

“It will provide greater security for individuals and communities and will be founded on the principle of equality and ensuring that every citizen can achieve their full potential.”

Programme for Government, page 74

INOUE Submission to Ireland’s National Reform Programme 2023



February 2023

INTRODUCTION

The Irish National Organisation of the Unemployed (INOUE) welcomes the opportunity to make a submission to the development of Ireland's National Reform Programme 2023.

"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." (INOUE 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; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

In this submission we will look at the Employment Target set under the European Pillar of Social Rights (EPSR); followed by key aspects of the Recovery and Resilience Plan; the importance of person centred services and supports; the critical issue of income adequacy; followed by piece on the EPSR Poverty Target; then a look at guiding people in a changing world, in particular of work; and the Adult Learning Participation Target set under the EPSR.

EMPLOYMENT TARGET

In the consultation document to establish *Ireland's contribution to the European Pillar of Social Rights Action Plan 2030 Headline Employment Rate Target* it noted that *"Under a criterion proposed by the Commission, it is suggested that Member States halve their distance to the 2030 headline target (from a 2020 baseline) and add a common fixed increase e.g. 2.5 percentage points. Member states that have already achieved a level close to or above the headline target would only apply the fixed increase. For Ireland this would result in a target of 78.2%, from a 2020 baseline of 73.4%. This is 3.1% higher than our highest ever employment rate of 75.1% in 2019."*

The table below shows the numbers of people employed in Quarter 4, 2022 and their employment rates. The overall employment rate for people aged 15-64 years was 73.2%. When young people aged 15-19 years are taken out of this figure, the employment rate is 78.3%, 0.1 percentage point higher than Ireland's 2030 Headline Employment Rate Target.

All Persons	Employed 000s	Employment Rate %	Men employed 000s	Employment Rate %	Women employed 000s	Employment Rate %
15 - 19	90.8	27.1	43.3	25.3	47.5	29.1
20 - 24	214.2	67.2	110.6	68.5	103.6	65.9

25 - 34	522.0	82.4	270.8	85.8	251.2	79.0
35 - 44	666.8	84.2	347.5	91.4	319.3	77.4
45 - 44	587.8	82.1	312.3	88.7	275.4	75.7
55 - 59	226.3	73.9	121	80.7	105.3	67.4
60 - 64	165.9	59.9	94.7	69.6	71.2	50.4
65 +	100.9		68.3		32.6	
Total	2574.7	73.2	1368.5	78.0	1206.1	68.5
20-64		78.3		84.1		72.7

Source: Labour Force Survey, Quarter 4, 2022, CSP¹

On page fifteen of the **Country Report 2022** on Ireland, the European Commission notes *“The comparatively low levels of employment for some groups may point to untapped labour market potential and contribute to risks of poverty and social exclusion. In 2021, the employment rates of low- and medium-skilled workers aged 20 to 65 were 51.3% and 69.5% respectively, compared to an overall employment rate of 74.9%. In 2020, the employment rate of lone parents stood at 64% – the lowest in the EU. In addition, the disability employment gap in Ireland was the largest in the EU, at 38.6%. These groups are also at an elevated risk of poverty and social exclusion. Tackling these challenges in line with the European Pillar of Social Rights is key for Ireland to contribute to reaching the 2030 EU headline targets on employment, skills and poverty reduction.”*

As Ireland has reached our 2030 Headline Employment Rate Target it is clear that to address the challenges that face particular groups in the labour market, sub-targets must be set and exclusion in the labour market must be properly addressed. This is particularly important for one group who were not included in the Country Report 2022 and that is the Traveller community. According to the 2016 Census² unemployment amongst the Traveller community was six times higher than the national figure. Under the heading *Economic Status* the CSO noted that:

- *There were 10,653 Travellers in the labour force in 2016 and of these 8,541 were unemployed, giving an unemployment rate of 80.2 per cent. 2,112 persons were at work in 2016.*
- *The labour force participation rate among Irish Travellers was 57 per cent compared with 61.4 per cent for the general population.*

¹ Ref: <https://data.cso.ie/#>

² Ref: <https://www.cso.ie/en/releasesandpublications/ep/p-cp8iter/p8iter/p8itseah/>

- Among females 972 were at work while 2,938 were looking after the home, representing 30.4 per cent of Traveller women aged 15 or over.
- Almost 1 in 8 (11.3%) Travellers indicated they were unable to work due to a disability, nearly three times the equivalent rate for the general population (4.3%).

