

A Republic of Opportunity



"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

INOU

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In his speech to Dáil Eireann on the evening he was elected as Taoiseach, Leo Varadkar TD noted the importance of *"a Government that was strong on ethics, strong on the economy, and strong on the principle of equity."* Later on in his speech, the Taoiseach said *"we seek to build a Republic of Opportunity in which every citizen gets a fair go and has the opportunity to succeed, in which every part of the country has a chance to share in our prosperity."*

This year's National Economic Dialogue (NED) had as its theme *"Sustainable and inclusive growth in the context of national and global challenges"*. It is imperative that the concepts of sustainable and inclusive growth are carried through into Budget 2018, and that it really delivers for unemployed people, their families and their communities.

In seeking to build a 'Republic of Opportunity' there must be a strong and demonstrated commitment to the principle and practice of equality. The INOU welcomed the commitment made by the Taoiseach in his address to NED to have improved poverty targets and to get the country back to pre-crisis levels. To that end increasing social welfare rates to ensure that they lift people out of poverty and support them to meet a minimum essential standard of living will be absolutely vital.

Looking at the poverty figures, three groups jump out: those who are unemployed, those who are parenting alone, and those who are living in what they call 'below market' accommodation, in many respects, local authority accommodation. At present only one of these groups is protected by Ireland's equality legislation. The introduction of a socio-economic status ground into this legislation would be an important step in realising a republic of opportunity.

The INOU 2018 Pre-Budget Submission covers:

- ◆ **Adequate Income**
- ◆ **Supportive Employment Services**
- ◆ **Access to Decent Employment**
- ◆ **Education and training**
- ◆ **Community Based Organisations**



INOUC CALLS ON THE GOVERNMENT IN BUDGET 2018 TO

- ◆ **Reinstate** welfare payments to 2009 rates and abolish the age segregation introduced to Jobseekers Allowance in that Budget.
- ◆ **Benchmark** all social welfare rates at a level which is sufficient to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living.
- ◆ **Resource** the provision of good career and employment guidance to support unemployed people to make informed choices, access appropriate education and training, leading to good quality employment in terms of job security and salary levels and in particular to ensure this is available to individuals and communities most disadvantaged in the labour market.
- ◆ **Support** frontline staff to deliver a person-centred service with good guidance and information on the best options.
- ◆ **Incorporate** a strong equality and social inclusion focus.
- ◆ **Highlight** the importance of signing-on for credits by delivering a complete information service, where the service is centred around the client, through welfare.ie and with poster displays and leaflets in the social welfare offices.
- ◆ **Plan** for the employment and unemployment impacts of Brexit and in particular to identify the emerging and possible job losses, the potential alternative enterprises and jobs, and the education and training supports that are required to ensure unemployed people can gain access to these jobs, which must be decent and sustainable.
- ◆ **Introduce** an hours-based social welfare system and re-design the earnings disregard accordingly.
- ◆ **Run** an information campaign on the Back to Work Family Dividend and Family Income Supplement.
- ◆ **Change** the criteria on FIS from 19 hours a week or 38 hours a fortnight to 15 hours a week or 60 hours a month to support people in a labour market that has become increasingly fragmented.
- ◆ **Automate** access to FIS and streamlining this access to ensure that there is as small a time gap as possible between the individual taking up work and their access to supports through FIS.
- ◆ **Increase** the top-up payment on employment programmes by €7.50 to better support participants costs of engagement.
- ◆ **Facilitate** access to employment programmes for all unemployed people, including people in receipt of no payment and ex-offenders.
- ◆ **Re-invest** in community based organisations to support their work with people experiencing social exclusion and people who are distant from the labour market.

Context

On 23rd May, 2017 the Central Statistics Office published the Quarterly National Household Survey (QNHS) for Quarter 1 2017. This quarter covers the months January to March. According to these figures there were 33,200 fewer people unemployed than in the same quarter 2016 and the figure now stands at 146,200 people. The unemployment rate has also dropped, by 1.7% to 6.7%. 78,700 people, or 53.8% of those unemployed, are long-term unemployed. 29.6% of those who are long-term unemployed are men aged 25-44 years old. The long-term unemployment rate decreased by 1.1% to 3.6%.

Looking at the overall unemployment rate from a regional perspective, the unemployment rate varied from a low of 5% in the Mid-East to a high of 9.3% in the South-East. The unemployment rate decreased across the eight regions, varying from 0.6% in Dublin to a 3.8% drop in the Midlands.

At national level employment increased by 68,600. Employment increased in seven of the eight regions, with the largest increase taking place in the West, accounting for 26.7% of the national increase. The Border region was the area where employment fell over the year, there are 300 fewer people employed.

