

2021

INOU Submission to 2021 National Risk Assessment

CONSULTATION PROCESS AUTUMN 2021

IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED | www.inou.ie



Introduction

The Irish National Organisation of the Unemployed (INOU) welcomes this opportunity to respond to the draft 2021 National Risk Assessment. Over the past number of years the Department of An Taoiseach has produced National Risk Assessments (NRA) to identify risks that Ireland should be mindful of and their potential social, economic and environmental impact over time. After the 2008 financial crisis many felt Ireland needed to be better prepared for the impact and fallout of endemic crisis and to plan for any future shocks. However, as COVID-19 has illustrated, no assessment can fully take account of all potential realities. In the NRA 2019, under Section 6.4, entitled Major Pandemics, it noted that the *“Pandemic influenza was determined as the reasonable worst-case scenario in the Irish context.”*

In the National Risk Assessments categories devised by the World Economic Forum are used, whereby risks are identified as geopolitical; economic; social; environmental; and / or technological. The INOU’s submission will use these headings and address two of the three questions posed by the Department in their online survey:

- Are there other significant risks that you feel should be included under the categories listed below?
- Given some risks materialised recently, for example COVID-19, what learnings could be incorporated into the National Risk Assessment to improve the process in the future?

The other question posed was: *Are any of the risks listed not significant enough to warrant inclusion?* Given the range of challenges facing the country, the INOU does not believe that any of the risks posed in the draft document should be removed.

Irish National Organisation of the Unemployed (INOU)

“The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU 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. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society.” (INOU Mission Statement)

The organisation has over two hundred affiliated organisations and six hundred individual members. We work at the local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

National Risk Assessment 2021

Table 1: Draft list - Strategic risks 2021/2022	
Geopolitical risks	<ul style="list-style-type: none"> • Rise of a multi-polar world • Future direction of the European Union • Ireland’s relationship, post-Brexit, with the United Kingdom • Armed conflict, terrorism and hybrid threats
Economic risks	<ul style="list-style-type: none"> • Economic scarring of individuals and firms • Changes to the international tax and financial system • Sustainability of public finances • Labour shortages and capacity constraints • Vulnerabilities arising from Ireland’s enterprise mix • Changes to international trading relationships • Disruption to secure and sustainable energy supply
Social risks	<ul style="list-style-type: none"> • Social cohesion • Housing and sustainable development • Migration and integration • Demographic change • Digital exclusion
Environmental risks	<ul style="list-style-type: none"> • Climate change • Biodiversity loss • Extreme weather events and other natural disasters • Pandemics • Antimicrobial resistance • Food safety
Technological risks	<ul style="list-style-type: none"> • Data flows, storage and security • Disruptive technology • Cybersecurity • Nuclear contamination

Geopolitical Risks

Under geopolitical risks the rise of a multi-polar world is identified. In Section 2.1 of the draft 2021 NRA, they note *“COVID-19 is testing the cooperative, rules-based system known as multilateralism.”* Later on in the document it states *“The risk for Ireland is that competitive pressures drive blocs to pursue a path of economic self-sufficiency, and weaken the open, rules based international system. While this would make every country poorer, larger nations with bigger internal markets are better placed to weather such difficulties. As a small, trading economy Ireland depends on and has prospered from openness.”*

Ireland is amongst the richest countries in the world, and as such has a role to play in ensuring that a more multi-polar world does not exacerbate global inequalities and deepen the poverty and socio-economic exclusion experienced by so many peoples, which in turn feed into other risks identified under the social and environmental risks.

To some extent COVID-19 has blurred the impact of Brexit on these two islands, though the full impact of this development was also going to take time to emerge. Ireland has strong cultural ties with Great Britain, a place many Irish people have emigrated to in times of economic and social difficulty or to search for better employment opportunities in what is a much bigger labour market.

On the island of Ireland, Brexit raised the possibility of the broader between the Republic of Ireland and Northern Ireland becoming visible and tangible again. The Northern Ireland Protocol was developed to avoid a hard boarder and retain an all island approach that had emerged in a number of economic areas. It has been argued that the Protocol presents an opportunity for people in Northern Ireland to benefit from being part of the United Kingdom and living on an island where other political entity, the Republic, is part of one of the world's wealthiest trading blocks. However, differing political perspectives, the logistical difficulties for trade while being part of one political entity and having ties to another economic union, the impact of socio-economic exclusion create challenges and considerable risks for this island as a whole.

Economic Risks

Under economic risks economic scarring of individuals and firms; labour shortages and capacity constraints; and vulnerabilities arising from Ireland's enterprise mix are raised. The opening sentence to Section 3.1 states *"One of the greatest economic challenges arising from COVID-19 is to prevent irreparable economic scarring by which the life chances of individuals are impaired and businesses are irretrievably damaged."*

Later on in this section they note *"The labour market has borne the brunt of the economic impacts of the pandemic. COVID-19 adjusted unemployment, including PUP recipients remains high at 18.3% in June. As set out in Chart 1 overleaf, within this overall higher rate of unemployment, the effects have been more profound on younger age cohorts and as outlined above public-facing sectors have been more severely impacted overall."*

Given the employment and enterprise supports that have been provided by the State over the past eighteen months the full impact on the labour market of COVID-19 remains unclear. As the public health restrictions have eased the numbers of people on the Pandemic Unemployment Payment have dropped considerably. According to the Department of Social Protection, on August 24th there were 149,436 PUP recipients, down from a peak of 481,331 on February 9th, 2021.