It remains to be seen, but it is unlikely that the 2022 Census will show the level of dramatic improvement that would be required to address this stark level of socio-economic inequality. There are commitments in the fourth strand of *Pathways to Work 2021-2025* entitled *Working for all – leaving no-one behind* and within them is Commitment 67 which seeks to *Develop a Traveller and Roma Training, Employment and Enterprise Plan*. According to the Progress report for Pathways to Work³ “As outlined in the Programme for Government, a comprehensive Traveller and Roma Training, Employment and Enterprise Plan is to be developed as part of a successor strategy to the National Traveller and Roma Inclusion Strategy 2017-2021 (NTRIS). This is a priority area. Work on this commitment will commence after the current ongoing review of the NTRIS strategy is completed by the Department of Children, Equality, Disability, Integration and Youth, which is scheduled for the end of 2022. This is to ensure that the Training, Employment and Enterprise Plan aligns with the aims and objectives of the successor strategy to NTRIS.” It will be absolutely critical that this Plan clearly spells out how discrimination in and exclusion from the labour market will be properly addressed.

COUNTRY SPECIFIC RECOMMENDATIONS 2022

In May 2022 four country specific recommendations were made to Ireland including:

1. *In 2023....taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds...*
2. **Proceed with the implementation of its recovery and resilience plan**, in line with the milestones and targets included in the Council Implementing Decision of 8 September 2021...
3. *Focus efforts on boosting the circular economy...*
4. *Reduce overall reliance on fossil fuels... Ensure the fast implementation of deep building retrofits...*

RECOVERY AND RESILIENCE PLAN (RRP)

In the Key Findings in the **Country Report** the European Commission states that “Ireland’s RRP includes measures to address a series of its structural challenges through:...supporting employment and social inclusion, including through the labour market integration of vulnerable groups and by developing skills, particularly those to support the green transition.” (p16)

The reality is that Ireland’s RRP has a limited number of actions in it developed at a time when everyone was unsure how the labour market would react overtime to the impact of

³ This report is available at [gov.ie - Pathways to Work Progress Report \(July 2021 – June 2022\) \(www.gov.ie\)](https://www.gov.ie/publications-and-resources/publication/pathways-to-work-progress-report-july-2021-june-2022)

the Covid-19 pandemic measures. According to the most recent Labour Force Survey, Quarter 4 2022, Ireland had over 2.57m people in employment, an historic high. In the same quarter in 2019 2.36m people were employed. However, in Q4 2022 112,000 people were unemployed, 1,500 more people than in the quarter in 2019, though the unemployment rate was 0.3 percentage points lower, at 4.2%.

Two of the action under Priority 3 of the *Recovery and Resilience Plan* entitled *Social and Economic Recovery and Job Creation*, focus on:

- 3.1 - *Work Placement Experience Programme – EU funds will be used in support of our ambitious new Work Placement Experience Programme, targeted at reaching 10,000 participants;*
- 3.2 - *Solas Recovery Skills Response Programme will see a range of additional educational and training programmes rolled out as part of the Skills to Compete and the establishment of the SOLAS Green Skills Action programme focusing on providing training to address climate and low carbon economy issues;*