Looking at the unemployment rate from a gender and age perspective, men aged 15-19 had the highest unemployment rate at 18%. While men aged 65+ had the lowest unemployment rate at 1.3%. The unemployment rate of young people aged 15-24 is slightly less than twice that of the overall rate: 13.2% vis-à-vis 6.7%. The only other age group with an unemployment rate higher than the national average is the 25-34 year olds, whose unemployment rate was 7.5% in Q1 2017. However, the employment rate for this age group is also higher than the national average: 76.2% vis-à-vis 65.4%. Looking at the employment rate from a gender perspective, men aged 35-44 have the highest rate at 86%, while men aged 15-19 have the lowest at 11.1%.

On July 4th the Central Statistics Office published the Monthly Unemployment (MU) figures for June 2017. The MU figures are based on the most recent Quarterly National Household Survey, Quarter 1 2017 and the subsequent changes in the Live Register. In June 2017 there were 139,400 people unemployed, an annual decrease of 42,100. The Monthly Unemployment Rate was 6.3%, 2% lower than the same month last year. The unemployment rate for people aged under 25 was 11.9%, a drop of 6% on June 2016. A decrease of 1.5% over the year brought the unemployment rate for people aged 25-74 down to 5.8%.

On July 6th the Central Statistics Office (CSO) published the Live Register for June 2017. According to these figures there were 268,726 people on the Live Register, a drop of 14.9% over the year. The CSO divides the country into 8 regions and over the year the Live Register figures fell across all of them. Dublin accounted for 23.4% of the overall decrease, 1% less than its share of the Live Register.

115,205 people, or 42.9% of it, were on the Register for more than a year, a decline of 19.9% over the year. 58% of that number or 66,957 people have been on it for more than three years. Though this figure has declined by 18% over the past year, it still accounts for 24.9% of the people on the Live Register.

In an annex to the Live Register figures, the CSO also publishes data on participation on activation programmes, which lag a month behind the Live Register figures. So, in May 2017, there were 58,226 people participating on employment, education and training programmes: a drop of 16.8% on the same month last year.

Context

Participation on education and training programmes fell by 20.7% to 16,681, representing a little over a third of the overall decrease on activation programmes. The rest of the decrease is accounted for by a 15.2% drop in the numbers of people participating on employment programmes. Participation on two of these programmes continues to drop dramatically: JobBridge by 83.3% to 636 participants; and Gateway by 85.8% to 280 participants over the past year.

As the table below illustrates Ireland's headline employment and unemployment figures have improved significantly over the past five years, but have still a way to go before they return to pre-crisis levels. Particularly striking is the fact that long-term unemployment is more than twice what it was in Q1 2007. To be included in the official unemployment figures people must answer 'yes' to the two questions: that they have been actively seeking working over the past four weeks and are available to take-up work within the next two weeks. So, respondents may answer 'no' to either of these questions: they may have lost heart searching for work because they have had little success to date, they may feel, for example, their age, or their background is held against them. Or they may have care or transport issues they feel will take them more than two weeks to resolve should they have the good fortune to get a job.

The Potential Additional Labour Force figures captures people facing these dilemmas: again this figure in Q1 2017 was not as high as in Q1 2012, but is higher than ten years ago. Through the range of work the INOU undertakes it is clear that timely access to good information remains an issue and that this is also having an impact on unemployed people's participation in the labour market.

Quarterly National Household Survey	Q1 2007	Q1 2012	Q1 2017
Labour Force	2,211,400	2,146,900	2,191,400
Employment	2,110,600	1,825,000	2,045,100
Rate	68.9%	58.3%	65.4%
Unemployment	100,700	321,900	146,200
Rate	4.6%	15%	6.7%
Long-term Unemployment	29,300	204,300	78,700
Rate	1.3%	9.5%	3.6%
Potential Additional Labour Force	22,100	52,100	31,000
Principle Economic Status	123,900	371,200	188,900

Adequate Income

According to the Central Statistics Office (CSO) the Survey on Income and Living Conditions (SILC) is *“a household survey covering a broad range of issues in relation to income and living conditions. It is the official source of data on household and individual income and also provides a number of key national poverty indicators, such as the ‘at risk of poverty’ rate, the consistent poverty rate and rates of enforced deprivation.”*

In February the CSO published the SILC for 2015 and it showed that the at-risk-of-poverty rate was 16.9%, a decrease of 0.3%. The at-risk-of-poverty rate is produced by looking at the number of people whose income, allowing for family differences, is below 60% of the national median income i.e. the number that has an equal number of people on either side of it. In 2015 the real median equivalised disposable income was €19,772, an increase of 6.2% on the 2014 figure of €18,623. For unemployed people the at-risk-of-poverty rate increased by 5.5% to 43.5% - a figure that is two and a half times the national rate.

