



Irish National Organisation of the Unemployed

Submission

to the

Department of Foreign Affairs

on

Ireland's Third Report to the

UN Committee on

Economic, Social and Cultural Rights

November 2011

The INOU welcomes the opportunity to make a submission to the Department of Foreign Affairs on Ireland's Third Report to the UN Committee on Economic, Social and Cultural Rights. While recognising the fundamental importance of all of the rights contained in this Covenant of particular interest to the INOU are Articles 2.2; 6; 9; 11.1; and 13 which will form the basis of this submission.

Article 2: non-discrimination and equality

2. *The States Parties to the present Covenant undertake to guarantee that the rights enunciated in the present Covenant will be exercised without discrimination of any kind as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.*

At present Ireland's equality legislation covers only nine grounds. The INOU believes that omission of "social origin" from the equality legislation and subsequent policy and practice is a major oversight and one that should be rectified as soon as possible. This has particular implications for unemployed people and even though unemployment has hit a wider cross section of Irish society in this crisis than previous ones, there is still a significant class dimension that will become more manifest as the crisis deepens and lengthens. The Central Statistics Office noted in their Quarterly National Household Survey report on equality (Q4 2010) that the second highest rate of discrimination was experienced by unemployed people (22%). Yet there is nothing these victims can do unless they were also discriminated on grounds of age or gender or one of the other nine grounds.

The INOU is also concerned at the on-going implications for the development of the work of the Equality Authority and the Irish Human Rights Commission of the significant cuts to their budgets since 2008. In 2008 the Equality Authority's budget was €5.5m, in 2011 it is estimated to be only €3m; likewise for the IHRC their budget in 2008 was €2.3m and in 2011 will only be €1.5m. At a time of economic and social crisis such as Ireland has experienced over the past three years inequalities and infringement of people's rights increase, yet the very agencies charged with their redress have experienced a 44% and 37.5% reduction in their budgets. It is remiss of Ireland not to report on this issue to the UNCESCR. In paragraph 102 the report also states that the Equality Authority is funded under Department of Equality, Community and Gaeltacht Affairs: this department no longer exists and the Equality Authority is back under the remit of the Department of Justice & Equality.

Under **Article 3** it would also be important to note that the male bread winner model still forms the basis of the payments to unemployed people and those of working age. In the interests of equality between men and women it would be important that adult dependents (the payment is not called the Qualified Adult Increase) are treated as adults in their own right and are given access to their own payment and subsequent access to education, training and employment programmes.

Also under **Article 3** in paragraph 111 the current rates of Child Benefit are described as coming into effect in January 2010 when in fact they commenced in January 2011. Child Benefit is one of the few universal welfare payments made which has been the subject of much discussion since the start of the economic crisis. The INOU has and will continue to argue against further cuts in this payment (including taxation) as it has made a useful contribution to addressing child poverty and creates no

welfare to work issues for unemployed parents as the payment is made regardless of income or its source. Issues of inequity that universal payments raise should be addressed through the development of a more progressive and sustainable tax system.

Article 6: the right to work

- 1. The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.*
- 2. The steps to be taken by a State Party to the present Covenant to achieve the full realization of this right shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.*

Paragraph 156 gives an impression of significant resources being re-directed to address the current employment crisis. This statement is misleading: the significant increase in the Department of Social Protection's budget arose as more and more people lost their job and applied for a Jobseekers payment. However, other expenditures arose from re-directed expenditures, for example the Labour Market Activation Fund arose from an under spend the gender equality element of the Human Capital Investment Operational Programme. The underlying approach is to undertake initiatives only if there is no additional cost to the exchequer: an approach the INOU finds extraordinary in the midst of the biggest unemployment crisis this country has ever seen. The Work Placement Programme involves no additional expenditure as the participant receives no additional payment over their Jobseekers payment while the employer gives free labour. The additional training places in the main arise from FAS breaking down longer training courses into smaller modular ones to ensure increased throughput. For example the figure of 160,000 is quoted in the report however at any one time there is only approximately 10% of this figure on a FAS training programme¹.

The increased Work Placement Places cited in paragraph 157 have not materialised and it is unclear under the change of Government and Trade Union objection to their increased roll-out in the public service if they will ever materialise. The INOU would also have issues with this scheme: in particular the nature of the work on offer and the lack of any additional top-up for the participant.

The Skills Development and Internship Programme announced in the last Budget and described in paragraph 158 will not be rolled out and has been replaced by the National Internship Scheme being rolled out through the JobBridge website. The terms and conditions under the original programme would have been much better for the unemployed participants.

¹ According to the Department of Finance's Monthly Economic Bulletin October 2011 there were 12,233 participants in August 2011. In May 2011 it was 17,805 down from 21,034 in May 2010.