According to the most recent Live Register figures⁴, there were 524 participants on the Work Placement Experience Programme in December 2022, making it the third smallest of the Activation Programme reported on in the Annex to the monthly Live Register releases. In the Progress Report on the implementation of *Pathways to Work 2021-2025* it notes “*The very low take-up of the WPEP indicates to the Council that changes to the programme should be considered. The Council suggests that the scheme could benefit from modifications including improved messaging and tailoring. Specifically, this could entail recasting the scheme as a ‘transition tool’ into employment for specific cohorts who require enhanced support to avail of opportunities, and therefore could represent a useful mechanism to increasing the participation of those most distant from the labour market. The Council also advises that consideration should be given to making WPEP a more attractive option as there is some feedback that the administrative burden may be too high, although it must remain a quality work placement scheme with real developmental and training opportunities on offer to jobseekers.*” (p73)

While in their Annual Report 2021, SOLAS note “*Covid-19 has also had a lasting impact on the labour market, with a significant base of people no longer able to return to their jobs before restrictions. This prompted the launch of the Skills to Compete initiative to help them return to sustainable employment, with ETBs delivering flexible programmes to improve employability; develop the digital skills now required for virtually every job; and the specific skills required to target work in growth occupations and industries. To date this has helped 16,700 people make the journey back towards employment.*” (p5)

PERSON CENTRED SERVICES AND SUPPORTS

In the *Programme for Government: Our Shared Future*⁵, in the Chapter entitled *Mission: A New Social Contract*, the Government states: “*Ireland requires a new national social contract between citizens and the State*” and “*It will provide greater security for individuals*

⁴ January 2023 available at [Live Register January 2023 - CSO - Central Statistics Office](#)

⁵ This publication is available at [fe93e24e-dfe0-40ff-9934-def2b44b7b52.pdf \(www.gov.ie\)](#)

and communities and will be founded on the principle of equality and ensuring that every citizen can achieve their full potential.” (p74)

On page seventy-five the Government says that *“Any changes made in social welfare provisions will continue to be gender- and equality-proofed. We will do this by rigorous implementation of the new social inclusion strategy, A Roadmap for Social Inclusion 2020-2025.”*

As part of the *New Social Contract* chapter of the *Programme for Government*, under the heading *Socio-economic Inequality* the Government state that they *“will examine the introduction of a new ground of discrimination, based on socio-economic disadvantaged status to the Employment Equality and Equal Status Acts.”* This work has been incorporated into the review of Ireland’s equality legislation. However, it would be important for Government Departments and agencies to spell how they will support people who experience socio-economic disadvantage to realise their human rights and enjoy equality of outcomes.

On page five of the *Roadmap for Social Inclusion*⁶ the Government notes *“this new Roadmap is framed in terms of the achievement of Social Inclusion which we define as follows:*

Social Inclusion is achieved when people have access to sufficient income, resources and services to enable them to play an active part in their communities and participate in activities that are considered the norm for people in society generally.”

In the INOU’s submission⁷ to the mid-term review of the Roadmap for Social Inclusion we noted that *“Notwithstanding the Government’s desire to see this Roadmap as a policy for inclusion, the cold reality is that socio-economic exclusion and marginalisation has a cumulative impact on a person’s ability to participate as fully as possible in Irish society and its economy. It is critical not to underestimate the influence of a person’s start in life: the socio-economic status of the family and community they were born into, which in turn can impact on their educational attainment. There is a strong correlation between educational status and employment status, which in turn impacts on the type of employment the person can access, whether or not they experience long-term unemployment, or have the networks or contacts to secure decent employment.”*

To that end it is absolutely critical that supports are built around the unemployed person and others distant from the labour market so that people really feel that they and their concerns are at the heart of public services, and that they will be supported to make informed choices. These choices should include ensuring that people are on the right payment, that the system takes pro-active and supportive steps to ensure that people are; and that at all times the person feels and knows they can drop into their local Social Welfare / Intreo office to discuss any matter of concern.

In February, 2021 the INOU ran a number of online events entitled *Building a Better Social Welfare System* and amongst the issues raised at these events were:

- The diversity of rules, the inconsistency of access and application across the system, a system that is often re-active rather than positively pro-active.

