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INOUE

Presentation to Joint Committee on Social Protection on Labour Activation

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INTRODUCTION

On behalf of the Irish National Organisation of the Unemployed (INOUE), I welcome the invite from the Joint Committee on Social Protection to this meeting “to discuss the issue of labour activation.”

“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)

The organisation has over 210 affiliated organisations and 2,100 individual members. We work at the local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

CURRENT CONTEXT

According to the latest Quarterly National Household Survey, Quarter 3 2016, there were 2,040,500 people employed in Ireland. The majority, 77% or 1,578,900 people were in full-time employment, while 461,600 were in part-time employment. 21.7% or 100,400 of the people who are working part-time view themselves as underemployed i.e. they would prefer more hours or full-time jobs. Three economic sectors employ more than 250,000 people: industry; wholesale and retail, repair of motor vehicles and motorcycles; and human health and social work activities.

Nine years earlier, just before the crisis hit, there were more people employed: 2,169,600 in Q3 2007. At that time a higher percentage of people were in full-time employment: 82% or 1,779,400 people. At that stage three economic sectors employed more than 250,000 people, with two of them employing more than 300,000: industry; and wholesale and retail, repair of motor vehicles and motorcycles. At the time human health and social work activities employed less than 250,000 people; while construction employed 270,800. In Q3 2016, construction employment, though higher than it was from mid-2010 to mid-2016, is still half of what it was back in 2007, when in the second quarter of that year it stood at 273,900 people.

In Q3 2016, there were 177,700 people unemployed, the majority of whom were seeking full-time employment, while less than 3% were seeking to become self-employed. 92,300 people were unemployed for more than one year. 49.8% of this group were aged between 25 and 44 years; 37.3% were aged 45 years+; and 11.9% were aged between 15 and 24 years. The unemployment rate in this quarter was 8% and of the eight regions the country is divided up into, half had a rate that was lower and half a rate that was higher. The lowest

rate was seen in the Mid-East at 6.9% and the highest was seen in the South-East at 10.5%. In the Programme for Government there is a commitment to *“Prioritise balanced regional development, which will allow us to aim for an unemployment rate in each county that is within one percent of the State average by 2020”*.

In December 2016 there were 276,701 people on the Live Register, down from a peak of 470,284 in July 2011. The numbers of people on the Register for more than a year peaked at 201,513 in August 2012. In December 2016 there were 119,911 people on the Register for more than a year.

When the Central Statistics Office publishes the Live Register data it also publishes information on the numbers of people participating on Activation Programmes in the previous month. So in November 2016 there were 71,829 people on activation programmes: 45,619 on employment programmes and 26,210 on education and training programmes. March 2015 saw the highest number of people participating on activation programmes, when there were 89,704 participants: of whom 52,559 were on employment programmes and 37,145 were on education and training programmes.

Activation Programmes ¹	November 2008	November 2010	November 2012	November 2014	November 2016
Back to Work Enterprise Allowance	4,624	7,712	10,884	11,009	11,042
TUS	–	–	4,522	7,860	7,299
JobBridge	–	–	5,503	6,742	3,390
Community Employment	21,439	21,562	21,102	23,035	22,205
Gateway	–	–	–	1,463	807
Full-time training	10,567	11,011	9,857	8,910	7,075
Back to Education Allowance	10,854	24,686	25,819	22,714	14,135
Total Activation Programmes	56,317	72,516	84,061	87,623	71,829

STATEMENT OF STRATEGY 2016-2020

¹ Data source: <http://cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=LRM14&PLanguage=0>

In the Department of Social Protection's Statement of Strategy 2016 to 2019, the Department's Mission is stated as *'To promote active participation and inclusion in society through the provision of income supports, employment services and other services'*. There are three stated objectives:

1. Put the Client at the Centre of Services and Policies
2. Drive Cost, Efficiency and Effectiveness
3. Develop Staff, Structures and Processes

The Department now incorporates and oversees the National Employment Service, such a service requires a different relationship with clients and service users, a relationship that must move beyond a fraud and control driven one, to one that truly strives to provide an excellent service to everyone of working age. To that end, it is absolutely critical that the principles of equality and social inclusion underpin these objectives, and the policies and practices pursued to implement them. The INOU strongly believes that engaging with people, providing them with good information and advice, facilitating them to make informed choices, will ultimately result in a more effective and efficient use of public resources.

PUT UNEMPLOYED PEOPLE AT THE CENTRE OF SERVICES AND POLICIES

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) The INOU is keenly aware of the financial difficulties facing unemployed people. As the Survey on Income and Living Conditions (SILC) demonstrates, the poverty rates experienced by unemployed people are considerably higher than the national average. In 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%. These poverty figures are exacerbated by the age segregation introduced to Jobseekers Allowance payments in 2009: this development is discriminatory and should be reversed as a matter of urgency.