In 2015 the deprivation rate was 25.5%, a decrease of 3.5% in comparison to 2014. The deprivation rate is derived from the inability of households to be able to consume at least two of eleven indicators that society in general would regard as the ‘norm’, as affordable. These items include two strong pairs of shoes, a warm waterproof overcoat, ability to heat the home and replace worn out furniture. For unemployed people the deprivation rate decreased by 7.9% to 45.5% - a figure that is 20% higher than the national rate.

The consistent poverty rate captures people who are seen as being at-risk-of-poverty and who are living with or experience deprivation. In 2015 the consistent poverty rate was 8.7%, a slight decrease of 0.1%. For unemployed people the consistent rate increased by 2% to 26.2% - a figure that is three times the national rate.

In Budget 2017 a welcome increase to Jobseekers and other working age payments was made: as these poverty indicators demonstrate much still needs to be done to address the social and economic exclusion facing so many unemployed people and others of working age. However, the Vincentian Partnership for Social Justice’s Minimum Essential Standard of Living work highlights *“In 2017 social welfare does not provide an adequate income for 169 of 214 urban cases examined. Fourteen cases have moved to adequacy in 2017 due to the combined effect of increased social rates and reduced MESL expenditure need.”*

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Supportive Employment Services

When *Pathways to Work 2016 - 2020* was published in 2016 it noted that its focus was changing from 'activation in a time of recession' to 'activation for a recovery' and that the two main objectives were to:

- ◆ Continue and consolidate the progress made to date with an initial focus on working with unemployed jobseekers, in particular people who are long-term unemployed; and
- ◆ Extend the approach of labour market activation to other people who, although not classified as unemployed jobseekers, have the potential and the desire to play an active role in the labour force.

In the Section entitled 'Expanding Scope and Coverage – Active Inclusion' it notes that P2W “includes specific actions to increase labour market participation and employment progression of people who are not currently active in the labour market and to apply the concept of active inclusion as a guiding principle – particularly in the period from 2018 – 2020.” (p18) In 2008, the European Commission adopted a *Recommendation on the active inclusion of people most excluded from the labour market*. This recommendation sought to promote a comprehensive strategy based on the integration of three key elements: adequate income support; inclusive labour markets; and, access to quality services. To that end employment services must:

- ◆ Be a person centred service for everyone of working age;
- ◆ Be pro-active and supportive;
- ◆ Ensure the full & pro-active provision of information;
- ◆ Ensure flexibility in the system to facilitate participation;
- ◆ Deliver good support services with a particular focus on re-skilling; provision of childcare; accessible transport;
- ◆ Ensure integrated provision within and across relevant Departments, Agencies, organisations on the ground;
- ◆ Identify clear pathways from Activation Programmes out into the wider labour market;
- ◆ Commit to and deliver on an inclusive service and identify how the requirements of 'public sector duty' will be met;
- ◆ Provide the proper resources to deliver on such a service.

Supportive Employment Services

The Department of Social Protection's first Strategic Objective is to '*put the client at the centre of services and policies*'. It is absolutely imperative that this objective is visible in the policies and practices of the Department. Through the range of work the INOU undertakes it is clear that timely access to good information remains an issue and that this is also having an impact on unemployed people's participation in the labour market. There are a range of supports that the Department has at its disposal that it needs to pro-actively inform people about, and so ease people's progression into employment. It is important that the Department does not assume what people already know, and that it informs people of, for example, the 'fast-track system' and 'payment pending wages' supports.

At the INOU's recent Annual Delegate Conference concerns were raised and a motion passed about people not fully realising the importance of signing-on for credits. This motion is a very particular example of the potential life-long negative impact of an information deficit. Strand 5 of *Pathways to Work* seeks to '*build organisation capability to deliver enhanced services to people who are unemployed*'. The case study contained in the report highlights the importance of state agencies working together. To address the social and economic exclusion facing many people who are long-term unemployed, a greater recognition of the value of inter-organisational co-operation, and the role community based and led organisations can play, is required. Concerns have been raised with the INOU about local work being undermined by centrally directed provision that may not serve the interests of the most vulnerable unemployed people in the long run.

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- ◆ **Support frontline staff to deliver a person-centred service with good guidance and information on the best options.**
- ◆ **Incorporate a strong equality and social inclusion focus.**
- ◆ **Highlight the importance of signing-on for credits by delivering a complete information service, where the service is centred around the client, through welfare.ie and with poster displays and leaflets in the social welfare offices.**



Access to Decent Employment

Access to decent employment is essential if Ireland is to address the social and economic exclusion facing so many people who are unemployed, parenting alone or living with a disability. However, access to employment alone will not address this exclusion if other essential services are not in place. For example, at the INOU's recent Discussion Forums the issue of homelessness was raised and the impact it has on people's ability to engage with activation services. Access to affordable and appropriate transport was also raised, including the challenges facing young people experiencing exorbitant car insurance costs, ones that can make the welfare-to-work journey particularly difficult. These barriers are exacerbated if the employment on offer is anyway precarious; and to that end the system needs to ensure that it supports unemployed people to access decent employment, and where this is not available that it supports people to manage their cost of living, and in particular those with families.