⁶ This publication is available at [bf7011904ede4562b925f98b15c4f1b5.pdf \(www.gov.ie\)](https://www.gov.ie/publications-and-statements/publication/bf7011904ede4562b925f98b15c4f1b5)

⁷ This submission is available at [INOUE Submission to the Mid-term Review of the Roadmap for Social Inclusion](#)

- The issue of inadequate, inconsistent information arises for both people accessing information and support and people working in local organisations.
- This issue arises with regard to the social welfare supports people may or may not be entitled to; what is or is not taxable; what supports are available for people who make the welfare to work journey; and what will be the difference in the income they obtain should they make this journey.

Amongst the recommendations in the Commission on Taxation and Welfare report is 10.7 which states *“The Commission recommends that cliff-edges in the taxation and welfare systems should be removed.”* The INOU welcomes this recommendation, but we are also conscious that it would need to be handled with great care. In particular to ensure that the cliff edges are addressed constructively, and people see a real improvement in their incomes.

INCOME ADEQUACY

In the *Programme for Government* Chapter entitled *Mission: A New Social Contract*, the Government states they will *Protect core weekly social welfare rates; Improve jobseeker supports for people aged under 24 over the lifetime of the Government.*

The issue of income adequacy is a key one for the INOU and along with other community and voluntary sector organisations has called on the Government to increase core social welfare rates so that they (i) lift people above the poverty line and (ii) support them to meet a minimum essential standard of living. In the *Roadmap for Social Inclusion*, Commitment twenty-five under Goal Three, seeks to *“Consider and prepare a report for Government on the potential application of the benchmarking approach to other welfare payments.”* It would be vital that this work is undertaken as soon as possible in a constructive manner; that the poverty facing unemployed people and other social welfare recipients is properly addressed; and the age segregation visible in Jobseekers Allowance payments is finally and positively ended.

POVERTY TARGET

In the *Consultation Paper establishing Ireland’s contribution to the European Pillar of Social Rights Action Plan 2030 Headline Poverty Reduction Target*, it says that it *“is proposed that for the purposes of the Irish contribution to the EU-27 Headline Poverty target, that at least two-thirds of the Irish contribution (that is, 60,000 of the 90,000) should be children. This is more ambitious than the proposal by the European Commission and recognises the more ambitious At Risk of Poverty or Social Exclusion target set out for children in the Roadmap for Social Inclusion.”*

Striving for a more ambitious approach is to be welcomed, seeking to ensure that children living in poverty are not prevented from living their lives to their full potential must be a clear and strong focus of a wide range of Government policy and its implementation. However, it is equally important that their families receive a similar level of support, and that all people trying to manage the daily grind of poverty experience real hope that their lives will demonstratively improve.

To that end every effort must be made to ensure that people who experience poverty because, for example, of their ethnicity, socio-economic status, duration of unemployment, disability, family circumstances are also included in the work to meet these targets.

Otherwise, there is a real danger that the overall figure will improve but many people experiencing serious and in-depth poverty and socio-economic exclusion will see little positive change in their lives.

The recent release of the *Survey of Income and Living Conditions (SILC) 2022* by the Central Statistics Office⁸ demonstrates the scale of the challenge. 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 deprivation rate, and the consistent poverty rate. The participants for this survey were interviewed in the first six months of 2022, while the income and poverty estimates are calculated on 2021 income.

In 2022 the at-risk-of-poverty rate increased by 1.8 percentage points to 13.1%. The CSO noted that without the COVID-19 pandemic income supports this figure would have been 20.5%. While if all social transfers are excluded, the at-risk-of-poverty rate would rise to 36.7% - 1.9 percentage points lower than 2021. The SILC data is presented under a number of difference categories including Principal Economic Status (PES). Under PES, the at-risk-of-poverty rate for people who identified themselves as unemployed was considerably higher – at 35.6%, a rise of 12.4 percentage points over the year.

