

Social Welfare (Miscellaneous Provisions) Bill (2) 2010

What impact will it have on Unemployed People?

Introduction

At this time of national crisis with looming social welfare cuts, four year plans that offer little or no hope to unemployed people, threatened cuts to the National Minimum Wage and increasing taxes for those on low incomes, the Social Welfare (Miscellaneous Provisions) Bill (2) 2010 appears mundane. However this Bill contains or points to changes that will have a significant impact on the lives of unemployed people and other social welfare recipients of working age.

Another document that was published more recently, the potential significance of which has been lost in the media frenzy and public discourse about the National Recovery Plan and the EU/IMF 'bail out', is the Department of Social Protection's *Report on the desirability and feasibility of introducing a single social assistance payment for people of working age* issued in conjunction with the National Recovery Plan.

When social welfare reform or labour market activation is discussed in the public arena the emphasis is invariably placed on what the unemployed person has failed or fails to do with too little importance attached to what the state or a potential employer needs to do. The system focuses on the supply side of the equation with insufficient attention being paid to the demand side. At a time of unprecedented job losses this only serves to demoralise unemployed people and indeed those on the front line engaging with them who are conscious they have so little to offer people looking to them for support.

Yet the Department's report reflects the focus envisaged within the National Economic and Social Council's 2005 report entitled *The Developmental Welfare State* and "*sets out a number of points in relation to payments for people of working age and advocates a more personal and individualised approach based on people's needs and less focus on assumptions made based on the payment type.*

The reform of welfare systems should focus on the outcomes for people and reduce their risk of becoming socially excluded and/or at risk of poverty." (p73)

The Irish National Organisation of the Unemployed welcomes this focus which should form the basis of any and much needed reform to social welfare and employment services. However, it should be noted that such a focus is notable by its absence in this Bill and the public discourse to-date.

Making Better use of technology?

For example, **Section 4** of the Bill deals with "*Proving unemployment by electronic communication*" which is in keeping with development of an information channels strategy outlined in the Department's report that "*aims to support customer contact channels that maximise customer service and minimise cost of delivery*". However, this information strategy also notes that "*Its objectives are to*

deliver services that are timely and minimise direct contact by customers and where possible build on inter-agency initiatives such as those implemented in the Child Benefit system. It also aims to provide secure electronic services, allowing customer to not only access information but also complete claims, get updates on claims status, and receive their payments electronically, will free up resources to support more direct communications." (p120)

People who have become unemployed during this crisis have noted how under used information technology is within social welfare and employment services. Regularly unemployed people have raised with the INOU how poor the system is at getting back to them when, for example, a course they have expressed an interest in is run and they only hear about it by accident or by word of mouth. Criticism from international observers like the OECD at the lack of adequate engagement with unemployed people should not be interpreted as requiring a big stick approach but rather should demand a more interactive, responsive and effective service.

Another issue raised regularly by unemployed people is how isolating unemployment can be; how out of the loop people can get and so they do not hear about potential jobs and other opportunities that are circulated through informal networks. It is crucial that the potential of mobile phone and other technologies to keep unemployed people well informed is fully realised and so facilitates people to make the best choice to improve their employment and other prospects. Such a facility should also facilitate people to take up short term or contract work: work that can be offered or lost at times when the local social welfare office is not open for business.

Welfare & Flexi-working?

Building on this last point the INOU is disappointed that **Section 5** of the Bill covering "*Jobseeker's allowance — days of unemployment*" is a technical amendment and is not seeking to resolve the anomaly that currently exists within the social welfare system. At present people who work 3 or less days of the social welfare week of six days can apply for jobseekers supports. However, someone working the same number of hours over 4+ days cannot. In our pre-Budget submission the INOU called on the Government to "*Deliver a flexible social welfare system that meets current needs by, for example looking at the total working hours in a week and not working days*": such a positive development is urgently required.

Similarly, feedback received from unemployed people who were or would like to be self-employed indicates that there are few if any social welfare supports for them. The labour market changed very dramatically over the past decade with atypical work becoming more typical. However, the social welfare system is still predicated on a more 'traditional' view of the labour market. This is an issue that not only does this Bill not even touch on but the Department's report on a single payment for people of working age is also disappointingly weak. Yet the reality is that Ireland will not be returning to net full-time employment growth for the foreseeable future. In the National Recovery Plan, the jobs growth envisaged (approximately 90,000) is insufficient to put any sizeable dent in the Live Register or provide much hope for the young people leaving school or college over the next four years. So it is imperative that a social welfare and employment service emerges that has the capacity to facilitate people to take-up a wide range of work options.

