

2022

INOU Submission to Ireland's National Reform Programme

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



Introduction

“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 almost 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; participative engagement with our affiliates and members; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

The Irish National Organisation of the Unemployed (INOU) welcomes the request from the Department of An Taoiseach for the organisation’s views *“with regard to the development of Ireland’s National Reform Programme 2022”*. The INOU has also worked with colleagues in the Community and Voluntary Pillar in the preparation of the Pillar’s submission to the NRP.

In Ireland’s National Risk Assessment 2021/2022¹ unemployment was noted under economic and social risks as follows:

- *Despite the unprecedented measures allocated by Government to support individuals and businesses, totalling over €38 billion across 2020 and 2021 recent forecasts are that unemployment will remain above the pre-pandemic level of 5% until at least 2023.* (p14)
- *Social cohesion, migration and integration remain as key social risks in this year’s assessment. Issues concerning the cohesion and inclusiveness of society identified in this section include: unemployment, trust in government and media, and the effects of the pandemic on various social groups and age cohorts.* (p15)

Equitable Economic Recovery

In June, 2021 the Government published its *Economic Recovery Plan*² consisting of four pillars, the second of which was of particular interest to the INOU: *“Helping people back into work by extending labour market supports and through intense activation and reskilling and upskilling opportunities, driven by Pathways to Work 2021-2025.”*

In the Plan the Government said that *“Our ambition is to have 2.5 million people in work by 2024, exceeding pre-pandemic levels.”* According to the Labour Force Survey Quarter 3,

¹ Ref: <https://www.gov.ie/en/policy-information/795550-national-risk-assessment/>

² Ref: <https://www.gov.ie/en/campaigns/709d1-economic-recovery-plan/>

2021 there were 2,471,200 people in employment, though when this figure is adjusted for the impact of COVID-19 it falls to 2,369,731 people. It is also important to note that national figures rarely capture the experiences of people who face significant exclusion from Ireland's labour market, for example Travellers and people with disabilities, whose employment / unemployment figures are in stark contrast to the national ones.

The ERP also noted that *"The government's labour market approach is about providing opportunities to reskill and upskill, minimising long-term unemployment, and supporting individuals to secure sustainable and quality employment."* It will be absolutely critical that the employment created is indeed of good quality and sustainable in every sense of the word. 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.

The *Economic Recovery Plan* notes *"Flexibility in how lifelong education is constructed, offered and experienced needs to be further developed. Building on the disruptive 2020 experience, new models of learning, including (but not limited to) those enabled by new technologies, present an important opportunity to open up delivery approaches, educational methods and learning environments."* However, the past number of years have also highlighted the digital divide in Irish society: people without the income, the broadband, the equipment, the skills struggled to engage in online learning and work, while people with these resources and skills could and in many cases enjoyed better employment prospects. This issue was raised in the second Country Specific Recommendation to Ireland in 2020, when the Commission called on Ireland to *"Address the risk of digital divide, including in the education sector."*

In the *National Recovery and Resilience Plan*, under the second priority seeking to accelerate and expand digital reforms and transformation, there was a commitment to address the digital divide and enhance digital skills through the Adult Literacy, Numeracy and Digital Literacy Strategy and a new Digital Strategy for Schools. If these Plans are to lead to an inclusive and sustainable economy, then this digital divide must be pro-actively addressed.

In February, 2022 the Government launched *Harnessing Digital The Digital Ireland Framework*. Under the heading *Supporting Inclusivity and Broader Society* the Government notes that *"An appropriate digital skills level for the general population, to enable all cohorts regardless of age or background to engage with and benefit from digitalisation, is crucial in ensuring the digital transition is inclusive and positive for wider society."* Under the heading *Digitalisation of Public Services* the Government says *"Through a trusted, user-driven, intuitive, inclusive and efficient world-leading digital government service, 90% of applicable services will be consumed online by 2030."* Many people will welcome this development, potentially services and supports can be accessed when it is convenient to the person seeking them, more than likely it will involve no travel and less time should be required.

