



Social Welfare (Miscellaneous Provisions) Bill 2010

What impact will it have on Unemployed People?

Introduction

The Social Welfare (Miscellaneous Provisions) Bill 2010 will bring in a range of changes that could have a significant impact on unemployed people and will have a definite impact on lone parents over the coming years. The level and extent of this impact will depend on how the legislative changes introduced are translated into practice on the ground. The INOU is deeply concerned at the variations in practice between local offices and the gaps in knowledge and understanding of how our social welfare system works. The proposed changes in this Bill have the danger of exacerbating these variations and must be addressed as a matter of urgency. Added to this mix and of potentially far more significance is the inclusion of key divisions of FÁS and particular programmes from Department of Community, Equality and Gaeltacht Affairs into the remit of the Department of Social Protection.

The INOU's most recent project work has focused on unemployed people's experiences of activation and their recommendations, for building more effective services, are highly pertinent given the context in which the Social Welfare (Miscellaneous Provisions) Bill 2010 was introduced. These recommendations are also mirrored in the feedback the organisation receives through our regional Discussion Forums which target front line information providers and the range of queries dealt with by our Welfare Rights Section.

Job Seeking

The Bill proposes that a "person shall be disqualified for receiving" either Jobseeker Allowance or Jobseeker Benefit where he or she "has refused an offer of suitable employment." Who will decide what 'suitable' means? Unemployed people's experience of their local Social Welfare Office varies from good, timely and friendly to information provision could be better to you needed to know more than they did in the first place. In general the lack of jobs is the problem: being activated into what is a question that is raised regularly. This point has not only been made by unemployed people but by officials working on the ground. In the year to March 2010¹ 115,700 full-time jobs were lost; there was a slight increase in part-time employment of 7,700 but barely a drop in the ocean considering there were 444,900 people on the Live Register in June 2010.

As labour market flexibility has increased, unemployment has become a more complex issue and concerns have been raised about the system's ability to respond to this new reality. In particular the system's ability to support people to be able to take up temporary contracts, casual employment

¹ Reference: National Quarterly Household Survey, Quarter 1 2010, CSO



and part-time work. These work options will be the only ones on offer for many unemployed people as it will take Ireland a few years to get back to full-time employment growth. The interface with the social welfare system needs to be properly addressed to support people to take up these employment opportunities. To that end, the thinking and culture within the system needs to change: it needs to be geared towards the individual's needs and be more innovative in its responses. The local Social Welfare Office needs to shift from an authoritative and processing mind-set to that of assisting people. On the first visit to SWO claimants should be advised up front of the total range of entitlements including information on the role of the (Jobs) Facilitator. Personal contact aimed at guiding the individual would be far more positive as up-to-date information more widely available would facilitate better decision making. A drop-in service that actually provides information has been sought by unemployed people: the INOU welcomes the Department's developments in disseminating information using a variety of new technologies and more creative use of the local Social Welfare Office. It has also been noted that services need to have a goal and be realistic.

The tone of this Bill does not encourage hope in that regard. Indeed the INOU was surprised at the Bill's strengthening of existing Genuinely Seeking Work criteria attached to Jobseekers payments as in her post-Budget speech in December, the then Minister for Social and Family Affairs, Mary Hanafin, TD, said that "Jobseekers under age 66 who refuse a job offer, work placement or offer of a course will have their Jobseekers Allowance/Supplementary Welfare Allowance personal rate reduced to €150 per week." The INOU had expected a more nuanced approach to the application of GSW given the current unemployment crisis facing the country. An on-going issue for unemployed people is the lack of response received to job applications from employers and how disheartening this can be for people. It seems extraordinary that at a time of unprecedented job losses and little or no job creation that the big stick approach is being emphasised. Instead, what is urgently required is a coherent Job Strategy in which the development of a 'smart' social welfare and employment service would play an active role in supporting unemployed people to enhance their long-term employment prospects.

Training

There are clear links between educational status and unemployment status. For example, unemployment rates for people with at least a third level honours degree was 6.1% in Quarter 1 2010², half the overall unemployment rate of 12.9%. But the unemployment rate for people "with lower levels of educational attainment" was higher at 13.7%. Clearly, education has a crucial role to play in developing sustainable options for unemployed people. This is especially true as the 'smart economy' is a key element of Government economic policy. At the height of the Celtic Tiger boom, the Expert Group on Future Skills Needs identified a challenge facing Ireland: that by 2020 if Ireland did not improve its lifelong learning outcomes there would be a significant gap between the jobs coming on stream and the skills of our labour force. The current unemployment crisis has the

² Reference: National Quarterly Household Survey, Quarter 1 2010, CSO



potential to significantly exacerbate this dynamic. The reality is that many people who have lost their jobs over the past two years will need to re-train or re-educate themselves as their job is either gone east or gone.

The Bill proposes to cut by €46 anyone who is over 25 and in receipt of a Jobseekers Allowance or Benefit who “without good cause refused to participate, or to agree to participate” in a training course offered through their local Social Welfare office or FÁS. Of particular interest in this section is the wording “which is considered appropriate by the officer having regard to the training needs of the person and his or her personal circumstances”. Unemployed peoples’ experience of FÁS courses and work placements varies, ranging from the positive to the critical. In particular, unemployed people have queried the current relevance of course content; the length of courses; their availability and accessibility and the lack of aftercare and follow up. A key dimension to the issue of accessibility was the distance required to access relevant training opportunities. The INOU is concerned that there is a lack of capacity within the system to truly ascertain and provide an appropriate course for an unemployed person that will secure them future employment. Local officials have also raised with the organisation their concerns that they have too few options to ‘activate’ people into: this is a particular concern for officials who wish to provide a holistic service to people, one beyond the mere ticking of boxes.