A theme in the INOU's Regional Discussion Forums in 2016 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 both rural and 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. 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 emerging through the course of our work is the anomalies that exist in the system and the difficulties that these can cause for unemployed people and their families. For example, the limited 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. So now, an ex-offender can access CE but not Tús. This issue 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.

PURSUE GREATER EQUALITY, EFFICIENCY AND EFFECTIVENESS

At the INOU's 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"*. To that end the organisation welcomes the commitment in the Programme for Government 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)

To ensure that these developments produce good outcomes for unemployed people and others of working age it will be vital that concerted action is taken *"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"*².

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, but lacking visibility as its 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'

² INOU Annual Delegate Conference motion

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 of Social Protection.

The Government's current 2020 unemployment target is 6%. Even if this is reached, there will still be 140,000 people unemployed. Of course this figure only includes people who fit within the official definition of unemployment³, and would be higher if a wider definition of unemployment / joblessness was used. It could also be higher if Ireland's population continues to grow or if there is greater negative impact from external factors such as Brexit. Activation programmes and employment support programmes like JobsPlus will still have an important role to play, but it will be important that they are kept under review to ensure that they are as supportive as possible, especially, for people more distant from the labour market. This will be a particularly important issue as *Pathways to Work for Jobless Households* is developed and rolled out.

DEVELOP STAFF, STRUCTURES AND PROCESSES

Another Conference motion 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."*

To that end 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 will be ultimately more effective and efficient. This development needs to happen across a range of services as at present the National Employment Service is delivered by the Department of Social Protection's Intreo service; the Local Employment Service; JobPath; Employability Services; and supported through programmes like the Department of Housing, Planning, Community and Local Government's Social Inclusion Community Activation Programme (SICAP).

The Central Statistics Office *Equality Module*, August 2015, noted the second highest rate of discrimination was reported by people who are unemployed, 23%. To play its part in addressing this reality the Department of Social Protection must spell out how it will meet its obligations under Section 42 (1) of the Irish Human Rights and Equality Commission Act 2014 which introduced a positive duty on public bodies which states that *"A public body shall, in the performance of its functions, have regard to the need to —*

- *eliminate discrimination,*
- *promote equality of opportunity and treatment of its staff and the persons to whom*

³ CSO definition of unemployment: Persons who, in the week before the Quarterly National Household Survey, were without work and available for work within the next two weeks, and had taken specific steps, in the preceding four weeks, to find work.

it provides services, and

- *protect the human rights of its members, staff and the persons to whom it provides services.”*

In their briefing paper, the Equality Rights Alliance note *“A positive duty seeks to ensure that the promotion of equality and human rights becomes a core part of the way in which the organisation operates and conducts its business by:*

- *Supporting an informed and evidence-based approach to the work of public sector organisations,*
- *Requiring public sector organisations to not only take steps to avoid discriminating against employees and service users, but to actively promote equality for, and respect and protect the human rights of, service users and employees,*
- *Seeking to ensure that public sector organisations meet the needs of all service users and employees,*
- *Aiming to make tangible differences in the lives of people experiencing inequality, exclusion and human rights abuses.*

*Positive duties are not about creating more red tape and bureaucracy. They are not an add-on or a further burden but an integral part of the way in which business is conducted.”*⁴ The incorporation of such a duty could make a positive difference to the lives of unemployed people and the Department of Social Protection’s other clients and services users.

IMPLICATIONS OF BREXIT

In their document, the Economic and Social Research Institute ‘*Scoping the Possible Economic Implications of Brexit on Ireland*’, ESRI Research Series No 48, noted on page vii of the Executive Summary *“A UK exit from the EU opens up the possibility of restrictions on the free movement of people between Ireland and the UK for the purposes of work. As the UK remains an important destination for Irish emigrants especially at times of high unemployment, such restrictions could have implications for the Irish labour market.”*

Later on in the document, on page fifty-two they note *“Net flows from Ireland to the UK increase when the Irish unemployment rate rises relative to the UK rate. This suggests that the closure of the UK labour market for emigrants from Ireland would tend to put upward pressure on unemployment rates and possibly downward pressure on wage rates if the unemployed competed for jobs in Ireland.”*

Clearly, the nature of the Brexit that comes to pass will have a major impact on how the employment / unemployment dynamic plays out and so it will be absolutely imperative that, at the very least, the targets contained the *Programme for Government* are realised and these are:

- *Target 200,000 extra jobs by 2020, including 135,000 outside of Dublin*

⁴ To read the full paper click here <http://www.eracampaign.org/uploads/ERA%20briefing%20paper-%20%20Public%20sector%20Positive%20Duty.pdf>

- *Reduce the unemployment rate to 6%*
- *Facilitate the return of at least 70,000 emigrants*
- *Prioritise balanced regional development, which will allow us to aim for an unemployment rate in each county that is within one percent of the State average by 2020” (p35-36)*

To ensure that social and economic exclusion are not exacerbated, it will also be critical to set specific targets to address structural unemployment, household joblessness and inequalities in the labour market.