However, at an INOU event looking at improving Ireland's social welfare system and the learning coming from the impact of COVID-19 on existing supports and services, affiliates and members noted that *“digital poverty is inevitable as it currently stands and a cohort of clients (those less well off) will be left behind”*. It was suggested that *“digital hubs be introduced at local offices which provide guidance with digital systems (with a support person made available to clients – adds to personalisation).”* In further discussions about services becoming more digitalised the point was made that *“There needs to be a hybrid interim system in which clients can access an office, a digital hub (if needs be, depending on the clients necessity for it) and on-line. To go fully on-line would be too fast moving and detrimental to the system and clients in general.”* 2030 is less than eight years away and a lot of work remains to be done to ensure that people who lack the personal and financial resources, the necessary infrastructure and equipment to engage in an increasingly digitalised world are not marginalised, left further behind, and outside of emerging opportunities.

Inclusive Employment and Activation Services

In the ERP *Pathways to Work 2021-2025* is cited as *“Ireland’s national employment services strategy and overall framework for activation and employment support. It is a central focus of the Government’s response to dealing with the impact of the pandemic on workers. It supports those who are unemployed - as a result of the pandemic; pre-pandemic; and those whose former jobs are no longer available to them -to return to work through intense activation, and upskilling and reskilling through education and training initiatives.”*

In July, 2021 the Government published *Pathways to Work*³ describing *“the goal of Pathways to Work 2021-2025 is to ensure that as many of these opportunities as possible are filled by people who are unemployed. This includes all unemployed, those whose jobs were lost due to COVID-19, those already on the Live Register pre-pandemic and those in society that face particular challenges in finding and sustaining employment.”* (p8)

It has four high level ambitions: to reduce long-term unemployment; reduce the youth unemployment rate; ensure better labour market outcomes for all; and improve labour market transitions. The Strategy contains eighty three commitments laid out under five strands of action or headings including working for jobseekers; employers; for work; for all – leaving no one behind; working with evidence.

Under the first strand of action, Working for Jobseekers, the Government states *“For jobseekers, the approach is to help them develop and pursue a personal progression plan including steps to identify and compete for suitable employment opportunities, to take-up relevant work experience, to pursue upskilling and training programmes, to set up their own*

³ Ref: <https://www.gov.ie/en/publication/1feaf-pathways-to-work-2021/#:~:text=%20Pathways%20to%20Work%20Strategy%202021%20-%202025,employment%20as%20quickly%20as%20possible.%20Stated...%20More%20>

business, to return to fulltime education, and to participate in State/ community employment programmes.” (p29)

Figure 6 on page 33 describes the type of services and supports that are made available to people depending on whether or not they are in receipt of a Jobseeker’s payment, and whether or not their Probability of Exit score indicates a low-risk, medium-risk or high-risk of long-term unemployment. Into this latter category they have also included people who are aged under 30.

What is not clear from this graph is how exactly Intreo will engage with people who are not in receipt of a Jobseeker’s payment, people who view themselves as unemployed and require assistance to find meaningful employment. Commitments 1 to 30 are presented under this Strand and include *“Work with Pandemic Unemployment Payment recipients during the transitional phase as temporary COVID-19 State supports are tapered off by providing employment supports to this new cohort of unemployed to assist them back to employment as the economy recovers.”* (Commitment 4) It is important to note that not everyone will make the transition from a COVID-19 payment to a Jobseeker’s one, they may not have built up an entitlement to Jobseeker’s Benefit and may not meet the means test criteria for a Jobseeker’s Allowance payment. As unemployed people who have not made the transition from JB to JA know all so well there few supports available when this happens.

Many people find access to the labour market difficult; many individual members have raised the issue of ageism with the INOU; affiliates note the issues of postcodeism, racism, and the barriers facing people because they have a disability or parent alone. To that end Principle 3 of the European Pillar of Social Rights⁴ is important. The focus of this principle is equal opportunities and it states: *Regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, everyone has the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services available to the public. Equal opportunities of under-represented groups shall be fostered.*

This principle should feed into the rollout of *Public Sector Equality and Human Rights Duty*, introduced in the legislation that established the Irish Human Rights and Equality Commission, across employment and related services. It also demands that a more active role is played by the State in addressing inequalities in Ireland’s labour market.