- A key question, risk to be addressed: what will happen to people who are in receipt of a PUP whose job may not re-emerge and who may not have an entitlement to a Jobseeker's payment? Previous experience shows that people without an entitlement to a social welfare payment have few if any supports available to them to seek new employment.

The numbers in receipt of the Employment Wage Subsidy Scheme (EWSS) have not dropped as dramatically. According to the Revenue Commissioners' COVID-19 Support Schemes Preliminary Statistics, August 26th, there were 23,800 employers and 277,700 employees in receipt of the EWSS. In January, these numbers were higher at 36,900 and 346,400 respectively, while in July, the latest full month, they were 31,800 and 343,500.

- Key questions, risks to be addressed are: what will happen to these jobs when these COVID-19 supports end? What supports will be put in place for employees whose jobs may not survive in the medium to longer term? Where will they secure decent and sustainable employment?

Social Risks

Amongst the issues identified under social risks are social cohesion and digital exclusion. Section 4.1 deals with social cohesion and notes *“Societies struggle in the aftermath of economic contractions as many people have to cope with being displaced from the labour market. From a situation of near full employment in 2019, the unemployment rate is predicted to average around 16.3% in 2021 before declining to 8.2% in 2022 as the economy is fully re-opened.”*

Later on in this section they note *“Economic recovery and growth, and social recovery, post-pandemic must be a shared process involving all communities and cohorts of society. Supporting sustainable, inclusive and long-term economic growth, will be required to enable a recovery that is just, fair and leaves nobody behind.”*

The term 'full employment' is an economics term that is too often assumed to mean that anyone who wants a job can get one. This is not necessarily true as the employment and unemployment statistics for particular groups like Travellers and people with disabilities remained considerably higher than the national figures. Amongst the issues raised at INOU events before the pandemic struck, was the lack of suitable, sustainable employment in many rural areas and the social and economic impact it had on both the individual and the wider community. COVID-19 has exacerbated these realities, in particular in areas where tourism plays key economic and social roles.

COVID-19 impacted on different people and communities differently, people on existing social welfare supports where by and large expected to manage on those supports, though the levels introduced for COVID-19 related payments (PUP and C19 Illness Benefit) indicated that many in Government did not view existing payments as adequate. Poverty is a reality in Ireland and unless it is systematically and systemically addressed, people will be left behind.

- A key question, risk to be addressed: how will socio-economic inequality and exclusion be addressed to ensure that people for whom it is a daily reality will actually see an improvement in their lives as Ireland emerges out of this pandemic.

Section 4.5 covers digital exclusion and notes in this section that *“The pandemic has acted as a catalyst for digitalisation in some sectors and it is unlikely that economies and societies will return to ‘pre-COVID-19’ patterns. Faced with a future where jobs, education, health, government services and even social interactions may be more dependent on digital technologies than ever before, failing to ensure widespread and trustworthy digital access and effective use risks deepening inequalities, and may hinder countries’ efforts to emerge stronger from the pandemic. An inclusive approach to digital transformation will be vital.”*

- A key question, risk to be addressed: how to support people who do not have the wherewithal to engage in a more digitalised world in a manner required to secure their own future and that of their families and communities.

Environmental Risks

In the 2019 NRA, ‘major pandemics’ were listed amongst the technological risks, in the draft 2021 NRA ‘pandemics’ are listed amongst the environmental risks, and in Section 5.4 states that *“International travel is now a major driving force for the spread of diseases into previously non-endemic settings.”*

Section 5.1 discusses the issue of climate change and notes *“In terms of climate change, there are environmental, social and moral imperatives to act.”* Further on it states that *“While being mindful of Just Transition and the need to protect the vulnerable in our society from potential impacts of transition, there remains an economic risk if Ireland fails to price the cost of carbon into our economic model.”* And that *“Societal willingness to tackle the longer-term risks of climate change could present a challenge if not targeted and supported correctly, as significant up-front investment is required, which may not yield benefits for many decades.”*

- A key question, risk to be addressed: how to support people who do not have the wherewithal to manage the impact of environmental challenges and the transitions required, many of whom struggle with food and energy poverty already.

Technological Risks

Section 6 deals with technological risks and in Section 6.2, Disruptive technology notes that *“A 2018 study by PWC estimates that automation has the potential to displace circa 20% of jobs by the mid-2020s rising to 31% by the mid-2030s. The increased use of artificial intelligence, big data and machine learning are major drivers of this trend. Research by the OECD similarly forecasts that two in every five jobs in Ireland face a significant risk of automation in the next two decades.”*

Further on it notes that *“Irrespective of the sector, the risk of automation is particularly concentrated in roles held by people with medium and lower levels of education.”* And amongst the other issues identified are that *“Further exacerbating the digital divide, that is individuals being excluded from an increasingly digital society because of socio-economic*

reasons or low digital skills. The 'digitally disengaged' risk further isolation as communication and social interaction continue to move online, and Government services, internet banking, and online shopping increasingly been completed online."

The socio-economic consequences of these risks are stark and present a scenario whereby those already struggling to manage the cost of living face the prospect of having no meaningful work available to them in the not too distant future. If nothing else, COVID-19 has illustrated the importance of good public services and supports. Such access will be critical to properly develop to ensure that 'leaving no-one behind' is not just a slogan, but a statement of intent that will be backed up by well-designed policies and proper implementation.

- A key question, risk to be addressed: how to support people who do not have the wherewithal to engage in a more digitalised world in a manner required to secure their own future and that of their families and communities.

Thank you for your time and consideration