The issue of choice is a central one for unemployed people. It is also a crucial issue at this time of limited resources. There is a danger that people will be sent on a course that is not of any use or relevance to them. For example, the INOU are aware of people being sent on courses when they are already well qualified. This is not an effective use of either state resources or the person’s time. It is vital that this is communicated properly to frontline staff so that they do not feel under pressure to fill a quota. Instead, what is required is that FÁS act as a training facilitator as much as a training provider and use, for example, the subsequent funding to support individuals to take up professionally run training courses. This is seen by unemployed people as particularly important as they fear that employers do not value FÁS courses.

It is important that employment and related services fully understand what qualifications unemployed people already have and explore with them suitable progression options. There are two angles to this issue: the issue already raised about people been sent on courses when they are already well qualified. And on the other side, people who are conscious that they need to re-train in a different field as their job is gone (and won’t be coming back) and being discouraged because they are seen as already well qualified. Unemployed people feel that services need to start with the person and be built around them. Such an approach is in keeping with the Developmental Welfare State concept expounded on by NES³ and which informed the structure and vision of ‘Towards 2016’, the National Development Plan, and the National Action Plan for Social Inclusion.

³ Reference: The Developmental Welfare State, NES, Report 113, May 2005



Young People

In Budget 2010 Jobseekers Allowance was further age segregated with new claimants aged 18-21 entitled to a maximum payment of €100 and 22-24 entitled to a maximum payment of €150. This change was called an 'incentivised scheme' by the then Minister as young people would be entitled to a full payment if they took up a state training or education programme. This new Bill now proposes to penalise this age group further by cutting their maximum payments to €115 and €75 if they do not take up a training place offer.

The INOU is deeply concerned about these developments and the message it will send to young people. To those who are already well educated and which the system has little further to offer the clear message is emigrate, which is appalling given the negative impact of previous emigration on Ireland's development. To those who left school early, who more than likely come from communities that benefited little from the Celtic Tiger, the future prospects are bleak and include an increasing risk of homelessness. This is the group whose unemployment statistics invariably run at three times the national average. Emigration is not an option for this group: so what has Ireland to offer them that will secure them 'decent work' in the future? The International Labour Organisation defines 'decent work' *"as productive work which generates an adequate income, in which workers' rights are protected and where there is adequate social protection"*. There is a real danger as Ireland faces the prospect of jobless growth that disadvantaged young people and others will face a cycle of social welfare payments and poorly paid employment. How will this cycle be broken and in particular how does Ireland ensure those caught up in this cycle can break through into the opportunities thrown up by the 'smart economy'? This will be particularly important if Ireland wishes to maintain its progress on addressing poverty: the ILO note that decent work *"is central to efforts to reduce poverty, and is a means for achieving equitable, inclusive and sustainable development"*.

Departmental Re-alignment

Parts 3 & 4 of the Social Welfare (Miscellaneous Provisions) Bill 2010 transfer responsibility for key sections of FÁS and key programmes under the remit of the Department of Community, Equality and Gaeltacht Affairs to the Minister for Social Protection and his department. As a consequence of this change Community Employment; Jobs Initiative; Community Services Programme and the Rural Social Scheme will be under the one Department. At present there are 23,102 people on Community Employment; 1,371 on Jobs Initiative⁴. The estimated budget for these programmes for 2010 is 509.7m, a reduction of 5% in comparison to 2009⁵ which will provide 29,000 places approximately.

What impact are these changes going to have on the ground? Integrating social welfare and employment support services at Departmental level could make little difference to unemployed

⁴ Source: Department of Finance Monthly Economic Bulletin, June 2010

⁵ Source: 2010 Estimates for Public Services and Summary Public Capital Programme



people's lives unless there is improved integration on the ground as well. In consultations held with unemployed people they have noted that the thinking and culture within the system needs to change: it needs to be geared towards the individual's needs and be more innovative in its responses. The local Social Welfare Office needs to shift from an authoritative and processing mind-set to that of assisting people. Personal contact aimed at guiding the individual would be far more beneficial and facilitate the availability of more timely and up-to-date information which would in turn facilitate better decision making. It was seen as urgent that communication across all schemes and providers should improve to facilitate positive participation. Unemployed people have recommended maximising use of online facilities for example:

- SWO should learn from revenue.ie website.
- Should be able to get letter stating you are on the dole to apply for courses.
- Should be able to access your stamps and entitlement status on line.

In the focus groups, unemployed people acknowledged that experience is key to being able to get a job. And they recommended that services need to do all they can to make work placements and work experience available to the unemployed. However, they also noted that work placements cannot be used to replace paid jobs and that they should be relevant to the person's training. It was also noted that the Government needs to lead by example and take unemployed people on themselves on work placements. Where in the Departmental re-alignments will the Work Placement Programme fit? The INOU has received very mixed reports of this programme with some good examples and others where work displacement appears to have taken place. The issue of self-employment comes up regularly and unemployed people have recommended that the process of starting your own business and getting access to funding for good ideas should be simplified. Where will a holistic approach to this problem sit within the new structures? It is equally important that the issue of accessing a jobseekers payment is resolved when an applicant had been self-employed.

In conclusion

The lack of jobs is the real nub of the problem facing Ireland in addressing the unemployment crisis. There is a real danger that long-term unemployment will become once again embedded in Irish society where people face a life-time of balancing social welfare and low paid work. To address this issue demands the development of a co-ordinated and inclusive Jobs Strategy.