In the Supplementary Budget 2009 the Back to Work Allowance was changed and is no longer as described in paragraphs 171-174. The Back to Work Enterprise Allowance was shortened to two years for those unemployed for more than a year while a Short-term Enterprise Allowance was introduced for those unemployed people who wish to take up this option rather than continue on their Jobseekers Benefit payment (the social insurance unemployment payment). To fund these developments the Back to Work Allowance was closed to new entrants and subsequently run down. The INOU believes that its re-introduction is required to address some of the issues arising on the Work Placement Programme and National Internship Schemes in particular the lack of any contribution made by the benefiting employers.

The INOU appreciates that the report is covering the period up to the end of 2010 and that the significant changes FAS will undertake will happen in the period 2011/2012. However, the Social Welfare and Pensions Act 2010 past in late December allowed for the transfer of key functions and staff from FAS to the Department of Social Protection: and effective splitting of FAS which will see its training element incorporated into the new Further Education and Training body SOLAS. This is a significant change and one that leaves the description starting in paragraph 176 as increasingly dated. The description of FAS employment services in paragraphs 195-198 fails to note the challenges facing such a service in an unemployment crisis and the inadequate engagement by employers in such a service. The INOU has also been critical of the lack of pro-active engagement by the state with unemployed people and the lack of follow-up and follow-through on education, training and employment programmes. It is absolutely critical that the Department of Social Protection's proposed new National Employment and Entitlement Service addresses these issues constructively.

Article 9: the right to social security

The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance.

The INOU appreciates that it takes time to write a report of this nature and that the text can become quickly dated. However, it would be important that the most recent date is used and to that end Paragraph 237 should reflect the Department of Social Protection's 2010 Statistical Report.

In Paragraph 239 reference is made to Table 18 which "highlights that both social insurance and social assistance benefits increased until the economic crisis at a faster rate than industrial earnings and the cost of living." There are a number of difficulties with this table not least the fact that the Central Statistics Office no longer produces an 'Average Industrial Earnings' figure: instead they now produce an 'average earnings' one which raises compatibility issues over the timeline used. The INOU and other community and voluntary sector organisations campaigned for social welfare rates to be pegged to 30% of AIE. It is interesting to note that 2007 is the only year this was achieved and that since then the ratios have been slipping. Consistent poverty has also started to rise again and the Government will fail to meet its own target of eliminating it by 2016 unless more equitable policies are pursued.

In Paragraph 241 the report notes the introduction of the Universal Social Charge. This payment was initially called a universal social *contribution* which implied that the payment of the USC would bring with it entitlements / benefits. As it now stands it is a tax and one that is paid on gross income over only €4,004 and unlike income tax which has associated tax credits, once one goes over the threshold, one starts to pay on the full amount. The rates range from 2% to 7% and payment at the higher level starts on income just over €16,016. The INOU regards the introduction of this charge / tax as inequitable and impinges on the effective rights of people on low incomes under this Article and Article 11.

Paragraph 247 deals with the issue of equal treatment and discusses two grounds: gender and nationality. On the latter issue the INOU is conscious that once a non-national has worked in Ireland and paid tax and built up their social insurance contributions that they should be treated in the same way as Irish nationals who have also worked and built-up their social insurance contributions. However this does not always work out in practice and the organisation is keenly aware of people being unfairly put through the Habitual Resident Criteria. The realisation of rights are only as good as the most basic interaction between the person and the state, and the state must always strive for best practice and to provide an equitable and inclusive service.

Under the theme of 'equal treatment' there are other issues that the report does not cover but that are particularly pertinent, issues which the current unemployment crisis has thrown into sharp relief. One is the issue arising for unemployed people who are not making the transition from a social insurance unemployment payment, known as Jobseekers Benefit, to a means tested payment, known as Jobseekers Allowance because of their family circumstances. This is a situation many women are familiar with, not been seen as a person in your own right, but it is one an increasing number of men are experiencing. At the INOU's Annual Delegate Conference in 2011 the delegates called on the Government *"to ensure access for unemployed people not included on the Live Register to the full range of employment, training and education supports including the Training Allowances and other supports."* Unemployed people who have worked for ten, twenty, thirty years are unable to access supports of any kind to assist them to find work when their Jobseekers Benefit payment runs out.

Unemployed people who were self-employed are finding themselves in a similar position from the start of their unemployment: their social insurance payments only entitle them to a Contributory Pension but do not entitle them to Jobseekers Benefit. Therefore if they do not meet the means test criteria they do not receive a payment and find they have little or no access to education, training or employment programmes targeting unemployed people. In a changing, more flexible and atypical labour market when an increasing number of people are opting for or encouraged into self-employment, social insurance systems must adapt to facilitate self-employed people to build up and avail of social insurance supports.