The CSO notes that the *“enforced deprivation rate is the percentage of persons that are considered to be marginalised or deprived because they live in households that cannot afford goods and services which are considered to be the norm for other households in society.”* This rate captures people in the population who were not able to afford at least two of the items / activities contained in a list of eleven. The deprivation rate for 2022 was 17.7%, an increase of 3.9 percentage points. The deprivation rate for unemployed people was substantially higher - at 48.6%, an increase of 17 percentage points.

At the national level the consistent poverty rate, which captures people who are at-risk-of-poverty and experience deprivation, rose by 1.3 percentage points to 5.3%. Again this figure was significantly higher for people who are unemployed - at 18%, an increase of 7.8 percentage points over the year. Amongst the other groups with noticeably higher consistent poverty rates were people unable to work due to long-standing health problems (19.7%); households with one adult aged under 65 years (14.5%); households with one adult with children aged under 18 years (14.1%); no person at work in the household (13.8%); and people whose tenure status was rented or rent free (12.9%).

GUIDING PEOPLE IN A CHANGING WORLD

The world of work is changing. Ireland’s employment, education and training supports and services must work together to ensure that people who are unemployed; in employment that may disappear as Ireland seeks to decarbonise our economy; require new skills as increasing digitalisation changes how we work, and how engage with the world around us, including public services. As the *Programme for Government* notes on page thirty-eight *“The next decade will see two major transitions: to a low-carbon future and to greater digitalisation, automation, and robotics.*

⁸ SILC 2022 is available at <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2022/>

Both transitions will unleash huge changes in society, and while presenting significant challenges, will also bring a range of opportunities. The impacts of these changes will be unevenly spread and will manifest themselves in different ways.

In some cases, these transitions will impact entire industries and regions. In others, particular trades or professions may become obsolete. It is vital that a Just Transition pathway be found, which delivers alternative job opportunities to sectors and regions most affected and ensures that vulnerable groups are helped, as transformative policies are implemented. This will require the anticipation of challenges and planning for responses to them.”

Ireland’s Public Employment Service must play its role in supporting job seekers, job changers, job returners to ensure that change / transition that are underway are just, and do not further exacerbate the inequalities in Ireland’s labour market.

Under the Chapter heading *Mission: Balanced Regional Development* on page sixty of the Programme for Government they note *“Economic growth is not an end in itself but a means to provide a decent life for all our citizens.”* The United Nations eight Sustainable Development Goal seeks to *“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”*. According to the International Labour Organisation definition: *“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 the INOU ran a project on Decent Work⁹ and within one of the workshops for this project *“An example was given of a young person trying to manage on their Jobseekers payment, with the expectations of their engagement in activation. Yet the lack of an accessible and regular bus service made this extremely difficult. Concerns were raised that some people had lost their Jobseekers Allowance because they could not get into their local Intreo Office. (p13)* It is important that when people are expected to engage with activation supports and services that providers are mindful of the challenges that face people with few resources.

Other concerns included: *“A lack of quality guidance by Intreo was raised and that the approach needs to be holistic, compassionate and personal: the specifics of each person’s situation are key. Within this discussion better direction by activation services including career guidance was sought for unemployed young people.” (p20)* At present the Department of Education are leading a consultation on the development of a *National Framework for Guidance*.

In the consultation document for this framework the Department of Education provides a potential vision for lifelong guidance as *“A more unified guidance system which will allow all young people and adults to have access to high quality and appropriate lifelong guidance*

- *Lifelong guidance aims to provide career development support for individuals of all ages, at all career stages.*

⁹ It was funded under IHREC Grants Scheme and the report is available at https://www.inou.ie/assets/files/pdf/inou_decent_work_report_web.pdf

- *It includes careers information, advice, guidance counselling, assessment of skills and mentoring.*
- *Quality guidance services should be available to all individuals, regardless of their employment situation, socioeconomic status, ethnicity or gender. (p10)*

Such a vision is to be welcomed and it would be important that the Ireland's Public Employment Service plays an active role in delivering on it.