Under *Pathways to Work* third strand of action, Working for Work, the Government notes *“the nature of any system that is based on income, or days of work thresholds/ cut-off points, is such that notwithstanding the availability of exemptions/disregards, the jobseeker can face earnings cliffs and the financial returns from working can be perceived as marginal.”* (p58)

⁴ Ref: https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights_en

This has been an issue of concern for the INOU for many years, and the organisation has called for an hours based system rather than a days based one for people on a Jobseeker's payment. Under Commitment 43, the Government says it will *"Prepare a paper on options to modify the longer term jobseeker assistance payment by utilising the Revenue real time earnings data to adjust payment levels in line with a person's weekly earnings, to guarantee a basic income floor and ensure that in all cases a person's income increases when they work."* What exactly this will mean in practice remains to be seen, but it will be essential that it does not exacerbate the income inadequacy challenges facing many people who are unemployed and / or in low paid employment.

Under the fourth strand of action, Working for All – Leaving No One Behind, the Government notes that *"Prior to the onset of the COVID-19 crisis, it had been intended that this strategy statement would focus, primarily, on ways to increase employment rates among groups with low levels of labour market participation, including:*

- Lone parents,*
- People with disabilities,*
- Qualified adults (Adult dependants of those in receipt of a social welfare payment),*
- People from minority groups."*

They go on to say that *"COVID-19 has changed the context. However, we cannot afford to neglect our responsibility to those people within our community who before COVID-19, were already facing significant labour market barriers. Accordingly, we now set out our approach to delivering, during the lifetime of this strategy, a Public Employment Service that works for all."* (p62)

Commitments 47 to 75 are presented under this Strand and include:

- Undertaking focused engagement with employers to encourage the recruitment of older workers, including the promotion of the JobsPlus recruitment subsidy. (Commitment 53)*
- Implement an intensive model of engagement with young people profiled as being at risk of long-term unemployment. (Commitment 57)*
- Reserve places on public employment programmes for people from disadvantaged and minority backgrounds. (Commitment 66)*
- Consult with stakeholders from the Traveller (and/or Roma) community to advise the Public Employment Service. (Commitment 70)*

Though many of these commitments are welcome, it is questionable if this strategy will indeed deliver on a public employment service for all. A stronger commitment to a person centred and wrap around service for everyone of working age, regardless of their social welfare status, is required. To that end the change of funding model for community based employment services raises serious concerns, a payments by result model is not compatible with an inclusive Public Employment Service, a service that should offer flexible and

appropriate supports to anyone of working age who needs them: in an environment where people can opt-in, explore and identify the most appropriate option / choice for them.

Income Adequacy

Principle 14 of the European Pillar of Social Rights focuses on minimum income and states: *“Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.”* The realisation of this principle is particularly important as it seeks to address the issue of poverty and the flexibility required to appropriately support people living on the margins of Irish society.

In December, 2021 the Central Statistics Office (CSO) published the results of the *Survey of Income and Living Conditions (SILC) 2020*. SILC is a household survey which provides the data from which key national poverty indicators are derived, including the at risk of poverty rate, the consistent poverty rate and rates of enforced deprivation.

In 2020 the at-risk-of-poverty rate was 13.2%. This figure increases significantly to 37.9% when social transfers, including social welfare payments, are excluded. Notwithstanding the positive impact of social transfers, for people who are unemployed and for people who are unable to work due long-standing health problems, their at-risk-of-poverty rates are much higher, at 32% and 33.7% respectively.

The deprivation rate was 15.6%, this captures people in the population who were not able to afford at least two of the items / activities contained in a list of eleven. Amongst the issues raised by survey respondents were unable to replace worn out furniture; unable to have family / friends over once a month; unable to put the heating on.

According to the Principal Economic Status breakdown of this figure, unemployed people’s deprivation rate was 35.3% and for people unable to work due to long-standing health problems was 39.3%. A starker figure is seen in the Household composition breakdown, where families comprising one adult with children aged under 18, have a deprivation rate of 47.8%. This is 9.5 percentage points higher than the deprivation rate for those at-risk-of-poverty, which was 38.3%.