Paragraph 248 describes the rationale for introducing the Habitual Resident Criteria, in particular its introduction to ensure against 'welfare tourism'. Such 'tourism' has not manifested itself yet the HRC is having a negative impact on Irish people who had emigrated seeking to return to Ireland, in some cases returning to care for older relatives and on Ireland's indigenous ethnic minority,

Travellers, some of whom travel between Great Britain and Ireland. In effect a blunt instrument was introduced to address a fear but its wider negative impact remains unaddressed.

Paragraphs 255-256 cover the Equality Review of Social Welfare legislation undertaken by the Department of Social Protection. What exactly is being reported on and what remains to be done is unclear as this report is not publically available. In the interests of equity and transparency all such reports should be published as a matter of course.

Paragraphs 262-264 cover the issue of "Duration of Unemployment Benefit" or Jobseekers Benefit as it should now be called. The following statement struck the INOU as odd: "These changes were introduced to enhance the incentives to take up employment opportunities, including the Back to Work or Back to Education options, and in preference to increasing the rate of PRSI contribution." The most recent cuts to the duration a person may be on JB were made to save money. The Back to Work Allowance is gone and was never accessible to recipients of JB in the first place: the Back to Work Enterprise Allowance was shortened and earlier access created but a participant must be on or have an entitlement to Jobseekers Allowance to be eligible. A Short-term Enterprise Allowance was created which does allow JB recipients to transfer across to it rather than stay on JB however participation on this scheme is only as long as the entitlement to JB. Earlier access to Back to Education Allowance was introduced to give some options to newly unemployed people as most of the existing schemes were targeted at people longer-term unemployed.

At the end of Paragraph 264 it also states "*A person with no assessable means will continue to receive the same rate of allowance as the benefit previously payable*". This statement is misleading. An unemployed person may get a higher Jobseekers Allowance payment depending on the outcome of their means test; while their entitlement to Jobseekers Benefit may not have been to the full payment as their earnings were under certain limits.

The heading to Paragraph 267 is "Easing of Means Assessments" which reports on developments up to the end of 2010. In November 2010 the Department of Social Protection published a number of reports on the social welfare / protection system including one entitled "*Report on the desirability and feasibility of introducing a single social assistance payment for people of working age*". One potential outcome of this report is that other social welfare payments will be brought down to the terms and conditions associated with Jobseekers Allowance which would result in many of the gains outlined in P267 been lost.

On the Jobseekers front the report notes that "Improvements in income disregards for persons in receipt of jobseeker's allowance and engaging in part-time work - €20 per day is now disregarded and the balance assessed at 60%." One of the difficulties with the current approach to part-time work is that it is based on a 'day' approach when an 'hours' would be more appropriate and relevant in the current and evolving labour market. The INOU is not the only organisation who questions the current arrangement whereby someone could find themselves excluded for social protection supports because their hours are spread over more than three days. The National Economic and

Social Council in their recent report² notes *“For example, a person with one regular hour of work per day on each of four working days (a total of four paid hours a week) does not qualify, while a person with full-time work on three working days (a total of twenty-one paid hours) does.”* (p142) Ireland will not see growth in full-time employment for the foreseeable future but there is some work and much of the growth will initially be in part-time and piece meal work. It is therefore incumbent on the State to facilitate people to take up such work without impoverishing themselves and their families.

Article 11: the right to an adequate standard to living

- 1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international cooperation based on free consent.*

The current economic and social crisis and the austerity approach adopted by the Irish Government is having a direct and negative impact on people’s “right to an adequate standard of living”. The last Budget saw yet another cut to the social welfare payments for people of working age; the changes made to the tax system brought people on very low incomes into the tax net; cuts to a range of services and their funding is having a direct impact on a wide range of people’s ability to manage. In the Programme for Government it states *“By the end of our term in Government Ireland will be recognised as a modern, fair, socially inclusive and equal society supported by a productive and prosperous economy.”* (p3) If this vision and the right *“to the continuous improvement of living conditions”* are to be realised then Government policy must strive to promote human rights, address inequalities and social exclusion in Irish Society. Addressing such issues cannot be seen as work to be only undertaken in times of plenty but work that should be integral to the development of Irish society and its economy.

As a national network the INOU is keenly aware of the vitally important role local and community organisations play in the design and delivery of key public services. Local organisations have a keen insight into what is happening in their area, what has worked to address issues arising, and what needs to happen if disadvantaged individuals and communities human rights are not to be further eroded in the current socio-economic crisis.

To that end it is vital that local and national community organisations are supported in the development of their work. Sustainable communities that are attractive places to live; that have active residents working together to address issues of common concern; communities that are seeking ways of developing their areas socially, environmentally and economically have an important role to play in the setting and achieving proper living standards.

