

# Building Resilience



## INOUE MISSION STATEMENT

***“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

**Irish National Organisation of  
the Unemployed  
Araby House**

**8 North Richmond Street  
Dublin 1**

**Phone: 01 - 856 0088**

**Email: [policy@inou.ie](mailto:policy@inou.ie)**

Over the past year Ireland has gone from an almost unwavering focus on the impact of the Covid-19 health pandemic to the challenges of the rising cost of living on people and their ability to manage, and to the effect of the war in Ukraine. In the meantime long standing entrenched issues remain to be adequately addressed, including housing and decarbonisation, issues that rising inflation and war have highlighted the urgent need for deeper, more inclusive, and sustainable responses.

According to the Central Statistics Office the Consumer Price Index increased by 9.1% in June 2022: this figure is in marked contrast to the CPI increase in June 2021 (1.6%). While the EU Harmonised Index of Consumer Prices (HICP) increased by 9.6% in June 2022, a year ago this figure decreased marginally (0.2%). Amongst the contributing factors to the annual increase in the CPI were an increase in the cost of home heating oil, electricity, gas, solid fuels, higher rents and mortgage interest repayments; and higher prices across a range of products such as meat, bread & cereals and milk, cheese & eggs.

Another release from the CSO in late June highlighted that in 2021:

- ☞ food prices in Ireland were 17% above the EU27 average, making them the second most expensive in the Eurozone, and third most expensive in the EU27;
- ☞ Prices for the various types of foods in Ireland in 2021 were all higher than the EU27 average, except for Fish which was 3% lower;
- ☞ Irish prices for Milk, Cheese & Eggs were 25% higher than the EU27 average; while Oils & Fats were 22% higher, and Breads & Cereals were 20% higher;
- ☞ Ireland and Malta were jointly the second most expensive countries in the EU27 for Non-Alcoholic Beverages.

The cost of living was discussed at the INOU Annual Delegate Conference in May. Amongst the issues raised were the challenge of meeting the increased level of demand for supports like food; that for many rural areas the impact of the 2008 financial crisis had barely faded when Covid-19 pandemic hit; the depth and scale of the housing crisis is not being dealt with adequately; and the impact of crisis management on the delivery of other essential day-to-day services and supports.

Amongst the motions put to the Conference was one from the INOU's General Branch, the mechanism through which unemployed people play an active part in the running of the organisation, and it stated that *The spiralling cost of living has resulted in a Government response for across-the-board measures for everyone including excise duty cuts and a €200 rebate. This may not be sustainable on a widespread basis. The INOU calls on the Government to ensure that social welfare payment increases at least match the cost-of-living increases and to introduce targeted anti-inflationary measures for those in receipt of social welfare payments.*

The theme of this year's National Economic Dialogue was *Building Economic Resilience to deal with International Challenges*. A key issue for the INOU is building the socio-economic resilience of unemployed people and to that end it is vital that core social welfare rates are increased by at least €20 per week in Budget 2023.

## INOUE 2023 Pre-Budget Submission covers:

- ◆ Adequate Income
- ◆ Inclusive Labour Market
- ◆ Activation Programmes



# Adequate Income

On May 6<sup>th</sup>, 2022 the Central Statistics Office (CSO) published the results of the *Survey of Income and Living Conditions (SILC) 2021*. 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 2021 the at-risk-of-poverty rate was 11.6%. However, without the COVID-19 pandemic income supports this figure would have been 19.9%. While if all social transfers are excluded, the at-risk-of-poverty rate would rise to 38.6%. Social transfers include, for example, Child Benefit, Housing Assistance Payment, Jobseekers payment, Pandemic Unemployment Payment, One Parent Family Payment, pensions, illness and disability payments.

The SILC data is presented under a number of difference categories including Principal Economic Status (PES). Under PES, for people who identified themselves as unemployed their at-risk-of-poverty rate was 23.2%. However, without the COVID-19 pandemic income supports this figure would have been 44.1%.

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. Amongst the issues noted by survey respondents were: unable to replace worn out furniture; unable to afford new (not second-hand) clothes; unable to afford to have family or friends for a drink or meal once a month; without heating at some stage in the last year. In 2021 the deprivation rate was 13.8%, while for unemployed people, their deprivation rate was 31.6%.