At the national level the consistent poverty rate, which captures people who are at-risk-of-poverty and experience deprivation, was 5%. Again, this figure is much higher for people who are unemployed (16.6%); for people who are unable to work due to long-standing health problems (17%); and in particular for households of one adult with children aged under 18 (21.6%).

In this release, as part of their Frontier series, the CSO published *Poverty Insights – Income Reference Periods 2018-2020*. Amongst the issues explored in this document is the impact of COVID-19 income supports on people and poverty rates. For example, the national at-risk-of-poverty rate would have been much higher: 21% in comparison to 13.2%. While the at-

risk-of-poverty rate for unemployed people would increase to 39.6% without the positive impact of the Pandemic Unemployment Payment. What these figures highlighted is the importance of supporting people properly when they need these supports. A striking feature of the COVID-19 pandemic is how responsive the labour market has been to the restrictions imposed and when they are lifted how quickly the numbers on the Pandemic Unemployment Payment have fallen. According to the Department of Social Protection there were 67,434 in receipt of the PUP in the week of February 8th, 2022⁵, which is in marked contrast to the figure of 486,354 in February 2021, and 605,668 in May 2020.

The INOU strongly believes that social welfare rates must seek to lift recipients above the poverty line and ensure they can meet a minimum essential standard of living. This is currently not the case, and with the cost of living rising many unemployed people and others reliant on a social welfare payment will face harder struggles to make ends meet.

The Government has noted that in implementing the seventeen Sustainable Development Goals (SDG) Ireland will be guided by two key principles:

- That every person is entitled to a life of dignity in which they can fulfil their full potential; and
- That the economic, social and environmental requirements of such a life are fundamentally linked and interdependent on each other. In putting these principles into practice, Ireland pledges that no one will be left behind and that we will endeavour to reach the furthest behind first.

While in the Programme for Government, Our Shared Future⁶, they state they will

- *Protect core weekly social welfare rates.*
- *Recognise the importance of ancillary benefits and eligibility criteria to vulnerable groups.* (p74)

Given the impact of the rising cost of living it will be imperative that the first bullet point is understood to mean protecting the purchasing power of these payments, but as that power has slipped, it would now mean enhancing it. Secondly, that the system must strive to ensure that people in difficult circumstances do not find themselves without proper supports in what is a rule bound and complex system.

The COVID-19 Pandemic Unemployment Payment covered a wider range of people than Ireland's Jobseeker's payment system does, a reality that raises serious equality and social cohesion questions. In the application process for a Jobseeker's Allowance payment the applicant's family circumstances are taken into account, which can leave young people living at home without an income as their parents' income is included the assessment, while older adults can find themselves without an income if their partner works, a situation many women are familiar with, and more men experienced after the 2008 financial crisis.

⁵ Ref: <https://www.gov.ie/en/press-release/4aba2-update-on-payments-awarded-for-covid-19-pandemic-unemployment-payment-and-enhanced-illness-benefit-8th-february-2022/>

⁶ Ref: <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>

Decent Work

The focus of UN Sustainable Development Goal 8⁷ is to *“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”* The International Labour Organisation states that *“Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”.*

In 2020 with the support of the Irish Human Rights and Equality Commission Grants Scheme, the INOU ran a project on the theme of decent work. The report⁸ of the project noted the issue of decent work and the challenges of accessing it regularly featured at the INOU’s Regional Discussion Forums, which involve participants from INOU affiliates and other organisations from around the country.

Amongst the key findings of the project was the *“Need to ensure that there is greater awareness of the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Labour Organisation’s (ILO) definition of decent work, and the European Union’s Pillar of Social Rights (PSR).”*

Participants also noted that *“People need to be made aware of their right to exercise their rights without penalisation and to participation in discussions around conditionality and rights.”* Other key findings included:

- The concept of empowerment is a very important one, essential in practice, and needs to be an integral part of Ireland’s employment services and supports.
- Need to address distance from the labour market, including people who are not on a social welfare payment, and capture their journey properly.
- Need to ensure that targeted programmes are properly supported, valued by and have good links into mainstream learning and employment opportunities. This should work in tandem with a systemic and sustained approach to address labour market exclusion.
- The need to properly address the challenges facing people seeking decent work who, for example, live in rural areas, who are Travellers, have a disability, parent alone, are returning to the labour market after a long gap, whose job has changed or become obsolete, young people who left school early, or people who have limited access to technology.
- Need to map the jobs that will be obsolete, identify their replacements, ensure people are given the opportunity to re-skill to avail of emerging opportunities.