² *“Supports and Services for Unemployed Jobseekers: Challenges and Opportunities in a Time of Recession”*
NESG No. 123 August 2011

On a textual note, Paragraph 331 covers housing statistics and it should note that the *“Housing Needs Assessment 2011”* is now available. The availability of more recent data also has implications for the information contained in subsequent sections. The change of Government should also have an impact on the report given the time lags involved in the UN process. The INOU welcomes the statement of Housing Policy given by Minister Willie Penrose in June of this year. In particular the articulation of *“Our vision for the future of the housing sector in Ireland is based on choice, fairness, equity across tenures and on delivering quality outcomes for the resources invested. The overall strategic objective will be to enable all households access good quality housing appropriate to household circumstances and in their particular community of choice.”* The recognition that Rent Supplement has become a long-term social housing support for many families (slightly less than 50,000 people in receipt of Rent Supplement are on a Jobseekers payment) and that the Department of Environment, Community and Local Government will play a bigger part in its on-going development is to be particularly welcomed. The INOU has concerns about the quality of much Rent Supplement accommodation and believes the DECLG and the Local Authorities are the appropriate government agents to be addressing such issues. However, in addressing these issues it is important that unemployed people and other social housing tenants are facilitated to exercise choice and in particular are supported to remain in the community or area they have established as their home.

Similarly, a significant number of unemployed people are struggling to pay their mortgages and keep a roof over their heads. Much discussion has taken place about moral hazard if proper supports are put in place to facilitate those struggling with their mortgages to maintain their own homes. Meeting one’s own housing needs was not only an integral part of the neo-liberal economic model Ireland so eagerly pursued but is also of cultural importance to many Irish people. This cultural aspect intertwined negatively with a dysfunctional economic model that also demands and got in the Irish case dangerously light regulation. The contrast between how the banks themselves are dealt with and their mortgage customers is very striking: the needs and demands of capital are given precedence over the needs of people. It is absolutely critical that proper supports are put in place to assist unemployed people and others struggling with their mortgages to remain in their own homes if they so chose. Otherwise there will be increased homelessness, demand for Rent Supplement will increase (at present more costly), and people will struggle to move to where there may be better employment options.

Article 13: the right to education

1. *The States Parties to the present Covenant recognize the right of everyone to education. They agree that education shall be directed to the full development of the human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms. They further agree that education shall enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups, and further the activities of the United Nations for the maintenance of peace.*

During 2010 significant changes were initiated by the last Government when responsibility for FAS the National Employment and Training Authority was removed from the Department of Enterprise, Trade

and Employment (now called the D/Job, Enterprise & Innovation) to the Department of Education and Skills. The new Government has built on these changes and over the summer the Department of Education and Skills announced the establishment of a new Further Education and Training body to be known as SOLAS which will incorporate FAS Training services and ultimately will be rolled out through a revamped Vocational Education Committee (VEC) structure. The establishment of this body constitutes a significant change in an important part of the education sector that lacks visibility: a sector whose primary target group is early school leavers, unemployed people, and adults looking to second chance education and training for personal development or to get them into employment. The text in Section F: Adult Education should reflect these changes otherwise it is very much an historical report.

Many commentators on Ireland's labour market noted the skills gap that was emerging during the Celtic Tiger years, a skills gap that is still there and in sectors that have jobs and potential for growth. Yet it is extraordinary that future skills are only mentioned in passing in Paragraph 468. It is absolutely imperative that unemployed people are offered a full range of education and training options, options that will support their opportunities to secure paid employment. It is therefore critical that the proposed new bodies SOLAS (further education and training) and NEES (national employment and entitlement service under Department of Social Protection) develop an excellent working relationship. It is imperative that government, at both the local and national levels, becomes more integrated and interactive and strives to facilitate people to access their rights.

It is vital that access to quality courses is supported and that there is consistency of provision across the country. On the one hand Government talks about increased activation of unemployed people and on the other increased fees are introduced or supports are cut which throw up obstacles to people's participation. Effectively the State's own actions in one area are undermining its stated objectives in another related area. It is imperative that Ireland starts to think about these issues in terms of investment, investment that if not undertaken properly will impede Ireland's stated objective of becoming a 'knowledge based' economy. These issues are insufficiently covered in Paragraphs 473-476 which covers "Student Financing".

Literacy and numeracy continue to be a significant challenge and the target set in the National Action Plan for Social Inclusion 2007-2013 lacks ambition. Paragraph 461 covering "Adult Literacy" is too descriptive and lacks critical analysis. It is vital that literacy and numeracy supports that facilitate unemployed people with less formal education to move up through the FETAC levels and so enhance their employment prospects are incorporated into the full range of adult education and training. There are sound economic, as well as personal, arguments for such investment as increased skills levels impact positively on productivity, as does an improved sense of well-being. Given the cultural, social and economic role of education such a development is vital to the realisation of their human rights for those most marginalised in Irish society.

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