At the national level the consistent poverty rate, which captures people who are at-risk-of-poverty and experience deprivation, was 4%. Again this figure was higher for people who are unemployed at 10.2%: over the year this figure decreased by 6.2 percentage points, reflecting the positive impact of the much higher Covid-19 pandemic income supports. Amongst the other groups with higher consistent poverty rates were people unable to work due to long-standing health problems (19.2%); households with one adult aged under 65 years (11.1%); households with one adult with children aged under 18 years (13.1%); no person at work in the household (12.4%); and people whose tenure status was rented or rent free (9.8%).

Amongst the motions presented at the INOU's 2022 Annual Delegate Conference (ADC) was one which stated that *Given the rising cost of living, the poverty experienced by unemployed people and others dependent on a social welfare payment, the INOU urges the Government to benchmark all social welfare rates at a level which is sufficient to lift people above the poverty line and provide them with a Minimum Essential Standard of Living.* To start to really move on this issue and to support people reliant on a social welfare to cope in these challenging times, core social welfare rates must be increased by at least €20 per week.

The payment of the Christmas Bonus at 100% has been an important support for many people on a long-term social welfare payment: the INOU welcomed the fact that Budget 2022 announced that the eligibility rules for people on a Jobseeker's Allowance Payment for the Christmas Bonus and the Fuel Allowance will be brought into line with other social welfare payments. Given the scale of the challenges facing people an earlier bonus will be required, and it will be imperative that people on a Jobseeker's Allowance payment for at least a year are eligible for this payment and the Fuel Allowance. It would also be important that time spent on a Pandemic Unemployment Payment is included in this assessment. As the coming winter will see energy costs increase even further it will be essential to enhance the Fuel Allowance.

In the Budget 2009 age segregation was introduced into Ireland's means tested unemployment payment, Jobseeker's Allowance. The initial rationale was to encourage young people to stay on in school (18-19 year olds), but as the impact of the 2008 financial crisis deepened the age profile was extended up to 26 years.

Some positive changes have been made in more recent budgets: 25 year olds who meet the means test criteria may be eligible for the full rate; people aged 18-24 living independently and in receipt of housing supports may also be eligible for a full payment. However, in the interests of equality and social inclusion it would be important that this segregation is stopped, it is important to remember that Jobseeker's Allowance is a means tested payment and that any young person eligible for this support is living in a family with few other means.



As the SILC data illustrates the enhanced social welfare payments paid to people during the Covid-19 health pandemic had a positive impact on the poverty levels experienced by people who became unemployed during this crisis. The return to work of people on these enhanced payments once the labour market re-opened demonstrates how important good social welfare supports are to lessen the impact of unemployment on people's lives. It is many years since Ireland moved away from a pay related social insurance based unemployment payment. The Covid-19 pandemic raised serious questions about the inadequacy of unemployment / jobseeker income supports and the importance of addressing this issue. There is a commitment in *Pathways to Work 2021 to 2025*, commitment 41 which states *Using the experience from the Pandemic Unemployment Payment to inform the design of any pay-related social insurance based short-term jobseeker payment that may be developed, as provided for in the Programme for Government.*

It will be important that work is undertaken to move this commitment forward, to ensure that people who become unemployed are supported properly to manage this challenging situation and find alternative and decent employment. However, it will also be vital that improvements in the Jobseeker's Benefit payment are not made at the expense of the means-tested Jobseeker's Allowance payment: a means test which has remained unchanged for many years and limits access to both income and activation supports for people who do not meet its eligibility criteria but remain unemployed.

The second motion to the INOU's 2022 Annual Delegate Conference from the INOU's General Branch stated that *The Covid-19 Pandemic Unemployment Payment has highlighted that it is possible for payments to be introduced with a minimum of form filling. The INOU calls on the Government to reduce the unnecessary bureaucracy in applying for social welfare payments and benefits and to ensure they are as easy to complete as possible.* The INOU is keenly aware that the Government has to be able to account for how public monies will be and are spent, however the organisation is even more aware of the impact on people's ability to access payments and supports if they are struggling to navigate Ireland's complex welfare system. At this year's *Social Inclusion Forum* the point was strongly made that *Bureaucracy is disabling – the system is disabling.*

For many people who can access supports and services online engaging with the state has improved in recent years, but for people for whom this is not a realistic option challenges remain. At times of crisis Ireland has demonstrated a great capacity to get things done, it is imperative that the country strives to ensure that at times of personal or family crisis people are supported to access the supports they need when they need them; that it is clear to whom they should go to get assistance; and that at all times they are fully informed of their rights and entitlements.

