,000 in such limited circumstances would enable individuals to better cope with the financial constraints of longer-term unemployment. To address this issue the INOU is calling for an increase in the disregard from €20,000 to a maximum of €50,000, in particular for the first year of JA where moving from JB after a redundancy.

## IN BUDGET 2017:

- ☞ **Fully Restore the Christmas bonus and change the eligibility criteria from 15 to 12 months.**
- ☞ **Increase the duration on Jobseekers Benefit to 12 and 9 months.**
- ☞ **Increase the earnings disregard to €25 per day.**
- ☞ **Increase the SWA income disregard to €20,000.**
- ☞ **Increase the income disregard to €50,000 for the first year of JA.**



# Supportive Activation Programmes

In the Programme for Government it says that *“In recognition of the vital role of schemes such as the Rural Social Scheme, Community Employment Schemes, BTEA and Farm Assist in rural communities and in activating the unemployed, we will ask the Minister for Social Protection to make suitable recommendations to strengthen provision in this area”*. (p104)

The theme of the INOU’s recent Regional Discussion Forums was employment programmes. Amongst the issues raised was the importance of these programmes in facilitating unemployed people’s participation in their community; and the key role these programmes can play in urban disadvantaged communities. It is vitally important that participation on these programmes is by choice and that people can self-refer; that proper supports for participation are put in place; and that people truly experience these programmes as a stepping stone into decent and sustainable employment.

At the INOU recent Annual Delegate Conference delegates called *“on the Government to deliver an effective and efficient employment and entitlement service to unemployed people regardless of the nature of their payment, including people who are not in receipt of a payment”*. An issue that arose at the Discussion Forums was the lack of access to employment programmes for people who were on Jobseekers Benefit, but who failed to move onto JA, because of their family circumstances. Yet, it was felt that an opportunity to participate on a programme like Community Employment could be beneficial to the unemployed person concerned. To address this issue, the Department could use the Probability of Exit (PEX) mechanism to identify people who would benefit from such an intervention and facilitate earlier access to employment programmes where appropriate. Another issue that has arisen is access to employment programmes for people who are ex-offenders. Before the crisis, access to activation programmes was fairly standard across working age payments, but since the crisis a number of anomalies have arisen. For example, an ex-offender can access CE but not Tús: this needs to be addressed as early access to such a programme could play an important role in supporting an ex-offender re-establish his or her life.

The cost of participation is an issue that is raised regularly, in particular the issue of transport, which is not only an issue in rural areas, but can also arise as an issue for participants in urban areas. To address this issue the INOU is calling on the Government to increase the top-up on employment programmes by €7.50, this coupled with an increase in the underlying social welfare payment would make a big difference to people’s lives and their ability to cope. Unemployed people who are participating on employment programmes and claiming for their partners and children, can find themselves financially no better off as they are over the PRSI threshold €352, which equates to 38.5 hours at the NMW of €9.15 an hour. In the Programme for Government, there is a target to *“Increase the minimum wage to €10.50/hour by 2021”* and to ensure this increase is meaningful, the PRSI threshold will need to be increased as well. As part of that process the Government should raise the PRSI threshold to €376, which would help address both issues.

## IN BUDGET 2017:

- ☞ **Ensure employment programmes are a stepping stone to a decent job.**
- ☞ **Participation on these programmes is by choice and people can self-refer.**
- ☞ **Increase the top-up payment on employment programmes by €7.50**
- ☞ **Increase the income limit on which people start to pay PRSI.**
- ☞ **Facilitate access to employment programmes for all unemployed people, including people in receipt of no payment and ex-offenders.**





# Supportive Employment Services

In the Programme for Government it states that *“The New Government will develop our work activation, social protection and further education services to ensure a seamless service for jobseekers. (p39)* Further on in the document it notes that *“The new Partnership Government will develop our social protection services into an active employment service that works with, and helps, jobseekers to return to work. We are determined that nobody will be left behind in the recovery and for this reason the Government needs to be more radical to end the plight of jobless households. In addition to implementing the ‘Pathways to Work’ 5 Year Strategy which aims to help 50,000 Long-Term Unemployed people into jobs, we will publish a dedicated ‘Pathways to Work for Jobless Households’ to support jobless households into employment. (p40)*