Inclusion of FÁS

The incorporation of the FÁS Employment and Community Services within the Department of Social Protection could, if managed well and promptly, play a vital role in improving social welfare and employment services to unemployed people. If on the other hand such incorporation drifts on, as incorporating the Community Welfare Service of the HSE within the DSP has, then Ireland will be on to its next unemployment crisis before there is any discernable and constructive change.

Unemployed people's experience of the local Social Welfare Office varies considerably. Many unemployed people feel that the time spent talking to someone is insufficient to get a real understanding of entitlements and options. Unemployed people's experience of FÁS courses and work placements also vary from the positive to the critical. In particular, unemployed people have criticised the relevance of course content, length and availability. Concerns have also been raised about accessibility of courses and the lack of aftercare and follow up. But the key issue arising for unemployed people is the lack of jobs and into what exactly they are being activated? Unemployed people also feel strongly that the thinking and culture within the system needs to change.

At regional workshops on activation organised by the INOU, service providers noted the need for a smoother transition between social welfare, employment, education and training options. Such a transition requires improved quantity and quality of person centred guidance coupled with a proper and robust assessment of individuals' abilities and their possible future areas of employment. They called for improved integration between services and for a more proactive rather than reactive approach to service design and delivery. To that end, they agreed that the system needs to be client focused, needs to think outside of the box and needs to move away from being rules based. It is to be welcomed that such thinking is reflected in the Department's *Report on the desirability and feasibility of introducing a single social assistance payment for people of working age*.

It is absolutely imperative that progress is made in building more effective social welfare and employment services with key principles informing this re-design and delivery. Services must start with the person, participation must be by choice and it must be meaningful. Timely access to relevant information is important. To facilitate this, communication across all schemes and providers must be greatly improved with the explicit aim of facilitating positive participation. To that end, maximising the use of online facilities is recommended.

Reflecting the range of experiences and needs amongst the unemployed, it is important that social welfare and employment services understand the qualifications unemployed people already have and then explores how best they can progress further. These latter points are very much in keeping with points noted in the Department's report that *"Services are a crucial part of the overall proposal and must be in place or adequately developed to support the introduction of a single payment. This aspect must be advanced in conjunction with other government Departments and agencies."* (p120)

Section 12 of the Bill deals with *"Functions of Minister in relation to employment schemes and related schemes and programmes."* Employment programmes play a very important role in providing access points for people who are either long-term unemployed, a lone parent or have a disability. The INOU is keenly aware of the limited success in people progressing on from these programmes into the wider labour market: an issue that arises because of insufficient work carried out on the demand side of the

equation. Notwithstanding these limitations it is important that such programmes are maintained and developed while stronger links are made to the wider labour market and relevant education and training opportunities. Given the three pronged focus to *Europe 2020* of growth being smart, sustainable and inclusive such a development is important to provide those more distant from the labour market with a chance of securing a better future for themselves and their families.

In feedback from unemployed people, the importance of work experience in getting a job has been noted repeatedly. To that end, unemployed people believe that services should do all they can to make work placements and work experience available to the unemployed. One avenue they felt was insufficiently explored was the role of the State itself taking unemployed people on work placements and recent developments are to be welcomed in that regard. However, they also noted that work placements must be relevant to the person's needs and must not be used to replace paid jobs.

The INOU is again disappointed that the issue of a lack of an additional payment made to people on the Work Placement Programme has not been addressed. On this programme, unemployed people are invariably working a full week and for a period of up to nine months. It is not feasible for people to sustain this on an unemployment payment given the costs of going to work e.g. transport, lunch and dressing appropriately. As a matter of urgency this Bill must address this issue: which should be feasible given the arrangement that existed under the Back to Work Allowance scheme.

In conclusion

The lack of jobs is the crux of the unemployment crisis and activation measures will be ineffective unless jobs growth recommences on a significant scale. To that end an integrated Jobs Strategy that spells out where the jobs of tomorrow will be is urgently required. Such a strategy is crucial to ensure that limited resources are used as effectively as possible and that unemployed people are being offered education, training and employment programmes that will indeed secure them a future. Constructive and client centred reform to social welfare and employment services should play a vital in this regard.

For further information contact

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