At present if a person on a Jobseeker's Allowance payment receives an offer of part-time work, they could find themselves in a dilemma if that work is spread over the working week, rather than concentrated over three days or less. This anomaly is not new, in their 2011 report, *Supports and Services for Unemployed Jobseekers: Challenges and Opportunities in a Time of Recession*, the National Economic and Social Council (NESC) noted that *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. It can be argued that this interpretation of what constitutes availability for work is based on the patterns in working hours of the economy in the past, and does not reflect the more service-based, customer-focused and globally engaged economy of today.* (p142) In *Pathways to Work 2021-2025* there is a commitment to *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.* (No. 43) What exactly this will mean remains to be seen, but one of the actions that could be introduced in Budget 2023 would be to improve the daily income disregard for a person on a Jobseeker's payment who takes up employment. For a decade and a half this figure has stood at €20 per day up to a maximum of €60 per week, it should be increased to at least €25 per day and assessed on hours rather than days worked.



#### IN BUDGET 2023 THE INOU CALLS ON THE GOVERNMENT TO:

- ☞ **Increase Social Welfare payments by €20, and adjust related supports so that people do not lose this increase through, for example, an increase in their differential rent.**
- ☞ **Pay an earlier double bonus payment and ensure the eligibility for people on a Jobseeker's Allowance payment is the same as other social welfare recipients.**
- ☞ **Increase the Fuel Allowance by at least fifty per cent.**
- ☞ **End the age segregation still evident in the Jobseeker's Allowance payment.**
- ☞ **Re-introduce pay-related Jobseeker Benefit payments and restore its duration.**
- ☞ **Ensure that Ireland's social protection system is as responsive as possible and that people can navigate the system easily.**
- ☞ **Introduce a work-friendly Social Welfare system for Jobseekers reflective of changing work practices, based on hours worked rather than days worked.**
- ☞ **Increase the daily earnings income disregard for JA to €25 per day for both the main claimant and qualified adult equally.**



# Inclusive Labour Market

*Pathways to Work 2021-2025* is the Government's National Employment Services Strategy. It was originally envisaged as focusing on people who are particularly distant from the labour market, people who are long-term unemployed, parenting alone, living with a disability, communities that face discrimination in the labour market, in particular Travellers and Roma. Then the Covid-19 pandemic struck Ireland and the world, the nature of how people should work changed, a lot of employment was put on hold, and as this pandemic lasted longer than anyone had initially envisaged, *Pathways to Work* was re-focused to address an anticipated increase in unemployment and the Live Register.

Ireland's labour market has recovered well from the impact of Covid-19 and there are now record numbers of people in employment. However, there are a range of threats facing Ireland, Europe and the world that could change this situation, ranging from the ongoing impact of Covid-19 to the deepening energy crisis. In the meantime it is imperative that Ireland addresses structural inequalities in our labour market. This would be in keeping with the first of the seven high level goals in the *Roadmap for Social Inclusion* which seeks to *Extend employment opportunities to all who can work*; whilst amongst the sixty six commitments is one to *Improve employment services for long-term unemployed people and marginalised groups*. To that end it is critical that Ireland's Public Employment Service is inclusive, is capable of serving the needs of all people of working age, regardless of the payment they are on, or whether they are a job changer or a job seeker.

The provision of good advice and guidance is critical for anyone seeking to make the welfare to work journey, uncertainty as to what income a person will have, what happens if someone moves from a weekly welfare payment to a monthly wage and they have no income initially, can be daunting. There are some supports in the system and it is imperative that people are informed about them on a proactive and ongoing basis so that they can make informed decisions. The costs of travel and childcare present particular difficulties for people, challenges which are exacerbated if the hours of work the person has acquired are uncertain or inconsistent. The recent cut in the cost of public transport to alleviate some of the implications of the cost of living crisis is welcome, though unfortunately there are still parts of the country where such reductions mean little as there is insufficient public transport. The fourth strand of *Pathways to Work* is entitled *Working for All – Leaving No one Behind*, practical supports are vital to facilitate people to make a positive welfare to work journey.

In their March 2022 report, *Experiences and Perceptions of Discrimination In Ireland*, the Department of Children, Equality, Disability, Integration and Youth noted that *Unemployed adults reported the highest level of discrimination on average, ranging from 22% in 2010 to 30% in 2019. This was approximately twice the level of discrimination reported by individuals 'in employment', ranging from 11% in 2010 to 17% in 2019.* (p8) At present there is very little an unemployed person can do to address this issue unless they feel that one of the nine grounds in Ireland's equality legislation would also apply. To address this gap a new ground of socio-economic status must be developed and incorporated into Irish law.