At the INOU’s Annual Delegate Conference delegates called *“for all unemployed people to be treated with respect through the provision of welfare support and employment services and that at its core it seeks to address the needs of the unemployed and avoid unnecessary expenses being incurred when engaging in activity to move away from unemployment”*. Delegates also called *“on the Government to develop a person centred activation process that ensures that the individual is supported to make an informed choice: a process that seeks to enable people to participate but refrains from coercing people into unsuitable activation programmes or unsustainable jobs.”*

It is critically important that Employment Services staff are supported by way of access to continuing professional development (CPD) opportunities, so that they provide constructive employment services to unemployed people and others of working age. Employment services that incorporate good guidance and an ability to match the individual with the most appropriate intervention for them.

Good information provided in a timely and supportive way can make a big difference to people’s lives. For example, awareness of what the INOU calls the ‘fast-track system’ could support an unemployed person to access short-term work, build up their links with the labour market which ultimately could support them to move into sustainable employment. This information is available on [www.welfare.ie](http://www.welfare.ie), but lacking visibility as it’s part of the Frequently Asked Questions (FAQ 20 ) on the Jobseekers Allowance page on the Department’s website. Similarly, moving into employment and moving away from a weekly payment to a monthly pay cheque can cause cash flow problems for some unemployed people, particularly those who have no other means, and may impact on their ability to take up employment. Access to a SWA payment, through the ‘payment pending wages’ mechanism could make a big difference to people in this circumstance, and could be a small investment by the Department for a much bigger return. Both of these mechanism should be promoted by the Department.

In the Central Statistics Office latest *Equality Module*, August 2015, the second highest rate of discrimination was reported by people who are unemployed, 23%. To give unemployed people the full protection of the equality legislation it is essential that the Government add socio-economic status as a ground into Ireland’s equality legislation, and that the DSP incorporates a strong equality and social inclusion focus into its work.

## IN BUDGET 2017:

- ☞ **Build on the Department’s Strategic Objective to “Put the Client at the Centre of Services and Policies”**
- ☞ **Support frontline staff to deliver a person-centred service with good guidance and information on the best options.**
- ☞ **Promote the ‘fast-track system’ and ‘payment pending wages’ supports.**
- ☞ **Incorporate a strong equality and social inclusion focus.**



# Budgeting for a Just Society

**IN SUMMARY THE INOU IS CALLING ON THE GOVERNMENT TO:**

- ☞ Start restoring social welfare rates to 2009 levels with an €8 per week increase.
- ☞ End the inequitable age segregation to Jobseekers Allowance payments by reversing the cuts to younger jobseekers.
- ☞ Fully Restore the Christmas bonus and change the eligibility criteria from 15 to 12 months.
- ☞ Increase the duration on Jobseekers Benefit to 12 and 9 months.
- ☞ Increase the earnings disregard to €25 per day.
- ☞ Increase the SWA income disregard to €20,000.
- ☞ Increase the income disregard to €50,000 for the first year of JA .
- ☞ Ensure employment programmes are a stepping stone to a decent job.
- ☞ Participation on these programmes is by choice and people can self-refer.
- ☞ Increase the top-up payment on employment programmes by €7.50
- ☞ Increase the income limit on which people start to pay PRSI.
- ☞ Facilitate access to employment programmes for all unemployed people, including people in receipt of no payment and ex-offenders.
- ☞ Build on the Department's Strategic Objective to *"Put the Client at the Centre of Services and Policies"*
- ☞ Support frontline staff to deliver a person-centred service with good guidance and information on the best options.
- ☞ Promote the 'fast-track system' and 'payment pending wages' supports.
- ☞ Incorporate a strong equality and social inclusion focus.



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