INTEGRATED SERVICES

Building on our call to the *Action Plan for Jobs 2017* it will be imperative to factor in the impact and implications of Brexit in the development of an integrated, inter-departmental and inter-agency approach that ensures that the maximum possible number of unemployed people gain access to employment. This will require a mapping exercise that identifies the emerging and possible job losses, the potential alternative enterprises and jobs, and the education and training supports that are required to ensure unemployed people of all durations can gain access to these jobs, which must be decent and sustainable.

Elements of an integrated approach would include early engagement with companies that make job announcements with a view to gathering information on the nature of the positions to be filled; clarification on the skills, experience and competencies required to successfully do the jobs; and, the recruitment process to be used for filling the positions. This in turn should inform the work of the local employment services and education and training provision to unemployed people and others of working age.

The *Action Plan for Education 2016-2019 (APE)* notes that *“Education and training services support people throughout their lives. They play a huge part in developing their mental resilience and personal wellbeing. They equip people with the ability to adapt, to work with others, to think critically and to be creative. They give people the skills and knowledge to fulfil their personal goals.” (p2)*

At the INOU’s Annual Delegate Conference, delegates called *“for the provision of a full range of education and training supports for unemployed people which recognises diversity and specific needs when accessing training and education.”* The Programme for Government states *“We will support an increase in the number of flexible courses and opportunities available; giving people the opportunity to attend courses part time, during evenings, in the summer and at weekends.” (p93).*

The on-set of Brexit demands well-resourced action on this front and integral to this must be a focus on supporting unemployed people to assess their learning needs and the opportunities to improve their employment prospects. This requires the provision of good quality guidance and information; improved integration and transition between the employment services and education and training supports; pro-active work to get the referrals / matching piece correct; and ensuring all programmes are open to unemployed

people. The lack of additional resources in *Budget 2017* was disappointing and troubling in this regard and must be addressed if we are to ensure that Brexit does not reverse Ireland's recent employment / unemployment trends; and essential if we are to ensure that people who have yet to see the benefits of these improvements start to experience them positively in their own lives.

It also presents challenges for the key policy instrument for labour market activation *Pathways to Work* and how best to ensure that its six strands are complimenting and supporting each other and striving to ensure the best outcomes for people of working age seeking employment. These six strands are:

- Enhanced engagement with unemployed people of working age;
- Increase the employment focus of activation programmes and opportunities;
- Making work pay – incentive the take-up of opportunities;
- Incentivising employers to offer jobs and opportunities to unemployed people;
- Build organisational capability to deliver enhanced services to people who are unemployed;
- Building Workforce Skills.

IN SUMMARY THE KEY CHALLENGES ARE:

- Ensuring access to decent and sustainable employment.
- Seriously addressing barriers to accessing employment opportunities including good information; supports in making the welfare to work journey; access to practical and essential supports like transport and childcare.
- Acknowledging and addressing discrimination: not only the nine grounds of the Equality legislation, but through the introduction of a socio-economic status ground.
- Address concerns about the relevance / affordability of participating on certain programmes.
- Accessing quality education and training programmes leading to jobs.
- What about people who are very distant from the labour market?
- How will the socio-economic needs of people who have alcohol or substance misuse or mental health issues be addressed?
- Good monitoring and evaluation that captures all aspects of engagement and to ascertain the personal, social, as well as economic impacts of labour market activation measures.

IN SUMMARY ACTIVE INCLUSION WOULD BE A BETTER FOCUS:

- Person Centred Service for everyone of working age
- A pro-active and supportive employment service
- Full & pro-active provision of information
- Flexibility in the system to facilitate participation
- Support services: re-skilling; childcare; transport
- Integrated provision within and across Departments and Agencies:
 - ♦ DSP; DES; DJEI; DHPCLG; DCYA; DJE
- Role Of Employment Programmes: integral part of PES: DSP role
- Positive Duty incorporation
- Inclusive design & delivery
- Provision of proper resources to deliver on such a service

THANK YOU FOR YOUR TIME AND CONSIDERATION