Self-employment can be an important access point to the labour market for people who face exclusion and discrimination in trying to get a job. An unemployed person in receipt of a Jobseeker's Allowance payment can apply for a Back to Work Enterprise Allowance (BTWEA). According to the Central Statistics Office, in May 2022 there were 2,398 on the BTWEA and 375 on the Short-term Enterprise Allowance, a scheme that facilitates people to use their time on their Jobseeker's Benefit payment to pursue self-employment. At present a participant could be on the BTWEA for up to two years. The INOU believes this should be increased to three years, with the participant receiving 50% of their social welfare payment in the third year.

## IN BUDGET 2023 THE INOU CALLS ON THE GOVERNMENT TO:

- ☞ **Ensure that individuals and communities most disadvantaged in the labour market are pro-actively provided with tailor made supports to address their issues.**
- ☞ **Proactively inform people of and provide them with timely access to welfare-to-work and in-work supports including: Back to Work Family Dividend, Payment Pending Wages, Fasttrack, Part-time Job Incentive Scheme, and Working Family Payment.**
- ☞ **Support people to address the initial costs of taking up employment, in particular the costs of travel and childcare.**
- ☞ **Add socio-economic status as a ground into Ireland's equality legislation.**
- ☞ **Fully support unemployed people seeking to address their unemployment through self-employment.**
- ☞ **Increase the Back to Work Enterprise Allowance to three years, and pay 50% of the participant's social welfare payment in the third year.**



# Activation Programmes

Under the theme *Work / State Employment Scheme placements and job subsidies in Pathways to Work 2021-2025* the following outputs were identified: 10,000 people to commence Work Experience placements by end 2022; 14,000 to commence State Employment Schemes (Community Employment / Tús) placements; and 8,000 people to benefit from JobsPlus subsidy by end 2022. As noted earlier unemployment has not risen as expected given the impact of Covid-19 pandemic, however when looking to use activation programmes to support people distant from the labour market to gain access to employment, it is important to look beyond the Live Register.

The INOU's General Branch have raised concerns about the lack of supports for unemployed people who are not in receipt of a social welfare payment. And if serious progress is to be made on addressing the issues highlighted under the fourth strand of *Pathways to Work* which seeks to leave no-one behind, then for people who are on other working age payments, people who are a Qualified Adult on another person's payment, these programmes could have an important role to play. However, it is also critical for the state to undertake focused work on addressing exclusion and discrimination in the labour market, which may arise because of the person's age, address, socio-economic status, ethnicity, that they have a disability or are parenting alone.

Participation in activation programmes costs money, on some schemes like Community Employment and Tús there is a small top-up. The inadequacy of this top-up was an issue before the current cost of living crisis, so it would be even more important to increase it in this year's Budget to better support people to engage in these employment programmes.

According to the Department of Education's December 2021 report *Education Indicators for Ireland* the percentage of Irish adults aged 25-64 who participated in formal and/or non-formal learning activities in 2020 was 11%. Ireland has set itself a lifelong learning target of 15% by 2025. It is possible for Ireland to reach this target without those more distant from and vulnerable in the labour market improving their participation in education and training, yet there is a well established link between educational status and employment status. On many education and training programmes unemployed people receive a payment similar to their social welfare payment, again participation incurs costs for people and given the need for people to enhance their skills in a changing labour market it would be important to adequately support people to undertake lifelong learning.

The provision of good advice and guidance is key to peoples participation in employment, education and training programmes. In a world where work is forecast to change and people are expected to adapt to fit in, good career, employment and education advice is vital, not only at the personal level but also to support Ireland's economic and social development. Such an approach would be in keeping with the fourth of the UN Sustainable Development Goals which strives to *ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*.



## IN BUDGET 2023 THE INOU CALLS ON THE GOVERNMENT TO:

- ☞ **Open up access to activation programmes for unemployed people who are not in receipt of a payment, in particular those signing on for credits.**
- ☞ **Increase the top-up payment on Community Employment and Tús by €7.50.**
- ☞ **Acknowledge the cost of participation in education and training and support adult learners to meet these costs to facilitate their participation.**
- ☞ **In a changing labour market ensure that unemployed people and vulnerable workers are supported to adapt and secure decent work.**
- ☞ **Provide good guidance and sign posting within and across the system so people know where they should go to get the most appropriate supports and provision.**
- ☞ **Support the community and voluntary sector, an important entry point for people more distanced from the labour market, to play its part in supporting employment, education and training opportunities.**

