



Introduction

The Irish National Organisation of the Unemployed (INOUE) is a federation of unemployed people, unemployed centres and groups, community organisations and Trade Unions. The INOUE 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. A key aspect of the work of the INOUE is the provision of a comprehensive, free and impartial welfare rights information service.

We welcome the opportunity to make a submission to the Office of the Comptroller and Auditor General on the examination of the Money Advice and Budgeting Service (MABS).

Context

The 1988, Combat Poverty Agency report on Money lending and Low Income Families highlighted an aspect of poverty – debt - that causes hardship and distress and tends to remain hidden. The report also noted that ‘for many people in Irish society, income is inadequate to meet the ordinary requirements of daily living’. The report also highlighted that the vast majority of respondents to the research undertaken at the time (people who used moneylenders to make ends meet) were either wholly or partly reliant on social welfare. The INOUE welcomed the report and particularly the recommendation that a specialist Money Advice Service be established on a pilot basis.

Statistics gathered by MABS on the use of their services in 2006 show that the vast majority (over 70%) of MABS clients were either in receipt of social welfare or on very low incomes.

We believe that the development of the MABS over the last 16 years, and the development of the National Traveller MABS service in 1998, has had a very positive impact on the lives of people living with indebtedness. The six strategic priorities set out in the MABS National Development Ltd Strategic Plan 2004 – 2007 (Service Delivery and Customer Satisfaction, Operational Efficiency, Community Education, Social Policy, Promotion and Marketing and Strategic Partnership) demonstrates a strong commitment to the development of a high quality Money Advice and Budgeting Service that meets the needs of low-income families.



The INOU believes that the services and supports delivered by MABS are as vital now as when the MABS was first established. The social policy aspect of their work is also critical in ensuring that the underlying issues that impact on indebtedness are brought to the attention of policy makers. To this end, the INOU welcomed comments by the then Minister for Social and Family Affairs, Martin Cullen, TD last September in response to a series of Dáil questions: "that MABS has a unique and expert contribution to make on behalf of people on low incomes in shaping the strategies that need to be put in place".

Future Developments

Whilst there has been a very significant development of the MABS service over the years, further development is required in order to ensure equality of access to MABS services – for example, a number of counties are currently served by only one MABS office and inhabitants of offshore islands do not, at present, have direct access to the service. Given the one-to-one nature of the service provided by MABS, it is vital to ensure that people can access a MABS office locally. In this regard, the INOU would welcome the allocation of additional resources to the MABS to facilitate the expansion of existing services.

Given the very significant increases in unemployment and redundancies, there is, we believe, also a need for a targeted MABS response in areas where jobs are being lost. The impact of redundancy on an individual's/family's financial situation can be dramatic and debts can very quickly mount up. This is particularly the case where the individual has been in a low-income job and received either a basic statutory redundancy payment or where the individual may not have qualified for a redundancy payment because they did not meet the qualifying criteria. Timely and targeted interventions can make the difference between managing debt and a debt crisis. Such a development would be in keeping with the Programme for Government target of giving "MABS a central role in increasing access to affordable credit for low income earners and social welfare customers."

Given the much changed demographic in the country, there is also an increasing need to provide information and advice in languages other than English and/or Irish. The INOU would welcome additional resources for the MABS to further develop their capacity to provide advice and services in different languages and formats.

For many years, consideration has been given to establishing MABS on a statutory basis. Again the Programme for Government states "further enhance the Money Advice and Budgeting Service (MABS) by the establishment under legislation of a new structure with national leadership for the 21st century which maximises and recognises the current local voluntary involvement together with a strong professional role aimed at continuing to provide strong and confidential support for its clients." To this end we would urge the Department to move quickly to ensure that this work is completed so as to ensure the on-going development and proper resourcing of this essential public service.



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Submission

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