On page six of the *National Framework for Guidance* consultation document it notes that *"The **Department of Social Protection (DSP)** provide the Public Employment Services through Intreo. The Pathways to Work 2021-2025¹⁰ is the government's national employment services strategy, the government's overall framework for activation and employment support policy."*

In *Pathways to Work* it states *"Therefore, the State needs to make sure that the full toolset of options is available and used to best effect. For this reason, the capacity of, and processes used by, the Public Employment Service and the knowledge and skills of its case workers are critical to ensure, as far as reasonably possible, that correct guidance is given to each individual jobseeker."* (p31)

In the design and delivery of active labour market and related programmes, Ireland must create greater flexibility on eligibility criteria for employment, education, and training programmes. Such a development is essential to ensure such supports are more person centred and holistic and lead to more equitable and inclusive outcomes. To that end participation on activation programmes must be by choice, self-referrals should be facilitated, and people must be supported when they demonstrate their own initiative. This would be very much in keeping with the Department of Social Protection's mission to *"promote active participation and inclusion in society through the provision of income supports, employment services and other services"*.

ADULT LEARNING PARTICIPATION TARGET

According to the *European Pillar of Social Rights Action Plan*¹¹ the adult learning participation target is that *"At least 60% of all adults should participate in training every year"* and on page eleven they note that *"In the context of recovery and of the twin transitions, increasing adult participation in training to 60% is paramount to improve employability, boost innovation, ensure social fairness and close the digital skills gap."* Ireland's adult learning participation target is 64.2%.

The Covid-19 pandemic highlighted the digital divide in Ireland and its implications for securing and maintaining decent employment. Priority 2 of Ireland's *Recovery and Resilience Plan* is entitled: *Accelerating and Expanding Digital Reforms and Transformation*. Action 2.7

¹⁰ Pathways to Work is available at <https://www.gov.ie/en/publication/1feaf-pathways-to-work-2021/>

¹¹ This publication is available at https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan_en#:~:text=The%20European%20Pillar%20of%20Social%20Rights%20sets%20out%20%20key,concrete%20actions%20to%20benefit%20citizens

aims to “Address the Digital Divide and Enhance Digital Skills, by developing a new 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy and a new Digital Strategy for Schools.” It is absolutely critical that Ireland gets this right, otherwise the socio-economic gap evident during the Covid-19 pandemic will widen and will become increasingly difficult to bridge. This is not only a challenge for the development of an inclusive labour market, but to ensure that people feel they can access public services as comfortably as possible. Many people welcome the increased digitalisation of Ireland’s public services, but for other people it heightens their sense of exclusion for vital supports and services, ones they felt they could more readily available of previously.

In their Annual Report 2021¹², SOLAS note “Adult Literacy for Life (ALL): A really important development was the launch of the ALL 10- year strategy in September 2021 to address literacy, numeracy and digital inclusion needs via a cross-Government and cross-society approach. A range of commitments and actions are in place across four pillars to: ensure people can UNDERSTAND their needs and where to go to meet them; that they can ACCESS all of the learning and support they need, that the learning and support available can EXPAND to meet this massive challenge, and that we EMPOWER people and communities to make a real difference to their lives. (p5)

It is essential that Ireland ensures that the proper resources are in place for the full implementation of this strategy, otherwise there is real danger that Ireland will meet the adult learning participation rate of 64.2%, without groups with lower numeracy, literacy and digital literacy engaging in a meaningful way that would make a real difference to their lives.

Thank you for your time and consideration

Contact:

Bríd O’Brien
INOUE Head of Policy and Media
Email: policy@inou.ie
Telephone: 01 856 088

¹² This report is available at [SOLAS Annual Report Dual 2021 \(oireachtas.ie\)](https://www.oireachtas.ie/en/publications-and-communications/publications-and-communications-reports-and-panels/solas-annual-report-dual-2021/)