At the INOU's recent Annual Delegate Conference concerns were raised about the impact of Brexit on unemployed people living in the border region, the only region to see employment fall in the most recent Quarterly National Household Survey. Delegates were also concerned about the impact on more vulnerable employees, people working in indigenous enterprises reliant on the UK market; and people who are more distant from the labour market who have yet to fully benefit from Ireland's on-going economic recovery and who may not benefit if employment starts to fall and unemployment starts to rise again.

For many people employment programmes can be an important access point to the labour market and an important resource to community based organisations seeking to provide services and supports in their local communities or communities of interest. It is important that employment programmes are indeed a stepping stone to a decent job and that participation on these programmes is by choice and people can self-refer.

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Education and Training

The provision of good quality information is critical, so unemployed people can assess their learning opportunities and improve their employment prospects. There is an urgent need for improved integration and transition between the employment services and education and training supports. Integral to this is getting the referrals / matching piece correct: underpinning this must be appropriately trained and experienced staff working from a culture of enablement.

The proper provision of good quality guidance is required to assess peoples' existing skills, identify where there are gaps and how they should be addressed. There are serious concerns about who is and should be assessing unemployed learners' needs and identifying the most appropriate re-skilling options for them. There is also concern that the training element in FET is losing visibility. According to the most recent CSO statistics there were 6,178 participants on full time training for unemployed people in May 2017, in comparison to 9,023 in May 2007.

The Programme for Government notes that *"There has been significant change in the Further, Adult and Community Education sector"* and commits to ensuring that the *"implementation of educational programs and skills training for those unemployed or under-employed are effective in supporting their path to quality employment. We will do this by initiating a Review of the Further, Adult and Community Education sector by the Oireachtas Committee on Education and an implementation of reforms to ensure the effectiveness of the sector."* (p94)

In undertaking this review it will be important to explore two conflicting issues facing unemployed people. On the one hand, there is a growing sense that engagement in education and training is not acknowledged as unemployed people would like within DSP employment services. This scenario is arising even though there is an acknowledged gap between the skills many unemployed people have and the ones sought by employers. On the other hand, unemployed people have experienced being referred onto courses as an end in itself, rather than as a means to an end. Neither situation is satisfactory and must be constructively addressed.

It will be equally important to support and resource good quality alternative and community based learning; to ensure the provision of meaningful information on the options that are available, their relevance and usefulness to the learner and his or her needs; to map out clear progression links to other education and training opportunities, and ultimately to a decent job.

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Community Based Organisations

In 'A Programme for Partnership Government' it notes "Economic and social progress go hand in hand. Only a strong economy supporting people at work can pay for the services needed to create a fair society. It is equally the case that higher levels of public investment in social and economic infrastructure, skills, childcare, and community empowerment are needed for more inclusive, fairer and sustainable patterns of economic growth." (p32)

Later on in the document it states "We want to affirm the contribution of the community and voluntary sector to building a more just and prosperous society, and its strong focus on urban and rural regeneration. Community and voluntary organisations provide the human, social and community services in all key areas of our national life. In this work they contribute to the economy as well as create value for Irish society." (p131)

In local communities a critical access point to the provision of accessible information and supportive services are community based and led organisations. In many cases they are the only access point to the labour market, in particular for people experiencing exclusion because of their age, gender, family status, ethnic or social background, disability.

Many of these organisations are struggling with the cumulative impact of the crisis and the austerity policies that followed in response, with some having to close their doors. The recent report from the Central Statistics Office 'Census 2016 Summary Results - Part 2' highlighted 79 electoral districts where the average unemployment rate was 31.2% in comparison to a national rate of 12.9%.

It is important to acknowledge the role played by initiatives like Community Employment and Tús in the delivery of local public and community services and the subsequent employment opportunities for unemployed people and others distant from the labour market. It would also be critical to capture and demonstrate the skills and work experience acquired through participation in these programmes and enhance their progression outcomes. Community based learning provides an important alternative for the learner for whom the formal education system has not delivered. Investing in such provision is a vital step in the realisation of any republic of opportunity.

IN BUDGET 2018 THE INOU CALLS ON THE GOVERNMENT TO:

- ◆ Re-invest in community based organisations to support their work with people experiencing social exclusion and people who are distant from the labour market.