⁷ Ref: <https://sdgs.un.org/goals/goal8>

⁸ Ref: <https://www.inou.ie/resources/publications/decent-work-report/>

- Need for those working on the ground to feed into Government policy development and implementation, and for their issues to be heard and responded to appropriately.

Access to the Living Wage and greater certainty of hours and therefore improved income security could make a real improvement in the lives of many people. The Low Pay Commission has been tasked with exploring how the Programme for Government commitment to *“Progress to a living wage over the lifetime of the Government”* can be met. This is an urgent piece of work given the challenges facing so many people trying to cover their costs of living.

Some people who experience discrimination in the labour market seek to address their unemployment through self-employment and an important support for them is the Back to Work Enterprise Allowance (BTWEA). According to the latest figures there were 2,307 participants on BTWEA in December, 2021. The scheme runs for two years, but the INOU believes that an additional year should be introduced to support people to make the most of this option. Such a development could be part of the Government’s expressed wish in the Economic Recovery Plan that *“A range of measures will be introduced to support young people, disadvantaged groups and people distant from the labour market to find employment”*. (p15)

Role of Community Based Organisations

Amongst the lessons identified in the NESC Secretariat Paper No. 22 Community Call: Learning for the Future was lesson five which says, *“The community and voluntary sector played a key role in identifying and supporting the vulnerable, and there is a need to look at how such work can be sustained”*. (p29) The Paper also notes *“The important role of the community and voluntary sector in responding to local needs became clear in the work under Community Call. Some work is already under way to help develop the capacity of smaller local groups, and to support them and larger organisations through the funding difficulties engendered by the lockdowns. It is likely that this work will need to continue.”* (p34)

At the INOU Annual Delegate Conference (ADC) in 2021 the following motion was passed: *“The Belfast Unemployed Resource Centre supports the INOU calls on the Government to fully support the development and maintenance of independent community based organisations and their work with people experiencing social and economic exclusion, organisations which are critical to the delivery of inclusive employment and social services.”* In the Programme for Government the Government says it will *“Fully implement Sustainable, Inclusive and Empowered Communities, the five-year strategy to support the community and voluntary sector in Ireland up to 2024.”* (p107) The values underpinning this five year plan are particularly important including: active participation; collectivity; social justice; sustainable development; social inclusion; human rights, equality and antidiscrimination; and empowering communities.

Community based organisations must be properly resourced to ensure that any such strategy delivers for people who are unemployed, distanced from the labour market, and living with socio-economic exclusion. This will become particularly important as Ireland becomes more digitalised and many people struggle to adapt. Community based organisations will have an important role to play in supporting people who have a range of literacy needs to be able to develop their skills to participate in Irish society and avail of emerging economic opportunities.

It is welcome that in the Economic Recovery Plan the Government notes the importance of *“Supporting Social Enterprise, which can provide access to jobs for the most marginalised in society, including through the National Social Enterprise Policy 2019 – 2022 and the Working for Change: Social Enterprise and Employment Strategy”*. Resourcing community led social enterprises to address issues of concern for them and to empower people themselves to address their needs appropriately will be particularly important, it can also open access to employment that might otherwise be missing.

In the section entitled An Inclusive Approach the Government says *“An increased focus will be placed on building an inclusive society and labour market with greater emphasis on good quality employment, increasing participation and reducing barriers as the economy recovers, ensuring the benefits of the recovery are widely shared.”* Such a development will be critical and community based organisations have a key role to play *“as Ireland moves through the recovery, a space to discuss areas of shared concern affecting the economy, society, the environment, employment and the labour market more broadly must be ensured.”* (p46)

It would also be in keeping with the UN SDG 16⁹ which aims to *“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”*. Of particular importance is Target 16.7 which seeks to *“Ensure responsive, inclusive, participatory and representative decision-making at all levels”*.

Thank you for your time and consideration

⁹ Ref: <https://sdgs.un.org/goals/goal16>