

## Introduction

In responding to this Bill, the Social Welfare and Pensions Bill published by the Department of Social Protection on 2<sup>nd</sup> June 2011, the Irish National Organisation of the Unemployed is conscious of the tight timescale involved and cognisant of the fact that it will be local interpretation by social welfare personnel that will have the bigger impact on unemployed people. This Submission will raise issues of concern under the specific sections of the Bill and make recommendations on how these issues should be addressed in the Bill or in practice.

## Section 3

The INOU understands that this cut to employers PRSI has been proposed in part to compensate employers for the re-instatement of €1 cut to the National Minimum Wage made by the previous Government. However like many other commentators lobbying against the relentless drive to push low wages even lower, the INOU is concerned that with a maximum wage limit of €356 employees a little above this threshold may find themselves under pressure to reduce their hours or accept a lower wage so that their employer can avail of a reduced PRSI bill.

- It will be critical that measures are put in place to ensure that this does not happen.

## Sections 6 & 7

The INOU understands the rationale behind the increase in pension age. However, for such a move to be fully rational then parallel work is required to ensure that older people and in particular older unemployed people, are able to access employment and the correct supports and advice to develop and maintain their participation in paid employment. Feedback the organisation has received from older members is that ageism is a feature of the Irish labour market and the programmes or thinking are not in place to adequately address this issue.

- Targeted measures must be designed and delivered to support older workers to remain in employment and to support older unemployed people to get back into paid employment.

## Section 12

This section which will give the Minister for Social Protection and her officials the power to collect *“Information to be supplied by claimants and beneficiaries for profiling and activation*

*purposes*". It is imperative that this information is collected in a manner that is fully transparent and that frontline staff properly explain to unemployed people why it is being collected. A pro-active and well informed system that seeks to meet the needs of unemployed people and other welfare recipients is urgently required. Good information will be critical in developing a first class and person centred social welfare service: the Department of Social Protection must strive to ensure that the proposed new National Employment and Entitlement Service is indeed such a service.

- Frontline staff in social welfare and employment services must have the capacity and the necessary supports to engage with unemployed people and other social welfare recipients in a holistic and constructive manner. Such official engagement must aim to give unemployed people timely access to their entitlements and the very best of advice and supports to get back to work or into worthwhile education and training options as soon as possible.

### Section 13

While acknowledging the need for Social Welfare Inspectors to have the necessary powers to investigate employers that are suspected of not employing people in accordance with the law, it is important that such laws are exercised carefully and not exercised on the basis of a suspicion of 'type'. For example, unnecessarily stopping van drivers from particular communities: while failing to investigate more 'respectable' employers. To that end it is curious that amongst the other agents of the state Social Welfare Inspectors are envisaged working more closely with, Inspectors from NERA are not named.

- Application of the law must be transparent and equitable and based on fact not prejudice.

### Section 14

This section deals with the *"Allocation of personal public service number in certain circumstances"*. One part of this section strikes the INOU as odd and in need of clarification and that is Sn 14 (a) (b) (ii) (I). In paragraph (b) the Bill talks about the person's parent or guardian, yet (b) (ii) (I) talks about *"his or her mother and father,"*. Surely the *"and"* should read as *"or"* as the person concerned may not have either parents living, or one parent may be parenting alone and engaging with the other parent is not feasible.

- In Sn 14 (a) (b) (ii) (I) change *"mother and father"* to *"mother or father"*.

## Section 16

This section deals with the 'employment' relationship between a Work Placement Programme or National Internship Scheme participant and the employer with whom they are on the programme / scheme. The INOU is conscious that the participant under the WPP retains their social welfare payment and under NIS will receive a top-up from the State of €50 and so is technically not an employee. However, the INOU is concerned at the nature of much of the work on offer, in particular under WPP 2; the effective lack of legal protection for participants that ensures the placement / internship they are undertaking will provide them with a meaningful work experience. This matter must be addressed urgently if any of these measures are to improve the long-term employment prospects of the participants.

- ➔ Measures must be taken to ensure that the work experience undertaken by unemployed people on the WPP and the NIS is worthwhile and will improve their employment prospects. The INOU is also calling on the Government to also provide a top-up on the WPP as going to work costs money and participation should be recognised.

In the **Explanatory Memorandum** amongst the issues it describes this Section covering includes the following: *"It also ensures that a person who participates on the National Internship Scheme for periods of shorter than a week (e.g. 3 days) will not be able to claim social welfare benefits for the remainder of the week."* The INOU is curious as to which Section of the Bill deals with this issue as it does not appear to be contained in Section 16. The organisation is also concerned about potential aspects of NIS e.g. someone in receipt of a Jobseekers Allowance payment in 2011 who may be entitled to a Jobseekers Benefit payment in 2012 (under the relevant tax year rule) could find themselves remaining on a reduced payment on NIS if they commenced involvement on the Scheme in 2011.

- ➔ Greater clarity is required in this area and it is imperative that any involvement in an employment scheme does not undermine an unemployed person's entitlements.

## Section 18

The stated aim of this Section of the Bill is to deal with *"Repayment of amounts due arising from false or misleading statements or wilful concealment of facts"* and to ensure that any other payment the claimant may have been entitled to cannot be used to offset the amount to be repaid. The INOU is concerned that in the current climate of austerity that claimants entitlements could be undermined and in particular that entire families may be impoverished because of the misconduct of one member.

- ➔ It is vital that when addressing issues of fraud that issues arising from misunderstandings and miscommunication between claimants and the system are not used to punish people; and that the system strives to treat unemployed people and other social welfare recipients in a transparent and fair manner.

## Section 22

The INOU welcomes the restoration of the National Minimum Wage to €8.65 per hour.

## Section 23

The INOU understands the underlying logic to this Section relates to that of Section 3 i.e. reducing the cost for employers employing people at NMW when the hourly rate has been rightfully restored to €8.65. However, the INOU is concerned that the reductions in employers' contribution to the National Training Fund will do little to address a serious gap in active labour market policy. It is imperative that people in low paid jobs are encouraged to engage in Life Long Learning (LLL): this is particularly important if they are to avoid the debilitating cycle of low paid employment and social welfare payments. Ireland is not alone in failing to adequately address this problem as there is evidence right across the developed world that those who are already well educated and formally skilled are the very people who participate in LLL. And those who could most benefit from such participation to improve their life chances and those of their families are not participating to the same extent. Within *Europe 2020*<sup>1</sup> one of the seven flagship initiatives aims to “modernise labour markets and empower people by developing their skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility.”

- ☞ If poverty and socio-economic exclusion are to be properly addressed than real progress must be made on the issue of re-skilling unemployed people and people in low paid employment: otherwise they will not benefit from the vision of *Europe 2020* nor gain access to quality employment.

**FOR FURTHER INFORMATION ON THE IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED (INOUE) PLEASE VISIT OUR WEBSITE [.INOUE.IE](http://inou.ie)**

***Thanking you for your time***

Bríd O'Brien,  
Head of Policy and Media  
Email: [@inou.ie](mailto:@inou.ie)  
Tel: 01 856 0088

---

<sup>1</sup> Ref: EUROPE 2020 A strategy for smart, sustainable and inclusive growth Brussels, 3.3.2010 COM(2010) 2020